

Audit Reports

Financial Statements

And

Schedules

Goshen Valley Foundation, Inc.

December 31, 2022

Murphy CPA Group, P.C.

---

Certified Public Accounts

---

Goshen Valley Foundation, Inc.

Audit Reports  
Financial Statements  
And  
Schedules

Year Ended December 31, 2022

## **TABLE OF CONTENTS**

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

### **FINANCIAL STATEMENTS**

Statement of Financial Position .....	4
Statement of Activities .....	5
Statement of Cash Flows .....	7
Notes to the Financial Statements .....	8

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

Schedule of Expenditures of Federal Awards.....	13
Notes to the Schedule of Expenditures of Federal Awards.....	14

### **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.....	15
Independent Auditor’s Report On Compliance For Each Major Program And On Internal Control Over Compliance Required by the Uniform Guidance.....	17

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

Schedule of Findings and Questioned Costs.....	20
--	----

# Murphy CPA Group, P.C.

Certified Public Accountants

---

## INDEPENDENT AUDITOR'S REPORT

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

### **Opinion**

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, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

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, 2022, 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.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Goshen Valley Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Goshen Valley Foundation Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Goshen Valley Foundation Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Goshen Valley Foundation Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

## **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, 2023 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.

A handwritten signature in cursive script that reads "Murphy CPA Group, P.C.".

Canton, Georgia  
September 30, 2023

GOSHEN VALLEY FOUNDATION, INC.  
Statement of Financial Position  
December 31, 2022

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 2,840,283
Accounts Receivable	589,675
<b>Total Current Assets:</b>	<u>3,429,958</u>

**FIXED ASSETS**

Automobiles	296,982
Buildings	5,698,795
Building Improvements	1,082,518
Equipment	136,742
Furniture	104,885
Land	1,716,881
Land Improvements	262,003
<b>Total Fixed Assets</b>	<u>9,298,806</u>
Less: Accumulated Depreciation	<u>(2,316,753)</u>
<b>Net Fixed Assets</b>	6,982,053

**OTHER ASSETS**

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

**TOTAL ASSETS**

\$ 10,421,256

**LIABILITIES & NET ASSETS**

**CURRENT LIABILITIES**

Accounts Payable and Accrued Liabilities	\$ 204,008
Payroll Liabilities	35,768
Current Portion of Long-Term Liabilities	707,909
<b>Total Current Liabilities</b>	<u>947,685</u>

**LONG-TERM LIABILITIES**

South State Bank Consolidated Loan	2,901,301
<b>Total Long-term Liabilities</b>	<u>2,901,301</u>

**Total Liabilities**

3,848,986

**NET ASSETS**

Without Donor Restrictions	6,572,270
<b>Total Net Assets</b>	<u>6,572,270</u>

**TOTAL LIABILITIES & NET ASSETS**

\$ 10,421,256

GOSHEN VALLEY FOUNDATION, INC.  
Statement of Activities  
For the Year Ended December 31, 2022

	Program Services	Mangement & General	Fundraising	Total
<b>Public Support, Revenues, and Reclassifications</b>				
Goshen Homes Income	\$ 3,554,342			\$ 3,554,342
Goshen Valley Boys Ranch				
DFACS Reimbursement	2,010,374			2,010,374
Mission and Other	66,138			66,138
Hope House Income	351,665			351,665
North Georgia New Beginnings Income	816,081			816,081
Goshen Therapeutic Services				
PUP, CCFA, WRAP	519,953			519,953
Drug Screening Reimbursemens	887,847			887,847
Other Income	528,918			528,918
Goshen Valley Foundation Income				
Grants	700,000			700,000
Other Income	38,660	6,667		45,327
Development Income				
Grants	696,444			696,444
Contributions	1,903,446			1,903,446
Goshen Valley Classic			260,771	260,771
Total Public Support, Revenues, and Reclassifications	\$ 12,073,868	\$ 6,667	\$ 260,771	\$ 12,341,306
<b>Expenses and Losses</b>				
<b>PROGRAMS</b>				
<b>Goshen Homes</b>				
Payroll	\$ 2,174,357			\$ 2,174,357
Housing & Rent	114,095			114,095
Food & Household	3,952	4,246		8,198
Transportation	20,870			20,870
Recreation & Entertainment	13,005			13,005
School Activities & Supplies	8,768			8,768
Licenses and Tests	2,915			2,915
Health & Appearance	22,010			22,010
Clothing	24,336			24,336
Utilities	20,208			20,208
Facilities	31,473			31,473
Other Expenses	20,060	65,452		85,512
<b>Goshen Valley Boys Ranch</b>				
Payroll	1,608,244			\$ 1,608,244
Housing & Rent	148,840			148,840
Food & Household	153,315			153,315
Transportation	93,144			93,144
Recreation and Entertainment	62,401			62,401
School Activities & Supplies	10,357			10,357
Licenses and Tests	1,034			1,034
Health & Appearance	10,867			10,867
Clothing	25,681			25,681
Utilities	126,919			126,919
Facilities	48,579			48,579
Other Expenses		28,608		28,608



GOSHEN VALLEY FOUNDATION, INC.  
Statement of Activities  
For the Year Ended December 31, 2022

	Program Services	Mangement & General	Fundraising	Total
Hope House				
Payroll	\$ 78,663			\$ 78,663
Food & Household	28,196			28,196
Direct Boy Costs	13,248			13,248
Rent & Utilities	13,653			13,653
Transportation	7,112			7,112
Office & Admin		591		591
North Georgia New Beginnings				
Payroll	\$ 499,717			\$ 499,717
Food & Household	93,352			93,352
Direct Boy Costs	37,645			37,645
Rent & Utilities	199,503			199,503
Facilities	27,801			27,801
Transportation	60,806			60,806
Office & Admin	535	18,038		18,573
<b>Total Programs</b>	<b>\$ 5,805,661</b>	<b>\$ 116,935</b>	<b>\$ -</b>	<b>\$ 5,922,596</b>
GOSHEN THERAPEUTIC SERVICES				
Payroll		\$ 1,429,368		\$ 1,429,368
Rent & Office		71,540		71,540
Drug Testing Supplies		294,043		294,043
Other General Expenses		150,144		150,144
<b>Total Goshen Therapeutic Services</b>	<b>\$ -</b>	<b>\$ 1,945,095</b>	<b>\$ -</b>	<b>\$ 1,945,095</b>
ADMINISTRATION / GENERAL				
Payroll		\$ 1,194,624		\$ 1,194,624
Rent & Utilities		79,066		79,066
Insurance		88,523		88,523
Professional Fees		125,553		125,553
Interest		114,480		114,480
Depreciation		187,490		187,490
Office Supplies		103,521		103,521
Other General Expenses		317,612		317,612
<b>Total Administration / General</b>	<b>\$ -</b>	<b>\$ 2,210,869</b>	<b>\$ -</b>	<b>\$ 2,210,869</b>
DEVELOPMENT				
Payroll		\$ 53,145		\$ 53,145
Rent & Utilities		88,034		88,034
Goshen Valley Golf Classic			162,487	162,487
Meals & Meetings		18,692		18,692
Office Expenses		156,730		156,730
Promotional & Marketing		30,669		30,669
<b>Total Fund-raising / Development</b>	<b>-</b>	<b>347,270</b>	<b>162,487</b>	<b>509,757</b>
Total Expenses and losses	\$ 5,805,661	\$ 4,620,169	\$ 162,487	\$ 10,588,317
Change in Net Assets				1,752,989
Adjustments to Net Assets - Loan Balance Adjustment				(2,338)
Net Assets as of Beginning of Year				4,821,619
Net Assets as of End of Year				\$ 6,572,270

GOSHEN VALLEY FOUNDATION, INC.  
Statement of Cash Flows  
For the Year Ended December 31, 2022

**Operating activities**

Change in net assets	\$ 1,752,989
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities	
Increase in Payroll Liabilities	19,315
Depreciation and Amortization	187,490
Increase in Accounts Receivable	(56,971)
Increase in Accrued Payables & liabilities	36,011
Adjustments to Net Assets	(2,338)

Net cash provided (used) by operating activities	1,936,496
--	-----------

**Investing activities**

Increase in Buildings	(1,072,103)
Increase in Building Improvements	(396,757)
Increase in Furniture & Equipment	(7,032)
Increase in Land	(200,000)

Net cash provided (used) in investing activities	(1,675,892)
--	-------------

**Financing activities**

Increase in South State Bank Loans	300,729
------------------------------------	---------

Net cash provided (used) by financing activities	300,729
--	---------

Net increase (decrease) in cash and cash equivalents	561,333
--	---------

Cash and cash equivalents as of beginning of year	2,278,950
---	-----------

Cash and cash equivalents as of end of year	\$ 2,840,283
---	--------------

Interest Paid in 2022:      \$114,480

# **GOSHEN VALLEY FOUNDATION, INC.**

## **Notes to Financial Statements**

December 31, 2022

### **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 the 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, 2022

#### **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: CHANGE IN ACCOUNTING PRINCIPLES – NO RESTATEMENT**

##### **Adoption of FASB ASC 842**

Effective January 1, 2022, the Foundation adopted FASB ASC 842, *Leases*. The Foundation determines if an arrangement contains a lease at inception based on whether the Entity has the right to control the asset during the contract period and other facts and circumstances. The Company elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed it to carry forward the historical lease classification. In the 2022 fiscal year, however, there were no such leases entered into by The Goshen Valley Foundation.

#### **NOTE 3: 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 position 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 4: 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.

# GOSHEN VALLEY FOUNDATION, INC.

## Notes to Financial Statements

December 31, 2022

Estimated principal portions of payments due from 2023 through maturity on long term debt are approximated as follow as of December 31, 2022:

<i>Year</i>	<i>South State Bank Consolidated Loan</i>
2023	\$207,909
2024	\$215,025
2025	\$222,398
2026	\$230,010
2027	\$237,882
Thereafter	\$1,995,986
Total	\$3,109,210

The Foundation entered into a new financing arrangement with South State Bank on October 11, 2022, in the amount of \$500,000.00. The loan was amortized over 35 payments, with an interest rate of 5.25%, maturing on September 11, 2025, in the amount of \$3,390.70. Despite these terms, the Organization is planning on paying this loan off in its entirety in the 2023 fiscal year, therefore the entire \$500,000.00 balance is included in current portion of long-term debt.

### **NOTE 5: 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 6: 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 7: COMPENSATED ABSENCES**

Goshen Valley Foundation, Inc. d/b/a Goshen Valley Boys Ranch has no accrued vacation pay or sick pay expense because the amount cannot be readily estimated.

### **NOTE 8: ACCOUNTS RECEIVABLE**

Accounts Receivable consist of the amount paid in January of 2023 by the Georgia Department of Human Resources Division of Family and Children Services for December 2022 activity. Accounts

# GOSHEN VALLEY FOUNDATION, INC.

## Notes to Financial Statements

December 31, 2022

receivable is 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 9: CONCENTRATIONS OF CREDIT RISK

The Foundation maintains cash balances at several financial institutions in order to achieve diversification and mitigate some of the concentration risk related to excess deposits. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. As of December 31, 2022, the Foundation's bank balances were inadequately insured by \$2,306,391.35.

### NOTE 10: CONCENTRATIONS OF REVENUE

Approximately fifty nine percent (59%) of 2022 revenues were received from the Georgia Department of Human Resources Division of Family and Children Services.

### NOTE 11: ADVERTISING COSTS

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

### NOTE 12: 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, 2022:

<i>Location</i>	<i>Origination Date</i>	<i>Monthly Payment</i>	<i>Sum 2022 Payments</i>	<i>Remaining Total</i>	<i>Termination/Renew Date</i>
Lewallen Farms	11/10/10	\$1,300	\$15,600	\$10,400	9/30/23
Lewallen Farms	6/11/13	\$1,600	\$19,200	\$12,900	9/30/23
Colonnade Realty	3/1/14	\$2,364	\$28,367	\$2,364	1/31/23
Narrow Path	2/1/16	\$2,800	\$33,600	\$39,200	2/28/24
Harbor Creek	8/1/18	\$1,687	\$20,244	\$8,435	5/15/23
Harbor Creek	11/1/18	\$1,898	\$22,776	\$0	1/4/23
Canton Mill Venture	11/15/21	\$13,000	\$156,000	\$663,000	3/31/27
Mill at Chastain	12/15/21	\$1,753	\$21,036	\$10,518	6/24/23
Total		\$26,402	\$316,823	\$746,817	

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

Notes to Financial Statements

December 31, 2022

### **NOTE 13: 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 2022.

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, 2022, 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 2018.

### **NOTE 14: 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 to pay off its smaller loan with South State Bank. This is being facilitated by a capital giving campaign that kicks off in May of 2023. As of the date of the report, the Organization has raised almost \$300,000. With this particular campaign.

GOSHEN VALLEY FOUNDATION, INC.  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2022

<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	5,853,500
	93.558		549,813
	93.276		887,848
Total expenditures of federal awards			<u>\$ 7,291,161</u>



**GOSHEN VALLEY FOUNDATION, INC.**  
Notes To Schedule of Expenditures of Federal Awards  
December 31, 2022

**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 the 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, 2022, 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, 2023.

### **Report on 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.

## Report on 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.

A handwritten signature in black ink that reads "Murphy CPA Group, P.C." in a cursive script.

Canton, Georgia  
September 30, 2023

# 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 THE UNIFORM GUIDANCE

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

### **Report on Compliance for Each Major Federal Program**

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

We have audited Goshen Valley Foundation, Inc.'s compliance with the types of compliance requirements defined as subject to audit in the OMB *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, 2022. 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.

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, 2022.

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

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 *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Goshen Valley Foundation, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Goshen Valley Foundation's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management's responsibilities for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Goshen Valley Foundation Inc.'s federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Goshen Valley Foundation, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance, but it is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about Goshen Valley Foundation, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Goshen Valley Foundation, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Goshen Valley Foundation, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Goshen Valley Foundation, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Murphy CPA Group, P.C.

A handwritten signature in cursive script that reads "Murphy CPA Group, P.C.".

Canton, Georgia  
September 30, 2023

**GOSHEN VALLEY FOUNDATION, INC.**

**Schedule of Findings and Questioned Costs**

**Year Ended December 31, 2022**

**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** None