



# Good+Foundation

GOOD PLUS FOUNDATION, INC.

FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

**GOOD PLUS FOUNDATION, INC.**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Good Plus Foundation, Inc.

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Good Plus Foundation, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Good Plus Foundation, Inc. as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As further discussed in Note 14 to the financial statements, a global pandemic has been declared by the World Health Organization as a result of the rapidly growing outbreak of the coronavirus, COVID-19. The extent and ultimate impact of COVID-19 on the Organization's operating and financial performance cannot be predicted at this time. Our opinion is not modified with respect to this matter.



**Other Matter**

The financial statements of Good Plus Foundation, Inc. as of and for the year ended December 31, 2019 were audited by MBAF CPAs, LLC ("MBAF"), whose partners and professional staff joined BDO USA, LLP as of January 16, 2021, and has subsequently ceased operations. MBAF expressed an unmodified opinion on those statements in their report dated April 30, 2020.

*BDO USA, LLP*

New York, NY  
April 28, 2021

**GOOD PLUS FOUNDATION, INC.**  
 STATEMENTS OF FINANCIAL POSITION  
 DECEMBER 31, 2020 AND 2019

<b>ASSETS</b>	<b>2020</b>	<b>2019</b>
Cash and cash equivalents	\$ 2,093,818	\$ 898,564
Investments	2,622,977	2,606,232
Certificate of deposit, at cost	-	303,374
Contributions receivable	46,685	135,000
Inventory	1,335,541	2,363,233
Prepaid expenses and other assets	50,037	46,007
Property and equipment, net	15,156	19,026
Website, net	15,000	30,000
	<b>\$ 6,179,214</b>	<b>\$ 6,401,436</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 266,114	\$ 190,339
Paycheck Protection Program loan payable	246,115	-
	<b>512,229</b>	<b>190,339</b>
<b>NET ASSETS</b>		
Without donor restrictions	5,604,114	6,085,556
With donor restrictions	62,871	125,541
	<b>5,666,985</b>	<b>6,211,097</b>
	<b>\$ 6,179,214</b>	<b>\$ 6,401,436</b>

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

**GOOD PLUS FOUNDATION, INC.**  
 STATEMENTS OF ACTIVITIES  
 FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<b>2020</b>	<b>2019</b>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
Contributions	\$ 2,224,569	\$ 1,722,259
Contributions in-kind	10,284,424	8,133,537
Special events income, net of expenses of \$0 and \$143,416 in 2020 and 2019, respectively	-	484,108
Investment (loss) income, net	<u>(1,847)</u>	<u>358,730</u>
	12,507,146	10,698,634
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>		
Satisfaction of program restrictions	<u>1,497,890</u>	<u>87,036</u>
<b>TOTAL REVENUES, GAINS AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS</b>	<u>14,005,036</u>	<u>10,785,670</u>
<b>EXPENSES</b>		
Program	13,280,913	8,106,513
General and administrative	602,463	536,559
Fundraising	<u>603,102</u>	<u>714,919</u>
	14,486,478	9,357,991
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<u>(481,442)</u>	<u>1,427,679</u>
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>		
Contributions	1,435,220	190,000
Net assets released from restrictions	<u>(1,497,890)</u>	<u>(87,036)</u>
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>	<u>(62,670)</u>	<u>102,964</u>
<b>CHANGE IN NET ASSETS</b>	(544,112)	1,530,643
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>6,211,097</u>	<u>4,680,454</u>
<b>NET ASSETS - END OF YEAR</b>	<u><b>\$ 5,666,985</b></u>	<u><b>\$ 6,211,097</b></u>

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

**GOOD PLUS FOUNDATION, INC.**  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020

FUNCTIONAL EXPENSES	Program				Subtotal	General and	Fundraising	Total
	Education	Fatherhood	Nurse-Family Partnership/Helping Mothers/Health	Crisis Intervention		Administrative		
Salaries	\$ 73,073	\$ 364,080	\$ 238,238	\$ 64,361	\$ 739,752	\$ 255,349	\$ 406,990	\$ 1,402,091
Payroll taxes and fringe benefits	14,702	71,861	47,849	12,921	147,333	47,539	77,414	272,286
Program supplies, in-kind	1,453,113	3,912,228	4,471,117	1,341,335	11,177,793	-	-	11,177,793
Program supplies	73,980	97,296	157,796	29,872	358,944	-	-	358,944
Cash grants	42,000	117,000	156,000	-	315,000	-	-	315,000
Depreciation and amortization	1,625	4,134	4,419	1,141	11,319	15,027	57	26,403
Repairs and maintenance	1,999	2,889	8,203	2,053	15,144	305	241	15,690
Occupancy	43,572	60,302	168,172	41,623	313,669	4,444	5,251	323,364
Telephone	1,753	4,589	5,417	1,637	13,396	292	26	13,714
Insurance	2,416	6,203	6,500	1,702	16,821	2,035	4,286	23,142
Office expense	9,076	25,238	27,046	7,788	69,148	38,118	18,950	126,216
Utilities	1,262	1,746	4,858	1,203	9,069	181	152	9,402
Delivery	7,541	24,223	24,865	7,655	64,284	-	689	64,973
Professional fees	3,192	13,041	10,142	2,866	29,241	104,850	33,768	167,859
Marketing	-	-	-	-	-	-	54,709	54,709
Printing	-	-	-	-	-	-	569	569
Professional fees, in-kind	-	-	-	-	-	134,323	-	134,323
	<u>\$ 1,729,304</u>	<u>\$ 4,704,830</u>	<u>\$ 5,330,622</u>	<u>\$ 1,516,157</u>	<u>\$ 13,280,913</u>	<u>\$ 602,463</u>	<u>\$ 603,102</u>	<u>\$ 14,486,478</u>

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

**GOOD PLUS FOUNDATION, INC.**  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019

FUNCTIONAL EXPENSES	Program				Subtotal	General and Administrative	Fundraising	Total
	Education	Fatherhood	Nurse-Family Partnership/Helping Mothers/Health	Crisis Intervention				
Salaries	\$ 106,098	\$ 284,606	\$ 209,401	\$ 56,700	\$ 656,805	\$ 242,196	\$ 367,174	\$ 1,266,175
Payroll taxes and fringe benefits	18,142	48,515	35,927	9,688	112,272	40,234	60,504	213,010
Program supplies, in-kind	2,736,541	608,120	1,136,225	1,920,379	6,401,265	-	-	6,401,265
Program supplies	51,365	99,574	171,088	18,466	340,493	-	-	340,493
Depreciation and amortization	1,325	2,348	2,809	697	7,179	16,695	3,307	27,181
Repairs and maintenance	3,096	4,330	12,053	2,988	22,467	536	435	23,438
Occupancy	41,948	58,101	162,471	40,233	302,753	4,285	5,061	312,099
Telephone	2,074	3,967	5,615	1,669	13,325	49	125	13,499
Insurance	4,485	5,606	10,091	2,242	22,424	372	465	23,261
Office expense	11,849	19,463	27,152	8,612	67,076	29,793	24,528	121,397
Utilities	2,040	2,764	7,167	1,749	13,720	200	239	14,159
Delivery	4,556	11,731	18,628	2,633	37,548	-	1,658	39,206
Professional fees	4,558	10,349	9,574	2,630	27,111	117,464	14,918	159,493
Marketing	15	19	30	11	75	-	6,529	6,604
Printing	514	887	1,143	295	2,839	691	1,401	4,931
Professional fees, in-kind	1,650	15,097	62,305	-	79,052	83,347	228,575	390,974
Office furniture/equipment	22	27	44	16	109	697	-	806
	<u>\$ 2,990,278</u>	<u>\$ 1,175,504</u>	<u>\$ 1,871,723</u>	<u>\$ 2,069,008</u>	<u>\$ 8,106,513</u>	<u>\$ 536,559</u>	<u>\$ 714,919</u>	<u>\$ 9,357,991</u>

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

**GOOD PLUS FOUNDATION, INC.**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (544,112)	\$ 1,530,643
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	26,403	27,181
Unrealized loss (gain) on investments	43,857	(191,420)
Realized loss (gain) on investments	33,902	(42,492)
Donated goods - contributions	(10,150,101)	(7,742,563)
Goods utilized in program expenses	11,177,793	6,401,265
Changes in operating assets and liabilities:		
Contributions receivable	88,315	(123,450)
Prepaid expenses and other assets	(4,030)	(8,505)
Accounts payable and accrued expenses	75,775	141,082
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>747,802</u>	<u>(8,259)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(7,533)	(8,184)
Purchase of website	-	(25,000)
Proceeds from sales of investments	3,064,652	453,453
Redemption of certificate of deposit	303,374	-
Reinvestment of CD interest	-	(3,374)
Purchases of investments	<u>(3,159,156)</u>	<u>(1,114,817)</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>201,337</u>	<u>(697,922)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Paycheck Protection Program loan payable	<u>246,115</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,195,254	(706,181)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>898,564</u>	<u>1,604,745</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,093,818</u>	<u>\$ 898,564</u>

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

## GOOD PLUS FOUNDATION, INC.

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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

### 1. NATURE OF THE ORGANIZATION

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Good Plus Foundation, Inc. (the "Organization") was incorporated on February 26, 2001. On July 25, 2017, the board of directors approved the change of the Organization's name from The Baby Buggy, Inc. to Good Plus Foundation, Inc. The Organization's mission is to work to dismantle multi-generational poverty by pairing tangible goods with innovative services for low-income fathers, mothers and caregivers, creating an upward trajectory for the whole family. The Organization is an exempt organization for federal income tax purposes under Section 501(c)(3) of the Internal Revenue Code and under the corresponding provisions of the New York State tax laws. The Organization has been classified to be a publicly supported organization and not a private foundation under Section 509(a) and is qualified for deductible contributions as provided in Section 170(b)(1)(A)(vi). The Organization's primary source of income is contributions.

The Organization focuses on the following major segments:

**Education** – The Organization's educational program includes working in conjunction with agencies such as Early Head Start and Head Start that offer free, high-quality education for young children, as well as a range of health and family support services for their parents.

**Fatherhood** - The Organization's Fatherhood Initiative provides clothing, gear, and products for children of low-income, non-custodial fathers enrolled in fathering programs at 13 organizations in New York City, Los Angeles and Baltimore. These programs help fathers feel empowered to embrace fatherhood and the responsibilities that accompany it and to provide poor fathers the tools they need to keep their children safe and healthy. The Organization also offers financial education workshops and benefits screening to help improve the family's overall and financial well-being.

**Health** – The primary focus is Nurse-Family Partnership ("NFP") programs in New York City, Jersey City, Los Angeles, Dallas, Detroit and Houston. NFP pairs poor first-time moms with a visiting nurse from the 20th week of pregnancy until her child's second birthday. Demonstrated impacts include better maternal health, lower rates of child abuse and childhood accidents, longer intervals between births, and better maternal employment and graduation rates.

**Intervention** – The Organization donates to programs that provide services for at-risk children and families who are living in poverty and faced with challenging circumstances. These programs offer case management, counseling, advocacy, and parenting workshops, as well as crisis intervention when necessary.

### 2. SIGNIFICANT ACCOUNTING POLICIES

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#### Financial Statement Presentation

The Organization's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

This classification of the Organization's net assets and its support, revenues, and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the two classes of net assets – with donor restrictions or without donor restrictions – be displayed in a statement of financial position and that the amount of change in each of those classes of net assets be displayed in a statement of activities. These classes are defined as follows:

Net Assets with Donor Restrictions consist of contributions and other inflows of assets whose use is subject to donor-imposed restrictions that are more specific than broad limits reflecting the nature of the not-for-profit entity, the environment in which it operates, and the purposes specified in its articles of incorporation or bylaws or comparable documents. Donor-imposed restrictions may be temporary in nature, such as stipulating that resources may be used only after a specified date or limited to specific programs or services. Certain donor-imposed restrictions are perpetual in nature.

## GOOD PLUS FOUNDATION, INC.

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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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#### Financial Statement Presentation (continued)

Net Assets without Donor Restrictions consist of contributions and other inflows of assets whose use is not subject to donor-imposed restrictions. This net asset category includes both contributions not subject to donor restrictions and exchange transactions.

#### Cash and Cash Equivalents

The Organization considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents.

#### Investments

Investments are recorded at fair value based upon quoted market prices. Investment income includes dividends, interest, and realized and unrealized gains and losses on investments carried at fair value, and is recorded net of investment fees. Investment income is recorded as income without donor restrictions in the statement of activities.

#### Certificate of Deposit

The certificate of deposit can only be redeemed by its issuer and therefore does not meet the accounting definition of a security. Accordingly, it is measured at cost.

#### Contributions Receivable

Contributions receivable represent unconditional promises to give by donors and are recorded at net realizable value. Unless material, the Organization does not discount long-term receivables. For the years ended December 31, 2020 and 2019, the Organization had contributions receivable of \$46,685 and \$135,000, respectively. The Organization uses the allowance method to determine uncollectible contributions receivable. Such allowance is based on management's assessment of the creditworthiness of its donors, the age of the receivables, as well as current economic conditions and historical information. The Organization has determined that no allowance for uncollectible contributions receivable is necessary as of December 31, 2020 and 2019.

#### Inventory

Inventory is stated at cost, if purchased, or at fair value, if available, or at the value placed by the donors on the date of donation, if contributed. Inventory is stated at the lower of cost or market, with cost being determined by the first-in, first-out method.

#### Property and Equipment

Property and equipment are stated at cost and are being depreciated on the straight-line method over the estimated useful lives of the assets. The Organization has established a \$1,000 threshold above which assets are capitalized. Expenditures for repairs and maintenance are expensed as incurred.

#### Impairment

The Organization reviews long-lived assets to determine whether there has been any permanent impairment whenever events or circumstances indicate the carrying amount of an asset may not be recoverable. If the sum of the expected future undiscounted cash flows is less than the carrying amount of the assets, the Organization recognizes an impairment loss. No impairment losses were recognized for the years ended December 31, 2020 and 2019.

## GOOD PLUS FOUNDATION, INC.

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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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#### Revenue Recognition

Transfers of cash or other assets or settlement of liabilities that are both voluntary and nonreciprocal are recognized as contributions. Reciprocal transfers in which each party receives and sacrifices goods or services with approximate commensurate value are recognized as exchange transactions.

Contributions may either be conditional or unconditional. A contribution is considered conditional when the donor imposes both a barrier and a right of return. Conditional contributions are recognized as revenue on the date all donor-imposed barriers are overcome or explicitly waived by the donor. Barriers may include specific and measurable outcomes, limitations on the performance of an activity and other stipulations related to the contribution.

A donor has a right of return of any assets transferred or a right of release of its obligation to transfer any assets in the event the Organization fails to overcome one or more barriers. Assets received before the barrier is overcome are accounted for as refundable advances.

Unconditional contributions may or may not be subject to donor-imposed restrictions. Donor-imposed restrictions limit the use of the donated assets but are less specific than donor-imposed conditions. Unconditional contributions without donor restrictions are recognized as revenue or support in changes in net assets without donor restrictions when received or promised. Contributions subject to donor restrictions are recognized in changes in net assets with donor restrictions. When a purpose restriction is satisfied or when a time restriction expires, the contribution is reported as net assets released from restrictions and is recognized in changes in net assets without donor restrictions.

The Organization applies Topic 606, *Revenue from Contracts with Customers*, to exchange transactions when applicable. Most of the Organization's revenue for the years ended December 31, 2020 and 2019 were from non-exchange transaction revenue sources including contributions, in-kind contributions and investment income.

Topic 606 applies to the portion of the Organization's special events income that is determined to be an exchange transaction. The Organization conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. Unless a verifiable, objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Organization. The direct costs of the special events which ultimately benefit the donor rather than the Organization are recorded as exchange transaction revenue and exchange transaction expense. All proceeds received in excess of the direct costs are recorded as special events income in the accompanying statements of activities.

For the year ended December 31, 2019, the Organization reported special events income of \$627,524 and expense of \$143,416. There were no special events income or expense for the year ended December 31, 2020. The direct costs of special events include expenses for the benefit of the donor. For example, meal and facility rentals are considered direct costs of special events.

#### In-Kind Contributions

The Organization receives contributions of donated non-cash assets that are an integral part of its operations. Such assets are recognized as income as contributions in-kind and expensed as in-kind at their values based on market values of items donated or on current prices at the time of donation. Contributions are recorded in the period received.

## GOOD PLUS FOUNDATION, INC.

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### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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### Donated Services

Donated services are recognized as revenue, if the services received create or enhance non-financial assets, require specialized skills provided by individuals possessing those skills and typically need to be purchased if not provided by donation. Accordingly, the Organization does not record the value of those volunteer hours that do not meet the criteria for recognition under U.S. GAAP.

### Functional Allocation of Expenses

Expenses that can be directly identified with the program or supporting service to which they relate are charged accordingly. Other expenses by function have been allocated among program and supporting service classifications using payroll allocation.

### Marketing

The Organization expenses marketing costs as incurred. The Organization incurred \$54,709 and \$6,604 of marketing costs for the years ended December 31, 2020 and 2019, respectively, which is included in the accompanying statements of functional expenses.

### Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

### Reclassifications

Certain accounts in the December 31, 2019 financial statements have been reclassified to conform to the December 31, 2020 presentation. These reclassifications had no effect on net income or net assets.

### Income Taxes

The Organization files informational returns in the federal and New York State jurisdictions. The Organization is generally no longer subject to income tax examinations by the Internal Revenue Service or New York State for returns filed before 2017.

The accounting standard for uncertainty in income taxes prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in the financial statements. It also provides guidance for derecognition, classification, interest and penalties, disclosure, and transition.

The Organization does not expect a significant increase or decrease to the total amounts of unrecognized tax positions during the year ended December 31, 2020. However, the Organization may be subject to audit by tax authorities. The Organization believes that it has appropriate support for the positions taken on its tax returns. Nonetheless, the amounts ultimately paid, if any, upon resolution of the issues raised by the taxing authorities may differ materially from the amounts accrued for each year. Management believes that its nonprofit status would be sustained upon examination.

Should there be interest on underpayments of income tax, the Organization would classify it as interest expense. The Organization would classify penalties in connection with underpayments of income tax as other expense.

## GOOD PLUS FOUNDATION, INC.

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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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#### Subsequent Events

The Organization has evaluated events through April 28, 2021, which is the date the financial statements were available to be issued.

#### Fair Value Measurements and Fair Value - Definition and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Accounting standards establish a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring the most observable units be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumption about inputs used by market participants at the measurement date. The fair value hierarchy is categorized into three levels based on inputs as follows:

Level 1 - Valuation based on quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 - Valuation based on quoted prices for similar assets or liabilities in active markets; for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally or corroborated by observable market data by correlation or other means.

Level 3 - Valuation based on inputs that are unobservable and significant to the overall fair value measurement.

#### Recent Accounting Pronouncements

##### Lease Accounting

In February 2016, the Financial Accounting Standards Board ("FASB") issued an accounting standards update which amends existing lease guidance. The update requires lessees to recognize a right-of-use asset and related lease liability for many operating leases now currently off-balance sheet under current U.S. GAAP. Also, the FASB has issued amendments to the update with practical expedients related to land easements, lessor accounting, and disclosures related to accounting changes and error corrections.

The update originally required transition to the new lease guidance using a modified retrospective approach which would reflect the application of the update as of the beginning of the earliest comparative period presented. A subsequent amendment to the update provides an optional transition method that allows entities to initially apply the new lease guidance with a cumulative-effect adjustment to the opening balance of equity in the period of adoption. If this optional transition method is elected, after the adoption of the new lease guidance, the Organization's presentation of comparative periods in the financial statements will continue to be in accordance with current lease accounting. The Organization is evaluating the method of adoption it will elect.

In June 2020, the FASB issued an accounting standards update which defers the required effective date of the update for one year. As a result, entities may elect to adopt the guidance for annual reporting periods beginning after December 15, 2021, and for interim reporting periods beginning after December 15, 2022, with early application permitted. The Organization has elected the deferral and is currently evaluating the effect the update will have on its financial statements.

## GOOD PLUS FOUNDATION, INC.

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### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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### Recent Accounting Pronouncements (continued)

#### Measurement of Credit Losses on Financial Instruments

In June 2016, the FASB issued an accounting standards update which will replace the current incurred loss impairment methodology in GAAP with a methodology that reflects the expected credit losses. The update is intended to provide financial statement users with more decision-useful information about expected credit losses. This update is effective on a modified retrospective basis for financial statements issued for fiscal years beginning after December 15, 2022, and interim periods within fiscal years beginning after December 15, 2023. Early adoption is permitted for fiscal years beginning after December 15, 2018 including interim periods in those fiscal years. The Organization is currently evaluating the effect the update will have on its financial statements.

#### Contributed Nonfinancial Assets

In September 2020, the FASB issued an accounting standards update which amends guidance for not-for-profit entities that receive contributed nonfinancial assets. The update requires not-for-profits to present contributed nonfinancial assets as a separate line item in the statement of activities, and to disclose information regarding each type of contributed nonfinancial asset. The update is to be applied on a retrospective basis and is effective for annual reporting periods beginning after June 15, 2021, and for interim reporting periods beginning after June 15, 2022. The Organization is currently evaluating the effect the update will have on its financial statements.

## 3. INVESTMENTS

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### Determination of Fair Values

The valuation methodologies used to determine the fair values of assets and liabilities under the "exit price" notion reflect market-participant objectives and are based on the application of the fair value hierarchy that prioritizes observable market inputs over unobservable inputs. The Organization determines the fair values of mutual funds and exchange traded and closed-end based on quoted market prices.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Organization's investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risks associated with these investments, it is at least reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position and activities.

The following tables present by level, within the fair value hierarchy, the Organization's investments at fair value as of December 31, 2020 and 2019. As required by fair value measurement accounting standards, investments are classified in their entirety based upon the lowest level of input that is significant to the fair value measurement. The investments are all classified as net assets without donor restrictions.

**GOOD PLUS FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

**3. INVESTMENTS (CONTINUED)**

**Determination of Fair Values (continued)**

	Fair Value on a Recurring Basis	Quoted Market Prices in Active Market for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>December 31, 2020</u>				
Exchange traded and closed-end funds	\$ 592,295	\$ 592,295	\$ -	\$ -
Mutual funds	2,030,682	2,030,682	-	-
	<b>\$ 2,622,977</b>	<b>\$ 2,622,977</b>	<b>\$ -</b>	<b>\$ -</b>
	Fair Value on a Recurring Basis	Quoted Market Prices in Active Market for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>December 31, 2019</u>				
Exchange traded and closed-end funds	\$ 1,242,451	\$ 1,242,451	\$ -	\$ -
Mutual funds	1,363,781	1,363,781	-	-
	<b>\$ 2,606,232</b>	<b>\$ 2,606,232</b>	<b>\$ -</b>	<b>\$ -</b>

The aggregate cost basis, gross unrealized gains and losses, and fair market value of the stocks and mutual funds at December 31, 2020 and 2019, are as follows:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<u>December 31, 2020</u>				
Exchange traded and closed-end funds	\$ 494,255	\$ 98,040	\$ -	\$ 592,295
Mutual funds	2,030,682	-	-	2,030,682
	<b>\$ 2,524,937</b>	<b>\$ 98,040</b>	<b>\$ -</b>	<b>\$ 2,622,977</b>
<u>December 31, 2019</u>				
Exchange traded and closed-end funds	\$ 1,103,852	\$ 138,599	\$ -	\$ 1,242,451
Mutual funds	1,372,600	-	(8,819)	1,363,781
	<b>\$ 2,476,452</b>	<b>\$ 138,599</b>	<b>\$ (8,819)</b>	<b>\$ 2,606,232</b>

## GOOD PLUS FOUNDATION, INC.

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### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

#### 3. INVESTMENTS (CONTINUED)

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##### Determination of Fair Values (continued)

The components of the activity of the Organization's stocks and mutual funds as of December 31, 2020 and 2019 were as follows:

<u>December 31,</u>	<u>2020</u>	<u>2019</u>
Investments, beginning of year	\$ 2,606,232	\$ 1,710,956
Purchases of investments	3,159,156	1,114,817
Sales of investments	(3,064,652)	(453,453)
Realized (loss) gain on sale of investments	(33,902)	42,492
Unrealized (loss) gain on investments reported at fair value	(43,857)	191,420
Investments, end of year	<u>\$ 2,622,977</u>	<u>\$ 2,606,232</u>

#### 4. LIQUIDITY MANAGEMENT AND AVAILABILITY OF RESOURCES

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The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization maintains on average \$600,000 in its checking account for general and recurring expenditures and obligations. The Organization invests cash in excess of monthly requirements. The Organization also maintains a separate form of operational reserve with the objective of setting aside funds to be drawn upon in the event of a budget deficit or any financial distress. These reserve funds are held in money market funds and fixed-income securities in the investment account. The current balance of this reserve is included in the cash and cash equivalents and investments amount on the statements of financial position.

<u>December 31,</u>	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 2,093,818	\$ 898,564
Investments	2,622,977	2,606,232
Certificate of deposit, at cost	-	303,374
Contributions receivable	46,685	135,000
Total financial assets available within one year	<u>4,763,480</u>	<u>3,943,170</u>
Less: amounts unavailable for general expenditures within one year due to:		
Restricted by donors with time and purpose restrictions	<u>(62,871)</u>	<u>(25,541)</u>
Total financial assets available to management for general expenditures within one year	<u>\$ 4,700,609</u>	<u>\$ 3,917,629</u>

## GOOD PLUS FOUNDATION, INC.

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### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

#### 5. PROPERTY AND EQUIPMENT

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Property and equipment consist of the following as of December 31,:

	2020	2019	Estimated Useful Lives
Equipment	\$ 85,231	\$ 77,698	3-5 Years
Less: accumulated depreciation	(70,075)	(58,672)	
	<u>\$ 15,156</u>	<u>\$ 19,026</u>	

Depreciation expense was \$11,403 and \$12,181 for the years ended December 31, 2020 and 2019, respectively.

#### 6. WEBSITE

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Development costs related to the Organization's website amounting to \$50,000 have been capitalized as of December 31, 2016 and an additional \$25,000 was capitalized during 2019. These costs are amortized over the estimated life of five years using the straight-line method. Amortization expense for each of the years ended December 31, 2020 and 2019 totaled \$15,000. Accumulated amortization as of December 31, 2020 and 2019 totaled \$60,000 and \$45,000, respectively.

#### 7. INVENTORY

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As of December 31, 2020 and 2019, inventory consists of clothing and essential baby gear amounting to \$1,335,541 and \$2,363,233, respectively.

#### 8. IN-KIND CONTRIBUTIONS

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During the years ended December 31, 2020 and 2019, the Organization recognized total in-kind contributions of \$10,284,424 and \$8,133,537, respectively. Included in these amounts are donated legal, events and professional services amounting to \$134,323 and \$390,974, respectively. In-kind contributions consist of goods and specialized services donated by corporations and individuals which are recorded on the date of donation.

#### 9. RETIREMENT PLAN

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The Organization adopted a 403(b) retirement plan (the "Plan") which covers most of the employees. The Plan is a defined contribution plan. Employees are eligible to make elective deferrals beginning on their date of hire. Those employees who have completed two years of continuous employment and are employed on the last day of the Plan year are also eligible for a discretionary non-elective employer contribution. For the year ended December 31, 2020, pension expense for the Organization was \$24,625 and is included on the statement of functional expenses under payroll taxes and fringe benefits. The Organization did not make any contributions to the Plan for the period ended December 31, 2019.

#### 10. COMMITMENTS AND CONTINGENCIES

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In January 2019, the Organization signed a non-cancelable operating lease for office space in New York, which expires on December 31, 2022.

In February 2018, the Organization signed a non-cancelable operating lease for office and storage space for their Los Angeles operations, which expires on April 30, 2021.

## GOOD PLUS FOUNDATION, INC.

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### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

#### 10. COMMITMENTS AND CONTINGENCIES (CONTINUED)

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At December 31, 2020, future minimum lease payments were as follows:

Year ended December 31,	
2021	\$ 241,623
2022	206,211
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	<b>\$ 447,834</b>

Rent expense for the years ended December 31, 2020 and 2019 was \$323,364 and \$312,099 respectively.

#### 11. CONCENTRATIONS

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Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000.

For the year ended December 31, 2020, one company donated approximately \$1,270,000 in products to the Organization, which amounted to approximately 14% of the Organization's total corporate in-kind contributions for the year.

For the year ended December 31, 2019, one company donated approximately \$787,000 in products to the Organization, which amounted to approximately 11% of the Organization's total corporate in-kind contributions for the year.

For the year ended December 31, 2020, there were no major donors for cash contributions.

For the year ended December 31, 2019, two donors contributed approximately \$456,000 in cash to the Organization, which amounted to approximately 24% of the Organization's contributions, other than in-kind, for the year.

#### 12. PAYCHECK PROTECTION PROGRAM LOAN PAYABLE

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In April 2020, the Organization received a loan in the amount of \$246,115 through the Paycheck Protection Program of the 2020 CARES Act ("PPP") administered by the Small Business Administration. The loan is due on May 1, 2022, and bears interest at 1 percent. The Organization may prepay the loan at any time prior to maturity with no prepayment penalties. Funds from the loan may only be used for certain purposes, including payroll, employee benefits, rent, and utilities. Under the terms of the PPP, all or a portion of the loan may be forgiven based on certain requirements being met. The Organization is tracking the qualifying expenditures during the qualifying period and has applied for loan forgiveness under the program in February 2021.

## GOOD PLUS FOUNDATION, INC.

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### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

#### 13. NET ASSETS WITH DONOR RESTRICTIONS

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Net assets with donor restrictions are available for the following purposes at December 31,:

	2020	2019
Crisis and disaster fund	\$ 51,509	\$ 541
LA operations	10,000	-
Mother and fatherhood	1,362	-
Time restricted	-	100,000
Trauma support	-	25,000
Total net assets with donor restrictions	<b>\$ 62,871</b>	<b>\$ 125,541</b>

Net assets were released from donor restrictions as follows during the years ended December 31,:

	2020	2019
LA operations	\$ 75,000	\$ 32,036
Purchases of equipment/software and furnishings	5,000	10,000
Time restricted	100,000	45,000
Mother and fatherhood	33,638	-
Trauma support	25,000	-
Crisis and disaster fund	1,259,252	-
Total released from restrictions	<b>\$ 1,497,890</b>	<b>\$ 87,036</b>

#### 14. RISK MANAGEMENT

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On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (“COVID-19”) a global pandemic and recommended containment and mitigation measures worldwide. The Organization cannot reasonably estimate the length or severity of this pandemic. Consequently, these developments may adversely affect the Organization’s financial position, result of operations and cash flows. The Organization believes they are taking appropriate actions to mitigate the negative impact.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) was signed into law in response to the COVID-19 pandemic. The CARES Act includes many measures to provide relief to companies. The Organization has not taken advantage of any such measures, except for the Paycheck Protection Program loan discussed in Note 12.