

**WHOSOEVER GOSPEL MISSION
AND RESCUE HOME ASSOCIATION**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED SEPTEMBER 30, 2021 AND 2020



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**WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION
TABLE OF CONTENTS
YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL EXPENSES	5
STATEMENTS OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8
INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION	16
SUPPLEMENTARY INFORMATION	
SCHEDULE OF INVESTMENTS AND CASH	17



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, 2021 and 2020, 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, 2021 and 2020, 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) 2014-09, *Revenue from Contracts with Customers*. Our opinion is not modified with respect to this matter.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
November 29, 2021

WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2021 AND 2020

	2021	2020
ASSETS		
Cash	\$ 168,169	\$ 239,205
Inventories	217,529	216,334
Prepaid Expenses and Deposits	28,367	18,568
Investments	1,284,530	543,924
Land, Building, and Equipment, Net	2,563,251	2,678,410
Total Assets	\$ 4,261,846	\$ 3,696,441
LIABILITIES AND NET ASSETS		
LIABILITIES		
Note Payable	\$ 37,997	\$ 45,298
Paycheck Protection Program Loan	-	172,200
Accounts Payable	5,709	10,009
Accrued Expenses and Withheld Taxes	68,355	49,975
Total Liabilities	112,061	277,482
NET ASSETS		
Without Donor Restrictions:		
Designated for Use	1,383,486	638,398
Plant	2,563,251	2,678,410
Total Net Assets Without Donor Restrictions	3,946,737	3,316,808
With Donor Restrictions	203,048	102,151
Total Net Assets	4,149,785	3,418,959
Total Liabilities and Net Assets	\$ 4,261,846	\$ 3,696,441

See accompanying Notes to Financial Statements.

**WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION
STATEMENTS OF ACTIVITIES
YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

	2021	2020
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES		
Public Support		
Contributions	\$ 826,434	\$ 995,783
Gifts-In-Kind	458,296	311,199
Legacies and Bequests	319,421	-
Grant Revenue	312,948	217,041
Total Revenues	1,917,099	1,524,023
OTHER SUPPORT & INCOME		
Store Sales	430,108	299,572
Salvage Sales	28,188	11,627
Program Services Revenue	29,750	22,167
Gain on Extinguishment of Debt	172,200	-
Investment Income	91,575	17,549
Total Other Support	751,821	350,915
Subtotal	2,668,920	1,874,938
NET ASSETS RELEASED FROM DONOR RESTRICTIONS		
Restrictions Satisfied by Payments or Expiration of Time Restrictions	20,464	31,556
Total Revenues Without Donor Restrictions and Other Support	2,689,384	1,906,494
EXPENSES		
Program Services, Rehabilitation	1,665,720	1,434,673
Supporting Services:		
Management and General	138,773	133,703
Fundraising	111,477	114,272
Depreciation	140,994	140,166
Interest	2,491	2,901
Total Expenses	2,059,455	1,825,715
Changes in Net Assets Without Donor Restrictions	629,929	80,779
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	100,897	1,000
Other Income	20,464	16,556
Subtotal	121,361	17,556
NET ASSETS RELEASED FROM DONOR RESTRICTIONS		
Restrictions Satisfied by Payments or Expiration of Time Restrictions	(20,464)	(31,556)
Changes in Net Assets With Donor Restrictions	100,897	(14,000)
CHANGE IN NET ASSETS	730,826	66,779
Net Assets - Beginning of Year	3,418,959	3,352,180
NET ASSETS - END OF YEAR	\$ 4,149,785	\$ 3,418,959

See accompanying Notes to Financial Statements.

WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2021

	Program Services	Supporting Services		2021
	Rehabilitation Program	Management and General	Fund Raising	Total Expenses
Salaries	\$ 700,005	\$ 84,337	\$ 70,743	\$ 855,085
Employee Benefits	49,454	5,958	4,998	60,410
Pension Plan	7,924	955	801	9,680
Payroll Taxes	42,630	5,136	4,308	52,074
Total	<u>800,013</u>	<u>96,386</u>	<u>80,850</u>	<u>977,249</u>
Careers Phase	9,197	-	-	9,197
Cost of Goods Sold, Thrift, and Salvage Sales	458,296	-	-	458,296
Development	-	-	30,627	30,627
Food Service	80,771	-	-	80,771
General	3,983	7,696	-	11,679
Heat, Light, and Power	51,233	2,696	-	53,929
Insurance	44,111	6,015	-	50,126
Investment Fees	-	3,967	-	3,967
Learning Center	2,306	-	-	2,306
Licenses and Inspection Fees	18,646	2,072	-	20,718
Men and Family Ministry	16,989	-	-	16,989
Men's Allowances	11,457	-	-	11,457
Men's Medical	2,680	-	-	2,680
New Life Program	14,374	-	-	14,374
Office Supplies	4,198	572	-	4,770
Plant Repair	38,819	4,314	-	43,133
Professional Fees	-	13,995	-	13,995
Salvage	1,433	-	-	1,433
Supplies	7,413	824	-	8,237
Telephone	4,487	236	-	4,723
Thrift Store	66,512	-	-	66,512
Trash Service	17,968	-	-	17,968
Travel and Training	1,897	-	-	1,897
Truck	8,937	-	-	8,937
	<u>1,665,720</u>	<u>138,773</u>	<u>111,477</u>	<u>1,915,970</u>
Depreciation	126,895	14,099	-	140,994
Interest	-	2,491	-	2,491
Total	<u>126,895</u>	<u>16,590</u>	<u>-</u>	<u>143,485</u>
Total Functional Expenses	<u>\$ 1,792,615</u>	<u>\$ 155,363</u>	<u>\$ 111,477</u>	<u>\$ 2,059,455</u>

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 Total Expenses
	Rehabilitation Program	Management and General	Fund Raising	
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
Donated Services	-	-	-	-
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
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 730,826	\$ 66,779
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	140,994	140,166
Unrealized Losses on Investments	(57,660)	(9,251)
Realized Gains on Investments	(8,294)	5,260
Gain on Forgiveness of Payroll Protection Program Loan	(172,200)	-
(Increase) Decrease in Assets:		
Promises to Give/Pledges Receivable	-	17,200
Inventories	(1,195)	(1,504)
Prepaid Expenses and Deposits	(9,799)	6,560
Increase (Decrease) in Liabilities:		
Accounts Payable	(4,300)	(1,912)
Accrued Expenses and Withheld Taxes	18,380	(31,097)
Net Cash Provided by Operating Activities	636,752	192,201
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(731,535)	(200,507)
Proceeds from Sale of Investments	56,883	89,298
Additions to Land, Building, and Equipment	(25,835)	(56,775)
Net Cash Used by Investing Activities	(700,487)	(167,984)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program Loan	-	172,200
Repayments on Note Payable	(7,301)	(6,891)
Net Cash Provided (Used) by Financing Activities	(7,301)	165,309
NET INCREASE (DECREASE) IN CASH	(71,036)	189,526
Cash - Beginning of Year	239,205	49,679
CASH - END OF YEAR	\$ 168,169	\$ 239,205
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid	\$ 2,491	\$ 2,901

See accompanying Notes to Financial Statements.

WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

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, 2021 AND 2020

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.

Thrift Store Revenue

Thrift store revenue has one distinct performance obligation: sale of a donated item to the customer. Prices for all the items in the thrift store are determined using the best value estimate considering the Mission's past experience and general Internal Revenue Service guidelines in valuing previously owned items. All the prices are included on the price tags attached to the merchandise. Revenue for thrift store items is recognized at the point of sale. There is no merchandise return option for these transactions.

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.

WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2021 and 2020.

**WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principle

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Subsequent to May 2014, the FASB issued six ASUs to clarify certain matters related to Topic 606. Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, Revenue Recognition, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The updates address the complexity of revenue recognition and provide sufficient information to enable financial statements users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

The Mission's financial statements reflect the application of ASC 606 guidance beginning October 1, 2020 using the modified retrospective approach. No cumulative-effect adjustment in net assets was recorded because the adoption of ASU 2014-09 did not significantly impact the Mission's reported historical revenue.

Subsequent Events

In preparing these financial statements, the Mission has evaluated events and transactions for potential recognition or disclosure through November 29, 2021, the date the financial statements were available to be issued.

NOTE 2 INVENTORIES

The composition of inventories is as follows at September 30:

	2021	2020
Thrift Store Items	<u>\$ 217,529</u>	<u>\$ 216,334</u>

NOTE 3 INVESTMENTS

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

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
Money Market	\$ 40,677	\$ 40,677	\$ 121,193	\$ 121,193
Mutual Funds - Fixed Income	584,390	582,753	191,510	196,837
Mutual Funds - Equities	455,380	533,644	168,197	191,121
Mutual Funds - Other	121,897	127,456	38,498	34,773
Total Investments	<u>\$ 1,202,344</u>	<u>\$ 1,284,530</u>	<u>\$ 519,398</u>	<u>\$ 543,924</u>

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

WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 3 INVESTMENTS (CONTINUED)

	<u>2021</u>	<u>2020</u>
Investment Income	\$ 25,621	\$ 13,558
Realized Gains (Losses) on Sales of Investments	8,294	(5,260)
Unrealized Gains on Investments	<u>57,660</u>	<u>9,251</u>
Total	<u>\$ 91,575</u>	<u>\$ 17,549</u>

NOTE 4 LAND, BUILDING, AND EQUIPMENT AND DEPRECIATION

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

	<u>2021</u>	<u>2020</u>
Land	\$ 5,445	\$ 5,445
Building	4,378,712	4,378,712
Furniture, Fixtures, and Equipment	313,561	287,726
Automotive Equipment	<u>162,178</u>	<u>162,178</u>
Total	4,859,896	4,834,061
Less: Accumulated Depreciation	<u>2,296,645</u>	<u>2,155,651</u>
Total Land, Building, and Equipment, Net	<u>\$ 2,563,251</u>	<u>\$ 2,678,410</u>

Depreciation expense was \$140,994 and \$140,166 for the years ended September 30, 2021 and 2020, respectively.

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 \$458,296 and \$311,199 for the years ended September 30, 2021 and 2020, respectively, and resulted in activities as follows:

	<u>2021</u>		<u>2020</u>	
	<u>Sales</u>	<u>Direct Cost</u>	<u>Sales</u>	<u>Direct Cost</u>
Merchandising Sales to the Public	\$ 430,108	\$ 66,220	\$ 299,572	\$ 66,419
Salvage Sales	28,188	1,433	11,627	1,205

In addition, the value of the donated food, supplies, and thrift shop merchandise amounted to \$67,431 and \$83,151 for the years ended September 30, 2021 and 2020, respectively.

The Mission provided free clothing and supplies to the homeless men enrolled in the Mission's New Life Program. The Mission served 187 and 215 individuals during the years ended September 30, 2021 and 2020, respectively. During the years ended September 30, 2021 and 2020, the estimated value of the donated clothing, gifts for the men and men's New Life Program supplies amounted to \$18,107, and \$14,053, respectively.

**WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 5 DONATED MATERIALS AND CONTRIBUTED SERVICES (CONTINUED)

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, 2021 and 2020, the Mission did not receive any contributed services which met 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.

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 Chelton Avenue, Philadelphia, Pennsylvania.

Future principal payments on the note payable are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2022	\$ 7,796
2023	8,265
2024	8,761
2025	9,288
2026	3,887
Total	<u>\$ 37,997</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, based on the timing and use of funds in accordance with PPP guidelines.

On June 25, 2021, the Small Business Administration (SBA) formally forgave the loan in full. Therefore, the Mission was legally released from the debt and a gain on extinguishment is reflected in the accompanying statements of activities.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Mission's financial position.

WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 8 NET ASSETS WITHOUT DONOR RESTRICTIONS – BOARD-DESIGNATED

As of September 30, 2021 and 2020, the board of directors has designated net assets without donor restrictions for the following purposes:

	2021	2020
Building Construction and Renovation	\$ 600,000	\$ 225,000
Equipment Repair and Maintenance	500,000	200,000
Vehicle Repair and Replacement	83,486	30,000
General Contingency Fund	200,000	183,398
Total Net Assets Without Donor Restrictions - Designated for Use	<u>\$ 1,383,486</u>	<u>\$ 638,398</u>

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at September 30, 2021 and 2020 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:

	2021	2020
Hannah's Place (Program Restricted)	\$ 199,736	\$ 99,536
Warehouse Building Fund (Program Restricted)	3,312	2,615
Total Net Assets With Donor Restrictions	<u>\$ 203,048</u>	<u>\$ 102,151</u>

NOTE 10 OPERATING LEASES

The Mission entered into an operating lease for space to operate a second thrift store. The monthly rent payment is \$4,200 and the lease expires in December 2025. The rent expense was \$50,400 in 2021 and 2020.

Minimum annual rentals for each year subsequent to September 30, 2021 are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2022	\$ 50,400
2023	50,400
2024	50,400
2025	50,400
2026	12,600
Total	<u>\$ 214,200</u>

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, 2021 and 2020 was \$9,680 and \$10,979, respectively.

**WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

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:

	2021	2020
Cash	\$ 168,169	\$ 239,205
Investments	1,284,530	543,924
Less: Net Assets With Donor Restrictions	<u>(203,048)</u>	<u>(102,151)</u>
Total	<u>\$ 1,249,651</u>	<u>\$ 680,978</u>



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, 2021, and our report thereon dated November 29, 2021, 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, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of 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 29, 2021

WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION
SCHEDULE OF INVESTMENTS AND CASH
SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	Cost	Market Value	Unrealized Gain	Investment Income
INVESTMENTS				
Mutual Funds and Money Market Funds	<u>\$ 1,202,344</u>	<u>\$ 1,284,530</u>	\$ 82,186	
Less: Unrealized Gain, October 1, 2020			<u>24,526</u>	
Unrealized Gain for Year Ended September 30, 2021			<u>\$ 57,660</u>	\$ 57,660
Realized Loss				8,294
CASH				
Petty Cash	\$ 500			
Checking:				
PayPal	100			
PNC	167,569			
Total	<u>\$ 168,169</u>			
Earnings from Investments and Cash				<u>25,621</u>
Total Investment Return				<u>\$ 91,575</u>