

GOOD WORKS, INC.

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

**YEARS ENDED
MARCH 31, 2023 and MARCH 31, 2022**

(See Independent Auditors' Report)

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Independent Auditors' Report

To the Board of Directors
Good Works, Inc.
Coatesville, Pennsylvania

Opinion

We have audited the accompanying financial statements of Good Works, Inc. (a nonprofit organization), which comprise the statement of financial position as of March 31, 2023 and 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 Good Works, Inc. as of March 31, 2023 and 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Good Works, 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 opinions.

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 Good Works, Inc. 's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 Good Works, 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 Good Works, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenses-Housing Trust Partnership as required by the County of Chester, Department of Community Development 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 27, 2023, on our consideration of Good Works' 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 solely 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 the effectiveness of Good Works' 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 Good Works' internal control over financial reporting and compliance.



Bee, Bergvall & Company, P.C.
Certified Public Accountants

Warrington, PA
September 27, 2023

GOOD WORKS, INC.

Statements of Financial Position

March 31, 2023 and 2022

	March 31, <u>2023</u>	March 31, <u>2022</u>
Assets		
Cash and cash equivalents-without donor restrictions-undesignated	\$ 149,560	\$ 259,762
Cash and cash equivalents-without donor restrictions-Board designated-general reserve	260,874	141,137
Cash and cash equivalents-without donor restrictions-Board designated-other	<u>10,000</u>	<u>10,000</u>
Cash and cash equivalents-without donor restrictions-total	420,434	410,899
Cash and cash equivalents-with donor restrictions-other	37,280	7,107
Cash and cash equivalents-with donor restrictions-endowment-Good Works	<u>15,271</u>	<u>14,875</u>
Total cash and cash equivalents	472,985	432,881
Short-term investments-certificates of deposit-Board designated-general reserve	21,121	20,948
Promises to give	-	91,256
Housing costs receivable	-	8,609
Rents receivable	3,000	-
Inventory	6,700	7,200
Prepaid expenses	17,709	18,605
Long-term investments-certificates of deposit-board designated-general reserve	37,507	37,320
Long-term investment-endowment-Quasi	63,807	67,393
Long-term investment-endowment-County	36,455	41,858
Long-term investment-endowment-Good Works	222,341	238,117
Property and equipment:		
Land	69,750	69,750
Office building and warehouse	410,064	410,064
Office and warehouse improvements	170,937	170,937
Computers, furniture and equipment	132,916	148,387
Trucks	204,149	152,987
Accumulated depreciation	(483,172)	(464,112)
Operating lease right-of-use assets, net	<u>32,451</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 1,418,720</u>	<u>\$ 1,452,200</u>
Liabilities		
Accounts payable	\$ 32,121	\$ 17,491
Security deposits - rentals	2,950	2,920
Deferred rental income	200	200
Operating lease payable right-of-use assets	<u>35,256</u>	<u>-</u>
Total Liabilities	<u>70,527</u>	<u>20,611</u>
Net Assets		
Without donor restrictions		
Undesignated	643,537	844,225
Board designated - general reserve	319,502	199,405
Board designated - other	10,000	10,000
With donor restrictions		
Other	37,280	15,716
Endowment - Quasi	63,807	67,393
Endowment - County	36,455	41,858
Endowment - Good Works	<u>237,612</u>	<u>252,992</u>
Total Net Assets	<u>1,348,193</u>	<u>1,431,589</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,418,720</u>	<u>\$ 1,452,200</u>

See independent auditors' report and
accompanying notes to the financial statements

GOOD WORKS, INC.

Statements of Activities

For the Years Ended March 31, 2023 and 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and Support			
Contributions			
Business/social organizations	\$ 51,574	\$ 32,150	\$ 83,724
Churches/schools	120,675	9,000	129,675
Foundation and grants	212,191	58,650	270,841
Individuals	465,101	3,862	468,963
Housing trust/Human services	-	156,051	156,051
Contributions of nonfinancial assets			
Business/social organizations	256,379	-	256,379
Churches/schools	21,480	-	21,480
Individuals	29,140	-	29,140
Program fees			
Work camp application fees	76,000	-	76,000
Celebration dinner	8,013	-	8,013
Special event revenue	218,169	-	218,169
Less: direct costs of special event	(16,601)	-	(16,601)
Interest and dividend income	2,086	6,965	9,051
Gross rental income	40,540	-	40,540
Realized gain (loss) on investments	6	(180)	(174)
Unrealized gain on investments	-	(27,902)	(27,902)
Total Revenues and Support	<u>1,484,753</u>	<u>238,596</u>	<u>1,723,349</u>
Net assets released from restrictions	<u>241,401</u>	<u>(241,401)</u>	<u>-</u>
Total	<u>1,726,154</u>	<u>(2,805)</u>	<u>1,723,349</u>
Expenses			
Program services			
Home repair	1,474,097	-	1,474,097
Work camp	41,291	-	41,291
Celebration dinner	7,224	-	7,224
Total Program Services	<u>1,522,612</u>	<u>-</u>	<u>1,522,612</u>
Supporting services			
General and administrative	145,950	-	145,950
Resource development	138,183	-	138,183
Total Expenses	<u>1,806,745</u>	<u>-</u>	<u>1,806,745</u>
Increase (decrease) in net assets	(80,591)	(2,805)	(83,396)
Net assets at beginning of period	<u>1,053,630</u>	<u>377,959</u>	<u>1,431,589</u>
Net assets at end of period	<u>\$ 973,039</u>	<u>\$ 375,154</u>	<u>\$ 1,348,193</u>

Year Ended March 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and Support			
Contributions			
Business/social organizations	\$ 70,730	\$ -	\$ 70,730
Churches/schools	155,535	-	155,535
Foundation and grants	195,000	2,500	197,500
Individuals	532,736	-	532,736
Housing trust/Human services	-	272,559	272,559
Contributions of nonfinancial assets			
Business/social organizations	238,190	-	238,190
Churches/schools	19,500	-	19,500
Individuals	19,527	-	19,527
Program fees			
Work camp application fees	12,050	-	12,050
Celebration dinner	9,964	-	9,964
Special event revenue	250,432	-	250,432
Less: direct costs of special event	(8,248)	-	(8,248)
Interest and dividend income	717	6,212	6,929
Gross rental income	40,740	-	40,740
Realized gain (loss) on investments	690	8,643	9,333
Unrealized gain on investments	-	(352)	(352)
Total Revenues and Support	<u>1,537,563</u>	<u>289,562</u>	<u>1,827,125</u>
Net assets released from restrictions	<u>349,101</u>	<u>(349,101)</u>	<u>-</u>
Total	<u>1,886,664</u>	<u>(59,539)</u>	<u>1,827,125</u>
Expenses			
Program services			
Home repair	1,379,957	-	1,379,957
Work camp	6,037	-	6,037
Celebration dinner	8,051	-	8,051
Total program services	<u>1,394,045</u>	<u>-</u>	<u>1,394,045</u>
Supporting services			
General and administrative	156,390	-	156,390
Resource development	140,784	-	140,784
Total expenses	<u>1,691,219</u>	<u>-</u>	<u>1,691,219</u>
Increase (decrease) in net assets	195,445	(59,539)	135,906
Net assets at beginning of period	<u>858,185</u>	<u>437,498</u>	<u>1,295,683</u>
Net assets at end of period	<u>\$ 1,053,630</u>	<u>\$ 377,959</u>	<u>\$ 1,431,589</u>

See independent auditors' report and
accompanying notes to financial statements

GOOD WORKS, INC.

Statements of Functional Expenses

For the Years Ended March 31, 2023 and 2022

	<u>Year Ended March 31, 2023</u>			
	<u>Program</u> <u>Services</u>	<u>General and</u> <u>Administrative</u>	<u>Resource</u> <u>Development</u>	<u>Total</u>
Compensation and Related Expenses				
Salaries	\$ 412,013	\$ 86,276	\$ 98,495	\$ 596,784
Employee benefits	41,222	4,293	4,142	49,657
Payroll taxes	<u>31,920</u>	<u>6,720</u>	<u>7,674</u>	<u>46,314</u>
Total	485,155	97,289	110,311	692,755
Community Grants	-	-	-	-
Depreciation	30,397	3,304	830	34,531
Dues and fees	11,425	1,634	-	13,059
Functions-celebration dinner	7,224	-	-	7,224
Homeowners outreach	1,318	-	-	1,318
Insurance	39,999	8,183	9,344	57,526
Major project expense	158,391	-	-	158,391
Office expense and supplies	17,183	9,704	4,130	31,017
Permit	3,152	-	-	3,152
Postage and shipping	1,719	362	1,649	3,730
Professional services	293,078	17,917	830	311,825
Promotional fees	10,191	-	5,720	15,911
Real estate taxes	5,113	2,528	740	8,381
Rent and utilities	44,245	1,143	1,306	46,694
Repairs and maintenance	21,624	1,686	1,009	24,319
Seminars and training	634	-	-	634
Small tools and equipment	221	-	-	221
Supplies-building materials	299,083	-	-	299,083
Telephone and internet	2,314	1,157	2,314	5,785
Trash removal	22,842	-	-	22,842
Transportation and travel	19,808	1,043	-	20,851
Volunteer recognition	6,205	-	-	6,205
Work camp expense	<u>41,291</u>	<u>-</u>	<u>-</u>	<u>41,291</u>
Total Expenses	<u>\$ 1,522,612</u>	<u>\$ 145,950</u>	<u>\$ 138,183</u>	<u>\$ 1,806,745</u>

	<u>Year Ended March 31, 2022</u>			
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Resource Development</u>	<u>Total</u>
Compensation and Related Expenses				
Salaries	\$ 375,169	\$ 93,674	\$ 96,604	\$ 565,447
Employee benefits	43,819	9,472	11,729	65,020
Payroll taxes	<u>29,166</u>	<u>7,284</u>	<u>7,508</u>	<u>43,958</u>
Total	448,154	110,430	115,841	674,425
Community Grants	5,840	-	-	5,840
Depreciation	22,865	3,527	1,031	27,423
Dues and fees	10,730	1,802	-	12,532
Functions-celebration dinner	8,051	-	-	8,051
Homeowners outreach	1,507	-	-	1,507
Insurance	36,777	8,823	9,094	54,694
Major project expense	271,806	-	-	271,806
Office expense and supplies	11,957	8,986	3,041	23,984
Permit	1,298	-	-	1,298
Postage and shipping	1,501	375	1,479	3,355
Professional services	278,013	16,192	740	294,945
Promotional fees	9,014	-	5,295	14,309
Real estate taxes	4,921	2,584	749	8,254
Rent and utilities	36,224	834	859	37,917
Repairs and maintenance	12,640	1,049	602	14,291
Seminars and training	1,275	-	-	1,275
Small tools and equipment	3,115	-	-	3,115
Supplies-building materials	176,821	-	-	176,821
Telephone and internet	2,054	1,027	2,053	5,134
Trash removal	18,928	-	-	18,928
Transportation and travel	14,458	761	-	15,219
Volunteer recognition	10,059	-	-	10,059
Work camp expense	<u>6,037</u>	<u>-</u>	<u>-</u>	<u>6,037</u>
Total Expenses	<u>\$ 1,394,045</u>	<u>\$ 156,390</u>	<u>\$ 140,784</u>	<u>\$ 1,691,219</u>

See independent auditors' report and
accompanying notes to financial statements

GOOD WORKS, INC.

Statements of Cash Flows

For the Years Ended March 31, 2023 and 2022

	<u>Year Ended</u> <u>March 31, 2023</u>	<u>Year Ended</u> <u>March 31, 2022</u>
Cash Flows from Operating Activities		
Increase in net assets	\$ (83,396)	\$ 135,906
Adjustments to reconcile change in net assets to net cash provided (utilized) by operating activities:		
Depreciation	34,531	27,423
Assets donated by the Organization	-	6,687
Changes in operating accounts		
(Increase) decrease in unconditional promises to give	91,256	(40,534)
(Increase) decrease in housing costs receivable	8,609	(8,609)
(Increase) decrease in rents receivable	(3,000)	3,000
(Increase) decrease in inventory	500	2,695
(Increase) decrease in prepaid expenses	896	(846)
Increase (decrease) in accounts payable	14,630	7,604
Increase (decrease) in security deposits - rentals	30	-
Increase (decrease) in deferred rental income	-	(200)
Interest and dividend income on long-term investment - endowment	(6,965)	(6,212)
Realized (gain) on long-term investment - endowment	180	(8,643)
Unrealized loss (gain) on long-term investment - endowment	27,902	352
Distribution on long-term investment - endowment	1,854	14,271
Management fee on long-term investment - endowment	1,398	1,617
Net cash provided (utilized) by operating activities	<u>88,425</u>	<u>134,511</u>
Cash Flows from Investing Activities		
Short-term investments - net	(173)	(16)
Long-term investments	209	(264)
Purchase of property and equipment - net	(51,162)	(65,273)
Right-of-use asset obtained in exchange for operation lease liability	2,805	-
Net cash provided (utilized) by investing activities	<u>(48,321)</u>	<u>(65,553)</u>
Net increase (decrease) in cash and cash equivalents	40,104	68,958
Cash and cash equivalents at beginning of period	<u>432,881</u>	<u>363,923</u>
Cash and cash equivalents at end of period	<u>\$ 472,985</u>	<u>\$ 432,881</u>

See independent auditors' report and
accompanying notes to financial statements

GOOD WORKS, INC.

Notes to Financial Statements

March 31, 2023 and 2022

NOTE 1. Nature of the Organization

Organization and Funding: Good Works, Inc. was incorporated in Pennsylvania on June 8, 1988, as a nonprofit corporation. The purpose of the Organization is to rehabilitate homes for indigent persons and to combat community deterioration through renewal and revitalization of residential properties. Their mission is to extend God's love to families living in substandard housing; to make homes warmer, safer and drier; and to replace hopelessness with the hope of Jesus Christ. Their vision is to eliminate substandard housing in Chester County. Most of the labor is provided by volunteers under the supervision of a construction contractor or repair supervisor. The Organization is funded through contributions and grants from approximately 884 individuals, organizations, and churches, including the County of Chester and the State of Pennsylvania. The Organization's headquarters is located in Coatesville, PA and they are a member of the Pennsylvania Association of Nonprofit Organization (PANO).

Exempt Status: Good Works, Inc. was established to be, and has received confirmation that it is, exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and comparable state law. The Organization is required to file Federal and State information returns. Contributions to the Organization are tax deductible within the limitations prescribed by the Code.

NOTE 2. Summary of Significant Accounting Policies

Basis of Accounting: The accompanying financial statements have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation: Financial statement presentation follows accounting principles generally accepted in the United States of America, in which the Organization is required to report information regarding their financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Without Donor Restrictions: Net assets that are not subject to donor-imposed stipulations, but do include those that are designated by actions of the Board.

GOOD WORKS, INC.

Notes to Financial Statements

March 31, 2023 and 2022

NOTE 2. Summary of Significant Accounting Policies (Continued)

Financial Statement Presentation: (continued)

Net Assets With Donor Restrictions: Net assets that are subject to donor-imposed stipulations that may, or will be met, by actions of the Organization and/or the passage of time or those subject to donor-imposed stipulations that they be maintained permanently by the Organization. When a restriction expires because of the actions of the Organization and/or the passage of time, the net asset is reclassified to those without donor restrictions. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Reclassifications: Certain amounts for the year ended March 31, 2022, have been reclassified to conform with the year ended March 31, 2023, presentations.

Cash and Cash Equivalents: The Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents including money market accounts.

Short-term Investments: The short-term investments consist of certificates of deposits maturing in one year or less.

Promises to Give: Promises to give were \$0 and \$91,256 at March 31, 2023 and 2022 respectively.

Housing Costs Receivable: The Organization has a grant agreement with the County of Chester, the Department of Community Development, which provides funding for homeowner repair activities. The original contract term was January 1, 2022 through December 31, 2022, and the contract amount was \$105,000. At March 31, 2022, there was an amount due to the Organization from the 2022 grant of \$8,609 and that amount has been reflected in the statement of financial position as housing cost receivable.

GOOD WORKS, INC.

Notes to Financial Statements

March 31, 2023 and 2022

NOTE 2. Summary of Significant Accounting Policies (Continued)

Housing Costs Receivable: (continued)

The grant was subsequently applied for and renewed with a contract term of January 1, 2023 through December 31, 2023, and the contract amount was \$105,000. At March 31, 2023 there was no amount due to the Organization from the 2023 grant, but had there been, it would have been reflected in the statement of financial position as housing cost receivable. Any amounts to be expended are restricted in their use and specific application is made periodically during the year. There are no existing circumstances which require an allowance for uncollectibles to be recorded.

Rents Receivable: The rents receivable at March 31, 2023, represents rent due from one business tenant. There were no rents receivable at March 31, 2022.

Inventory: The inventory represents building materials and supplies and is stated at the lower of cost or market using the first-in, first-out (FIFO) method.

Prepaid Expenses: Insurance and rental costs are expensed in the current contract period. Accordingly, insurance expenditures for future contract periods and rents paid in advance are included in prepaid expenses. Other expenses like real estate taxes and health insurance are expensed in the period that they apply to.

Long-Term Investments - Certificate of Deposit: Long term investments - certificate of deposit consists of one twenty-four month and one eighteen month certificate of deposit with a purchase dates of April 19, 2022, with a maturity date of April 19, 2024 and a purchase date off July 29, 2022 and a maturity date of January 29, 2024, respectively.

Long-term Investments - Good Works: Long term investments - Good Works consisted of the following:

	<u>2023</u>	<u>2022</u>
Mutual Funds	\$ 222,341	\$ 238,117
Total	<u>\$ 222,341</u>	<u>\$ 238,117</u>

As of March 31, 2023 and 2022, the long term investments are held in an endowment fund, which is restricted.

GOOD WORKS, INC.

Notes to Financial Statements

March 31, 2023 and 2022

NOTE 2. Summary of Significant Accounting Policies (Continued)

Long-Term Investment - Endowment: The Board has established two endowment funds with permanent donor restrictions for the purpose of providing future investment revenues available for organizational spending. The first fund has been invested with the Chester County Community Foundation. Distributions from the fund may be requested by the Organization prior to the June 30 fiscal year end for up to 5% of the fund balance. Distributions from the fund can be unrestricted or temporarily restricted depending on the nature of any donor restrictions on the contributions. At March 31, 2023 and 2022, there were no donor restrictions. There were distributions of \$1,854 and \$2,271 during the years ended March 31, 2023 and 2022, respectively, which were used for unrestricted, undesignated purposes. The Foundation charges a management fee of 1% of the average annual asset value. The fund is separated into two parts. The first part is amounts that Good Works, Inc. remits to the Community Foundation. The second part is amounts contributed by donors directly to the Foundation. Although from a legal perspective all endowed funds held by the Community Foundation are legally the property of the Community Foundation, the accounting recognition is different for each part as provided for by the Endowments for Not for Profit Organizations of the FASB Standards Codification. The funds contributed directly by the Organization are recorded on the books as a contribution and as a corresponding long-term asset with permanent donor restrictions while the Community Foundation records the same amount as an agency fund liability. Funds contributed by donors directly to the Community Foundation are not recognized by Good Works, Inc., but are recognized by the Community Foundation as an asset. At March 31, 2023 and 2022, the amounts recognized by the Organization as a long-term asset with donor restrictions were \$36,455 and \$41,858, respectively. At March 31, 2023 and 2022, the amounts recognized by the Community Foundation as an asset were \$28,025 and \$32,178, respectively. Long-term investments are carried at market value.

The second fund is currently invested with an investment company. The fund was established in July 2008 to be used specifically for operations. Percentage distributions from the fund will be established by the Board on an annual basis and will be calculated using a five year average market value as of December 31st of each year. If the fund has not been invested for five years, the calculation will be based on invested months. The average fair market value must exceed the minimum threshold as established by the Board in order for a distribution to be made.

GOOD WORKS, INC.

Notes to Financial Statements

March 31, 2023 and 2022

NOTE 2. Summary of Significant Accounting Policies (Continued)

Long-Term Investment - Endowment: (continued)

The Board has also established a quasi-endowment fund with donor restrictions for the purpose of providing support to the non-profit operating, program and capital needs of the Organization. The funds have been invested with the Chester County Community Foundation and consists of three parts: an endowed component, the quasi-endowed component, and the provisional component. Absent such instruction by the donor, these irrevocable contributions will be added to the quasi-endowed component. Within 12 months following the end of the Foundation's fiscal year end (6/30), the Fund Advisors may request that up to 20% of the year end asset value of the quasi-endowed component of this fund be distributed to fulfill the purpose of this fund. Any gifts to the Foundation received and accepted subject to a donor's condition or restriction, will have such restrictions honored subject to the judgement of the authority of the Foundation's Board of Directors regarding the nature of the restriction.

Interpretation of Relevant Law: The Board of Directors of the Organization have interpreted the law as requiring any donor-restricted contributions as being classified as unrestricted, temporarily restricted, or permanently restricted depending on the nature of the restriction. The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purpose of the Organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the organization
- (7) The investment policies of the organization

Endowment Net Asset Composition consisted of the following as of March 31, 2023 and 2022:

<u>Endowment Fund Type</u>	March 31, <u>2023</u>	March 31, <u>2022</u>
Endowment-Community Foundation	\$ 36,455	\$ 41,858
Endowment-Good Works	237,612	252,992
Endowment-Quasi-Community Foundation	<u>63,807</u>	<u>67,393</u>
Total	<u>\$ 337,874</u>	<u>\$ 362,243</u>

GOOD WORKS, INC.

Notes to Financial Statements

March 31, 2023 and 2022

NOTE 2. Summary of Significant Accounting Policies (Continued)

Interpretation of Relevant Law: (continued)

Changes in endowment net assets for the fiscal year ended March 31, 2023:

	Endowment <u>County</u>	Endowment <u>Good Works</u>	Endowment <u>Quasi</u>	<u>Total</u>
Beginning balance	\$ 41,858	\$ 252,992	\$ 67,393	\$ 362,243
Interest and dividend income	896	4,851	1,218	6,965
Realized gains (losses)	(195)	-	15	(180)
Unrealized gains (losses)	(3,727)	(20,231)	(3,944)	(27,902)
Management fee	(523)	-	(875)	(1,398)
Distributions	(1,854)	-	-	(1,854)
Ending Balance	<u>\$ 36,455</u>	<u>\$ 237,612</u>	<u>\$ 63,807</u>	<u>\$ 337,874</u>

Changes in endowment net assets for the fiscal year ended March 31, 2022:

	Endowment <u>County</u>	Endowment <u>Good Works</u>	Endowment <u>Quasi</u>	<u>Total</u>
Beginning balance	\$ 42,901	\$ 253,380	\$ 67,347	\$ 363,628
Interest income	1,103	4,214	895	6,212
Realized gains (losses)	3,666	-	4,977	8,643
Unrealized gains (losses)	(2,909)	7,398	(4,841)	(352)
Management fee	(632)	-	(985)	(1,617)
Distributions	(2,271)	(12,000)	-	(14,271)
Ending Balance	<u>\$ 41,858</u>	<u>\$ 252,992</u>	<u>\$ 67,393</u>	<u>\$ 362,243</u>

Return Objectives and Risk Parameters: The Organization's investment and spending practices for endowment assets attempt to provide maximum growth without high risk and is at the discretion of the Board of Directors. The Organization's practice is to preserve the integrity of the principal from designated donations.

Strategies Employed for Achieving Objectives: To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

GOOD WORKS, INC.

Notes to Financial Statements

March 31, 2023 and 2022

NOTE 2. Summary of Significant Accounting Policies (Continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy: The Organization's goal is for the board designated endowment funds to produce income, meet future contingencies and provide for organizational spending.

Property and Equipment: Expenditures or donated fixed assets in excess of \$2,500 are capitalized at cost and fair value respectively. Depreciation expense for the years ended March 31, 2023 and 2022, was \$34,531 and \$27,423, respectively, and was computed on the MACRS method over the estimated useful lives of the assets. The estimated useful lives are as follows:

Office building, warehouse and improvements	39 years
Computer equipment and trucks	5 years
Furniture and equipment	7 years

By the implementation of *ASU No. 2016-02 (Topic 842) Leases*, as well as *ASU No. 2018-11 (Topic 842) Leases: Targeted Improvements*, the Organization recorded the following asset:

Right-of-Use asset	\$ 52,215
Less: Accumulated amortization	<u>(19,764)</u>
Net Asset	<u>\$ 32,451</u>

Deferred Rental Income: There was \$200 of deferred rental income for the year ended March 31, 2023, and \$200 for the year ended March 31, 2022.

Net Assets/Contributions: Unrestricted amounts are those currently available at the discretion of the Board for use in the Organization's ministries and those resources invested in property and equipment. All contributions are considered for unrestricted use unless specifically restricted by the donor or subject to other legal restrictions. Separate receipts are issued for each contribution. The Board designated reserve represents funds set aside for general and emergency purposes.

The other Board designated amounts represent non budgeted amounts set aside from the unrestricted, undesignated funds for various purposes pursuant to written Board motions. The restricted net assets represent contributions for the next fiscal year, rent assistance, outreach, endowment funds invested with the Chester County Community Foundation and the in house Good Works Endowment and Quasi-Endowment funds.

GOOD WORKS, INC.

Notes to Financial Statements

March 31, 2023 and 2022

NOTE 2. Summary of Significant Accounting Policies (Continued)

Availability of Financial Assets: The Organization is substantially supported by restricted contributions. Because a donor's restrictions requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditures within one year. As part of the Organization's liquidity management, it has policies to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. There are three specific policies that are employed. The first policy is a Board designated operating reserve with the goal of having the balance consist of cash and cash equivalents, without donor restrictions, plus short-term and long-term investments be equaling 12.5% of the approved budget. Currently the reserve is equal to 21.97% of the approved budget. The second policy includes the periodic investing of cash in excess of daily requirements in short-term and long-term investments. The third policy is the establishment of the quasi-endowment fund which is available to draw upon in the event of liquidity needs.

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. However, amounts already appropriated from the board designated operating reserve of \$319,502 and \$199,405 for the years ended March 31, 2023 and 2022, respectively, for general expenditures within one year off the balance sheet date, have not been subtracted as unavailable:

	March 31, <u>2023</u>	March 31, <u>2022</u>
Financial assets, at year end - Cash and cash equivalents	\$ 472,985	\$ 432,881
Financial assets, at year end - Short-term investments	21,121	20,948
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor imposed restrictions:		
Restricted by donor with time or purpose restrictions	<u>(212,111)</u>	<u>(291,744)</u>
Financial assets available to meet cash needs for general expenditure within one year	281,995	162,085
Financial assets available to meet cash needs for general expenditure beyond one year	<u>37,507</u>	<u>37,320</u>
Reserve balance	<u>\$ 319,502</u>	<u>\$ 199,405</u>

GOOD WORKS, INC.

Notes to Financial Statements

March 31, 2023 and 2022

NOTE 2. Summary of Significant Accounting Policies (Continued)

Revenue and Support Recognition: Revenue is recognized when earned. Program service fees received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Revenues are reported as increases in Net Assets Without Donor Restrictions unless the related assets are limited by donor-imposed restrictions. Expenses are reported as decreases in Net Assets Without Donor Restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in Net Assets Without Donor Restrictions unless their use is restricted by explicit donor stipulation or by law.

The Organization receives revenue from a variety of revenue streams. The policy for material revenue streams is discussed below:

- The Organization recognizes contributions when cash, securities or other assets and unconditional promises to give, or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.
- Special event revenues are recorded equal to the direct benefit to donors and contribution income for the excess received when the event takes place.
- Program service fees received in advance is deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.
- Rental income is recognized to the applicable period in which the service is provided.

Leases: The Organization determines if an arrangement is, or contains, a lease at its inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the consolidated statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

GOOD WORKS, INC.

Notes to Financial Statements

March 31, 2023 and 2022

NOTE 2. Summary of Significant Accounting Policies (Continued)

Expenses: Expenses are recorded when incurred in accordance with the accrual basis of accounting. The costs of providing various programs and supporting activities of the Organization have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting activities.

Fair Value of Financial Instruments: The Organization follows Fair Value Measurements as required by the FASB Standards Codification, which defines fair value, establishes a framework for measuring fair value and expands disclosure about fair value measurements. It applies to other pronouncements that require or permit fair value but does not require any new fair value measurements. The codification defines fair value as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.”

The Codification establishes a fair value hierarchy to increase consistency and comparability in fair value measurements and disclosures. The hierarchy is based on the inputs used in valuation and gives the highest priority to quoted prices in active markets. The highest possible level should be used to measure fair value.

The Codification requires that assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

GOOD WORKS, INC.

Notes to Financial Statements

March 31, 2023 and 2022

NOTE 2. Summary of Significant Accounting Policies (Continued)

The following table represents the Organization's fair value hierarchy for those investments, excluding money market funds, measured at fair value on a recurring basis as of March 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment				
Certificates of Deposit	\$ 58,628	\$ -	\$ -	\$ 58,628
Mutual Funds	222,341	-	-	222,341
Quasi Endowment	-	63,807	-	63,807
CCCF Endowment	-	36,455	-	36,455
Total Investments	<u>\$ 280,969</u>	<u>\$ 100,262</u>	<u>\$ -</u>	<u>\$ 381,231</u>
Promises to Give	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

As of March 31, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment				
Certificates of Deposit	\$ 58,268	\$ -	\$ -	\$ 58,268
Mutual Funds	238,117	-	-	238,117
Quasi Endowment	-	67,393	-	67,393
CCCF Endowment	-	41,858	-	41,858
Total Investments	<u>\$ 296,385</u>	<u>\$ 109,251</u>	<u>\$ -</u>	<u>\$ 405,636</u>
Promises to Give	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91,256</u>	<u>\$ 91,256</u>

Long Term Investments: In accordance with accounting principles generally accepted in the United States of America, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their quoted fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Donated investments are reflected as contributions at their market values at the date of receipt. Interest and dividend earnings, realized gains and losses, and unrealized gains and losses are reported as investment income. The market values of investments are based on quoted market prices for those or similar investments. The carrying amounts reported in the statements of financial position are stated at market value.

GOOD WORKS, INC.

Notes to Financial Statements

March 31, 2023 and 2022

NOTE 2. Summary of Significant Accounting Policies (Continued)

Accounting for Uncertainty in Income Taxes: As required by the FASB Accounting Standards Codification, entities are required to determine whether it is more likely than not that a tax position will be sustained upon examination by the appropriate taxing authorities before any part of the benefit can be recorded in the financial statements. It also provides guidance on the recognition, measurement, and classification of income tax uncertainties, along with any related interest or penalties. This standard had no impact on the Organization's financial statements. The Organization's federal tax return is subject to audit by taxing authorities. The Organization's returns open audit periods are for the fiscal years ending March 31, 2020 - 2022.

New Accounting Pronouncements: ASU 2016-02, Leases (Topic 842): This standard substantially changes current principles of lease accounting and offers specific accounting guidance for lessees, lessors and sale-leaseback transactions. ASU 2016-02 establishes a right-of-use ("ROU") model that requires lessees to record a ROU asset and lease liability in the statement of financial position for all leases with terms longer than 12 months (the standard may optionally be applied to leases with term of 12 months or less). Leases will be classified as either finance leases or operating leases depending on the characteristics of the lease; consistent with current generally accepted accounting principles, the recognition, measurement and presentation of expenses and cash flows arising from the lease will depend on the lease classification. This standard was implemented in the fiscal year ending 2023 and resulted in a decrease of net assets of \$1,883.

ASU No. 2020-07 (Topic 958), Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets: This standard changes the presentation and disclosure requirements of contributed nonfinancial assets. The term nonfinancial asset includes fixed assets, use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. The standard requires that contributed nonfinancial assets be presented as a separate line item in the statement of activities and additional disclosures will be presented, including disaggregation of amounts, qualitative information, and valuation techniques and inputs be disclosed that were used to arrive at the fair value of the contributed nonfinancial asset. This standard was implemented in the fiscal year ending 2023. There were no impact on net assets.

Subsequent Events: The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through the date of this report, which is the date the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

GOOD WORKS, INC.

Notes to Financial Statements

March 31, 2023 and 2022

NOTE 3. Contributed Nonfinancial assets

Donated skilled services, materials and food are reflected as contributions in the accompanying financial statements at their estimated values at the date of service or receipt. The respective expenses or assets are recorded simultaneously. The nonfinancial contributions for the years ended March 31, 2023 and 2022, did not have donor-imposed restrictions, and are as follows:

	<u>2023</u>	<u>2022</u>
Professional services	\$ 252,853	\$ 238,190
Supplies - building materials	32,666	19,527
Donated building and shed space	<u>21,480</u>	<u>19,500</u>
Total	<u>\$ 306,999</u>	<u>\$ 277,217</u>

The skilled services by professional contractors, building materials and food were utilized in the renewal and revitalization of residential properties, including group workdays. The shed and building was utilized for the storage of building materials and supplies the same purposes.

A significant portion of the Organization's functions are conducted by unpaid volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the criteria necessary for recognition under the Revenue Recognition topic of the FASB Standards Codification. The Organization had approximately 34,051 volunteer hours during the year of which 5,138 hours were for Workcamp and approximately 1,620 hours were for administrative duties. The remaining 27,293 hours represents time spent during work days.

NOTE 4. Lease Commitments

Shed Storage Space: The Organization has a lease for shed storage space on a month-to-month basis. The lease calls for payments of \$800 per month or \$9,600 annually, which represents the approximate fair value of similar property in the area. Accordingly, there are no future minimum annual lease payments for that shed lease. Rent expense for the shed storage space for the years ended March 31, 2023 and 2022, was \$9,550 and \$9,025, respectively.

GOOD WORKS, INC.

Notes to Financial Statements

March 31, 2023 and 2022

NOTE 4. Lease Commitments (Continued)

Operating leases right of use assets: The Organization evaluated current contracts to determine which met the criteria of a lease. The right-of-use (ROU) assets represent the Organization's right to use underlying assets for the lease term, and the lease liabilities represent the Organization's obligation to make lease payments arising from these lease. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The Organization has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liabilities as of December 31, 2023, was 5%. The Organization's operating leases consist of a warehouse and office equipment.

Future maturities of lease liabilities are presented in the following table:

<u>Year</u>	<u>Amount</u>
2024	\$ 10,317
2025	11,153
2026	12,075
2027	<u>1,711</u>
	<u>\$ 35,256</u>

NOTE 5. Retirement Plan

In 1996, the Organization established a custodial type retirement plan pursuant to Internal Revenue Code 403(b)(7) in order to provide retirement benefits for their employees. All employees are eligible to make salary reduction contributions starting at their hiring date. To be eligible for employer contributions each employee must be on the payroll as of January 1 and be scheduled to work 1,040 hours during the year and have been employed for at least six months. There are no years of service requirements or waiting period. There is no age requirement. During each plan year, which runs from January 1 through December 31, the Organization makes contributions to the plan throughout the year, equal to 3.5% of eligible participants' salaries. Participants can elect to defer a percentage of their salary according to Internal Revenue Code regulations. The Organization incurred pension expense of \$19,603 and \$18,894 for the years ended March 31, 2023 and 2022, respectively, the amount of which is included in employee benefits.

GOOD WORKS, INC.

Notes to Financial Statements

March 31, 2023 and 2022

NOTE 6. Concentration of Credit Risk

Deposits with Bank: At March 31, 2023 and 2022, and during both years, the Organization maintained operating and savings accounts with area financial institutions. During the year one account did exceed federally insured limits and therefore did have a concentration of credit risk for those deposits, and in the event of nonperformance by the institution, there would be a credit risk of accounting loss. Management of Good Works, Inc. does not anticipate nonperformance by those institutions. The balance in that institution at March 31, 2023 was \$196,840.

Sources of Funding: Contributions and grants are received from many individuals, organizations and churches, the two largest contributors of which represents approximately 7% of the total revenues and support. Those contributors are the County of Chester, Department of Community Development, as described in Note 2, and the Federal Home Loan (FHL) Bank's Affordable Housing Program (AHP).

NOTE 7. Related Party Transactions

There were no related party transactions during the years ended March 31, 2023 or 2022.

NOTE 8. Schedule of Net Assets

	Balance 4/1/2022	Revenues	Transfers In (out)	(Expenses)	Balance 3/31/2023
Undesignated	\$ 844,225	\$ 1,484,753	\$ (118,243)	\$ (1,567,198)	\$ 643,537
Designated-general reserve	199,405	-	120,097	-	319,502
Designated-capital/noncapital	10,000	-	-	-	10,000
Total Net Assets Without Donor Restrictions	1,053,630	1,484,753	1,854	(1,567,198)	973,039
Self Care	-	2,500	-	(2,500)	-
Construction vehicle	-	51,162	-	(51,162)	-
Housing costs-AHP	-	37,744	-	(37,744)	-
Housing costs-Housing Trust	8,609	79,709	-	(88,318)	-
Housing costs-State	-	38,598	-	(38,598)	-
Outreach	6,600	-	-	(1,200)	5,400
Coatesville homes	-	50,000	-	(18,627)	31,373
Digital tool box	507	-	-	-	507
Endowment-Quasi	67,393	(2,711)	-	(875)	63,807
Endowment-CCCF	41,858	(3,026)	(1,854)	(523)	36,455
Endowment-Good Works	252,992	(15,380)	-	-	237,612
Total Net Assets With Donor Restrictions	377,959	238,596	(1,854)	(239,547)	375,154
Total Net Assets	<u>\$ 1,431,589</u>	<u>\$ 1,723,349</u>	<u>\$ -</u>	<u>\$ (1,806,745)</u>	<u>\$ 1,348,193</u>

GOOD WORKS, INC.

Notes to Financial Statements

March 31, 2023 and 2022

NOTE 9. Functional Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, insurance, and other, which are allocated on the basis of estimates of time and effort, as well as occupancy, and depreciation, some of which are allocated on a square footage basis, and some of which are allocated on the basis of estimates of time and effort of individuals using the depreciable assets.

SUPPLEMENTAL INFORMATION

GOOD WORKS, INC.

Schedule of Expenses - Housing Trust Partnership

For the Year Ended March 31, 2023

	Total April 1, 2022 to <u>March 31, 2023</u>
Construction/repair	\$ 71,308
Salary	<u>8,400</u>
Total	<u>\$ 79,708</u>



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INDEPENDENT AUDITORS' 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 Directors of
Good Works, Inc.
Coatesville, Pennsylvania

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 Good Works, Inc. (a nonprofit organization) which comprise the statement of financial position as of March 31, 2023, 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 27, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Good Works, 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 Good Works, 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 a 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 Good Works, Inc.'s financial statements are free from 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.



Bee, Bergvall & Company, P.C.
Certified Public Accountants

Warrington, PA
September 27, 2023