

# 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
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## 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>Trudy Kuester</b> <small>Contact Name</small>	<b>Financial Manager</b> <small>Contact Title</small>	
Contact Information	<b>770-796-4618</b> <small>Phone</small>	<b>770-796-1954</b> <small>FAX</small>	<b>tkuester@gmail.com</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>
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## PART III FISCAL YEAR END

Fiscal Year Ending Date	<b>12 / 31 / 18</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.
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## 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@mm.cpa.pro</b> <small>E-Mail Address</small>

## PART V EXTENSION REQUEST

Extension requested for Audit Requirements Through: (Not to Exceed 270 days from FYE)	<b>9 / 30 / 2019</b> <small>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.
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## 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	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.	<input type="checkbox"/> YES  <input type="checkbox"/> YES  <input checked="" type="checkbox"/> YES  <input type="checkbox"/> YES	<input type="checkbox"/> NO  <input type="checkbox"/> NO  <input type="checkbox"/> NO  <input type="checkbox"/> NO
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Indicate the Type Audit Report Issued (Circle One for each Type Report Issued)	Financial Statements <input checked="" type="radio"/> Unqualified Opinion <input type="radio"/> Qualified Opinion <input type="radio"/> Adverse Opinion <input type="radio"/> Disclaimer of Opinion
Federal Programs Compliance	<input checked="" type="radio"/> Unqualified Opinion <input type="radio"/> Qualified Opinion <input type="radio"/> Adverse Opinion <input type="radio"/> Disclaimer of Opinion

Audit Reports

Financial Statements

And

Schedules

Goshen Valley Foundation, Inc.

December 31, 2018

Murphy CPA Group, P.C.

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Certified Public Accountants

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Goshen Valley Foundation, Inc.

Audit Reports  
Financial Statements  
And  
Schedules

Year Ended December 31, 2018

**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

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## 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, 2018, 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, 2018, 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

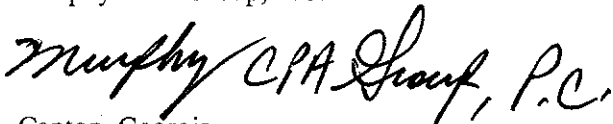
### Other Information

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 23, 2019 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 23, 2019

GOSHEN VALLEY FOUNDATION, INC.  
Statement of Financial Position  
December 31, 2018

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents	\$	729,875
Accounts Receivable		393,952
<b>Total Current Assets:</b>		1,123,827

**FIXED ASSETS**

Automobiles		276,683
Buildings		3,093,802
Building Improvements		371,420
Equipment		122,465
Furniture		96,605
Land		1,381,000
Land Improvements		197,458
<b>Total Fixed Assets</b>		5,539,433
Less: Accumulated Depreciation		(1,686,707)
<b>Net Fixed Assets</b>		3,852,726

**OTHER ASSETS**

Utility Deposits		267
Loan Fees		8,978
Employee Advances		23,935
Construction In Progress		21,910

<b>TOTAL ASSETS</b>	<b>\$</b>	<b>5,031,643</b>
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**LIABILITIES & NET ASSETS**

**CURRENT LIABILITIES**

Payroll Liabilities	\$	22
Accounts Payable and Accrued Liabilities		79,347
Credit Cards Payable		49,361
Current Portion of Long-Term Liabilities		161,918
<b>Total Current Liabilities</b>		290,648

**LONG-TERM LIABILITIES**

South State Bank (\$840K Loan)		739,258
South State Bank (\$2.9M Loan)		2,407,117
Kubota Tractor Loan		1,867
South State Bank Vehicle Loans		5,150
		331,5310
<b>Total Long-term Liabilities</b>		3,153,392

<b>Total Liabilities</b>		3,444,040
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**NET ASSETS**

Unrestricted Net Assets:		
Operating		(2,265,123)
Board Designated		-
Fixed Assets		3,852,726
		3,852,726

Total Unrestricted Net Assets		1,587,603
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<b>Total Net Assets</b>		1,587,603
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<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$</b>	<b>5,031,643</b>
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GOSHEN VALLEY FOUNDATION, INC.  
Statement of Activities  
For the Year Ended December 31, 2018

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Public Support, Revenues, and Reclassifications</b>				
Goshen Homes Income	\$ 1,583,612			\$ 1,583,612
Goshen Valley Boys Ranch				
DFACS Reimbursement	2,109,704			2,109,704
Mission and Other	94,316			94,316
Hope House Income	244,781			244,781
North Georgia New Beginnings Income	920,392			920,392
Goshen Valley Foundation Income	82,962			82,962
Development Income				
Grants	298,624			298,624
Contributions	661,087			661,087
Goshen Valley Classic	162,574			162,574
Total Public Support, Revenues, and Reclassifications	<u>\$ 6,158,052</u>			<u>\$ 6,158,052</u>
 <b>Expenses and Losses</b>				
<b>PROGRAMS</b>				
<b>Goshen Homes</b>				
Housing & Rent	\$ 94,313			\$ 94,313
Food & Household	7,539			7,539
Transportation	13,669			13,669
Recreation & Entertainment	1,938			1,938
Clothing	7,608			7,608
Utilities	15,735			15,735
Facilities	4,656			4,656
Other Expenses	68,843			68,843
Payroll	1,015,732			1,015,732
<b>Goshen Valley Boys Ranch</b>				
Payroll	1,107,645			1,107,645
House Rent	45,086			45,086
Recruiting Costs	15,239			15,239
Utilities	111,152			111,152
Transportation	85,009			85,009
School Activities & Supplies	16,030			16,030
Recreation and Entertainment	40,633			40,633
Licenses and Tests	2,605			2,605
Health & Appearance	15,289			15,289
Gifts and Rewards	8,827			8,827
Food & Household	135,608			135,608
Clothing	18,394			18,394
Allowances	20,039			20,039
Ranch Facilities	92,387			92,387
Farm Operations	10,752			10,752
Ranch Administration	27,106			27,106



GOSHEN VALLEY FOUNDATION, INC.  
Statement of Activities  
For the Year Ended December 31, 2018

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Hope House</b>				
Payroll	\$ 47,267			\$ 47,267
Maintenance Expenses	1,585			1,585
Utilities	13,310			13,310
Transportation	4,800			4,800
Food Household	20,752			20,752
Recreation	7,345			7,345
School	514			514
Clothing	1,098			1,098
Health & Appearance	1,179			
Hope House Administration	2,056			
<b>North Georgia New Beginnings</b>				
Office & Admin	13,635			13,635
Safety and Security	3,259			3,259
Transportation	53,785			53,785
Rent & Utilities	216,931			216,931
Payroll	505,397			505,397
Food / Household	79,711			79,711
Facilities	27,002			
Direct Boy Costs	41,787			
<b>Total Programs</b>	<u>\$ 4,023,247</u>			<u>\$ 4,023,247</u>
<b>ADMINISTRATION / GENERAL</b>				
Rent & Utilities	\$ 34,921			34,921
Insurance	96,016			96,016
Payroll	730,230			730,230
Professional Fees	91,413			91,413
Interest	134,414			
Depreciation	115,564			115,564
Other Programs	15,004			
Other General Expenses	46,382			46,382
<b>Total Administration / General</b>	<u>\$ 1,263,944</u>			<u>\$ 1,114,526</u>
<b>FUND-RAISING / DEVELOPMENT</b>				
Dues / Fees	\$ 3,100			3,100
Goshen Valley Golf Classic	103,627			103,627
Meals & Meetings	16,956			16,956
Office Supplies	11,350			11,350
Promotional & Marketing	23,445			23,445
Other Development Expense	82,008			82,008
<b>Total Fund-raising / Development</b>	<u>240,486</u>			<u>240,486</u>
Total Expenses and losses	<u>\$ 5,527,677</u>			<u>\$ 5,527,677</u>
Change in Net Assets	630,375			630,375
Net Assets as of Beginning of Year	<u>957,228</u>			<u>957,228</u>
Net Assets as of End of Year	<u>\$ 1,587,603</u>			<u>\$ 1,587,603</u>

GOSHEN VALLEY FOUNDATION, INC.  
Statement of Cash Flows  
For the Year Ended December 31, 2018

<b>Operating activities</b>	
Change in net assets	\$ 630,375
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities	
Increase in Payroll Liabilities	1,897
Depreciation and Amortization	115,564
Increase in Accounts Receivable	(44,289)
Increase in Accrued Payables & liabilities	20,049
Increase in Employee Advances	(2,660)
Net cash provided (used) by operating activities	<u>720,936</u>
<b>Investing activities</b>	
Increase in Building Improvements	(153,368)
Increase in Equipment	(3,835)
Net cash provided (used) in investing activities	<u>(179,113)</u>
<b>Financing activities</b>	
Decrease in Credit cards Payable	6,301
Increase in Kubota Tractor Loans	(3,200)
Increase in South State Bank Loans	(359,912)
Net cash provided (used) by financing activities	<u>(356,811)</u>
Net increase (decrease) in cash and cash equivalents	185,012
Cash and cash equivalents as of beginning of year	<u>544,863</u>
Cash and cash equivalents as of end of year	<u>\$ 729,875</u>
Interest Paid in 2018:	\$134,414

# GOSHEN VALLEY FOUNDATION, INC.

Notes to Financial Statements

December 31, 2018

## 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, 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, 2018

## **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 \$1,000.00. 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 three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

## **Contributions**

Under Accounting Standards Codification 958 *Not-for-profit entities*, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

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

The Board of Trustees for Goshen Valley Foundation, Inc. includes John Blend and Allison Smith. John Blend fills the corporate officer positions of Chief Executive Officer and Chief Financial Officer. He has served as interim Executive Director for Goshen Valley Boys Ranch. Allison Smith fills the corporate officer position of Secretary.

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 \$2.9M Loan was executed March 26, 2015 in the amount of \$2,900,000.00 to mature March 26, 2035. The loan is amortized over 240 payments in the amount of \$17,278.73. The loan is priced at an interest rate of 3.75%. The note is secured by Goshen Valley Foundation, Inc. real estate.

The South State Bank \$840K Loan was executed July 13, 2017 in the amount of \$840,000.00 to mature July 13, 2032. The loan is amortized over 120 payments in the amount of \$6,281.24. The loan is priced at an interest rate of 4.1%. The note is secured by Goshen Valley Foundation, Inc. real estate.

The South State Bank Vehicle Loans are made up of two individual vehicle loans. The first is a loan for \$14,484.50 that originated on September 5, 2015 with an interest rate of 4% and a monthly payment of \$327.60. This loan matures on September 10, 2019. The other loan in this group is for \$22,903. This loan was originated on December 19, 2015. The first payment of \$422.46 was due in January of 2016. The interest rate on the loan is 4% and it matures on December 10, 2020.

# GOSHEN VALLEY FOUNDATION, INC.

## Notes to Financial Statements

December 31, 2018

The Kubota Tractor is a loan for \$12,800.00 that originated on May 23, 2016 with an interest rate of 0% and a monthly payment of \$266.67. This loan matures on May 23, 2020.

Estimated principal portions of payments due from 2018 through maturity on long term debt are approximated as follow as of December 31, 2017:

<i>Year</i>	<i>South State Bank \$2.9M</i>	<i>South State Bank \$840K</i>	<i>South State Bank Vehicle</i>	<i>Kubota Tractor</i>
2019	\$116,186	\$44,481	\$7,287	\$1,867
2020	\$120,619	\$46,340	\$4,426	-
2021	\$125,220	\$48,276	-	-
2022	\$129,998	\$50,293	-	-
2023	\$134,957	\$52,394	-	-
Thereafter	\$1,879,998	\$538,653	-	-
Total	\$2,618,894	\$823,134	\$20,064	\$5,067

### 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 2019 by the Georgia Department of Human Resources Division of Family and Children Services for December 2018 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.

**GOSHEN VALLEY FOUNDATION, INC.**

Notes to Financial Statements

December 31, 2018

**NOTE 8: PLANNED MAJOR MAINTENANCE ACTIVITIES**

Goshen Valley Foundation, Inc. does not currently have any planned major maintenance activities.

**NOTE 9: CONCENTRATIONS**

Approximately seventy six percent (76%) of 2018 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.

**NOTE 11: OPERATING LEASE COMMITMENTS**

As of December 31, 2018, the Foundation leased 149.1 acres of land for recreational use purposes on a year-to-year lease. The 2018 lease payment was \$1,409. This equates to a 5-year total of \$7,045.

Existing operating leases on buildings and offices are as follows as of December 31, 2018:

<i>Location</i>	<i>Monthly Payment</i>	<i>Sum 2019 Payments</i>	<i>Remaining Total</i>	<i>Termination/Renew Date</i>
Brown Indrl.	\$5,050	\$60,600	\$85,850	5/31/2020
West Main St.	\$1,889	\$22,668	\$24,557	1/31/2020
Jarvis Street	\$2,800	\$33,600	\$33,600	12/31/2019
Hood Park Dr.	\$1,250	\$8,750	\$8,750	7/31/2019
Beacon Cove	\$3,150	\$22,050	\$22,050	7/15/2019
Archer Street	\$1,400	\$16,800	\$22,400	4/30/2020
Sawyer Farm	\$1,500	\$4,500	\$4,500	3/15/2019
Salacoa Road	\$1,300	\$10,400	\$10,400	8/1/2019
Total	\$19,839	\$235,068	\$301,321	

The Organization also entered into a new leasing arrangement last year with Enterprise Fleet Management. This lease is for a 2018 Chevy Express Van that was executed on November 14, 2017. The lease payment is \$507.06. Yearly sum of total lease payments is calculated to be \$6,084.72. This is a four year lease, so the remaining lease obligation amounts to \$17,747.10.

There were also several leasing arrangements that were initiated in 2018. Five new vehicle leases with Enterprise that were executed in March of 2018 were all for 2018 Chevy Express Vans. There were also two additional leases executed with Enterprise in September of 2018. These leases were both for a 2018 Dodge Grand Caravan. The lease payments on these vehicles are between \$505.39 and \$524.96 per month, totaling \$3,575.92 per month for all seven vehicles. Yearly sum of total lease payments on these vehicles is calculated to be \$42,922.04. These are all four year leases, so the remaining sum of lease obligations amounts to \$144,243.44.

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

Notes to Financial Statements

December 31, 2018

### **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 2018.

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, 2018, 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 2014.

### **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.

The Foundation originally planned on breaking ground on a new wellness center facility in January of 2019. However, due to complications beyond their control, the foundation was forced to push this date back to March of 2019. The construction time is estimated to be between eight and nine months providing everything goes according to plan. The facility is estimated to cost approximately \$1.5 million, with a balance sheet effect of approximately \$2 million. The difference will be provided by various donors.

GOSHEN VALLEY FOUNDATION, INC.  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended December 31, 2018

<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* 93.778*	381	4,691,751
Total expenditures of federal awards			\$ 4,691,751

\*Pass through grantor was unable to provide a breakout between CFDA numbers.



**GOSHEN VALLEY FOUNDATION, INC.**  
Notes To Schedule Of Expenditures Of Federal Awards  
December 31, 2018

**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

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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, 2018, 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 23, 2019.

## 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 23, 2019

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# Murphy CPA Group, P.C.

Certified Public Accountants

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## 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, 2018. 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, 2018.

## **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 23, 2019