

**WHOSOEVER GOSPEL MISSION
AND RESCUE HOME ASSOCIATION**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED SEPTEMBER 30, 2018 AND 2017

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



**WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION
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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, 2018 and 2017, 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, 2018 and 2017, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
November 29, 2018

**WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2018 AND 2017**

	2018	2017
ASSETS		
Cash	\$ 92,348	\$ 48,127
Grant Receivable	30,000	-
Inventories	201,790	187,730
Prepaid Expenses and Deposits	24,968	14,947
Investments	435,657	462,880
Land, Building, and Equipment, Net	2,853,855	2,912,475
Total Assets	\$ 3,638,618	\$ 3,626,159
LIABILITIES AND NET ASSETS		
LIABILITIES		
Note Payable	\$ 58,687	\$ 64,773
Accrued Expenses and Withheld Taxes	98,400	80,141
Total Liabilities	157,087	144,914
NET ASSETS		
Unrestricted:		
Designated for Use	497,125	468,956
Plant	2,853,855	2,912,475
Total Unrestricted Net Assets	3,350,980	3,381,431
Temporarily Restricted	130,551	99,814
Total Net Assets	3,481,531	3,481,245
Total Liabilities and Net Assets	\$ 3,638,618	\$ 3,626,159

See accompanying Notes to Financial Statements.

**WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION
STATEMENTS OF ACTIVITIES
YEARS ENDED SEPTEMBER 30, 2018 AND 2017**

	2018	2017
CHANGES IN UNRESTRICTED NET ASSETS		
REVENUES		
Public Support		
Contributions	\$ 584,532	\$ 454,782
Gifts-In-Kind	499,757	522,412
Legacies and Bequests	96,248	137,261
Grant Revenue	129,240	161,880
Total Revenues	1,309,777	1,276,335
OTHER SUPPORT		
Store Sales	389,802	422,443
Salvage Sales	20,343	20,738
Program Services Revenue	28,008	27,176
Investment Income	17,661	36,788
Miscellaneous Revenue	-	12,550
Total Other Support	455,814	519,695
Subtotal	1,765,591	1,796,030
NET ASSETS RELEASED FROM RESTRICTIONS		
Restrictions Satisfied by Payments or Expiration of Time Restrictions	73,500	17,864
Total Unrestricted Revenues and Other Support	1,839,091	1,813,894
EXPENSES		
Program Services, Rehabilitation	1,522,664	1,536,160
Supporting Services:		
Management and General	125,108	114,943
Fundraising	98,436	97,331
Depreciation	119,628	116,360
Interest	3,706	4,029
Total Expenses	1,869,542	1,868,823
Changes in Unrestricted Net Assets	(30,451)	(54,929)

See accompanying Notes to Financial Statements.

**WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION
STATEMENTS OF ACTIVITIES (CONTINUED)
YEARS ENDED SEPTEMBER 30, 2018 AND 2017**

	2018	2017
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Grant, Men's Dormitory	\$ 62,887	\$ 4,780
Grants, Other	41,350	11,535
Subtotal	104,237	16,315
NET ASSETS RELEASED FROM RESTRICTIONS		
Restrictions Satisfied by Payments or Expiration of Time Restrictions	(73,500)	(17,864)
Changes in Temporarily Restricted Net Assets	30,737	(1,549)
CHANGE IN NET ASSETS	286	(56,478)
Net Assets - Beginning of Year	3,481,245	3,537,723
NET ASSETS - END OF YEAR	\$ 3,481,531	\$ 3,481,245

See accompanying Notes to Financial Statements.

WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2018

	Program Services		Supporting Services		2018
	Rehabilitation Program	Management and General	Fund Raising	Total Expenses	
Salaries	\$ 607,383	\$ 75,752	\$ 55,583	\$ 738,718	
Employee Benefits	73,780	9,202	6,752	89,734	
Pension Plan	9,310	1,161	852	11,323	
Payroll Taxes	37,142	4,632	3,399	45,173	
Total	727,615	90,747	66,586	884,948	
Careers Phase	16,608	-	-	16,608	
Cost of Goods Sold, Thrift, and Salvage Sales	410,145	-	-	410,145	
Development	-	-	31,850	31,850	
Donated Services	617	14	-	631	
Food Service	73,372	-	-	73,372	
General	4,923	6,266	-	11,189	
Heat, Light, and Power	47,836	2,518	-	50,354	
Insurance	45,615	6,220	-	51,835	
Investment Fees	-	1,937	-	1,937	
Learning Center	3,419	-	-	3,419	
Licenses and Inspection Fees	12,372	1,375	-	13,747	
Men and Family Ministry	13,660	-	-	13,660	
Men's Allowances	15,186	-	-	15,186	
Men's Medical	2,520	-	-	2,520	
New Life Program	9,145	-	-	9,145	
Office Supplies	6,285	857	-	7,142	
Plant Repair	21,206	2,356	-	23,562	
Professional Fees	-	11,850	-	11,850	
Salvage	1,075	-	-	1,075	
Staff Educational	600	-	-	600	
Supplies	6,763	751	-	7,514	
Telephone	4,118	217	-	4,335	
Thrift Store	71,884	-	-	71,884	
Trash Service	8,993	-	-	8,993	
Travel and Training	7,581	-	-	7,581	
Truck	11,126	-	-	11,126	
	1,522,664	125,108	98,436	1,746,208	
Depreciation	107,665	11,963	-	119,628	
Interest	-	3,706	-	3,706	
Total	107,665	15,669	-	123,334	
Total Functional Expenses	\$ 1,630,329	\$ 140,777	\$ 98,436	\$ 1,869,542	

See accompanying Notes to Financial Statements.

WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2017

	Program	Supporting Services		2017
	Services Rehabilitation Program	Management and General	Fund Raising	Total Expenses
Salaries	\$ 577,811	\$ 67,307	\$ 57,478	\$ 702,596
Employee Benefits	63,301	7,374	6,297	76,972
Pension Plan	6,672	777	664	8,113
Payroll Taxes	48,245	5,620	4,799	58,664
Total	696,029	81,078	69,238	846,345
Careers Phase	16,611	-	-	16,611
Cost of Goods Sold, Thrift, and Salvage Sales	443,181	-	-	443,181
Development	-	-	28,093	28,093
Donated Services	915	125	-	1,040
Food Service	72,231	-	-	72,231
General	4,221	6,072	-	10,293
Heat, Light, and Power	59,387	3,126	-	62,513
Insurance	43,278	5,902	-	49,180
Investment Fees	-	1,914	-	1,914
Learning Center	3,914	-	-	3,914
Licenses and Inspection Fees	12,195	1,355	-	13,550
Men and Family Ministry	10,140	-	-	10,140
Men's Allowances	14,974	-	-	14,974
Men's Medical	2,555	-	-	2,555
New Life Program	16,382	-	-	16,382
Office Supplies	5,754	785	-	6,539
Plant Repair	20,864	2,185	-	23,049
Professional Fees	-	11,400	-	11,400
Salvage	1,046	-	-	1,046
Staff Educational	6,056	-	-	6,056
Supplies	7,026	781	-	7,807
Telephone	4,179	220	-	4,399
Thrift Store	69,939	-	-	69,939
Trash Service	8,497	-	-	8,497
Travel and Training	6,285	-	-	6,285
Truck	10,501	-	-	10,501
	1,536,160	114,943	97,331	1,748,434
Depreciation	104,726	11,634	-	116,360
Interest	-	4,029	-	4,029
Total	104,726	15,663	-	120,389
Total Functional Expenses	\$ 1,640,886	\$ 130,606	\$ 97,331	\$ 1,868,823

See accompanying Notes to Financial Statements.

WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 286	\$ (56,478)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	119,628	116,360
Donation of Stock	(2,055)	(385)
Sale of Donated Securities	-	219
Unrealized (Gain) Loss on Investments	10,007	(21,203)
Realized Gain on Investments	(10,187)	(2,496)
(Increase) Decrease in Assets:		
Grant Receivable	(30,000)	-
Inventories	(14,060)	(7,590)
Prepaid Expenses and Deposits	(10,021)	8,116
Increase (Decrease) in Liabilities:		
Accrued Expenses and Withheld Taxes	18,259	23,574
Net Cash Provided by Operating Activities	81,857	60,117
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(134,246)	(54,910)
Proceeds from Sale of Investments	163,704	55,678
Additions to Land, Building, and Equipment	(61,008)	(62,040)
Net Cash Used by Investing Activities	(31,550)	(61,272)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments on Note Payable	(6,086)	(5,763)
Net Cash Used by Financing Activities	(6,086)	(5,763)
NET INCREASE (DECREASE) IN CASH	44,221	(6,918)
Cash - Beginning of Year	48,127	55,045
CASH - END OF YEAR	\$ 92,348	\$ 48,127
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid	\$ 3,706	\$ 4,029

See accompanying Notes to Financial Statements.

WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 AND 2017

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 the Association of Gospel Rescue Missions (AGRM), the Pennsylvania Association of Nonprofit Organizations (PANO), 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.

Financial Statement Presentation

The Mission reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets and are based on the existence or the absence of donor-imposed restrictions as follows:

Unrestricted Net Assets – Include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the Mission and include both internally designated and undesignated resources.

Temporarily Restricted Net Assets – Include contributions which are subject to donor-imposed stipulations that will be met by the actions of the Mission and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently Restricted Net Assets – Include contributions that have been restricted by donors to be maintained in perpetuity. There were no permanently restricted net assets for the years ended September 30, 2018 and 2017.

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.

WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 AND 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 unrestricted support unless the donor has restricted the donated asset to 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 restricted support. 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 temporarily restricted net assets to unrestricted net assets 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 unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Contributions that are recorded as temporarily restricted support due to time restriction or payment satisfaction by the Mission are reclassified to unrestricted net assets upon satisfaction or expiration of the 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 temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

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, 2018 AND 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses

Functional 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, 2018 and 2017.

WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 AND 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Subsequent Events

In preparing these financial statements, the Mission has evaluated events and transactions for potential recognition or disclosure through November 29, 2018, the date the financial statements were available to be issued.

NOTE 2 INVENTORIES

The composition of inventories is as follows at September 30:

	2018	2017
Thrift Store Items	<u>\$ 201,790</u>	<u>\$ 187,730</u>

NOTE 3 INVESTMENTS

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

	2018		2017	
	Cost	Fair Value	Cost	Fair Value
Money Market	\$ 111,127	\$ 111,127	\$ 14,486	\$ 14,486
Mutual Funds - Fixed Income	162,255	154,631	214,727	212,735
Mutual Funds - Equities	102,295	133,365	152,768	185,427
Mutual Funds - Other	39,116	36,534	50,028	50,232
Total Investments	<u>\$ 414,793</u>	<u>\$ 435,657</u>	<u>\$ 432,009</u>	<u>\$ 462,880</u>

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

	2018	2017
Investment Income	\$ 17,481	\$ 13,089
Realized Gain on Sales of Investments	10,187	2,496
Unrealized Gain (Loss) on Investments	(10,007)	21,203
Total	<u>\$ 17,661</u>	<u>\$ 36,788</u>

WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 AND 2017

NOTE 4 LAND, BUILDING, AND EQUIPMENT AND DEPRECIATION

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

	2018	2017
Land	\$ 5,445	\$ 5,445
Building	4,378,712	4,378,712
Furniture, Fixtures, and Equipment	212,098	151,090
Automotive Equipment	139,472	139,472
Total	<u>4,735,727</u>	<u>4,674,719</u>
Less: Accumulated Depreciation	1,881,872	1,762,244
Total Land, Building, and Equipment, Net	<u>\$ 2,853,855</u>	<u>\$ 2,912,475</u>

Depreciation expense was \$119,628 and \$116,360 for the years ended September 30, 2018 and 2017, 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 \$410,145 and \$443,181 for the years ended September 30, 2018 and 2017, respectively, and resulted in activities as follows:

	2018		2017	
	Sales	Direct Cost	Sales	Direct Cost
Merchandising Sales to the Public	\$ 389,802	\$ 72,056	\$ 422,443	\$ 69,380
Salvage Sales	20,343	1,075	20,738	1,046

In addition, the value of the donated food, supplies, and thrift shop merchandise amounted to \$77,065 and \$65,678 for the years ended September 30, 2018 and 2017, respectively.

The Mission provided free clothing and supplies to the homeless men enrolled in the Mission's New Life Program. The Mission served 188 and 196 individuals during the years ended September 30, 2018 and 2017, respectively. During the years ended September 30, 2018 and 2017, the estimated value of the donated clothing, gifts for the men and men's New Life Program supplies amounted to \$11,916 and \$12,467, 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, 2018 and 2017, the Mission received contributed services totaling \$631 and \$1,086, respectively, which meets the requirement for recognition in the financial statements.

WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 AND 2017

NOTE 5 DONATED MATERIALS AND CONTRIBUTED SERVICES (CONTINUED)

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>
2019	\$ 6,747
2020	6,937
2021	7,354
2022	7,796
2023	8,265
Thereafter	21,588
Total	<u><u>\$ 58,687</u></u>

NOTE 7 UNRESTRICTED DESIGNATED NET ASSETS

As of September 30, 2018 and 2017, the board of directors has designated unrestricted net assets for the following purposes:

	<u>2018</u>	<u>2017</u>
Building Construction and Renovation	\$ 175,000	\$ 150,000
Equipment Repair and Maintenance	100,000	100,000
Vehicle Repair and Replacement	20,000	20,000
General Contingency Fund	202,125	198,956
Total Unrestricted Designated Net Assets	<u><u>\$ 497,125</u></u>	<u><u>\$ 468,956</u></u>

**WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 AND 2017**

NOTE 8 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at September 30, 2018 and 2017 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:

	2018	2017
Hannah's Place Building Fund (Program Restricted)	\$ 10,136	\$ 9,999
Hannah's Place (Program Restricted)	89,000	89,000
Warehouse Building Fund (Program Restricted)	1,415	815
General Operating (Time Restricted)	30,000	-
Total Temporarily Restricted Net Assets	\$ 130,551	\$ 99,814

NOTE 9 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 2018 and 2017.

Minimum annual rentals for each year subsequent to September 30, 2018 are as follows:

Year Ending September 30,	Amount
2019	\$ 50,400
2020	50,400
2021	12,600
Total	\$ 113,400

NOTE 10 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, 2018 and 2017 was \$11,323 and \$8,113, respectively.



CliftonLarsonAllen

CliftonLarsonAllen LLP
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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, 2018, and our report thereon dated November 29, 2018, 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 29, 2018

WHOSOEVER GOSPEL MISSION AND RESCUE HOME ASSOCIATION
SCHEDULE OF INVESTMENTS AND CASH
SEPTEMBER 30, 2018
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	Cost	Market Value	Unrealized Gain	Investment Income
INVESTMENTS				
Mutual Funds and Money Market Funds	<u>\$ 414,793</u>	<u>\$ 435,657</u>	\$ 20,864	
Less: Unrealized Gain, October 1, 2017			<u>30,871</u>	
Unrealized Loss for Year Ended September 30, 2018			<u>\$ (10,007)</u>	\$ (10,007)
Realized Gain				10,187
 CASH				
Petty Cash	\$ 500			
Checking:				
PayPal	100			
PNC	91,748			
Total	<u>\$ 92,348</u>			
 Earnings from Investments and Cash				<u>17,481</u>
Total Investment Return				<u>\$ 17,661</u>



Investment advisory services are offered through CliftonLarsonAllen
Wealth Advisors, LLC, an SEC-registered investment advisor.