

Audit Reports

Financial Statements

And

Schedules

Goshen Valley Foundation, Inc.

December 31, 2019

Murphy CPA Group, P.C.

Certified Public Accounts

Goshen Valley Foundation, Inc.

Audit Reports
Financial Statements
And
Schedules

Year Ended December 31, 2019

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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, 2019, 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

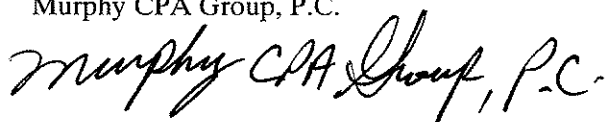
Other Information

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 June 30, 2020 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 28, 2020

GOSHEN VALLEY FOUNDATION, INC.

Statement of Financial Position

December 31, 2019

ASSETS**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 817,102
Accounts Receivable	477,788
Total Current Assets:	<u>1,294,890</u>

FIXED ASSETS

Automobiles	295,183
Buildings	4,626,692
Building Improvements	374,170
Equipment	124,569
Furniture	102,965
Land	1,516,881
Land Improvements	197,458
Total Fixed Assets	<u>7,237,918</u>
Less: Accumulated Depreciation	(1,811,486)
Net Fixed Assets	<u>5,426,432</u>

OTHER ASSETS

Utility Deposits	267
Loan Fees	8,978
Employee Advances	21,209

TOTAL ASSETS	<u><u>\$ 6,751,776</u></u>
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LIABILITIES & NET ASSETS**CURRENT LIABILITIES**

Payroll Liabilities	\$ 2,130
Accounts Payable and Accrued Liabilities	93,182
Credit Cards Payable	39,930
Current Portion of Long-Term Liabilities	185,033
Total Current Liabilities	<u>320,275</u>

LONG-TERM LIABILITIES

South State Bank Consolidated Loan	3,506,028
South State Bank Vehicle Loans	5,634
Total Long-term Liabilities	<u>3,511,662</u>

Total Liabilities	<u>3,831,937</u>
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NET ASSETS

Without Donor Restrictions	2,919,839
Total Net Assets	<u>2,919,839</u>

TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 6,751,776</u></u>
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See Independent Auditor's Report and Notes to Financial Statements

GOSHEN VALLEY FOUNDATION, INC.
Statement of Activities
For the Year Ended December 31, 2019

	Program Services	Management & General	Fundraising	Total
Public Support, Revenues, and Reclassifications				
Goshen Homes Income	\$ 1,710,351			\$ 1,710,351
Goshen Valley Boys Ranch				
DFACS Reimbursement	2,038,726			2,038,726
Mission and Other	26,305			26,305
Hope House Income	261,375			261,375
North Georgia New Beginnings Income	923,554			923,554
Goshen Valley Foundation Income	39,176	17,753		56,929
Development Income				
Grants	595,176			595,176
Contributions	1,466,528			1,466,528
Goshen Valley Classic			179,965	179,965
Total Public Support, Revenues, and Reclassifications	<u>\$ 7,061,191</u>	<u>\$ 17,753</u>	<u>\$ 179,965</u>	<u>\$ 7,258,909</u>
Expenses and Losses				
PROGRAMS				
Goshen Homes				
Housing & Rent	\$ 92,829			\$ 92,829
Food & Household	4,955			4,955
Transportation	28,058			28,058
Recreation & Entertainment	353			353
School Activities & Supplies	5,199			5,199
Clothing	9,945			9,945
Utilities	15,363			15,363
Facilities	20,415			20,415
Other Expenses	85,939			85,939
Payroll	1,077,962			1,077,962
Goshen Valley Boys Ranch				
Payroll	1,269,534			\$ 1,269,534
Housing & Rent	50,870			50,870
Utilities	112,300			112,300
Transportation	98,871			98,871
School Activities & Supplies	7,262			7,262
Recreation and Entertainment	45,578			45,578
Licenses and Tests	1,841			1,841
Health & Appearance	8,492			8,492
Food & Household	125,395	2,088		127,483
Clothing	27,493			27,493
Allowances	19,784			19,784
Ranch Facilities	77,279			77,279
Farm Operations	8,662			8,662
Other Ranch Expenses	5,377	27,676		33,053

GOSHEN VALLEY FOUNDATION, INC.
Statement of Activities
For the Year Ended December 31, 2019

	Program Services	Mangement & General	Fundraising	Total
Hope House				
Payroll	\$ 52,389			\$ 52,389
Maintenance Expenses	2,792			2,792
Utilities	12,535			12,535
Transportation	8,490			8,490
Food & Household	22,343			22,343
Recreation	6,888			6,888
School	590			590
Clothing	3,998			3,998
Health & Appearance	250			250
Hope House Administration		281		281
North Georgia New Beginnings				
Office & Admin		\$ 13,263		\$ 13,263
Safety and Security	2,531			2,531
Transportation	58,219			58,219
Rent & Utilities	190,530			190,530
Payroll	480,336			480,336
Food / Household	82,500			82,500
Facilities	14,135			14,135
Direct Boy Costs	34,109			34,109
Total Programs	<u>\$ 4,172,391</u>	<u>\$ 43,308</u>	<u>\$ -</u>	<u>\$ 4,215,699</u>
ADMINISTRATION / GENERAL				
Rent & Utilities		\$ 40,926		\$ 40,926
Insurance		141,084		141,084
Payroll		777,538		777,538
Professional Fees		79,920		79,920
Interest		133,249		133,249
Depreciation		124,779		124,779
Other General Expenses		133,945		133,945
Total Administration / General	<u>\$ -</u>	<u>\$ 1,431,441</u>	<u>\$ -</u>	<u>\$ 1,431,441</u>
DEVELOPMENT				
Rent & Utilities		\$ 24,163		
Dues / Fees		24,539		24,539
Goshen Valley Golf Classic			101,378	101,378
Meals & Meetings		23,251		23,251
Office Supplies		17,261		17,261
Promotional & Marketing		25,877		25,877
Other Development Expense		63,065		63,065
Total Fund-raising / Development	<u>-</u>	<u>178,156</u>	<u>101,378</u>	<u>255,371</u>
Total Expenses and losses	<u>\$ 4,172,391</u>	<u>\$ 1,652,905</u>	<u>\$ 101,378</u>	<u>\$ 5,926,673</u>
Change in Net Assets				1,332,236
Net Assets as of Beginning of Year				1,587,603
Net Assets as of End of Year				<u>\$ 2,919,839</u>

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

Operating activities

Change in net assets	\$ 1,332,236
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities	
Increase in Payroll Liabilities	2,108
Depreciation and Amortization	124,779
Increase in Accounts Receivable	(83,836)
Increase in Accrued Payables & liabilities	13,835
Increase in Employee Advances	2,726
Net cash provided (used) by operating activities	1,391,848

Investing activities

Increase in Automobiles	(18,500)
Increase in Buildings	(1,532,890)
Increase in Building Improvements	(2,750)
Increase in Furniture & Equipment	(8,464)
Increase in Land	(135,881)
Decrease in Construction In Progress	21,910
Net cash provided (used) in investing activities	(1,676,575)

Financing activities

Decrease in Credit cards Payable	(9,431)
Increase in Kubota Tractor Loans	(1,867)
Increase in South State Bank Loans	383,252
Net cash provided (used) by financing activities	371,954

Net increase (decrease) in cash and cash equivalents	87,227
Cash and cash equivalents as of beginning of year	729,875
Cash and cash equivalents as of end of year	\$ 817,102

Interest Paid in 2019: \$134,414

GOSHEN VALLEY FOUNDATION, INC.

Notes to Financial Statements

December 31, 2019

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, 2019

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 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 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 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 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.

The South State Bank Vehicle Loans account is 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 matured on September 10, 2019. The other loan, which now makes up the entirety of the South State Vehicle Loans, 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.

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 2020 through maturity on long term debt are approximated as follow as of December 31, 2019:

GOSHEN VALLEY FOUNDATION, INC.

Notes to Financial Statements

December 31, 2019

<i>Year</i>	<i>South State Bank \$2.9M</i>	<i>South State Bank Vehicle</i>	<i>Kubota Tractor</i>
2020	\$180,917	\$2,250	\$1,867
2021	\$194,376	\$5,634	-
2022	\$201,029	-	-
2023	\$207,909	-	-
2024	\$215,025	-	-
Thereafter	\$2,687,688	-	-
Total	\$3,686,944	\$7,884	\$1,867

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 2020 by the Georgia Department of Human Resources Division of Family and Children Services for December 2019 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. does not currently have any planned major maintenance activities.

GOSHEN VALLEY FOUNDATION, INC.

Notes to Financial Statements

December 31, 2019

NOTE 9: CONCENTRATIONS

Approximately sixty seven percent (67%) of 2019 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

The Organization entered into a new leasing arrangement with Enterprise Fleet Management. This lease was executed on June 24, 2019 and is for a 2019 Ford Transit 350. The lease payment is \$701.10. Yearly sum of total lease payments is calculated to be \$8,413.20. This is a four year lease, so the remaining lease obligation amounts to \$28,745.10.

Existing operating leases on buildings and offices are as follows as of December 31, 2019:

<i>Location</i>	<i>Monthly Payment</i>	<i>Sum 2020 Payments</i>	<i>Remaining Total</i>	<i>Termination/Renew Date</i>
Brown Indrl.	\$5,050	\$25,250	\$25,250	5/31/2020
West Main St.	\$1,889	\$1,889	\$1,889	1/31/2020
Total	\$6,939	\$27,139	\$27,139	

Existing operating leases on vehicles are as follows as of December 31, 2019:

<i>Vehicle</i>	<i>Monthly Payment</i>	<i>Sum 2020 Payments</i>	<i>Remaining Total</i>	<i>Termination/Renew Date</i>
November 2017 Van	\$507	\$6,085	\$11,155	10/14/2021
March 2018 Fleet	\$3,576	\$42,243	\$91,638	2/28/2022
Total	\$6,939	\$27,139	\$27,139	

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 2019.

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

GOSHEN VALLEY FOUNDATION, INC.

Notes to Financial Statements

December 31, 2019

consolidated statements of activities. As of December 31, 2019, 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 2015.

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 organization initiated a new program late in 2019 called Goshen Therapeutic Services. This new program, which officially received government funds beginning in 2020, seeks to strengthen and restore families through licensed, comprehensive therapeutic services. These are preventative services such as parent coaching classes, drug screening, counseling, assessments, transportation, supervised visitation, and early intervention therapy.

In relation to the COVID-19 pandemic, Goshen applied for and received a Payroll Protection Plan loan in the amount of \$662,731 in 2020. These funds were to be utilized for payroll expenses, mortgage payments and other overhead-related expenditures.

The Goshen Valley Boys Ranch has also had some major maintenance work done during the summer months of 2020. These large projects include upgrades and repairs to roadways and bridges, as well as the Ranch's septic system, among others. Management has stated that the Ranch is also pursuing a grant to cover some maintenance needs, but as of the report date, no proceeds have been received.

GOSHEN VALLEY FOUNDATION, INC.
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2019

<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
		93.558*	4,762,670
		93.276*	
Total expenditures of federal awards			<u>\$ 4,762,670</u>

*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, 2019

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, 2019, 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 28, 2020.

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 28, 2020

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, 2019. 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, 2019.

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 28, 2020

GOSHEN VALLEY FOUNDATION, INC.
 Schedule of Findings and Questioned Costs
 Year Ended December 31, 2019

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

For the year 2018, Goshen Valley Foundation Inc. did not submit their 2018 Audit Package to The Federal Auditing Clearinghouse.

For the year 2019, Goshen Valley Foundation Inc. will submit their 2019 Audit Package to The Federal Auditing Clearinghouse.

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 None