

WICHITA FALLS FAITH MISSION, INC.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018



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MWH GROUP
CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Wichita Falls Faith Mission, Inc.
Wichita Falls, Texas

We have audited the accompanying financial statements of Wichita Falls Faith Mission, Inc. (the Mission), a nonprofit corporation, which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wichita Falls Faith Mission, Inc. as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

MWH Group, P.C.

MWH GROUP, P.C.

Wichita Falls, Texas
September 20, 2019

WICHITA FALLS FAITH MISSION, INC.

STATEMENTS OF FINANCIAL POSITION JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 1,018,714	\$ 729,281
Investments	450	500
Accounts receivable	15,774	6,440
Current portion of long-term notes receivable	6,269	41,397
Inventory	24,727	24,727
Land held for sale	17,200	17,200
Prepaid expenses and other	25,206	19,310
Total current assets	<u>1,108,340</u>	<u>838,855</u>
Note receivable, less current portion	30,202	1,930
Property and equipment, net	<u>4,123,381</u>	<u>4,168,794</u>
Total assets	<u><u>\$ 5,261,923</u></u>	<u><u>\$ 5,009,579</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 22,608	\$ 14,429
Current portion capital lease	2,135	3,668
Deferred compensation agreement	21,579	20,275
Other accrued liabilities	48,067	45,727
Total current liabilities	<u>94,389</u>	<u>84,099</u>
Noncurrent liabilities:		
Capital lease, less current portion	1,530	3,549
Deferred compensation agreement, less current portion	26,936	48,515
Total noncurrent liabilities	<u>28,466</u>	<u>52,064</u>
Total liabilities	<u>122,855</u>	<u>136,163</u>
Net assets:		
Without donor restrictions	5,067,126	4,817,212
With donor restrictions	71,942	56,204
Total net assets	<u>5,139,068</u>	<u>4,873,416</u>
Total liabilities and net assets	<u><u>\$ 5,261,923</u></u>	<u><u>\$ 5,009,579</u></u>

The accompanying notes are an integral part of these financial statements.

WICHITA FALLS FAITH MISSION, INC.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, support, and gains:			
Contributions	\$ 1,956,111	\$ 30,066	\$ 1,986,177
Special events	350,685	-	350,685
Interest income	10,061	-	10,061
Oil and gas royalties	892	-	892
Miscellaneous revenue	9,535	-	9,535
Sales	731,203	-	731,203
Less: cost of sales	(545,937)	-	(545,937)
Net assets released from restrictions	<u>14,328</u>	<u>(14,328)</u>	<u>-</u>
Total revenues, support, and gains	<u>2,526,878</u>	<u>15,738</u>	<u>2,542,616</u>
Expenses:			
Program services	1,901,480	-	1,901,480
Administrative	149,971	-	149,971
Fundraising	<u>225,513</u>	<u>-</u>	<u>225,513</u>
Total expenses	<u>2,276,964</u>	<u>-</u>	<u>2,276,964</u>
Change in net assets	249,914	15,738	265,652
Net assets at beginning of year	<u>4,817,212</u>	<u>56,204</u>	<u>4,873,416</u>
Net assets at end of year	<u><u>\$ 5,067,126</u></u>	<u><u>\$ 71,942</u></u>	<u><u>\$ 5,139,068</u></u>

The accompanying notes are an integral part of these financial statements.

WICHITA FALLS FAITH MISSION, INC.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support:			
Contributions	\$ 1,744,857	\$ 34,300	\$ 1,779,157
Special events	351,939	-	351,939
Interest income	8,008	-	8,008
Oil and gas royalties	621	-	621
Miscellaneous revenue	247	-	247
Sales	616,633	-	616,633
Less: cost of sales	(472,252)	-	(472,252)
Gain on disposal of asset	5,685	-	5,685
Net assets released from restrictions	33,317	(33,317)	-
Total revenues and support	<u>2,289,055</u>	<u>983</u>	<u>2,290,038</u>
Expenses:			
Program services	1,759,793	-	1,759,793
Administrative	147,221	-	147,221
Fundraising	280,362	-	280,362
Total expenses	<u>2,187,376</u>	<u>-</u>	<u>2,187,376</u>
Change in net assets	101,679	983	102,662
Net assets at beginning of year, as reported	<u>4,715,533</u>	<u>55,221</u>	<u>4,770,754</u>
Net assets at end of year	<u><u>\$ 4,817,212</u></u>	<u><u>\$ 56,204</u></u>	<u><u>\$ 4,873,416</u></u>

The accompanying notes are an integral part of these financial statements.

WICHITA FALLS FAITH MISSION, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2019

	Program Services	Administrative	Fundraising	Total
Auto and truck	\$ 42,443	\$ -	\$ -	\$ 42,443
Christmas gift	1,260	-	-	1,260
Contract labor	5,845	-	-	5,845
Depreciation	205,155	27,436	4,221	236,812
Employee benefits	46,385	7,900	1,569	55,854
Food	205,301	-	-	205,301
Insurance	59,541	5,318	919	65,778
Kitchen supplies	15,905	-	-	15,905
Membership dues and fees	4,629	575	250	5,454
Office and miscellaneous	59,668	4,544	10,820	75,032
Payroll taxes	75,647	4,525	3,629	83,801
Postage and printing	679	-	5,784	6,463
Professional fees	-	12,400	-	12,400
Program gift	28,715	-	-	28,715
Promotional	6,085	-	119,827	125,912
Repair and maintenance	125,608	16,615	2,556	144,779
Salaries	867,096	57,538	37,821	962,455
Specific assistance	13,756	-	-	13,756
Special events	-	-	32,046	32,046
Supplies	11,122	-	-	11,122
Training and travel	4,372	305	4,099	8,776
Utilities	122,268	12,815	1,972	137,055
Totals	<u>\$ 1,901,480</u>	<u>\$ 149,971</u>	<u>\$ 225,513</u>	<u>\$ 2,276,964</u>

The accompanying notes are an integral part of these financial statements.

WICHITA FALLS FAITH MISSION, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2018

	Program Services	Administrative	Fundraising	Total
Auto and truck	\$ 42,842	\$ -	\$ -	\$ 42,842
Christmas gift	4,013	-	-	4,013
Contract labor	5,054	-	-	5,054
Depreciation	209,219	29,322	4,511	243,052
Employee benefits	34,074	6,729	758	41,561
Food	5,851	-	-	5,851
Insurance	60,824	5,536	961	67,321
Kitchen supplies	13,798	-	-	13,798
Membership dues and fees	6,037	-	-	6,037
Office and miscellaneous	61,111	2,960	9,508	73,579
Store lease	47,327	-	-	47,327
Payroll taxes	74,598	4,421	3,540	82,559
Postage and printing	2,770	-	4,536	7,306
Professional fees	-	13,119	-	13,119
Program gift	36,920	-	-	36,920
Promotional	2,008	-	132,223	134,231
Repair and maintenance	133,947	18,172	2,795	154,914
Salaries	843,662	54,813	36,988	935,463
Specific assistance	21,762	-	-	21,762
Special events	-	-	80,768	80,768
Special projects	13,185	-	-	13,185
Supplies	21,480	-	-	21,480
Training and travel	2,628	-	1,905	4,533
Utilities	107,528	12,149	1,869	121,546
Bad debt expense	9,155	-	-	9,155
Totals	<u>\$ 1,759,793</u>	<u>\$ 147,221</u>	<u>\$ 280,362</u>	<u>\$ 2,187,376</u>

The accompanying notes are an integral part of these financial statements.

WICHITA FALLS FAITH MISSION, INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ 265,652	\$ 102,662
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	236,812	243,052
Gain on disposal of assets	-	(5,685)
(Increase) decrease in assets:		
Receivables	(9,334)	6,384
Prepaid expenses	(5,896)	6,447
Increase (decrease) in liabilities:		
Accounts payable	8,179	(11,490)
Deferred compensation agreement	(20,275)	(20,706)
Other accrued liabilities	2,340	18,988
Net cash provided by operating activities	<u>477,478</u>	<u>339,652</u>
Cash flows from investing activities:		
Purchase of property and equipment	(191,399)	(566,327)
Proceeds from sale of property and equipment	-	10,000
Payments on capital lease	(3,552)	(3,551)
Proceeds from sale of investments	50	(500)
Collections on note receivable	6,856	(5,618)
Net cash used by investing activities	<u>(188,045)</u>	<u>(565,996)</u>
Net increase (decrease) in cash and cash equivalents	289,433	(226,344)
Cash and cash equivalents at beginning of year	<u>729,281</u>	<u>955,625</u>
Cash and cash equivalents at end of year	<u>\$ 1,018,714</u>	<u>\$ 729,281</u>

The accompanying notes are an integral part of these financial statements.

WICHITA FALLS FAITH MISSION, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Wichita Falls Faith Mission, Inc. (the Mission) is an independent nonprofit corporation whose operating facility and administrative offices are located at 1300 Travis Street, Wichita Falls, Texas. The Mission provides food, clothing, lodging, and shares the "Good News of the Gospel of Jesus Christ" with needy, transient, and indigent individuals and families in the Wichita Falls area. The Mission receives private donations of money, food, clothing, household items, etc. from the general public.

Basis of Presentation

The financial statements of the Mission have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Mission to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Mission's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Mission or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Cash and Cash Equivalents

For financial reporting purposes, the Mission considers all highly liquid debt instruments purchased with original maturities of three months or less to be cash equivalents.

Inventory

Inventory consists of donated apparel and other items and is recorded as contributions and as inventory in the period received at fair market value.

Property and Equipment

Acquisitions of property and equipment in excess of \$1,000 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of

WICHITA FALLS FAITH MISSION, INC.

NOTES TO FINANCIAL STATEMENTS (CONT'D.)

JUNE 30, 2019 AND 2018

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

donation. Depreciation is provided utilizing the straight-line method over the estimated useful lives of the respective assets, as follows:

Buildings and improvements	10 to 30 years
Vehicles, furniture, and fixtures	3 to 10 years

Donated Land, Equipment, Materials, and Services

Contributions of services and materials are recognized in the accompanying financial statements in accordance with FASB ASC 958-605, *Accounting for Contributions Received and Contributions Made*. If the services received enhance or create non-financial assets, require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by the donation.

Income Taxes

The Mission is qualified as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986 and therefore, has no provision for federal income tax.

Functional Classification of Expenses

Directly identifiable expenses are charged to program services, administrative, and fundraising functions. Expenses related to more than one function are charged to each function on the basis of periodic time and expense studies. Administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Mission. A description of the Mission's functions is provided below:

- Program Services

The Mission provides food, clothing, lodging, financial assistance, addiction counseling, and shares the "Good News of the Gospel of Jesus Christ" with needy, transient, and indigent individuals and families in the Wichita Falls area. Management believes that approximately 85% of pertinent non-direct expenses are related to this function.

- Administrative

The Administration program provides occupancy and administrative services to the Mission. Management believes that approximately 13% of pertinent non-direct expenses are related to this function.

- Fundraising

The Mission engages in a number of fundraising activities, including rallies with praise and worship, food drives, mail solicitations, Night in a Box, Decorator Show House, and Faith in the Falls. Contributions to the Mission are received from the general public. Management believes that approximately 2% of pertinent non-direct expenses are related to this function.

WICHITA FALLS FAITH MISSION, INC.

NOTES TO FINANCIAL STATEMENTS (CONT'D) JUNE 30, 2019 AND 2018

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Restricted and Unrestricted Revenue

Contributions received are recorded as increases in net assets with or without donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Accrued Compensated Absences

The Mission's policy for compensated absences for vacation and sick leave allows for accumulated hours earned monthly based on years of service. An employee may accumulate up to 96 hours of vacation each year and is to be paid for unused vacation time upon separation from service. The total dollar amount of unpaid vacation, which is accrued and included in other accrued liabilities, was \$20,407 and \$21,974 as of June 30, 2019 and 2018, respectively.

An employee may earn up to 64 hours of sick time in a year, but any unused sick time cannot be carried over to future periods. Sick leave benefits are forfeited at the date of employee termination. No liability has been recorded on the books of the Mission relative to sick leave benefits. It is considered remote that the entire contingent liability will be paid; furthermore, the probable amount of sick leave compensation expected to be paid in the future cannot be reasonably estimated.

Advertising

The Mission uses advertising to solicit donations and promote special events. The costs of advertising are expensed as incurred. During the years ended June 30, 2019 and 2018, advertising costs totaled \$125,912 and \$134,231, respectively.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

WICHITA FALLS FAITH MISSION, INC.

NOTES TO FINANCIAL STATEMENTS (CONT'D.) JUNE 30, 2019 AND 2018

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Donated Goods

The majority of the food distributed by the Mission is received by contributions from the general public, and local businesses. The estimated value of these contributions is determined to be \$1.67 per pound for 2019, is recognized in the financial statements as contribution revenue and program expense. The Mission received \$138,856 in donated food for the year ended June, 30 2019. The refuge received \$56,915 in donated food for the year ended June, 30 2019.

Purchased food is expensed at cost. Unlike donated food, there is no revenue associated with the purchased food. However, a majority of the food purchases are funded by cash contributions that are restricted for a particular distribution program.

Change in Accounting Principle

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. We have implemented ASU 2016-14 and have adjusted the presentation in these financial statements accordingly.

Date of Management's Evaluation

Management has evaluated subsequent events through September 20, 2019, the date on which the financial statements were available to be issued.

Note 2 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 1,018,714	\$ 729,281
Accounts receivable	15,774	6,440
Investments	450	500
Current portion of long-term notes receivable	<u>6,269</u>	<u>41,397</u>
	<u>\$ 1,041,207</u>	<u>\$ 777,618</u>

As part of the liquidity management plan, they invest cash in excess of daily requirements in short-term investments and money market funds.

WICHITA FALLS FAITH MISSION, INC.

NOTES TO FINANCIAL STATEMENTS (CONT'D.) JUNE 30, 2019 AND 2018

Note 3 - FINANCIAL INSTRUMENTS

Concentration of Credit Risk for Cash Held in Banks

The Mission maintains bank accounts with several institutions. The accounts held at the bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2019, the Mission's cash accounts exceeded the FDIC insurance threshold by \$198,804. At June 30, 2018, the Mission's cash accounts were fully covered by FDIC insurance.

Fair Value

Management has determined the carrying amounts of the Mission's cash and cash equivalents, accounts receivable, accounts payable, inventory, and other accrued liabilities approximate their fair value.

Note 4 - PROPERTY AND EQUIPMENT

Property and equipment are stated at cost less accumulated depreciation. Major classifications of property and equipment at June 30, 2019 and 2018 are summarized as follows:

	<u>2019</u>	<u>2018</u>
Property and equipment not being depreciated:		
Land	\$ 238,959	\$ 246,022
Property and equipment being depreciated:		
Building and improvements	5,817,980	5,729,042
Furniture and fixtures	769,224	668,527
Vehicles and equipment	136,371	127,544
Total property and equipment being depreciated	6,723,575	6,525,113
Less accumulated depreciation	(2,839,153)	(2,602,341)
Total property and equipment being depreciated, net	3,884,422	3,922,772
Total property and equipment, net	\$ 4,123,382	\$ 4,168,794

Depreciation expense was \$226,412 and \$243,052 for 2019 and 2018, respectively.

Note 5 - CAPITAL LEASE

The Mission entered into a capital lease on July 22, 2015, for a Kubota commercial mower. The lease requires monthly payments of \$128 and expires in July 2019. On April 14, 2017, the Mission entered into another capital lease for a Kubota commercial mower. The lease requires monthly payments of \$167 and expires in April 2021.

WICHITA FALLS FAITH MISSION, INC.

NOTES TO FINANCIAL STATEMENTS (CONT'D.) **JUNE 30, 2019 AND 2018**

Note 5 - CAPITAL LEASE (CONT'D.)

These commitments provide for minimum future lease payments as of June 30, 2019 as follows:

<u>Year ending June 30,</u>	
2020	\$ 2,135
2021	<u>1,530</u>
Total future minimum lease payments	3,665
Less: amount representing interest	<u>(-)</u>
Total future minimum lease payments	<u>\$ 3,665</u>

The carrying value of the equipment purchased under capital lease is \$9,489 at June 30, 2019.

Note 6 - DEFERRED COMPENSATION AGREEMENT

Effective August 20, 2001, a deferred compensation plan for the former Executive Director and former Marketing Director was adopted by action of the Board of Directors. The plan requires that on the first day of the month immediately following the retirement or death of the former Executive Director, and on the first day of each month thereafter during the joint lifetimes of the former Executive Director and the former Marketing Director, the Mission will pay the former Executive Director and the former Marketing Director, or the survivor of them, the total sum of \$2,000 per month. This Deferred Compensation Agreement was entered into for and in consideration of the years of service given to the Mission. Effective January 1, 2007 the former Executive Director retired. Total payments under this arrangement for fiscal years 2019 and

2018 were \$24,000 each. Future minimum payments are \$24,000 per year until the death of the retired Executive Director. No such agreements have been extended to any other employees of the Mission, nor does the Mission intend to enter into such agreements in the future.

A liability has been recorded for the net present value of the obligation under the agreement, based on the estimated remaining life of the recipient. As the remaining life of the recipient is uncertain, it is at least reasonably possible that the estimate will change in the near term.

Note 7 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Subject to expenditure for a specific purpose:		
Medical and dental care – for clients	\$ 53,107	\$ 49,941
Transitional Support	5,774	-
Client supplies and gifts	1,620	-
Capital projects	<u>11,439</u>	<u>6,263</u>
Total	<u>\$ 71,940</u>	<u>\$ 56,204</u>

WICHITA FALLS FAITH MISSION, INC.

NOTES TO FINANCIAL STATEMENTS (CONT'D.) JUNE 30, 2019 AND 2018

Note 8 - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors during the years June 30, 2019 and 2018 was as follows:

	<u>2019</u>	<u>2018</u>
Medical and dental care – for clients	\$ 11,834	\$ 13,381
Transitional Support	1,532	-
Capital projects	<u>962</u>	<u>19,936</u>
	<u>\$ 14,328</u>	<u>\$ 33,317</u>

Note 9 - FAITH RESALE SALES

Sales for Faith Resale were \$581,842 and \$514,692 for the years ended June 30, 2019 and 2018, respectively. Sales are shown net of applicable sales taxes.

Note 10 - OIL AND GAS MINERAL INTEREST

In 1987, the Mission received a donation of an overriding royalty interest in an oil and gas mineral lease located in Webster Parish, Louisiana.

Royalties received are included as unrestricted revenue in the accompanying financial statements. The \$8,756 original appraised value of the asset has been fully amortized and is included in the Mission's property and equipment.

Note 11 - CONCENTRATIONS

Faith Mission operates in Wichita Falls, Texas. Therefore, support and revenue is dependent on economic conditions in that area.

Note 12- RETIREMENT PLAN

The Mission has in place a Savings Incentive Match Plan for Employees (SIMPLE). A SIMPLE plan is a defined contribution plan where an employee may defer up to \$11,500 per year in compensation. The Mission will match up to 3% of the employee's salary. SIMPLE matching expense was \$7,215 and \$5,478 for 2019 and 2018, respectively.

SUPPLEMENTAL SCHEDULES

WICHITA FALLS FAITH MISSION, INC.

SCHEDULE OF ACTIVITIES BY COST CENTER FOR THE YEAR ENDED JUNE 30, 2019

	Without Donor Restrictions					
	Faith Mission	Faith Resale	Faith Refuge	Academy	Faith Enterprises	Total
Revenues, support, and gains:						
Contributions	\$ 1,168,328	\$ 545,957	\$ 241,826	\$ -	\$ -	\$ 1,956,111
Special events	143,136	-	207,549	-	-	350,685
Interest income	10,061	-	-	-	-	10,061
Oil and gas royalties	892	-	-	-	-	892
Miscellaneous revenue	9,535	-	-	-	-	9,535
Sales	-	581,842	-	-	149,361	731,203
Less: cost of sales	-	(545,937)	-	-	-	(545,937)
Net assets released from restrictions	4,970	-	9,358	-	-	14,328
Total revenues, support, and gains	<u>1,336,922</u>	<u>581,862</u>	<u>458,733</u>	<u>-</u>	<u>149,361</u>	<u>2,526,878</u>
Expenses:						
Program services	706,893	365,159	664,312	35,080	130,036	1,901,480
Administrative	69,013	-	80,958	-	-	149,971
Fundraising	111,837	-	113,676	-	-	225,513
Total expenses	<u>887,743</u>	<u>365,159</u>	<u>858,946</u>	<u>35,080</u>	<u>130,036</u>	<u>2,276,964</u>
Change in net assets	<u>\$ 449,179</u>	<u>\$ 216,703</u>	<u>\$ (400,213)</u>	<u>\$ (35,080)</u>	<u>\$ 19,325</u>	<u>\$ 249,914</u>

With Donor Restrictitons					
Faith Mission	Faith Refuge	Academy	Faith Enterprises	Total	Total
\$ 13,539	\$ 16,526	\$ -	\$ -	\$ 30,065	\$ 1,986,176
-	-	-	-	-	350,685
-	-	-	-	-	10,061
-	-	-	-	-	892
-	-	-	-	-	9,535
-	-	-	-	-	731,203
-	-	-	-	-	(545,937)
(4,970)	(9,358)	-	-	(14,328)	-
8,569	7,168	-	-	15,737	2,542,615
-	-	-	-	-	1,901,480
-	-	-	-	-	149,971
-	-	-	-	-	225,513
-	-	-	-	-	2,276,964
\$ 8,569	\$ 7,168	\$ -	\$ -	\$ 15,737	\$ 265,651

WICHITA FALLS FAITH MISSION, INC.

SCHEDULE OF ACTIVITIES BY COST CENTER FOR THE YEAR ENDED JUNE 30, 2018

	Without Donor Restrictions				Faith	Total
	Faith Mission	Faith Resale	Faith Refuge	Academy	Enterprises	
Revenues and support:						
Contributions	\$ 1,005,744	\$ 472,352	\$ 264,637	\$ -	\$ 2,124	\$ 1,744,857
Special events	34,507	-	317,382	-	50	351,939
Interest income	7,996	-	12	-	-	8,008
Oil and gas royalties	621	-	-	-	-	621
Miscellaneous revenue	-	-	-	-	247	247
Sales	-	514,692	-	-	101,941	616,633
Less: cost of sales	-	(472,252)	-	-	-	(472,252)
Gain on the disposal of assets	5,685	-	-	-	-	5,685
Net assets released from restrictions	21,421	-	11,896	-	-	33,317
Total revenues and support	1,075,974	514,792	593,927	-	104,362	2,289,055
Expenses:						
Program services	631,197	343,787	574,993	28,539	181,277	1,759,793
Administrative	70,448	-	76,773	-	-	147,221
Fundraising	139,695	-	140,667	-	-	280,362
Total expenses	841,340	343,787	792,433	28,539	181,277	2,187,376
Change in net assets	\$ 234,634	\$ 171,005	\$ (198,506)	\$ (28,539)	\$ (76,915)	\$ 101,679

With Donor Restrictions

Faith Mission	Faith Refuge	Academy	Faith Enterprises	Total	Total
\$ 12,800	\$ 21,500	\$ -	\$ -	\$ 34,300	\$ 1,779,157
-	-	-	-	-	351,939
-	-	-	-	-	8,008
-	-	-	-	-	621
-	-	-	-	-	247
-	-	-	-	-	616,633
-	-	-	-	-	(472,252)
-	-	-	-	-	5,685
(21,421)	(1,896)	-	-	(33,317)	-
(8,621)	9,604	-	-	983	2,290,038
-	-	-	-	-	1,759,793
-	-	-	-	-	147,221
-	-	-	-	-	280,362
-	-	-	-	-	2,187,376
\$ (8,621)	\$ 9,604	\$ -	\$ -	\$ 983	\$ 102,662

WICHITA FALLS FAITH MISSION, INC.

SCHEDULE OF FUNCTIONAL EXPENSES BY COST CENTER FOR THE YEAR ENDED JUNE 30, 2019

	Program Services						Administrative	Fundraising	Total
	Faith Mission	Faith Resale	Faith Refuge	Academy	Faith Enterprises	Total			
Auto and truck	\$ 11,031	\$ 8,773	\$ 6,040	\$ -	\$ 16,599	\$ 42,443	\$ -	\$ -	\$ 42,443
Christmas gift	1,135	-	125	-	-	1,260	-	-	1,260
Contract labor	-	5,825	20	-	-	5,845	-	-	5,845
Depreciation	33,263	17,942	146,128	162	7,660	205,155	27,436	4,221	236,812
Employee benefits	24,010	8,524	13,888	19	(56)	46,385	7,900	1,569	55,854
Food	145,921	-	59,380	-	-	205,301	-	-	205,301
Insurance	18,670	12,535	15,329	952	12,055	59,541	5,318	919	65,778
Kitchen supplies	11,325	-	4,580	-	-	15,905	-	-	15,905
Membership dues and fees	2,979	-	1,650	-	-	4,629	575	250	5,454
Office and miscellaneous	22,538	17,784	11,350	3,281	4,715	59,668	4,544	10,820	75,032
Payroll taxes	23,240	19,452	23,747	2,244	6,964	75,647	4,525	3,629	83,801
Postage and printing	629	-	-	50	-	679	-	5,784	6,463
Professional fees	-	-	-	-	-	-	12,400	-	12,400
Program gift	11,047	-	14,235	2,929	504	28,715	-	-	28,715
Promotional	-	5,959	-	38	88	6,085	-	119,827	125,912
Repair and maintenance	57,988	9,100	50,650	35	7,835	125,608	16,615	2,556	144,779
Salaries	283,419	219,819	277,240	25,370	61,248	867,096	57,538	37,821	962,455
Specific assistance	5,146	-	8,610	-	-	13,756	-	-	13,756
Supplies	-	-	-	-	11,122	11,122	-	-	11,122
Training and travel	613	2,277	1,482	-	-	4,372	305	4,099	8,776
Utilities	53,939	37,169	29,858	-	1,302	122,268	12,815	1,972	137,055
Totals	<u>\$ 706,893</u>	<u>\$ 365,159</u>	<u>\$ 664,312</u>	<u>\$ 35,080</u>	<u>\$ 130,036</u>	<u>\$ 1,901,480</u>	<u>\$ 149,971</u>	<u>\$ 225,513</u>	<u>\$ 2,276,964</u>

WICHITA FALLS FAITH MISSION, INC.

SCHEDULE OF FUNCTIONAL EXPENSES BY COST CENTER FOR THE YEAR ENDED JUNE 30, 2018

Program Services									
	Faith Mission	Faith Resale	Faith Refuge	Academy	Faith Enterprises	Total	Administrative	Fundraising	Total
Auto and truck	\$ 11,380	\$ 7,839	\$ 1,918	\$ -	\$ 21,705	\$ 42,842	\$ -	\$ -	\$ 42,842
Christmas gift	3,127	-	886	-	-	4,013	-	-	4,013
Contract labor	-	217	-	-	4,837	5,054	-	-	5,054
Depreciation	48,998	10,710	142,718	168	6,625	209,219	29,322	4,511	243,052
Employee benefits	20,674	5,898	6,772	21	709	34,074	6,729	758	41,561
Food	3,692	-	2,159	-	-	5,851	-	-	5,851
Insurance	17,814	12,637	17,528	492	12,353	60,824	5,536	961	67,321
Kitchen supplies	10,838	-	2,960	-	-	13,798	-	-	13,798
Membership dues and fees	4,528	-	1,509	-	-	6,037	-	-	6,037
Office and miscellaneous	25,553	18,048	10,996	2,853	3,661	61,111	2,960	9,508	73,579
Store lease	-	47,327	-	-	-	47,327	-	-	47,327
Payroll taxes	24,547	16,542	22,683	1,957	8,869	74,598	4,421	3,540	82,559
Postage and printing	2,549	-	148	73	-	2,770	-	4,536	7,306
Program gift	9,773	-	23,619	3,251	277	36,920	-	-	36,920
Promotional	-	1,418	-	590	-	2,008	-	132,223	134,231
Repair and maintenance	70,821	9,374	48,003	32	5,717	133,947	18,172	2,795	154,914
Salaries	296,086	186,058	256,996	19,102	85,420	843,662	54,813	36,988	935,463
Specific assistance	11,562	-	10,200	-	-	21,762	-	-	21,762
Special projects	13,185	-	-	-	-	13,185	-	-	13,185
Supplies	-	-	-	-	21,480	21,480	-	-	21,480
Training and travel	1,720	99	809	-	-	2,628	-	1,905	4,533
Utilities	54,350	27,620	25,089	-	469	107,528	12,149	1,869	121,546
Bad debt expense	-	-	-	-	9,155	9,155	-	-	9,155
Totals	<u>\$ 631,197</u>	<u>\$ 343,787</u>	<u>\$ 574,993</u>	<u>\$ 28,539</u>	<u>\$ 181,277</u>	<u>\$ 1,759,793</u>	<u>\$ 147,221</u>	<u>\$ 280,362</u>	<u>\$ 2,187,376</u>