

**GOOD WORKS, INC.**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION**

**YEARS ENDED  
MARCH 31, 2021 and MARCH 31, 2020**

(See Independent Auditors' Report)



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## Independent Auditors' Report

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Good Works, Inc. (a non-profit organization), which comprise the statements of financial position as of March 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Good Works, Inc. as of March 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

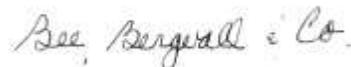
## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of 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 October 28, 2021, 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  
October 28, 2021

GOOD WORKS, INC.

Statements of Financial Position

March 31, 2021 and 2020

	March 31, <u>2021</u>	March 31, <u>2020</u>
Assets		
Cash and cash equivalents-without donor restrictions-undesignated	\$ 67,422	\$ 10,263
Cash and cash equivalents-without donor restrictions-Board designated-general reserve	197,758	127,664
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	275,180	147,927
Cash and cash equivalents-with donor restrictions-other	73,870	21,610
Cash and cash equivalents-with donor restrictions-Quasi	-	189
Cash and cash equivalents-with donor restrictions-endowment-Good Works	<u>14,873</u>	<u>4,858</u>
Total cash and cash equivalents	363,923	174,584
Short-term investments-certificates of deposit-Board designated-general reserve	20,932	20,848
Promises to give	50,722	-
Rents receivable	3,000	3,000
Inventory	9,895	7,400
Prepaid expenses	17,759	18,099
Long-term investments-certificates of deposit-board designated-general reserve	37,054	36,643
Long-term investment-endowment-Quasi	67,347	56,093
Long-term investment-endowment-County	42,901	35,498
Long-term investment-endowment-Good Works	238,507	177,568
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	87,775	86,870
Trucks	163,534	163,534
Accumulated depreciation	<u>(445,210)</u>	<u>(420,323)</u>
TOTAL ASSETS	<u>\$ 1,308,890</u>	<u>\$ 1,010,565</u>
Liabilities		
Accounts payable	\$ 9,887	\$ 9,872
Security deposits - rentals	2,920	2,920
Deferred rental income	<u>400</u>	<u>200</u>
Total Liabilities	<u>13,207</u>	<u>12,992</u>
Net Assets		
Without donor restrictions		
Undesignated	592,441	506,602
Board designated - general reserve	255,744	185,155
Board designated - other	10,000	10,000
With donor restrictions		
Other	73,870	21,610
Endowment - Quasi	67,347	56,282
Endowment - County	42,901	35,498
Endowment - Good Works	<u>253,380</u>	<u>182,426</u>
Total Net Assets	<u>1,295,683</u>	<u>997,573</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,308,890</u>	<u>\$ 1,010,565</u>

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

GOOD WORKS, INC.

Statements of Activities

For the Years Ended March 31, 2021 and 2020

	<u>Year Ended March 31, 2021</u>		
	<u>Without Donor</u>	<u>With Donor</u>	<u>Total</u>
	<u>Restrictions</u>	<u>Restrictions</u>	
Revenues and Support			
Contributions			
Business/social organizations	\$ 233,024	\$ -	\$ 233,024
Churches/schools	96,828	-	96,828
Foundation and grants	231,000	85,000	316,000
Individuals	428,644	-	428,644
Housing trust/Human services	-	155,000	155,000
PPP loan forgiveness income	111,400	-	111,400
Program fees			
Work camp application fees	2,800	-	2,800
Celebration dinner	-	-	-
Special event revenue	196,457	-	196,457
Less: direct costs of special event	(3,713)	-	(3,713)
Interest and dividend income	991	6,056	7,047
Gross rental income	40,380	-	40,380
Realized gain (loss) on sale of truck	-	-	-
Realized gain (loss) on investments	67	1,634	1,701
Unrealized gain on investments	-	85,333	85,333
Total Revenues and Support	<u>1,337,878</u>	<u>333,023</u>	<u>1,670,901</u>
Net assets released from restrictions	<u>191,341</u>	<u>(191,341)</u>	<u>-</u>
Total	<u>1,529,219</u>	<u>141,682</u>	<u>1,670,901</u>
Expenses			
Program services			
Home repair	1,084,259	-	1,084,259
Work camp	-	-	-
Celebration dinner	-	-	-
Total Program Services	<u>1,084,259</u>	<u>-</u>	<u>1,084,259</u>
Supporting services			
General and administrative	139,086	-	139,086
Resource development	149,446	-	149,446
Total Expenses	<u>1,372,791</u>	<u>-</u>	<u>1,372,791</u>
Increase (decrease) in net assets	156,428	141,682	298,110
Net assets at beginning of period	<u>701,757</u>	<u>295,816</u>	<u>997,573</u>
Net assets at end of period	<u>\$ 858,185</u>	<u>\$ 437,498</u>	<u>\$ 1,295,683</u>

Year Ended March 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues and Support</b>			
Contributions			
Business/social organizations	\$ 255,684	\$ -	\$ 255,684
Churches/schools	108,218	-	108,218
Foundation and grants	169,600	7,715	177,315
Individuals	485,654	42,500	528,154
Housing trust/Human services	-	104,510	104,510
PPP loan forgiveness income	-	-	-
Program fees			
Work camp application fees	52,095	-	52,095
Celebration dinner	5,832	-	5,832
Special event revenue	219,372	-	219,372
Less: direct costs of special event	(16,541)	-	(16,541)
Interest and dividend income	2,025	6,982	9,007
Gross rental income	40,740	-	40,740
Realized gain (loss) on sale of truck	(541)	-	(541)
Realized gain (loss) on investments	14	3,033	3,047
Unrealized gain on investments	-	(27,996)	(27,996)
Total Revenues and Support	<u>1,322,152</u>	<u>136,744</u>	<u>1,458,896</u>
Net assets released from restrictions	<u>181,314</u>	<u>(181,314)</u>	<u>-</u>
Total	<u>1,503,466</u>	<u>(44,570)</u>	<u>1,458,896</u>
<b>Expenses</b>			
Program services			
Home repair	1,162,213	-	1,162,213
Work camp	31,765	-	31,765
Celebration dinner	<u>572</u>	<u>-</u>	<u>572</u>
Total program services	1,194,550	-	1,194,550
Supporting services			
General and administrative	155,228	-	155,228
Resource development	<u>155,244</u>	<u>-</u>	<u>155,244</u>
Total expenses	<u>1,505,022</u>	<u>-</u>	<u>1,505,022</u>
Increase (decrease) in net assets	(1,556)	(44,570)	(46,126)
Net assets at beginning of period	<u>703,313</u>	<u>340,386</u>	<u>1,043,699</u>
Net assets at end of period	<u>\$ 701,757</u>	<u>\$ 295,816</u>	<u>\$ 997,573</u>

See independent auditors' report and  
accompanying notes to financial statements

GOOD WORKS, INC.

Statements of Functional Expenses

For the Years Ended March 31, 2021 and 2020

	<u>Year Ended March 31, 2021</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	\$ 350,495	\$ 80,248	\$ 94,902	\$ 525,645
Employee benefits	42,711	7,666	17,898	68,275
Payroll taxes	26,114	6,937	7,753	40,804
Total	419,320	94,851	120,553	634,724
Depreciation	33,707	3,696	1,307	38,710
Dues and fees	13,580	1,675	30	15,285
Functions-celebration dinner	-	-	-	-
Homeowners outreach	1,980	-	-	1,980
Insurance	34,889	9,020	10,081	53,990
Major project expense	160,297	-	-	160,297
Office expense and supplies	13,419	8,994	3,985	26,398
Permit	1,027	-	-	1,027
Postage and shipping	2,400	637	2,138	5,175
Professional services	171,678	13,455	761	185,894
Promotional fees	18,158	-	5,445	23,603
Real estate taxes	4,631	2,502	801	7,934
Rent and utilities	33,926	1,164	1,302	36,392
Repairs and maintenance	15,364	1,579	1,081	18,024
Seminars and training	228	-	-	228
Small tools and equipment	2,290	-	-	2,290
Supplies-building materials	126,528	-	-	126,528
Telephone and internet	1,962	981	1,962	4,905
Trash removal	15,861	-	-	15,861
Transportation and travel	10,105	532	-	10,637
Volunteer recognition	2,909	-	-	2,909
Work camp expense	-	-	-	-
Total Expenses	<u>\$ 1,084,259</u>	<u>\$ 139,086</u>	<u>\$ 149,446</u>	<u>\$ 1,372,791</u>

	<u>Year Ended March 31, 2020</u>			
	<u>Program</u> <u>Services</u>	<u>General and</u> <u>Administrative</u>	<u>Resource</u> <u>Development</u>	<u>Total</u>
<b>Compensation and Related Expenses</b>				
Salaries	\$ 319,955	\$ 88,987	\$ 95,430	\$ 504,372
Employee benefits	46,165	10,408	17,324	73,897
Payroll taxes	<u>25,161</u>	<u>6,683</u>	<u>7,470</u>	<u>39,314</u>
Total	391,281	106,078	120,224	617,583
Depreciation	37,538	3,732	1,347	42,617
Dues and fees	5,280	5,967	3,960	15,207
Functions-celebration dinner	572	-	-	572
Homeowners outreach	2,453	-	-	2,453
Insurance	36,137	9,100	10,277	55,514
Major project expense	124,334	-	-	124,334
Office expense and supplies	14,442	9,428	4,681	28,551
Permit	2,193	-	-	2,193
Postage and shipping	2,598	690	2,484	5,772
Professional services	218,268	13,328	701	232,297
Promotional fees	11,312	-	6,280	17,592
Real estate taxes	4,602	2,485	796	7,883
Rent and utilities	37,314	1,359	1,520	40,193
Repairs and maintenance	12,619	1,296	884	14,799
Seminars and training	462	-	-	462
Small tools and equipment	1,128	-	-	1,128
Supplies-building materials	222,577	-	-	222,577
Telephone and internet	1,938	969	1,938	4,845
Trash removal	15,204	-	-	15,204
Transportation and travel	13,055	796	152	14,003
Volunteer recognition	7,478	-	-	7,478
Work camp expense	<u>31,765</u>	<u>-</u>	<u>-</u>	<u>31,765</u>
Total Expenses	<u>\$ 1,194,550</u>	<u>\$ 155,228</u>	<u>\$ 155,244</u>	<u>\$ 1,505,022</u>

See independent auditors' report and  
accompanying notes to financial statements

GOOD WORKS, INC.

Statements of Cash Flows

For the Years Ended March 31, 2021 and 2020

	<u>Year Ended</u> <u>March 31, 2021</u>	<u>Year Ended</u> <u>March 31, 2020</u>
Cash Flows from Operating Activities		
Increase in net assets	\$ 298,110	\$ (46,126)
Adjustments to reconcile change in net assets to net cash provided (utilized) by operating activities:		
Depreciation	38,710	42,617
(Gain) on the sales of property and equipment	-	541
Donated assets	-	(34,473)
Changes in operating accounts		
(Increase) decrease in unconditional promises to give	(50,722)	44,556
(Increase) decrease in housing costs receivable	-	3,277
(Increase) decrease in rents receivable	-	(500)
(Increase) decrease in inventory	(2,495)	(1,000)
(Increase) decrease in prepaid expenses	340	(1,931)
Increase (decrease) in accounts payable	15	(9,536)
Increase (decrease) in deferred rental income	200	200
Contribution - loan forgiveness	-	(15,278)
Interest and dividend income on long-term investment - endowment	(6,056)	(6,892)
Realized (gain) on long-term investment - endowment	(1,634)	(3,033)
Unrealized (gain) on long-term investment - endowment	(85,333)	27,996
Distribution on long-term investment - endowment	1,921	2,016
Management fee on long-term investment - endowment	1,491	1,318
Net cash provided (utilized) by operating activities	<u>194,547</u>	<u>3,752</u>
Cash Flows from Investing Activities		
Transfers to (from) long-term investment - endowment	-	(60,000)
Short-term investments - net	(84)	(359)
Long-term investments	9,604	(792)
Purchase of property and equipment - net	(14,728)	(6,791)
Proceeds from the sale of property and equipment	-	5,000
Net cash provided (utilized) by investing activities	<u>(5,208)</u>	<u>(62,942)</u>
Net increase (decrease) in cash and cash equivalents	189,339	(59,190)
Cash and cash equivalents at beginning of period	<u>174,584</u>	<u>233,774</u>
Cash and cash equivalents at end of period	<u>\$ 363,923</u>	<u>\$ 174,584</u>

Supplemental Disclosures

Noncash investing and financing activities during the years ended March 31, 2021 and March 31, 2020, consisted of the forgiveness of a long-term note to the County of Chester, Pennsylvania in the amount of \$250,000 used towards financing the costs of acquiring the office building and warehouse. The county loan is reduced each year by \$0 and \$15,278 respectively, under the forgiveness provisions of the note.

The organization received \$34,473 in donated capital assets for the year ended March 31, 2020.

See independent auditors' report and  
accompanying notes to financial statements

GOOD WORKS, INC.

Notes to Financial Statements

March 31, 2021 and 2020

**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 935 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, 2021 and 2020

**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, 2020, have been reclassified to conform with the year ended March 31, 2021, 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: At March 31, 2021, there was one conditional promise to give of \$50,000 from the state of Pennsylvania whereby the required expenditures were spent and submitted, but the funds were not remitted until the fiscal year ended March 31, 2022.

At March 31, 2021, there was one unconditional promise to give from a business for the purpose of covering employee benefits.

GOOD WORKS, INC.

Notes to Financial Statements

March 31, 2021 and 2020

**NOTE 2. Summary of Significant Accounting Policies (Continued)**

*Promises to Give: (continued)*

On February 28, 2005, the County of Chester, Pennsylvania provided a \$250,000 note to the Organization for the purpose of purchasing the office building which also contains some housing for low-income persons. The amount represents a conditional promise to give because of certain provisions within the note that provide for the note to be completely forgiven at the end of fifteen years if the Organization fulfills its obligations under the note to continue to provide that low-income housing under the Federal Home Investment Partnership Program regulations for the fifteen year period.

If the Organization fails to fulfill those low-income housing provisions, after a 30 day default notice period, the County, at its discretion, can exercise one or two options: either demand the Organization repay a prorated portion of the funds disbursed with interest at 1% per each year remaining in the period of affordability from the date of default or the County can demand immediate repayment of all funds disbursed from the date of disbursement with interest of 1% per year to the date of repayment. Providing good housing is a basic purpose of the Organization and as such, pursuant to the Contributions Received topic of the FASB Standards Codification, management believes the possibility that the low-income housing provisions of the note not being met are so remote as to be negligible. Accordingly, for accounting purposes, the note then represents a conditional promise that will be met in stages over the fifteen year period of the note. Each year a prorated portion of the note will be reduced by recording a corresponding contribution. During the years ended March 31, 2020, the loan balance was reduced by recording a contribution of \$15,278 which reduced the loan balance to zero.

*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, 2020 through December 31, 2020, and the contract amount was \$105,000. At March 31, 2020, there was no amount due to the Organization. The grant was subsequently applied for and renewed with a contract term of January 1, 2021 through December 31, 2021, and the contract amount was \$105,000. At March 31, 2021 there was no amount due to the Organization from the 2021 grant and if there had been, that amount would be 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, 2021 and 2020 represents rent due from one business tenant.

GOOD WORKS, INC.

Notes to Financial Statements

March 31, 2021 and 2020

**NOTE 2. Summary of Significant Accounting Policies (Continued)**

*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, 2019, with a maturity date of April 19, 2021 and a purchase date off July 29, 2020 and a maturity date of January 29, 2022 respectively.

*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, 2021 and 2020, there were no donor restrictions. There were distributions of \$1,921 and \$2,016 during the years ended March 31, 2021 and 2020, 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, 2021 and 2020, the amounts recognized by the Organization as a long-term asset with donor restrictions were \$42,901 and \$35,498, respectively. At March 31, 2021 and 2020, the amounts recognized by the Community Foundation as an asset were \$32,980 and \$27,112, respectively. Long-term investments are carried at market value.

GOOD WORKS, INC.

Notes to Financial Statements

March 31, 2021 and 2020

**NOTE 2. Summary of Significant Accounting Policies (Continued)**

*Long-Term Investment - Endowment: (continued)*

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 31 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.

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

GOOD WORKS, INC.

Notes to Financial Statements

March 31, 2021 and 2020

**NOTE 2. Summary of Significant Accounting Policies (Continued)**

*Interpretation of Relevant Law: (continued)*

Endowment Net Asset Composition consisted of the following as of March 31, 2021 and 2020:

<u>Endowment Fund Type</u>	<u>March 31,</u> <u>2021</u>	<u>March 31,</u> <u>2020</u>
Endowment-Community Foundation	\$ 42,901	\$ 35,498
Endowment-Good Works	253,380	182,426
Endowment-Quasi-Community Foundation	<u>67,347</u>	<u>56,282</u>
Total	<u>\$ 363,628</u>	<u>\$ 274,206</u>

Changes in endowment net assets for the fiscal year ended March 31, 2021:

	<u>Endowment</u> <u>County</u>	<u>Endowment</u> <u>Good Works</u>	<u>Endowment</u> <u>Quasi</u>	<u>Total</u>
Beginning balance	\$ 35,498	\$ 182,426	\$ 56,093	\$ 274,017
Interest and dividend income	677	4,738	641	6,056
Realized gains (losses)	742	-	892	1,634
Unrealized gains (losses)	8,490	66,216	10,627	85,333
Management fee	(585)	-	(906)	(1,491)
Distributions	<u>(1,921)</u>	<u>-</u>	<u>-</u>	<u>(1,921)</u>
Ending Balance	<u>\$ 42,901</u>	<u>\$ 253,380</u>	<u>\$ 67,347</u>	<u>\$ 363,628</u>

Changes in endowment net assets for the fiscal year ended March 31, 2020:

	<u>Endowment</u> <u>County</u>	<u>Endowment</u> <u>Good Works</u>	<u>Endowment</u> <u>Quasi</u>	<u>Total</u>
Beginning balance	\$ 39,535	\$ 195,796	\$ 30,189	\$ 265,520
Interest income	1,481	4,528	973	6,982
Realized gains (losses)	1,271	-	1,762	3,033
Unrealized gains (losses)	(4,191)	(17,898)	(5,907)	(27,996)
Management fee	(582)	-	(735)	(1,317)
Transfer	-	-	30,000	30,000
Distributions	<u>(2,016)</u>	<u>-</u>	<u>-</u>	<u>(2,016)</u>
Ending Balance	<u>\$ 35,498</u>	<u>\$ 182,426</u>	<u>\$ 56,282</u>	<u>\$ 274,206</u>

GOOD WORKS, INC.

Notes to Financial Statements

March 31, 2021 and 2020

**NOTE 2. Summary of Significant Accounting Policies (Continued)**

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.

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.

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.

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

	<u>2021</u>	<u>2020</u>
Mutual Funds	\$ <u>238,507</u>	\$ <u>177,568</u>
Total	\$ <u>238,507</u>	\$ <u>177,568</u>

As of March 31, 2021 and 2020, the long term investments are held in an endowment fund, which is restricted.

GOOD WORKS, INC.

Notes to Financial Statements

March 31, 2021 and 2020

**NOTE 2. Summary of Significant Accounting Policies (Continued)**

*Property and Equipment:* Expenditures on donated fixed assets in excess of \$1,000 are capitalized at cost and fair value respectively. Depreciation expense for the years ended March 31, 2021 and 2020, was \$38,710 and \$42,616, 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

*Deferred Rental Income:* There was \$400 of deferred rental income for the year ended March 31, 2021, and \$200 for the year ended March 31, 2020.

*Note Payable - Building:* The Organization has a note payable with the County of Chester, Pennsylvania. The interest free note of \$250,000, beginning February 28, 2005, is to be forgiven prorated over fifteen years pursuant to conditions detailed at Note 2 promises to give. Due to the forgiveness provisions of the note, a discounted value was not recorded. The year-end balance of the note at March 31, 2020 was zero. The note was previously secured by the office building.

*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, 2021 and 2020

**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 18.49% 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 \$255,744 and \$185,155 for the years ended March 31, 2021 and 2020, respectively, for general expenditures within one year off the balance sheet date, have not been subtracted as unavailable:

	March 31, <u>2021</u>	March 31, <u>2020</u>
Financial assets, at year end - Cash and cash equivalents	\$ 363,923	\$ 174,584
Financial assets, at year end - Short-term investments	20,932	20,848
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>(166,165)</u>	<u>(46,920)</u>
Financial assets available to meet cash needs for general expenditure within one year	218,690	148,512
Financial assets available to meet cash needs for general expenditure beyond one year	<u>37,054</u>	<u>36,643</u>
Reserve balance	<u>\$ 255,744</u>	<u>\$ 185,155</u>

GOOD WORKS, INC.

Notes to Financial Statements

March 31, 2021 and 2020

**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.

As of January 1, 2019 the Organization adopted the accounting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The new guidance is intended to clarify and improve accounting guidance for contributions received and contributions made. The amendments in the ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transaction) or as exchange (reciprocal) transactions subject to other guidance, and (d) determining whether a contribution is conditional. The Organization's financial statements reflect the application of this guidance for the years ending March 31, 2021 and 2020. No cumulative effect adjustment to the net assets was recorded in the year ended March 31, 2020, because the adoption did not impact the Organizations' previously report contributions.

As of January 1, 2019, the Organization adopted the accounting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The core principle of Topic 606 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply the following steps: (1) identify the contact(s) with customers; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as), the entity satisfies a performance obligation. The Organization's financial statement reflect the application of this guidance for the years ending March 31, 2021 and 2020. No cumulative effect adjustment to net assets was recorded in the year ended March 31, 2020, because the adoption did not impact the Organization's previously reported revenue.

GOOD WORKS, INC.

Notes to Financial Statements

March 31, 2021 and 2020

**NOTE 2. Summary of Significant Accounting Policies (Continued)**

*Revenue and Support Recognition: (continued)*

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.

*PPP Loan Forgiveness Income:* As a response to the COVID -19 outbreak, the U. S. government has responded with relief legislation. Certain legislation, under the CARES Act, authorized emergency loans to businesses, including not-for-profit organizations, by establishing, and providing funding for, forgivable bridge loans under the Paycheck Protection Program (PPP). On April 24, 2020, the Organization received PPP proceeds of \$111,400 from First Resource Bank through the Small Business Administration (SBA). Under the PPP rules, the SBA will forgive the proceeds received if eligibility and certain other criteria are met related to the use of the funds. The Organization borrowed the funds for the purpose of paying payroll costs. The portion of the proceeds received that is not forgiven, if any, would be converted into an unsecured term note payable, and would be paid back in eighteen equal and consecutive monthly principal and interest payments at an interest rate of 1% per year. On January 29, 2021, the Organization received a letter based on their PPP loan forgiveness application, that the loan had been satisfied and forgiven.

GOOD WORKS, INC.

Notes to Financial Statements

March 31, 2021 and 2020

**NOTE 2. Summary of Significant Accounting Policies (Continued)**

*PPP Loan Forgiveness Income:* (continued)

There is no explicit guidance within U.S. Generally Accepted Accounting Principles (GAAP) on the accounting for government grants to business or not-for-profit entities. FASB ASC 105 describes the decision-making framework for determining guidance to apply when guidance for a transaction or event is not specified within U.S. GAAP. That guidance suggests using analogous types of existing guidance. Accordingly, management has elected to analogize to the International Accounting Standard (IAS) 20, Accounting for Government Grants and Disclosure, as well as FASB ASC 958-605 Not-for-Profit Entities-Revenue Recognition. Using both sets of guidance together, the Organization has determined that the grant model is appropriate. Under the grant model, the initial loan proceeds were recorded as a liability in the form of a forgivable loan, and once the eligibility and criteria for forgiveness were met, the liability was converted into government grant income entitled "PPP loan forgiveness income" as reflected in the Statement of Activities.

*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.

GOOD WORKS, INC.

Notes to Financial Statements

March 31, 2021 and 2020

**NOTE 2. Summary of Significant Accounting Policies (Continued)**

*Fair Value of Financial Instruments:* (continued)

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.

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, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment				
Certificates of Deposit	\$ 57,986	\$ -	\$ -	\$ 57,986
Mutual Funds	238,507	-	-	238,507
Quasi Endowment	-	67,347	-	67,347
CCCF Endowment	-	42,901	-	42,901
Total Investments	<u>\$ 296,493</u>	<u>\$ 110,248</u>	<u>\$ -</u>	<u>\$ 406,741</u>
Promises to Give	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,722</u>	<u>\$ 50,722</u>

As of March 31, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment				
Certificates of Deposit	\$ 57,491	\$ -	\$ -	\$ 57,491
Mutual Funds	177,568	-	-	177,568
Quasi Endowment	-	56,282	-	56,282
CCCF Endowment	-	35,498	-	35,498
Total Investments	<u>\$ 235,059</u>	<u>\$ 91,780</u>	<u>\$ -</u>	<u>\$ 326,839</u>
Promises to Give	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

GOOD WORKS, INC.

Notes to Financial Statements

March 31, 2021 and 2020

**NOTE 2. Summary of Significant Accounting Policies (Continued)**

*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.

*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, 2018 - 2020.

*New Accounting Pronouncements:* ASU No. 2018-13 (Topic 820), *Fair Value Measurement:* The new guidance is intended to improve the effectiveness of disclosures in the notes to financial statements. The objective of these disclosure requirements is to provide financial statement users with information about assets and liabilities measured at fair value in the statement of financial position or disclosed in the notes to the financial statements regarding (1) the valuation techniques and inputs used to develop fair value measurements, including the related judgments and assumptions made, (2) the uncertainty in the fair value measurements as of the reporting date, and (3) how changes in the measurements impact the performance and cash flows of the entity. The Organization's financial statements reflect the application of this guidance for the year ending March 31, 2021. The implementation had no effect on net assets and the adoption did not impact previously issued financial statements.

GOOD WORKS, INC.

Notes to Financial Statements

March 31, 2021 and 2020

**NOTE 2. Summary of Significant Accounting Policies (Continued)**

*New Accounting Pronouncements:* (continued)

*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 will be implemented in the fiscal year ending 2022. The Organization is currently evaluating this new standard and the impact it will have on its financial statements.

*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 will be implemented in the fiscal year ending 2022. The Organization is currently evaluating this new standard and the impact it will have on its financial statements.

*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. Subsequent to the financial statement date, the Organization received notification they were awarded a conditional grant in the amount of \$160,000. No other subsequent events have been recognized or disclosed.

GOOD WORKS, INC.

Notes to Financial Statements

March 31, 2021 and 2020

**NOTE 3. 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 \$500 per month or \$6,000 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, 2021 and 2020, was \$6,000 and \$6,000, respectively.

**NOTE 4. In-Kind Contributions**

Donated skilled services, materials and fixed assets 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 in-kind contributions for the years ended March 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Professional services	\$ 152,806	\$ 192,130
Supplies - building materials	16,769	39,702
Donated shed space	19,500	19,500
Fixed assets	<u>-</u>	<u>18,658</u>
Total	<u>\$ 189,075</u>	<u>\$ 269,990</u>

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 20,473 volunteer hours during the year of which 490 hours were for Workcamp and approximately 1,400 hours were for administrative duties. The remaining 18,583 hours represents time spent during work days.

GOOD WORKS, INC.

Notes to Financial Statements

March 31, 2021 and 2020

**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 \$16,139 and \$15,994 for the years ended March 31, 2021 and 2020, respectively, the amount of which is included in employee benefits.

**NOTE 6. Concentration of Credit Risk**

*Deposits with Bank:* At March 31, 2021 and 2020, 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, 2021 was under the \$250,000 limit.

*Sources of Funding:* Contributions and grants are received from many individuals, organizations and churches, the two largest contributors of which represents approximately 13% of the total revenues and support. Those contributors are the County of Chester, Department of Community Development, as described in Note 2, and First Resource Bank in conjunction with the Small Business Administration's Paycheck Protection Program as described in Note 2 of the financial statements.

**NOTE 7. Related Party Transactions**

There were no related party transactions during the years ended March 31, 2021 or 2020.

GOOD WORKS, INC.

Notes to Financial Statements

March 31, 2021 and 2020

**NOTE 8. Schedule of Net Assets**

	Balance 4/1/2020	Revenues	Transfers In (out)	(Expenses)	Balance 3/31/2021
Undesignated	\$ 506,602	\$ 1,337,878	\$ (53,641)	\$ (1,198,398)	\$ 592,441
Designated-general reserve	185,155	-	70,589	-	255,744
Designated-capital/noncapital	10,000	-	-	-	10,000
	<u>701,757</u>	<u>1,337,878</u>	<u>16,948</u>	<u>(1,198,398)</u>	<u>858,185</u>
Total Net Assets Without Donor Restrictions					
Housing costs-Housing Trust	-	105,000	-	(105,000)	-
Housing costs-State	-	50,000	-	(50,000)	-
Outreach	9,000	-	-	(1,200)	7,800
Rent assistance	110	-	(110)	-	-
Volunteer recruitment	-	10,000	-	(4,202)	5,798
Digital tool box	-	75,000	(14,728)	-	60,272
Subsequent year	12,500	-	-	(12,500)	-
Endowment-Quasi	56,282	12,160	(189)	(906)	67,347
Endowment-CCCF	35,498	9,909	(1,921)	(585)	42,901
Endowment-Good Works	182,426	70,954	-	-	253,380
	<u>295,816</u>	<u>333,023</u>	<u>(16,948)</u>	<u>(174,393)</u>	<u>437,498</u>
Total Net Assets With Donor Restrictions					
Total Net Assets	<u>\$ 997,573</u>	<u>\$ 1,670,901</u>	<u>\$ -</u>	<u>\$ (1,372,791)</u>	<u>\$ 1,295,683</u>

**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, interest, 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.

**NOTE 10. Risks and Uncertainties**

The current economic, employment and social conditions created by the COVID-19 virus have resulted in the impaired ability of the Organization to provide its program services. The market decline resulting from the COVID-19 virus may also have a significant impact on revenue during the current year. Because of these events the economic condition of the Organization is uncertain during the coming year.

**SUPPLEMENTAL INFORMATION**

GOOD WORKS, INC.

Schedule of Expenses-Housing Trust Partnership

For the Year Ended March 31, 2021

	Total April 1, 2020 to <u>March 31, 2021</u>
Construction/repair	\$ 65,793
Salary	<u>15,000</u>
Total	<u>\$ 80,793</u>



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INDEPENDENT AUDITORS' REPORT  
ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE 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, 2021, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 28, 2021.

**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.

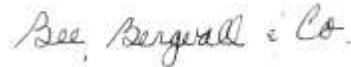
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

## **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  
October 28, 2021