



GOODWILL RESCUE MISSION, INC. (A
Subsidiary of Christian Herald Association, Inc.)

Financial Statements
With Independent Auditors' Report

September 30, 2020 and 2019

GOODWILL RESCUE MISSION, INC.

(A Subsidiary of Christian Herald Association, Inc.)

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INDEPENDENT AUDITORS' REPORT

Board of Directors

Goodwill Rescue Mission, Inc. (A Subsidiary of Christian Herald Association, Inc.)

Newark, New Jersey

We have audited the accompanying financial statements of Goodwill Rescue Mission Inc. (a subsidiary of Christian Herald Association, Inc.), which comprise the statements of financial position as of September 30, 2020 and 2019, and the related statements of activities, cash flows and functional expenses 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 organization'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
Goodwill Rescue Mission, Inc. (A Subsidiary of Christian Herald Association, Inc.)
Newark, New Jersey

Opinion

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Goodwill Rescue Mission, Inc. (a subsidiary of Christian Herald Association, Inc.) as of September 30, 2020 and 2019, and the changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Capin Crouse LLP

New York, New York
April 21, 2021

GOODWILL RESCUE MISSION, INC.

(A Subsidiary of Christian Herald Association, Inc.)

Statements of Financial Position

	September 30,	
	2020	2019
ASSETS:		
Cash and cash equivalents	\$ 405,768	\$ 204,880
Due from related organizations (Note 10)	21,374	-
Prepaid expenses	1,091	1,653
Deposits and other assets	6,840	6,840
Land, buildings and equipment-net	2,382,017	2,505,479
Total Assets	\$ 2,817,090	\$ 2,718,852
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 38,842	\$ 141,436
Due to related organizations (Note 10)	514,514	968,224
Paycheck Protection Program loan	126,940	-
Line of credit payable	97,789	198,020
Total liabilities	778,085	1,307,680
Net assets:		
Without donor restrictions	2,039,005	1,411,172
With donor restrictions	-	-
Total net assets	2,039,005	1,411,172
Total Liabilities and Net Assets	\$ 2,817,090	\$ 2,718,852

See notes to financial statements

GOODWILL RESCUE MISSION, INC.

(A Subsidiary of Christian Herald Association, Inc.)

Statements of Activities

	Year Ended September 30,					
	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT, REVENUE AND RECLASSIFICATIONS:						
Contributions	\$ 1,633,219	\$ -	\$ 1,633,219	\$ 1,169,307	\$ -	\$ 1,169,307
Gifts-in-kind	173,952	-	173,952	306,723	-	306,723
Investment income (loss)	(172)	-	(172)	1,397	-	1,397
Other income (loss)	15,291	-	15,291	(1,823)	-	(1,823)
Satisfaction of restrictions	-	-	-	142,652	(142,652)	-
Total Support, Revenue and Reclassifications	1,822,290	-	1,822,290	1,618,256	(142,652)	1,475,604
EXPENSES:						
Program services	828,294	-	828,294	1,536,805	-	1,536,805
Supporting services:						
Management and general	58,939	-	58,939	192,599	-	192,599
Fundraising	307,224	-	307,224	411,198	-	411,198
Total supporting activities	366,163	-	366,163	603,797	-	603,797
Total Expenses	1,194,457	-	1,194,457	2,140,602	-	2,140,602
Change in Net Assets	627,833	-	627,833	(522,346)	(142,652)	(664,998)
Net Assets, Beginning of Year	1,411,172	-	1,411,172	1,933,518	142,652	2,076,170
Net Assets, End of Year	\$ 2,039,005	\$ -	\$ 2,039,005	\$ 1,411,172	\$ -	\$ 1,411,172

See notes to financial statements

GOODWILL RESCUE MISSION, INC.

(A Subsidiary of Christian Herald Association, Inc.)

Statements of Cash Flows

	Year Ended September 30,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 627,833	\$ (664,998)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	123,462	119,123
Changes in:		
Due from related organizations	(21,374)	-
Pledges receivable	-	104,955
Prepaid expenses	562	6,096
Accounts payable and accrued expenses	(102,594)	60,760
Due to related organizations	(453,710)	567,220
Net Cash Provided by Operating Activities	<u>174,179</u>	<u>193,156</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of land, buildings and equipment	-	(83,277)
Net Cash Used by Investing Activities	<u>-</u>	<u>(83,277)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on line of credit	(100,231)	-
Payments on loan payable	-	(7,957)
Proceeds from Paycheck Protection Program loan	126,940	-
Net Cash Provided (Used) by Investing Activities	<u>26,709</u>	<u>(7,957)</u>
Change in Cash and Cash Equivalents	200,888	101,922
Cash and Cash Equivalents, Beginning of Year	<u>204,880</u>	<u>102,958</u>
Cash and Cash Equivalents, End of Year	<u>\$ 405,768</u>	<u>\$ 204,880</u>
SUPPLEMENTAL DISCLOSURES:		
Cash paid for interest	<u>\$ 8,077</u>	<u>\$ 11,230</u>

See notes to financial statements

GOODWILL RESCUE MISSION, INC.

(A Subsidiary of Christian Herald Association, Inc.)

Statement of Functional Expenses

Year Ended September 30, 2020

	Program Services	Supporting Services			Total
		Management and General	Fundraising	Total Supporting Services	
Salaries and benefits	\$ 338,201	\$ 21,551	\$ 98,974	\$ 120,525	\$ 458,726
Food	117,435	-	-	-	117,435
Occupancy	82,161	-	555	555	82,716
Advertising and promotion	-	-	1,258	1,258	1,258
Professional fees, consulting and outside services	14,794	23,503	168,480	191,983	206,777
Program and general supplies	99,214	-	654	654	99,868
Printing and postage	712	-	9,263	9,263	9,975
Interest	-	8,077	-	8,077	8,077
Insurance	29,243	692	-	692	29,935
Travel and transportation	13,362	-	555	555	13,917
Telephone and communications	5,561	-	59	59	5,620
Equipment and maintenance	2,507	-	6,021	6,021	8,528
Staff training and development	1,275	159	349	508	1,783
Dues, subscriptions, and books	160	-	1,184	1,184	1,344
Bank and credit card fees	-	4,931	19,819	24,750	24,750
Other expenses	207	26	53	79	286
Depreciation	123,462	-	-	-	123,462
Total Expenses	\$ 828,294	\$ 58,939	\$ 307,224	\$ 366,163	\$ 1,194,457

See notes to financial statements

GOODWILL RESCUE MISSION, INC.

(A Subsidiary of Christian Herald Association, Inc.)

Statement of Functional Expenses

Year Ended September 30, 2019

	Program Services	Supporting Services			Total
		Management and General	Fundraising	Total Supporting Services	
Salaries and benefits	\$ 772,275	\$ 50,607	\$ 144,096	\$ 194,703	\$ 966,978
Food	280,863	-	-	-	280,863
Occupancy	130,582	8,176	3,992	12,168	142,750
Advertising and promotion	-	-	1,752	1,752	1,752
Professional fees, consulting and outside services	7,332	84,023	239,930	323,953	331,285
Program and general supplies	173,706	-	137	137	173,843
Printing and postage	228	12	10,568	10,580	10,808
Interest	-	11,230	-	11,230	11,230
Insurance	17,568	16,692	-	16,692	34,260
Travel and transportation	9,027	6	1,524	1,530	10,557
Telephone and communications	15,702	301	247	548	16,250
Equipment and maintenance	910	9,421	5,990	15,411	16,321
Staff training and development	4,279	573	1,128	1,701	5,980
Dues, subscriptions, and books	130	59	730	789	919
Bank and credit card fees	4,302	10,639	792	11,431	15,733
Other expenses	778	860	312	1,172	1,950
Depreciation	119,123	-	-	-	119,123
	\$ 1,536,805	\$ 192,599	\$ 411,198	\$ 603,797	\$ 2,140,602
Total Expenses	\$ 1,536,805	\$ 192,599	\$ 411,198	\$ 603,797	\$ 2,140,602

See notes to financial statements

GOODWILL RESCUE MISSION, INC.

(A Subsidiary of Christian Herald Association, Inc.)

Notes to Financial Statements

September 30, 2020 and 2019

1. NATURE OF ORGANIZATION:

Goodwill Rescue Mission, Inc. (GRM), located in Newark, New Jersey, has provided daily meal service and other forms of basic needs care to those experiencing homelessness and hunger since 1896. GRM is an organization which is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state laws. However, GRM is subject to federal income tax on any unrelated business taxable income. In addition, GRM is not classified as a private foundation within the meaning of Section 509(a) of the IRC. Support and revenues are derived primarily from the general public.

On May 19, 2016, the governing board of GRM approved the acquisition of GRM by Christian Herald Association, Inc. (CHA). As a result of the vote, GRM became a subsidiary of CHA and CHA management assumed control of the management of GRM. GRM continues to operate as a separate 501(c)(3) entity. As GRM is a subsidiary of CHA, it is required to be consolidated with CHA. Because of this, these financial statements are included in separately issued consolidated and combined financial statements of Christian Herald Association, Inc. and Subsidiaries.

In March 2020, the decision was made to temporarily suspend operations at GRM as part of new efforts to work toward a financially sustainable strategy. Until GRM is able to reopen, GRM has connected guests with the life-transforming services of CHA. Suspending operations at GRM for a season will have the estimated effect on future consolidated and combined financial statements of reducing annual support and revenue by approximately \$1,500,000 and reducing annual expenses by approximately \$1,800,000.

2. SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF ACCOUNTING

The financial statements of GRM have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) 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.

CASH AND CASH EQUIVALENTS AND CREDIT RISK

For purposes of the statements of cash flows, GRM considers cash and cash equivalents to be amounts in checking and savings accounts, cash on hand, and securities purchased with original maturities of three months or less. Certain items meet the definition of cash and cash equivalents but are part of a larger pool of investments and are classified as investments, if any. GRM's cash balances did not exceed federally insured limits as of September 30, 2020 and 2019. GRM did not have any restricted cash as of September 30, 2020 and 2019.

GOODWILL RESCUE MISSION, INC.

(A Subsidiary of Christian Herald Association, Inc.)

Notes to Financial Statements

September 30, 2020 and 2019

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

DISCLOSURES ABOUT FAIR VALUE OF ASSETS

GRM follows the provisions of the *Fair Value Measurements and Disclosure* topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). GRM uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, GRM measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are used only when Level 1 or Level 2 inputs are not available. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. GRM had no assets for which fair value measurements were required as of September 30, 2020 and 2019.

LAND, BUILDINGS, EQUIPMENT AND DEPRECIATION

Items capitalized as land, buildings and equipment are capitalized at cost at the date of acquisition, or fair value at the date of gift. The costs of additions and betterments are capitalized when they exceed \$5,000, and expenditures for repairs and maintenance are expensed when incurred. When items of land, buildings and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is reported as income. Depreciation of buildings and equipment is provided utilizing the straight-line method over the estimated useful lives of the respective assets as follows:

Buildings and improvements	10 to 40 years
Furniture, fixtures, vehicles and equipment	3 to 20 years

GRM reviews its investment in land, buildings and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of such property and equipment may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the land, buildings and equipment to the future net undiscounted cash flow expected to be generated by the assets and any estimated proceeds from the eventual disposition of the assets. If the land, building and equipment is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value of such assets. There were no impairment losses recognized in the years ended September 30, 2020 and 2019.

PAYCHECK PROTECTION PROGRAM LOAN

GRM obtained a Paycheck Protection Program loan totaling \$126,940 on May 1, 2020, through the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the Small Business Administration (SBA). The loan accrues interest at 1.00% per annum and matures two years from the date it was funded. The loan may be forgiven up to the full amount if requirements set by the SBA are met. Should GRM not qualify for full loan forgiveness, payments will be required on any unforgiven portion of the loan.

GOODWILL RESCUE MISSION, INC.

(A Subsidiary of Christian Herald Association, Inc.)

Notes to Financial Statements

September 30, 2020 and 2019

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

NET ASSETS

The financial statements report amounts by class of net assets:

Net assets without donor restrictions are those which include all resources which are not subject to donor-imposed restrictions of a more specific nature than those which only obligate the organization to utilize funds in furtherance of its mission, designated by the board for specific use, and resources invested in land, buildings and equipment, less related depreciation.

Net assets with donor restrictions are those stipulated by donors for specific operating purposes, subject to a time restriction, or those not currently available for use until commitments regarding their use have been fulfilled. Net assets with donor restrictions are also those that are subject to donor-imposed restrictions that will never lapse, thus requiring the funds to be permanently retained. Generally, the donors of these funds permit GRM to use all or part of the income earned on related investments or other assets, and the net capital appreciation thereon, for general or specific purposes.

SUPPORT, REVENUE, RECLASSIFICATIONS AND EXPENSES

Support is recognized when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to GRM. GRM reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated amounts. It is GRM's policy to report donor-restricted contributions whose restrictions are met in the same reporting period as support without donor restrictions. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as reclassifications for satisfaction of restrictions. Investment income and changes in other assets or liabilities are recognized in the period earned or incurred and are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

GRM receives donations of food, clothing, and supplies which it uses internally in the operation of its programs. Donated goods are recorded as support at their estimated fair value at the date of donation and are expensed for program services. Items that are not used internally are considered waste and are not recorded in the financial statements.

GRM's services could not be fully achieved without the dedicated efforts of many volunteers. Only those contributed services that meet the "specialized skills" requirements under current accounting standards are recognized in the statements of activities. GRM did not receive any volunteer services that qualified for recognition in the statements of activities for the years ended September 30, 2020 and 2019.

GOODWILL RESCUE MISSION, INC.

(A Subsidiary of Christian Herald Association, Inc.)

Notes to Financial Statements

September 30, 2020 and 2019

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT, REVENUE, RECLASSIFICATIONS AND EXPENSES, continued

Gifts of land, buildings and equipment are reported as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of land, buildings and equipment with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire plant assets are reported as support with donor restrictions. Absent any donor stipulations, these restrictions expire when the asset is acquired or placed in service, and a reclassification is made from net assets with donor restrictions to net assets without donor restrictions at that time. Donated property and equipment are valued at the fair market value at date of receipt.

Directly identifiable expenses are charged to program services and supporting services which include management and general and fundraising. Expenses related to more than one function are charged to program services and supporting services on the basis of periodic time and expense studies. Supporting services' expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of GRM. The categories of expenses that are allocated include salaries and benefits, occupancy, professional fees, consulting and outside services, program and general supplies, printing and postage, insurance, telephone and communications, equipment and maintenance, staff training and development, other expenses and depreciation, which are allocated on the basis of estimates of time and effort. GRM incurred no joint costs for the years ended September 30, 2020 and 2019.

ADOPTION OF RECENTLY ISSUED ACCOUNTING STANDARDS

In 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-18, *Statement of Cash Flows - Restricted Cash (topic 230 of the FASB ASC)*. GRM adopted the provisions of this new standard during the year ended September 30, 2020. Adoption of this new standard had no effect on change in net assets or net assets in total as of September 30, 2020 and 2019.

In 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. GRM adopted the provisions of this new standard during the year ended September 30, 2020, and has implemented the guidance on a modified retrospective approach, meaning, changes are only applied to the portion of revenue that has not yet been recognized before the adoption of this ASU. The new standard clarifies and improved current guidance about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction. Adoption of this standard had no effect on change in net assets or net assets in total as of September 30, 2020 and 2019.

GOODWILL RESCUE MISSION, INC.

(A Subsidiary of Christian Herald Association, Inc.)

Notes to Financial Statements

September 30, 2020 and 2019

3. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects GRM's financial assets, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, perpetual endowments and accumulated earnings net of appropriations within one year, or because the governing board has set aside the funds for specific purposes.

	September 30,	
	2020	2019
Financial assets:		
Cash and cash equivalents	\$ 405,768	\$ 204,880
Less those unavailable for general expenditure within one year:		
Endowment funds restricted in perpetuity	(75,000)	(75,000)
Financial assets available to meet cash needs for general expenditures within one year	\$ 330,768	\$ 129,880

GRM is substantially supported by contributions without and with donor restrictions. Those contributions with donor restriction require resources to be used in a particular manner or in a future period. GRM must maintain sufficient resources to meet those responsibilities to its donors. Thus, at times financial assets may not be available for general expenditure within one year. GRM has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. GRM has a revolving line of credit of \$200,000 available to meet liquidity needs (Note 5), with a borrowing capacity available of \$102,211 and \$1,980 at September 30, 2020 and 2019, respectively. GRM also has the ability to borrow funds from CHA in the event of an anticipated liquidity need.

4. LAND, BUILDINGS AND EQUIPMENT-NET:

Land, buildings and equipment-net consists of the following:

	September 30,	
	2020	2019
Land	\$ 555,032	\$ 555,032
Buildings and improvements	3,074,842	3,074,842
Furniture and fixtures	79,147	79,147
Vehicles and equipment	433,287	433,287
	4,142,308	4,142,308
Less accumulated depreciation and amortization	(1,760,291)	(1,636,829)
	\$ 2,382,017	\$ 2,505,479

GOODWILL RESCUE MISSION, INC.

(A Subsidiary of Christian Herald Association, Inc.)

Notes to Financial Statements

September 30, 2020 and 2019

5. LINE OF CREDIT:

GRM has a line of credit from a bank up to \$200,000. The line of credit is secured by a mortgage lien. Interest is calculated at a variable rate equal to 1% over the prime rate (4.25% and 6% at September 30, 2020 and 2019, respectively) and payments are due monthly. Principal is paid down periodically such that the balance does not exceed the maximum. The line of credit is payable in full by May 31, 2021. The outstanding balance as of September 30, 2020 and 2019, was \$97,789 and \$198,020, respectively.

6. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of the following:

	September 30,	
	2020	2019
Endowment funds restricted in perpetuity	\$ 75,000	\$ 75,000
Accumulated losses on endowment assets	(75,000)	(75,000)
	<u>\$ -</u>	<u>\$ -</u>

7. ENDOWMENTS:

GRM's endowment includes a fund established for general purposes. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions as specified in the Summary of Significant Accounting Policies outlined in these notes.

GRM classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. GRM considers the following factors in making a determination to appropriate or accumulate donor restricted funds:

- (1) The duration and preservation of the fund
- (2) The purposes of GRM and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of GRM
- (7) The investment policies of GRM

GOODWILL RESCUE MISSION, INC.

(A Subsidiary of Christian Herald Association, Inc.)

Notes to Financial Statements

September 30, 2020 and 2019

7. ENDOWMENTS, continued:

FUNDS WITH DEFICIENCIES

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires GRM to retain as a fund of perpetual duration. As of both September 30, 2020 and 2019, GRM did not have sufficient assets to cover the principal of its endowment. The original gift value of the endowment was \$75,000 at both September 30, 2020 and 2019, compared to the fair value of the associated assets of \$-0- at both September 30, 2020 and 2019. The primary reason for the deficits is spending of the endowment assets in prior years to fund cash flow needs. As of September 30, 2020, GRM had sufficient reserves in its general operating account, and made a transfer subsequent to year end to replenish its segregated endowment assets such that the endowment would no longer be under water.

Endowment net asset composition by type of fund as of September 30, 2020, is as follows:

	Original Gift Amount	Accumulated Losses	Total
General purposes	\$ 75,000	\$ (75,000)	\$ -

There were no changes in endowment fund balances for the year ended September 30, 2020.

Endowment net asset composition by type of fund as of September 30, 2019, is as follows:

	Original Gift Amount	Accumulated Losses	Total
General purposes	\$ 75,000	\$ (75,000)	\$ -

There were no changes in endowment fund balances for the year ended September 30, 2019.

8. GIFTS-IN-KIND:

Gifts-in-kind consisted of the following:

	September 30,	
	2020	2019
Food	\$ 111,696	\$ 272,871
Clothing	62,256	33,852
	<u>\$ 173,952</u>	<u>\$ 306,723</u>

GOODWILL RESCUE MISSION, INC.

(A Subsidiary of Christian Herald Association, Inc.)

Notes to Financial Statements

September 30, 2020 and 2019

9. RETIREMENT PLANS:

GRM employees participate in a defined contribution pension plan, sponsored by CHA, under IRC Section 403(b) that covers substantially all of its full-time employees. Contributions are currently based on 4% of each covered employee's wages. Such amounts totaled approximately \$13,000 and \$26,000 for the years ending September 30, 2020 and 2019, respectively.

10. RELATED PARTY TRANSACTIONS:

Members of the board of directors contributed approximately \$120 and \$2,300 to GRM during the years ended September 30, 2020 and 2019, respectively.

GRM shares program, management and general and fundraising costs in the form of allocated personnel and other costs with CHA and another related entity, New York City Rescue Mission, Inc. (NYCRM).

During the years ended September 30, 2020 and 2019, CHA provided program, management and general and fundraising services to GRM totaling approximately \$183,000 and \$277,000, respectively. CHA also incurred approximately \$24,000 and \$39,000 of other costs on behalf of GRM during the years ended September 30, 2020 and 2019, respectively. The net balance due from GRM to CHA as of September 30, 2020 and 2019, was \$514,514 and \$861,248, respectively, and is reported as a component of due to related organizations in the statements of financial position.

During the years ended September 30, 2020 and 2019, CHA made contributions to GRM totaling \$495,615 and \$-0-, respectively.

During the years ended September 30, 2020 and 2019, NYCRM provided program and management and general services to GRM totaling approximately \$22,000 and \$34,000, respectively. The net balance due from NYCRM to GRM as of September 30, 2020, was \$21,374, and is reported as a component of due from related organizations in the statements of financial position. The net balance due from GRM to NYCRM as of September 30, 2019, was \$106,976, and is reported as a component of due to related organizations in the statements of financial position.

11. DONOR CONCENTRATIONS:

During the year ended September 30, 2020, GRM received approximately 50% of total contributions and 45% of total revenue from three donors, one of which was CHA. There were no donor concentrations during the year ended September 30, 2019.

GOODWILL RESCUE MISSION, INC.

(A Subsidiary of Christian Herald Association, Inc.)

Notes to Financial Statements

September 30, 2020 and 2019

12. RISKS AND UNCERTAINTIES:

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a worldwide pandemic which continues to spread throughout the United States and has caused disruption through mandated and voluntary closings and/or transitions to remote work for numerous businesses and nonprofits, including GRM. While the disruptions are currently expected to be temporary, there is considerable uncertainty around the duration of these disruptions. Therefore, GRM anticipates that this could have a continued effect on its operations when those operations resume from temporary suspension (Note 1). Further, while GRM has so far experienced a strong donor response to the pandemic, it is uncertain the effect it will have on contributions going forward. As such, the final extent to which the COVID-19 outbreak will financially impact GRM's operations or financial results cannot be reasonably estimated at this time. In response to the COVID-19 outbreak, on May 1, 2020, GRM received a Paycheck Protection Program loan through the SBA (see Note 2).

13. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through April 21, 2021, which is the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.