

**WHOSOEVER GOSPEL MISSION  
AND RESCUE HOME ASSOCIATION**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEARS ENDED SEPTEMBER 30, 2020 AND 2019**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Whosoever Gospel Mission and Rescue Home Association  
Philadelphia, Pennsylvania

We have audited the accompanying financial statements of Whosoever Gospel Mission and Rescue Home Association (a nonprofit organization), which comprise the statements of financial position as of September 30, 2020 and 2019, 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.

### ***Auditors' 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 auditors' 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.

Board of Directors  
Whosoever Gospel Mission and Rescue Home Association

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Whosoever Gospel Mission and Rescue Home Association as of September 30, 2020 and 2019, 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.

***Change in Accounting Principle***

As described in Note 1, management adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this matter.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Plymouth Meeting, Pennsylvania  
November 25, 2020

**WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2020 AND 2019**

<b>ASSETS</b>	2020	2019
Cash	\$ 239,205	\$ 49,679
Promises to Give/Pledges Receivable	-	17,200
Inventories	216,334	214,830
Prepaid Expenses and Deposits	18,568	25,128
Investments	543,924	428,724
Land, Building, and Equipment, Net	2,678,410	2,761,801
Total Assets	\$ 3,696,441	\$ 3,497,362
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Note Payable	\$ 45,298	\$ 52,189
Paycheck Protection Program Loan	172,200	-
Accounts Payable	10,009	11,921
Accrued Expenses and Withheld Taxes	49,975	81,072
Total Liabilities	277,482	145,182
<b>NET ASSETS</b>		
Without Donor Restrictions:		
Designated for Use	638,398	474,228
Plant	2,678,410	2,761,801
Total Net Assets Without Donor Restrictions	3,316,808	3,236,029
With Donor Restrictions	102,151	116,151
Total Net Assets	3,418,959	3,352,180
Total Liabilities and Net Assets	\$ 3,696,441	\$ 3,497,362

See accompanying Notes to Financial Statements.

**WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION  
STATEMENTS OF ACTIVITIES  
YEARS ENDED SEPTEMBER 30, 2020 AND 2019**

	2020	2019
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
<b>REVENUES</b>		
Public Support		
Contributions	\$ 995,783	\$ 496,983
Gifts-In-Kind	311,199	535,474
Legacies and Bequests	-	30,242
Grant Revenue	217,041	248,009
Total Revenues	1,524,023	1,310,708
<b>OTHER SUPPORT</b>		
Store Sales	299,572	416,528
Salvage Sales	11,627	19,081
Program Services Revenue	22,167	24,930
Investment Income	17,549	15,230
Total Other Support	350,915	475,769
Subtotal	1,874,938	1,786,477
<b>NET ASSETS RELEASED FROM DONOR RESTRICTIONS</b>		
Restrictions Satisfied by Payments or Expiration of Time Restrictions	31,556	27,085
Total Revenues Without Donor Restrictions and Other Support	1,906,494	1,813,562
<b>EXPENSES</b>		
Program Services, Rehabilitation	1,434,673	1,561,162
Supporting Services:		
Management and General	133,703	122,582
Fundraising	114,272	107,736
Depreciation	140,166	133,740
Interest	2,901	3,293
Total Expenses	1,825,715	1,928,513
Changes in Net Assets Without Donor Restrictions	80,779	(114,951)
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>		
Grant, Men's Dormitory	400	-
Grants, Other	600	12,685
Other Income	16,556	-
Subtotal	17,556	12,685
<b>NET ASSETS RELEASED FROM DONOR RESTRICTIONS</b>		
Restrictions Satisfied by Payments or Expiration of Time Restrictions	(31,556)	(27,085)
Changes in Net Assets With Donor Restrictions	(14,000)	(14,400)
<b>CHANGE IN NET ASSETS</b>	66,779	(129,351)
Net Assets - Beginning of Year	3,352,180	3,481,531
<b>NET ASSETS - END OF YEAR</b>	\$ 3,418,959	\$ 3,352,180

See accompanying Notes to Financial Statements.

**WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED SEPTEMBER 30, 2020**

	Program Services	Supporting Services		2020
	Rehabilitation Program	Management and General	Fund Raising	Total Expenses
Salaries	\$ 598,584	\$ 81,328	\$ 69,653	\$ 749,565
Employee Benefits	65,405	8,886	7,611	81,902
Pension Plan	8,768	1,191	1,020	10,979
Payroll Taxes	33,422	4,541	3,889	41,852
Total	<u>706,179</u>	<u>95,946</u>	<u>82,173</u>	<u>884,298</u>
Careers Phase	13,268	-	-	13,268
Cost of Goods Sold, Thrift, and Salvage Sales	311,199	-	-	311,199
Development	-	-	32,099	32,099
Food Service	92,783	-	-	92,783
General	7,745	6,311	-	14,056
Heat, Light, and Power	46,668	2,456	-	49,124
Insurance	45,026	6,140	-	51,166
Investment Fees	-	2,348	-	2,348
Learning Center	4,674	-	-	4,674
Licenses and Inspection Fees	19,332	2,148	-	21,480
Men and Family Ministry	19,162	-	-	19,162
Men's Allowances	16,124	-	-	16,124
Men's Medical	1,066	-	-	1,066
New Life Program	9,183	-	-	9,183
Office Supplies	7,221	985	-	8,206
Plant Repair	30,636	3,404	-	34,040
Professional Fees	-	12,800	-	12,800
Salvage	1,205	-	-	1,205
Supplies	8,641	960	-	9,601
Telephone	3,903	205	-	4,108
Thrift Store	66,707	-	-	66,707
Trash Service	9,899	-	-	9,899
Travel and Training	1,188	-	-	1,188
Truck	12,864	-	-	12,864
	<u>1,434,673</u>	<u>133,703</u>	<u>114,272</u>	<u>1,682,648</u>
Depreciation	126,149	14,017	-	140,166
Interest	-	2,901	-	2,901
Total	<u>126,149</u>	<u>16,918</u>	<u>-</u>	<u>143,067</u>
Total Functional Expenses	<u>\$ 1,560,822</u>	<u>\$ 150,621</u>	<u>\$ 114,272</u>	<u>\$ 1,825,715</u>

See accompanying Notes to Financial Statements.

**WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Program Services			2019 Total Expenses
	Rehabilitation Program	Supporting Services		
		Management and General	Fund Raising	
Salaries	\$ 620,846	\$ 74,368	\$ 64,088	\$ 759,302
Employee Benefits	65,273	7,819	6,738	79,830
Pension Plan	8,039	963	830	9,832
Payroll Taxes	35,727	4,280	3,688	43,695
Total	<u>729,885</u>	<u>87,430</u>	<u>75,344</u>	<u>892,659</u>
Careers Phase	15,576	-	-	15,576
Cost of Goods Sold, Thrift, and Salvage Sales	435,609	-	-	435,609
Development	-	-	32,392	32,392
Donated Services	-	520	-	520
Food Service	83,163	-	-	83,163
General	5,425	6,745	-	12,170
Heat, Light, and Power	47,590	2,505	-	50,095
Insurance	43,665	5,954	-	49,619
Investment Fees	-	2,164	-	2,164
Learning Center	3,450	-	-	3,450
Licenses and Inspection Fees	13,524	1,503	-	15,027
Men and Family Ministry	17,334	-	-	17,334
Men's Allowances	15,217	-	-	15,217
Men's Medical	2,316	-	-	2,316
New Life Program	12,020	-	-	12,020
Office Supplies	6,789	926	-	7,715
Plant Repair	14,101	1,567	-	15,668
Professional Fees	-	12,250	-	12,250
Salvage	1,462	-	-	1,462
Supplies	7,273	808	-	8,081
Telephone	3,997	210	-	4,207
Thrift Store	67,757	-	-	67,757
Trash Service	12,949	-	-	12,949
Travel and Training	7,993	-	-	7,993
Truck	14,067	-	-	14,067
	<u>1,561,162</u>	<u>122,582</u>	<u>107,736</u>	<u>1,791,480</u>
Depreciation	120,366	13,374	-	133,740
Interest	-	3,293	-	3,293
Total	<u>120,366</u>	<u>16,667</u>	<u>-</u>	<u>137,033</u>
Total Functional Expenses	<u><u>\$ 1,681,528</u></u>	<u><u>\$ 139,249</u></u>	<u><u>\$ 107,736</u></u>	<u><u>\$ 1,928,513</u></u>

See accompanying Notes to Financial Statements.



**WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED SEPTEMBER 30, 2020 AND 2019**

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 66,779	\$ (129,351)
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by Operating Activities:		
Depreciation	140,166	133,740
Unrealized Losses on Investments	(9,251)	5,589
Realized Gains on Investments	5,260	(2,099)
(Increase) Decrease in Assets:		
Promises to Give/Pledges Receivable	17,200	12,800
Inventories	(1,504)	(13,040)
Prepaid Expenses and Deposits	6,560	(160)
Increase (Decrease) in Liabilities:		
Accounts Payable	(1,912)	11,921
Accrued Expenses and Withheld Taxes	(31,097)	(17,328)
Net Cash Provided by Operating Activities	192,201	2,072
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(200,507)	(147,550)
Proceeds from Sale of Investments	89,298	150,993
Additions to Land, Building, and Equipment	(56,775)	(41,686)
Net Cash Used by Investing Activities	(167,984)	(38,243)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Paycheck Protection Program Loan	172,200	-
Repayments on Note Payable	(6,891)	(6,498)
Net Cash Provided (Used) by Financing Activities	165,309	(6,498)
<b>NET INCREASE (DECREASE) IN CASH</b>	189,526	(42,669)
Cash - Beginning of Year	49,679	92,348
<b>CASH - END OF YEAR</b>	\$ 239,205	\$ 49,679
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Interest Paid	\$ 2,901	\$ 3,293

See accompanying Notes to Financial Statements.

**WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

The Whosoever Gospel Mission and Rescue Home Association (the Mission) is a Christian nonprofit organization whose purpose is to provide shelter, food, clothing, education, counseling, rehabilitation, and other assistance to homeless and/or needy men, women, and children in the Philadelphia metropolitan area. The Mission is supported primarily through donor contributions, grants, and revenue generated in its thrift stores and salvage sales.

The Mission is a member of Citygate Network and the Evangelical Council for Financial Accountability (ECFA).

**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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Basis of Presentation**

The Mission reports information regarding its financial position and activities into classes of net assets according to the existence or absence of donor-imposed restrictions as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for specific board initiatives, as described in Note 8.

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Inventories**

Inventories consist of donated thrift shop items for resale and food for distribution. Inventories are recorded at the estimated fair value at the time of donation.

**Investments**

Investments are carried at fair value.

Mutual funds are valued at their net asset value at year-end. Money market funds are stated at cost which approximates fair value.

**WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investments (Continued)**

Investments are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

**Land, Building, and Equipment and Depreciation**

Land, building, and equipment are stated at cost for purchased items (generally in excess of \$500) or at the estimated fair value at the date of receipt, in the case of donated items. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Mission reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Mission reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Land, building, and equipment are depreciated using the straight-line method over the estimated useful lives of the assets.

**Contributions**

Contributions received are recorded as support with or without donor restrictions depending on the existence or nature of any donor restrictions. Contributions that are recorded as support with donor restrictions due to time restriction or payment satisfaction by the Mission are reclassified to net assets without donor restrictions upon satisfaction or expiration of the donor restrictions.

Conditional contributions received are unrecognized initially, that is, until the barriers to entitlement are overcome, at which point the transaction is recognized as unconditional and classified as either net assets with or without donor restrictions.

**Promises to Give/Pledges Receivable**

Contributions and bequests are recognized when the donor makes a promise to give to the Mission that is, in substance, unconditional. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Pledges and promises to give that are expected to be collected within one year are recorded at their net realizable value. Pledges and promises that are expected to be collected beyond one year are discounted using an appropriate discount rate commensurate with the period of collection.

**Expense Reporting**

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Expenses have been allocated between program services (rehabilitation) and supporting services (management and general and fund raising) activities based on an analysis of personnel time and space utilized for activities.

**WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Tax Status**

The Mission is recognized as an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986.

The Mission follows the income tax standard for uncertain tax positions. The Mission believes there are no uncertain tax positions that need to be disclosed in the financial statements.

The Mission's informational tax returns are subject to review and examination by federal, state, and local authorities. The Mission is not aware of any activities that would jeopardize its tax-exempt status.

**Fair Value of Financial Instruments**

The Mission follows the accounting standard for fair value measurements. This standard applies to reported balances that are required or permitted to be measured at fair value under an existing accounting pronouncement. The standard emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy.

Financial assets recorded on the statements of financial position are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Inputs that utilize unadjusted quoted prices in active markets for identical assets or liabilities that the Mission has the ability to access

*Level 2* – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

*Level 3* – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

All investments of the Mission are categorized under Level 1 as of September 30, 2020 and 2019.

**WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Change in Accounting Principle**

As of July 1, 2019, the Mission adopted the accounting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The new guidance is intended to clarify and improve accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The Mission's financial statements reflect the application of this guidance for the year ended September 30, 2020. No cumulative-effect adjustment to net assets was recorded because the adoption did not impact the Mission's previously reported contributions.

**COVID-19 Pandemic**

In March 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. As a result of COVID-19, the Mission's two thrift stores were ordered to close in March 2020 and remained closed until June 2020 and September 2020, respectively.

COVID-19 may also impact various parts of the Mission's fiscal year 2021 operations and financial results. Management believes the Mission is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

**Subsequent Events**

In preparing these financial statements, the Mission has evaluated events and transactions for potential recognition or disclosure through November 25, 2020, the date the financial statements were available to be issued.

**NOTE 2 INVENTORIES**

The composition of inventories is as follows at September 30:

	2020	2019
Thrift Store Items	<u>\$ 216,334</u>	<u>\$ 214,830</u>

**WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 AND 2019**

**NOTE 3 INVESTMENTS**

The following lists the cost and fair value of investments at September 30:

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
Money Market	\$ 121,193	\$ 121,193	\$ 15,590	\$ 15,590
Mutual Funds - Fixed Income	191,510	196,837	200,994	202,101
Mutual Funds - Equities	168,197	191,121	161,156	177,046
Mutual Funds - Other	38,498	34,773	35,709	33,987
Total Investments	<u>\$ 519,398</u>	<u>\$ 543,924</u>	<u>\$ 413,449</u>	<u>\$ 428,724</u>

The following schedule summarizes the investment return in the statements of activities for the years ended September 30:

	2020	2019
Investment Income	\$ 13,558	\$ 18,720
Realized Gains (Losses) on Sales of Investments	(5,260)	2,099
Unrealized Gains (Losses) on Investments	9,251	(5,589)
Total	<u>\$ 17,549</u>	<u>\$ 15,230</u>

**NOTE 4 LAND, BUILDING, AND EQUIPMENT AND DEPRECIATION**

Land, building, and equipment consist of the following at September 30:

	2020	2019
Land	\$ 5,445	\$ 5,445
Building	4,378,712	4,378,712
Furniture, Fixtures, and Equipment	287,726	264,347
Automotive Equipment	162,178	128,782
Total	<u>4,834,061</u>	<u>4,777,286</u>
Less: Accumulated Depreciation	<u>2,155,651</u>	<u>2,015,485</u>
Total Land, Building, and Equipment, Net	<u>\$ 2,678,410</u>	<u>\$ 2,761,801</u>

Depreciation expense was \$140,166 and \$133,740 for the years ended September 30, 2020 and 2019, respectively.

**WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020 AND 2019**

**NOTE 5 DONATED MATERIALS AND CONTRIBUTED SERVICES**

The Mission's rehabilitation program depends on the collection, repair, and sale of discarded clothing, furniture, and other household articles. The Mission also utilizes various food banks in providing food to the men as well as donations for various sundry cleaning supplies and toiletries. Donated thrift shop materials for resale amounted to \$311,199 and \$435,609 for the years ended September 30, 2020 and 2019, respectively, and resulted in activities as follows:

	<u>2020</u>		<u>2019</u>	
	<u>Sales</u>	<u>Direct Cost</u>	<u>Sales</u>	<u>Direct Cost</u>
Merchandising Sales to the Public	\$ 299,572	\$ 66,419	\$ 416,528	\$ 67,986
Salvage Sales	11,627	1,205	19,081	1,462

In addition, the value of the donated food, supplies, and thrift shop merchandise amounted to \$83,151 and \$83,981 for the years ended September 30, 2020 and 2019, respectively.

The Mission provided free clothing and supplies to the homeless men enrolled in the Mission's New Life Program. The Mission served 215 and 188 individuals during the years ended September 30, 2020 and 2019, respectively. During the years ended September 30, 2020 and 2019, the estimated value of the donated clothing, gifts for the men and men's New Life Program supplies amounted to \$14,053 and \$16,172, respectively.

The Mission recognizes donated services that creates or enhances nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. During the years ended September 30, 2020 and 2019, the Mission received contributed services totaling \$-0- and \$520, respectively, which meets the requirement for recognition in the financial statements.

In addition, many individuals volunteer their time and perform a variety of tasks that assist the Mission with their purpose. The value of the donated volunteer services is not reflected in the accompanying financial statements as the services rendered do not meet the criteria which require the measurement of the value of such services.

**WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 AND 2019**

**NOTE 6 NOTE PAYABLE**

On December 3, 2015, the Mission refinanced their loan with PNC Bank. The loan is amortized over 122 months with monthly installments of \$816, including principal and interest of 5.85%, with final payment due on February 1, 2026. The loan is secured by the Mission's property at 101 Cheltenham Avenue, Philadelphia, Pennsylvania.

Future principal payments on the note payable are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2021	\$ 7,354
2022	7,796
2023	8,265
2024	8,761
2025	9,288
Thereafter	3,834
Total	<u>\$ 45,298</u>

**NOTE 7 PAYCHECK PROTECTION PROGRAM LOAN**

On April 22, 2020, the Mission received a loan in the amount of \$172,200 through the federal Paycheck Protection Program (PPP). PPP funds are a form of low interest loans where some or all of the principal and interest may be eligible for forgiveness, subject to compliance and approval based off timing and use of funds in accordance with PPP guidelines. No payments are due on the loan for six months from the date of the first disbursement of the loan and interest accrues at 1% during the deferment period. The PPP funds are subject to review and any amount deemed not forgiven will convert to an amortizing term loan payable and is due by April 2022.

**NOTE 8 NET ASSETS WITHOUT DONOR RESTRICTIONS – BOARD-DESIGNATED**

As of September 30, 2020 and 2019, the board of directors has designated net assets without donor restrictions for the following purposes:

	<u>2020</u>	<u>2019</u>
Building Construction and Renovation	\$ 225,000	\$ 175,000
Equipment Repair and Maintenance	200,000	125,000
Vehicle Repair and Replacement	30,000	20,000
General Contingency Fund	183,398	154,228
Total Net Assets Without Donor Restrictions - Designated for Use	<u>\$ 638,398</u>	<u>\$ 474,228</u>



**WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 AND 2019**

**NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions at September 30, 2020 and 2019 represent monies received or unconditionally promised that are restricted by a donor or grantor and are expected to be expended in the subsequent year. They are as follows:

	2020	2019
Hannah's Place (Program Restricted)	\$ 99,536	\$ 99,136
Warehouse Building Fund (Program Restricted)	2,615	2,015
General Operating (Time Restricted)	-	15,000
Total Net Assets With Donor Restrictions	\$ 102,151	\$ 116,151

**NOTE 10 OPERATING LEASES**

In January 2006, the Mission entered into a five-year operating lease for space to operate a second thrift store, with an option to extend the lease term for five years, at a monthly rent of \$4,000. The Mission renewed this option in 2011 and in 2016. Effective April 1, 2014, the monthly rent was increased to \$4,200. The rent expense was \$50,400 in 2020 and 2019.

Minimum annual rentals for each year subsequent to September 30, 2020 are as follows:

Year Ending September 30,	Amount
2021	\$ 12,600

**NOTE 11 SIMPLE IRA MATCHING**

Effective January 1, 1999, the Mission established a simple IRA pension plan, covering all employees who earn annually over \$5,000. The Mission will contribute a matching contribution to each eligible employee's simple IRA equal to the eligible employee's salary reduction contributions up to a limit of 3% of the employee's compensation. The employer contribution for the years ended September 30, 2020 and 2019 was \$10,980 and \$9,832, respectively.

**WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 AND 2019**

**NOTE 12 LIQUIDITY AND AVAILABILITY OF RESOURCES**

The Mission considers all expenditures related to its ongoing program activities, as well as the administrative and general expenditures required to support these activities, to be general operating expenditures. Historically, the Mission receives a majority of support for operating expenditures from contributions without donor restrictions and contributions with donor restrictions. The Mission regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

The Mission has a goal to maintain financial assets, which consist of cash and investments, to meet normal operating expenses and strives to operate with a balanced budget.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are comprised of the following at September 30:

	2020	2019
Cash	\$ 239,205	\$ 49,679
Promises to Give/Pledges Receivable	-	17,200
Investments	543,924	428,724
Less: Net Assets With Donor Restrictions	(102,151)	(116,151)
Total	<u>\$ 680,978</u>	<u>\$ 379,452</u>



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## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors  
Whosoever Gospel Mission and Rescue Home Association  
Philadelphia, Pennsylvania

We have audited the financial statements of Whosoever Gospel Mission and Rescue Home Association as of and for the year ended September 30, 2020, and our report thereon dated November 25, 2020, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of investments and cash is presented for purposes of additional analysis and is 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. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Plymouth Meeting, Pennsylvania  
November 25, 2020

**WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION**  
**SCHEDULE OF INVESTMENTS AND CASH**  
**SEPTEMBER 30, 2020**  
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	Cost	Market Value	Unrealized Gain	Investment Income
<b>INVESTMENTS</b>				
Mutual Funds and Money Market Funds	<u>\$ 519,398</u>	<u>\$ 543,924</u>	\$ 24,526	
Less: Unrealized Gain, October 1, 2019			<u>15,275</u>	
Unrealized Gain for Year Ended September 30, 2020			<u>\$ 9,251</u>	\$ 9,251
Realized Loss				(5,260)
 <b>CASH</b>				
Petty Cash	\$ 500			
Checking:				
PayPal	100			
PNC	<u>238,605</u>			
Total	<u>\$ 239,205</u>			
 Earnings from Investments and Cash				<u>13,558</u>
Total Investment Return				<u>\$ 17,549</u>

