

# Not for Profit Organization

## "Report Submission Form"

Form Revised Oct 2005

Complete this form, as required by the Official Code of Georgia Annotated Section 50-20, → "Relations with Nonprofit Contractors"	<b>RETURN TO</b> 	Georgia Department of Audits Nonprofit and Local Government Audit Division - NPO Review 270 Washington Street, Suite 1-156 Atlanta, Georgia 30334-8400
--	----------------------	---

### PART I GENERAL INFORMATION

Not for Profit Organization	<b>Goshen Valley Foundation, Inc.</b>		
Street Address	<b>387 Goshen Church Way</b>		
City, State Zip Code	<b>Waleska</b> <small>City</small>	<b>GA</b> <small>State</small>	<b>3 0 1 8 3</b> <small>Zip Code</small>
Contact Name and Title	<b>Bianka Sloan</b> <small>Contact Name</small>	<b>Executive Director of Finance</b> <small>Contact Title</small>	
Contact Information	<b>770-345-9535</b> <small>Phone</small>	<b>770-796-1954</b> <small>FAX</small>	<b>bsloan@goshenvalley.org</b> <small>E-Mail Address</small>

### PART II EMPLOYER IDENTIFICATION NUMBER

Not for Profit Organization (FEI #) Federal Employer Identification Number	<b>5 8 - 2 3 6 1 4 8 3</b>
--	----------------------------

### PART III FISCAL YEAR END

Fiscal Year Ending Date <b>12</b> / <b>31</b> / <b>21</b> <small>Month                      Day                      Year</small>	Reporting packages or financial statements shall be forwarded to the state auditor and each contracting state organization within 180 days after the close of the nonprofit organization's fiscal year.
--	---

### PART IV AUDITOR INFORMATION

Auditing Firm / Organization	<b>Murphy CPA Group</b>		
Contact Name	<b>George Murphy</b>		
Contact Information	<b>770-479-1667</b> <small>Phone</small>	<b>770-479-2036</b> <small>FAX</small>	<b>gmurphy@murphycpagroup.com</b> <small>E-Mail Address</small>

### PART V EXTENSION REQUEST

Extension requested for Audit Requirements Through: <b>9</b> / <b>30</b> / <b>2022</b> <small>(Not to Exceed 270 days from FYE)                      Month                      Day                      Year</small>	The state auditor, for good cause, may waive the requirement for completion of an audit within 180 days. Such waiver shall be for an additional period of not more than 90 days, and no such waiver shall be granted for more than two successive years to the same nonprofit organization.
--	---

### PART VI AUDIT REPORT / UNAUDITED FINANCIAL STATEMENT INFORMATION

Indicate the Type of Report Submitted "Unaudited Financial Statements" or "Audit Report" (Place a Check Mark in the Correct Box/es)	UNAUDITED FINANCIAL STATEMENTS   GAAS   GAGAS A-133	<p>A nonprofit organization which has expended \$25,000.00 or more but less than \$100,000.00 in a fiscal year in state funds shall forward to the state auditor and each contracting state organization a copy of the nonprofit organization's financial statements. If annual financial statements are reported upon by a public accountant, the accountant's report must accompany them. If not, the annual financial statements must be accompanied by the statement of the president or person responsible for the nonprofit organization's financial statements</p> <p>A nonprofit organization which has expended \$100,000.00 or more during its fiscal year in state funds shall provide for and cause to be made annual an audit of the financial affairs and transactions of all the nonprofit organization's funds and activities. The audit shall be performed in accordance with generally accepted auditing standards; "Generally Accepted Auditing Standards" means auditing standards issued by the American Institute of Certified Public Accountants for the conduct and reporting of financial audits.</p> <p>A nonprofit organization which receives funds from a state organization and which meets the federal audit requirements of the Single Audit Act Amendments of 1996 shall submit audit reports and reporting packages performed in accordance with Office of Management and Budget regulations. Audits meeting this criteria will follow "Generally Accepted Government Auditing Standards" meaning generally accepted government auditing standards issued by the Comptroller General of the United States, which are applicable to financial audits.</p>	<table style="width: 100%; border: none;"> <tr> <td style="text-align: center; width: 50%;"><input type="checkbox"/> <small>YES</small></td> <td style="text-align: center; width: 50%;"><input type="checkbox"/> <small>NO</small></td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/> <small>YES</small></td> <td style="text-align: center;"><input type="checkbox"/> <small>NO</small></td> </tr> <tr> <td style="text-align: center;"><input checked="" type="checkbox"/> <small>YES</small></td> <td style="text-align: center;"><input type="checkbox"/> <small>NO</small></td> </tr> </table>	<input type="checkbox"/> <small>YES</small>	<input type="checkbox"/> <small>NO</small>	<input type="checkbox"/> <small>YES</small>	<input type="checkbox"/> <small>NO</small>	<input checked="" type="checkbox"/> <small>YES</small>	<input type="checkbox"/> <small>NO</small>		
<input type="checkbox"/> <small>YES</small>	<input type="checkbox"/> <small>NO</small>										
<input type="checkbox"/> <small>YES</small>	<input type="checkbox"/> <small>NO</small>										
<input checked="" type="checkbox"/> <small>YES</small>	<input type="checkbox"/> <small>NO</small>										
Indicate the Type Audit Report Issued (Circle One for each Type Report Issued)	Financial Statements  Federal Programs Compliance	<table style="width: 100%; border: none;"> <tr> <td style="text-align: center; width: 25%;"><input checked="" type="radio"/> <small>Unqualified Opinion</small></td> <td style="text-align: center; width: 25%;"><input type="radio"/> <small>Qualified Opinion</small></td> <td style="text-align: center; width: 25%;"><input type="radio"/> <small>Adverse Opinion</small></td> <td style="text-align: center; width: 25%;"><input type="radio"/> <small>Disclaimer of Opinion</small></td> </tr> <tr> <td style="text-align: center;"><input checked="" type="radio"/> <small>Unqualified Opinion</small></td> <td style="text-align: center;"><input type="radio"/> <small>Qualified Opinion</small></td> <td style="text-align: center;"><input type="radio"/> <small>Adverse Opinion</small></td> <td style="text-align: center;"><input type="radio"/> <small>Disclaimer of Opinion</small></td> </tr> </table>	<input checked="" type="radio"/> <small>Unqualified Opinion</small>	<input type="radio"/> <small>Qualified Opinion</small>	<input type="radio"/> <small>Adverse Opinion</small>	<input type="radio"/> <small>Disclaimer of Opinion</small>	<input checked="" type="radio"/> <small>Unqualified Opinion</small>	<input type="radio"/> <small>Qualified Opinion</small>	<input type="radio"/> <small>Adverse Opinion</small>	<input type="radio"/> <small>Disclaimer of Opinion</small>	
<input checked="" type="radio"/> <small>Unqualified Opinion</small>	<input type="radio"/> <small>Qualified Opinion</small>	<input type="radio"/> <small>Adverse Opinion</small>	<input type="radio"/> <small>Disclaimer of Opinion</small>								
<input checked="" type="radio"/> <small>Unqualified Opinion</small>	<input type="radio"/> <small>Qualified Opinion</small>	<input type="radio"/> <small>Adverse Opinion</small>	<input type="radio"/> <small>Disclaimer of Opinion</small>								

Audit Reports

Financial Statements

And

Schedules

Goshen Valley Foundation, Inc.

December 31, 2021

Murphy CPA Group, P.C.

---

Certified Public Accounts

---

Goshen Valley Foundation, Inc.

Audit Reports  
Financial Statements  
And  
Schedules

Year Ended December 31, 2021

## **TABLE OF CONTENTS**

INDEPENDENT AUDITOR’S REPORT .....	1
------------------------------------	---

### **FINANCIAL STATEMENTS**

Statement of Financial Position .....	3
Statement of Activities .....	4
Statement of Cash Flows .....	6
Notes to the Financial Statements .....	7

### **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Schedule of Expenditures of Federal Awards.....	12
Notes to the Schedule of Expenditures of Federal Awards.....	13

### **REPORTS ON INTERNAL CONTROL AND COMPLIANCE**

Independent Auditor’s Report on Internal Control over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards.....	14
---	----

Independent Auditor’s Report On Compliance For Each Major Program And On Internal Control Over Compliance Required by OMB Uniform Guidance.....	15
--	----

### **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Schedule of Findings and Questioned Costs.....	18
--	----

# Murphy CPA Group, P.C.

Certified Public Accountants

---

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of  
Goshen Valley Foundation, Inc.

### Report on the Financial Statements

We have audited the accompanying financial statements of Goshen Valley Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 Goshen Valley Foundation, Inc. as of December 31, 2021 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.

## Other Matters

### Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*, 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. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2022 on our consideration of Goshen Valley Foundation, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Goshen Valley Foundation, Inc.'s internal control over financial reporting and compliance.

Murphy CPA Group, P.C.



Canton, Georgia  
September 30, 2022

## GOSHEN VALLEY FOUNDATION, INC.

## Statement of Financial Position

December 31, 2021

**ASSETS****CURRENT ASSETS**

Cash and Cash Equivalents	\$ 2,278,950
Accounts Receivable	532,704
<b>Total Current Assets:</b>	<u>2,811,654</u>

**FIXED ASSETS**

Automobiles	296,982
Buildings	4,626,692
Building Improvements	685,761
Equipment	129,710
Furniture	104,885
Land	1,516,881
Land Improvements	262,003
<b>Total Fixed Assets</b>	<u>7,622,914</u>
Less: Accumulated Depreciation	(2,129,263)
<b>Net Fixed Assets</b>	<u>5,493,651</u>

**OTHER ASSETS**

Utility Deposits	267
Loan Fees	8,978
<b>Total Other Assets:</b>	<u>9,245</u>

**TOTAL ASSETS**\$ 8,314,550**LIABILITIES & NET ASSETS****CURRENT LIABILITIES**

Payroll Liabilities	\$ 16,453
Accounts Payable and Accrued Liabilities	167,997
Current Portion of Long-Term Liabilities	201,029
<b>Total Current Liabilities</b>	<u>385,479</u>

**LONG-TERM LIABILITIES**

South State Bank Consolidated Loan	3,107,452
<b>Total Liabilities</b>	<u>3,492,931</u>

**NET ASSETS**

Without Donor Restrictions	4,821,619
<b>Total Net Assets</b>	<u>4,821,619</u>

**TOTAL LIABILITIES & NET ASSETS**\$ 8,314,550

See Independent Auditor's Report and Notes to Financial Statements

GOSHEN VALLEY FOUNDATION, INC.  
Statement of Activities  
For the Year Ended December 31, 2021

	Program Services	Mangement & General	Fundraising	Total
<b>Public Support, Revenues, and Reclassifications</b>				
Goshen Homes Income	\$ 3,279,095			\$ 3,279,095
Goshen Valley Boys Ranch				
DFACS Reimbursement	2,029,323			2,029,323
Mission and Other	24,760			24,760
Hope House Income	295,294			295,294
North Georgia New Beginnings Income	742,586			742,586
Goshen Therapeutic Services				
PUP, CCFA, WRAP	391,492			391,492
Drug Screening Reimbursemens	415,440			415,440
Other Income	171,950			171,950
Goshen Valley Foundation Income	84,924	1,183		86,107
Development Income				
Grants	291,347			291,347
Contributions	1,586,076			1,586,076
Goshen Valley Classic			174,973	174,973
Total Public Support, Revenues, and Reclassifications	\$ 9,312,287	\$ 1,183	\$ 174,973	\$ 9,488,443
<b>Expenses and Losses</b>				
<b>PROGRAMS</b>				
Goshen Homes				
Housing & Rent	\$ 27,044			\$ 27,044
Food & Household	3,215	2,236		5,451
Transportation	18,162			18,162
Recreation & Entertainment	17,710			17,710
School Activities & Supplies	9,420			9,420
Licenses and Tests	3,132			3,132
Health & Appearance	36,115			36,115
Clothing	22,664			22,664
Utilities	14,123			14,123
Facilities	35,189			35,189
Other Expenses	10,126	57,072		67,198
Payroll	1,938,874			1,938,874
Goshen Valley Boys Ranch				
Payroll	1,435,776			\$ 1,435,776
Housing & Rent	61,179			61,179
Utilities	132,426			132,426
Transportation	80,760			80,760
School Activities & Supplies	9,153			9,153
Recreation and Entertainment	62,707			62,707
Licenses and Tests	1,516			1,516
Health & Appearance	9,965			9,965
Food & Household	124,818	357		125,175
Clothing	14,670			14,670
Ranch Facilities	171,113			171,113
Other Ranch Expenses		27,621		27,621



GOSHEN VALLEY FOUNDATION, INC.  
Statement of Activities  
For the Year Ended December 31, 2021

	Program Services	Mangement & General	Fundraising	Total
Hope House				
Payroll	\$ 78,891			\$ 78,891
Utilities	11,688			11,688
Transportation	6,691			6,691
Food & Household	28,886			28,886
Direct Boy Costs	11,651			11,651
Hope House Administration		719		719
North Georgia New Beginnings				
Office & Admin	1,818	\$ 17,060		\$ 18,878
Transportation	39,085			39,085
Rent & Utilities	158,310			158,310
Payroll	472,273			472,273
Food / Household	83,680			83,680
Facilities	30,770			30,770
Direct Boy Costs	34,835			34,835
<b>Total Programs</b>	<u>\$ 5,198,435</u>	<u>\$ 105,065</u>	<u>\$ -</u>	<u>\$ 5,303,500</u>
GOSHEN THERAPEUTIC SERVICES				
Payroll		\$ 783,824		\$ 783,824
Rent & Office		40,918		40,918
Transportation		7,276		7,276
Other General Expenses		131,867		131,867
<b>Total Goshen Therapeutic Services</b>	<u>\$ -</u>	<u>\$ 963,885</u>	<u>\$ -</u>	<u>\$ 963,885</u>
ADMINISTRATION / GENERAL				
Payroll		950,981		950,981
Rent & Utilities		\$ 86,424		\$ 86,424
Insurance		163,634		163,634
Professional Fees		162,432		162,432
Interest		124,744		124,744
Depreciation		162,024		162,024
Office Supplies		201,068		201,068
Other General Expenses		247,810		247,810
<b>Total Administration / General</b>	<u>\$ -</u>	<u>\$ 2,099,117</u>	<u>\$ -</u>	<u>\$ 2,099,117</u>
DEVELOPMENT				
Payroll		\$ 130,224		\$ 130,224
Rent & Utilities		52,275		52,275
Goshen Valley Golf Classic			99,413	99,413
Meals & Meetings		11,500		11,500
Office Expenses		11,580		11,580
Promotional & Marketing		36,456		36,456
<b>Total Fund-raising / Development</b>	<u>-</u>	<u>242,035</u>	<u>99,413</u>	<u>341,448</u>
Total Expenses and losses	<u>\$ 5,198,435</u>	<u>\$ 3,410,102</u>	<u>\$ 99,413</u>	<u>\$ 8,707,950</u>
Change in Net Assets				780,493
Adjustments to Net Assets - CARES Act Loans Forgiven				662,731
Net Assets as of Beginning of Year				3,378,395
Net Assets as of End of Year				<u>\$ 4,821,619</u>

GOSHEN VALLEY FOUNDATION, INC.  
Statement of Cash Flows  
For the Year Ended December 31, 2021

**Operating activities**

Change in net assets	\$ 780,493
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities	
Increase in Payroll Liabilities	14,567
Depreciation and Amortization	162,024
Increase in Accounts Receivable	(1,738)
Increase in Accrued Payables & liabilities	104,994
Decrease in Employee Advances	27,713
Net cash provided (used) by operating activities	<u>1,088,053</u>

**Investing activities**

Increase in Building Improvements	(201,785)
Increase in Land Improvements	(56,190)
Net cash provided (used) in investing activities	<u>(257,975)</u>

**Financing activities**

Decrease in Credit cards Payable	(35,976)
Decrease in South State Bank Loans	(193,162)
Net cash provided (used) by financing activities	<u>(229,138)</u>

Net increase (decrease) in cash and cash equivalents 600,940

Cash and cash equivalents as of beginning of year 1,678,010

Cash and cash equivalents as of end of year \$ 2,278,950

Interest Paid in 2021: \$124,744

# **GOSHEN VALLEY FOUNDATION, INC.**

## **Notes to Financial Statements**

December 31, 2021

### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Organization and Nature of Activities**

The Goshen Valley Foundation, Inc. (formed December 19, 1997) operates Goshen Valley Boys Ranch. The Goshen Valley Boys Ranch is a Georgia licensed Child Care Home and a member of the Georgia Association of Homes and Services for Children. The ranch is located on 150 acres in the Appalachian foothills of Northwest Cherokee County, Georgia. The Foundation's support comes primarily from governmental support, various government and child agency grants, client fees, contributions and other miscellaneous revenue sources.

The Foundation is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

#### **Public Support and Revenue**

Contributions are generally available for unrestricted use in the related campaign year unless specifically restricted by the donor. Unconditional promises to give are recorded as received. The majority of the promises to give are received from a broad base of Cherokee County contributors.

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance 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, are recorded at their fair values in the period received.

#### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

#### **Cash and Cash Equivalents**

The foundation considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows would exclude permanently restricted cash and cash equivalents.

# GOSHEN VALLEY FOUNDATION, INC.

## Notes to Financial Statements

December 31, 2021

### Furniture, Equipment, Buildings, and Automobiles

Furniture, equipment, buildings, and automobiles are capitalized at cost. It is the Foundation's policy to capitalize expenditures for these items in excess of \$2,500.00. Lesser amounts are expensed.

Furniture, equipment, and automobiles are being depreciated over estimated useful lives of five to ten years using the straight-line method. Houses are being depreciated over estimated useful lives of 39 years using the straight-line method.

### Financial Statement Presentation

The Foundation is required to report information regarding its financial position and activities according to two classes of net assets: unrestricted net assets and restricted net assets.

### NOTE 2: RELATED-PARTY TRANSACTIONS AND COMMON CONTROL

The Board of Trustees for Goshen Valley Foundation, Inc. includes John W. Blend III. John's son Zach fills the corporate officer positions of Chief Executive Officer. John has previously served as interim Executive Director for Goshen Valley Boys Ranch.

John W. Blend, III donated the land on which the Goshen Valley Boys Ranch campus is located.

### NOTE 3: NOTES PAYABLE

The South State Bank Consolidated Loan was originally executed March 26, 2015 in the amount of \$2,900,000.00 to mature March 26, 2035. The loan was amortized over 240 payments in the amount of \$17,278.73. However, in October of 2019 the Organization sought to consolidate multiple lines under this note. The loan was originally priced at an interest rate of 3.75%, but has since been adjusted to 3.37%. The note is secured by Goshen Valley Foundation, Inc. real estate. This new consolidated loan was executed in the amount of \$3,717,306.00 to mature in April 2035. The loan was amortized over 186 payments in the amount of \$25,775.68.

Estimated principal portions of payments due from 2022 through maturity on long term debt are approximated as follow as of December 31, 2021:

<i>Year</i>	<i>South State Bank Consolidated Loan</i>
2022	\$201,029
2023	\$207,909
2024	\$215,025
2025	\$222,398
2026	\$230,010
Thereafter	\$2,223,562
Total	\$3,308,481

# **GOSHEN VALLEY FOUNDATION, INC.**

## **Notes to Financial Statements**

December 31, 2021

### **NOTE 4: DONATED SERVICES**

The Foundation receives donated services from unpaid volunteers who assist in administration, fund-raising and special projects. No amounts have been recognized in the statement of activities because the criteria for recognition under Accounting Standards Codification 958 *Not-for-profit entities* have not been satisfied.

### **NOTE 5: FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities.

### **NOTE 6: COMPENSATED ABSENCES**

Goshen Valley Foundation, Inc. d/b/a Goshen Valley Boys Ranch has not accrued vacation pay or sick pay expense because the amount cannot be readily estimated.

### **NOTE 7: ACCOUNTS RECEIVABLE**

Accounts Receivable consist of the amount paid in January of 2022 by the Georgia Department of Human Resources Division of Family and Children Services for December 2021 activity. Accounts receivable are stated at the amount billed. The Organization does not require collateral for its receivables. The carrying amount of accounts receivable can be reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. Management individually reviews all accounts receivable balances that exceed 60 days from the invoice due date and based on an assessment of current creditworthiness, past payment history and historical loss experience, estimates the portion, if any, of the balance that will not be collected. Management believes that all accounts receivable are fully collectible; accordingly, no allowance for doubtful accounts has been provided.

### **NOTE 8: PLANNED MAJOR MAINTENANCE ACTIVITIES**

Goshen Valley Foundation, Inc. plans on performing large, necessary maintenance projects at the Waleska campus. It will incur approximately \$332,000.00 in repair costs beginning in the third quarter of 2022.

### **NOTE 9: CONCENTRATIONS**

Approximately sixty two percent (62%) of 2021 revenues were received from the Georgia Department of Human Resources Division of Family and Children Services.

### **NOTE 10: ADVERTISING COSTS**

Nondirect-response advertising costs are expensed the first time the advertising takes place.

**GOSHEN VALLEY FOUNDATION, INC.**

## Notes to Financial Statements

December 31, 2021

**NOTE 11: OPERATING LEASE COMMITMENTS**

Goshen Valley Foundation previously entered into leasing arrangements with various commercial communities and residential lessors. All such leases exist with the option to renew.

Existing operating leases on facilities are as follows as of December 31, 2021:

<i>Location</i>	<i>Origination Date</i>	<i>Monthly Payment</i>	<i>Sum 2021 Payments</i>	<i>Remaining Total</i>	<i>Termination/Renew Date</i>
Lewallen Farms	11/10/10	\$1,300	\$15,600	\$27,300	9/30/23
Lewallen Farms	6/11/13	\$1,600	\$19,200	\$33,600	9/30/23
Colonnade Realty	3/1/14	\$2,364	\$28,367	\$30,731	1/31/23
Narrow Path	2/1/16	\$2,800	\$33,600	\$72,800	2/28/24
Harbor Creek	8/1/18	\$1,687	\$20,244	\$28,679	5/15/23
Harbor Creek	11/1/18	\$1,898	\$22,776	\$22,776	1/4/23
Harbor Creek	11/1/19	\$1,665	\$19,980	\$14,985	10/2/22
Thrive Coworking	6/1/20	\$2,200	\$26,400	\$4,400	2/28/22*
Total		\$15,514	\$186,168	\$235,271	

\*Thrive contract include a month-to-month term with a 60-day mandatory notice of vacation.

The Organization also previously entered into vehicle fleet leasing arrangements with Enterprise Fleet Management.

Existing operating leases on vehicles are as follows as of December 31, 2021:

<i>Vehicle</i>	<i>Origination Date</i>	<i>Monthly Payment</i>	<i>Sum 2021 Payments</i>	<i>Remaining Total</i>	<i>Termination/Renew Date</i>
March 2018 Fleet	3/1/18	\$3,576	\$42,243	\$7,152	2/28/2022
June 2019 Van	6/25/19	\$701	\$8,413	\$12,618	6/24/2023
Total		\$4,277	\$50,656	\$19,770	

In addition to previously initiated leasing obligations, Goshen entered into two new contracts with various lessors of commercial and residential space. All such leases exist with the option to renew.

New operating leases on facilities are as follows as of December 31, 2021:

<i>Vehicle</i>	<i>Origination Date</i>	<i>Monthly Payment</i>	<i>Sum 2021 Payments</i>	<i>Remaining Total</i>	<i>Termination/Renew Date</i>
Canton Mill Venture	11/15/21	\$13,000	\$26,000	\$819,000	3/31/27
Mill at Chastain	12/15/21	\$1,753	\$1,753	\$22,789	6/24/2023
Total		\$14,753	\$27,753	\$841,789	

## **GOSHEN VALLEY FOUNDATION, INC.**

### **Notes to Financial Statements**

**December 31, 2021**

#### **NOTE 12: INCOME TAX STATUS**

Goshen Valley Foundation, Inc. qualifies as a tax-exempt organization as described in Internal Revenue Code Section 501(c)(3). Goshen Valley Foundation, Inc. is subject to unrelated business income tax on certain income not directly related to Goshen Valley Foundation, Inc.'s tax-exempt purpose. In the opinion of management, Goshen Valley Foundation, Inc. had no unrelated business income during 2021.

The Organization only recognizes the tax benefit from an uncertain tax position taken or to be taken in a tax return if the tax position is more likely than not to be sustained upon an examination, based on the technical merits of the position. Interest and penalties, if any, are included in expenses in the consolidated statements of activities. As of December 31, 2021, the Organization has no uncertain tax positions that qualify for recognition or disclosure in the consolidated financial statements.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2017.

#### **NOTE 13: SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the report date, which represents the date the financial statements were available to be issued. As mentioned previously, the Organization has plans for major renovations to the structures on its Waleska campus. These maintenance projects are scheduled to begin in quarter three of 2022. Additionally, the entity will be entering into a new leasing agreement with DG Brown Industrial in early 2022. This will be a two-year lease at \$5,665 per month with the option to renew.

GOSHEN VALLEY FOUNDATION, INC.  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2021

<u>Federal Grantor / Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services:			
Pass-through program from:			
State of Georgia Department of Human Resources	ARRA 93.658	381	5,908,733
	93.558		391,492
	93.276		415,440
Total expenditures of federal awards			<u>\$ 6,715,664</u>



**GOSHEN VALLEY FOUNDATION, INC.**  
Notes To Schedule Of Expenditures Of Federal Awards  
December 31, 2021

**NOTE 1: BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Goshen Valley Foundation, Inc. and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

# Murphy CPA Group, P.C.

Certified Public Accountants

---

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees of  
Goshen Valley Foundation, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Goshen Valley Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 30, 2022.

## Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Goshen Valley Foundation, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Goshen Valley Foundation, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Goshen Valley Foundation, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Murphy CPA Group, P.C.



Canton, Georgia  
September 30, 2022

# Murphy CPA Group, P.C.

Certified Public Accountants

---

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB UNIFORM GUIDANCE

To the Board of Trustees of  
Goshen Valley Foundation, Inc.

### Report on Compliance for Each Major Federal Program

We have audited Goshen Valley Foundation, Inc.'s compliance with the types of compliance requirements described in the OMB *Uniform Guidance Compliance Supplement* that could have a direct and material effect on each of Goshen Valley Foundation, Inc.'s major federal programs for the year ended December 31, 2021. Goshen Valley Foundation, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Goshen Valley Foundation, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and OMB Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Goshen Valley Foundation, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Goshen Valley Foundation, Inc.'s compliance.

## **Opinion on Each Major Federal Program**

In our opinion, Goshen Valley Foundation, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

## **Report on Internal Control Over Compliance**

Management of Goshen Valley Foundation, Inc. is responsible for establishing and maintaining effective internal control over compliance requirements referred to above. In planning and performing our audit of compliance, we considered Goshen Valley Foundation, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Goshen Valley Foundation, Inc.'s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the

requirements of OMB Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Murphy CPA Group, P.C.

*Murphy CPA Group, P.C.*

Canton, Georgia  
September 30, 2022

**GOSHEN VALLEY FOUNDATION, INC.**  
Schedule of Findings and Questioned Costs  
Year Ended December 31, 2021

**Section I- Summary of Audit Results**

**Financial Statements:**

Type of auditor's report issued Unmodified

Internal Control over Financial Reporting:

- Material weakness (es) identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? None Reported

Noncompliance material to financial statements noted? No

**Federal Awards:**

Internal control over major programs:

- Material weakness (es) identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? None Reported

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 501 (a) of OMB Uniform Guidance? No

Identification of major programs:

Name	CFDA Number
U.S. Department of Health and Human Services	93.658, 93.558, and 93.276

Dollar threshold to distinguish between Type A and Type B programs? \$750,000

Auditee qualified as a low risk auditee? No

**Section II- Financial Statements Findings** None

**Section III- Federal Award Findings and Questioned Costs**

- It has come to our attention that the previous audit report package has not been submitted to the Federal Auditing Clearinghouse. The recommendation to Goshen Valley is that the 2021 report package and all future audit reports are submitted to the FAC. Murphy CPA Group, P.C. is happy to assist management with the process.