



FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
DECEMBER 31, 2022 AND 2021

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## INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS  
GOOD NEIGHBORS, INC.  
KENNETT SQUARE, PA

### **Opinion**

We have audited the accompanying financial statements of Good Neighbors, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years 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 Neighbors, Inc. as of December 31, 2022 and 2021, 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.

### **Basis for Opinion**

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

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

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

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

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

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

*Umbreit, Wilczek & Associates, P.C.*

Kennett Square, PA  
June 21, 2023

**GOOD NEIGHBORS, INC.**

STATEMENTS OF FINANCIAL POSITION  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

**ASSETS**

	<b>2022</b>	<b>2021</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 392,363	\$ 513,974
Grants receivable	50,557	-
Unconditional promises to give	4,000	4,500
<b>TOTAL CURRENT ASSETS</b>	446,920	518,474
Property and equipment, net	135,544	51,966
Operating lease right-of-use assets, net of amortization	16,813	-
<b>TOTAL ASSETS</b>	\$ 599,277	\$ 570,440

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable and credit card liabilities	\$ 11,893	\$ 1,738
Accrued expenses	9,945	6,889
Operating lease liabilities, current portion	10,032	-
<b>TOTAL CURRENT LIABILITIES</b>	31,870	8,627
Operating lease liabilities, net of current portion	9,817	-
<b>TOTAL LIABILITIES</b>	41,687	8,627
<b>NET ASSETS</b>		
Without donor restrictions		
Undesignated	357,284	332,628
Board designated	28,511	-
	385,795	332,628
With donor restrictions	171,795	229,185
<b>TOTAL NET ASSETS</b>	557,590	561,813
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 599,277	\$ 570,440

**GOOD NEIGHBORS, INC.**

**STATEMENTS OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Without Donor Restrictions	With Donor Restrictions	<b>2022</b>
<b>SUPPORT, REVENUE AND RECLASSIFICATIONS</b>			
Contributions	\$ 235,189	\$ -	\$ 235,189
Grants	180,500	153,100	333,600
Government support	129,707	-	129,707
Employee Retention Credit	80,225	-	80,225
United Way	1,420	10,000	11,420
In-kind contributions	31,925	-	31,925
Youth program	9,900	-	9,900
Special events (net of direct costs \$46,538)	114,577	-	114,577
Interest income	3,845	-	3,845
Net assets released from restrictions	220,490	(220,490)	-
<b>TOTAL SUPPORT, REVENUE AND RECLASSIFICATIONS</b>	1,007,778	(57,390)	950,388
<b>OPERATING EXPENSES</b>			
Program	739,850	-	739,850
Administration	105,652	-	105,652
Fundraising	109,109	-	109,109
<b>TOTAL OPERATING EXPENSES</b>	954,611	-	954,611
<b>CHANGE IN NET ASSETS</b>	53,167	(57,390)	(4,223)
<b>NET ASSETS - BEGINNING OF YEAR</b>	332,628	229,185	561,813
<b>NET ASSETS -END OF YEAR</b>	\$ 385,795	\$ 171,795	\$ 557,590

See Independent Auditor's Report and Notes to Financial Statements

**GOOD NEIGHBORS, INC.**

**STATEMENTS OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Without Donor Restrictions	With Donor Restrictions	<b>2021</b>
<b>SUPPORT, REVENUE AND RECLASSIFICATIONS</b>			
Contributions	\$ 251,746	\$ -	\$ 251,746
Grants	170,250	256,000	426,250
Government support	52,500	-	52,500
Paycheck Protection Program grant	48,365	-	48,365
United Way	3,273	5,000	8,273
In-kind contributions	40,376	-	40,376
Youth program	9,703	-	9,703
Special events (net of direct costs \$26,257)	111,511	-	111,511
Interest income	417	-	417
Net assets released from restrictions	176,756	(176,756)	-
<b>TOTAL SUPPORT, REVENUE AND RECLASSIFICATIONS</b>	864,897	84,244	949,141
<b>OPERATING EXPENSES</b>			
Program	617,530	-	617,530
Administration	86,056	-	86,056
Fundraising	79,186	-	79,186
<b>TOTAL OPERATING EXPENSES</b>	782,772	-	782,772
<b>CHANGE IN NET ASSETS</b>	82,125	84,244	166,369
<b>NET ASSETS - BEGINNING OF YEAR</b>	250,503	144,941	395,444
<b>NET ASSETS -END OF YEAR</b>	\$ 332,628	\$ 229,185	\$ 561,813

See Independent Auditor's Report and Notes to Financial Statements

**GOOD NEIGHBORS, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>2022</u>
<b>COMPENSATION RELATED</b>				
Salaries	\$ 232,076	\$ 69,331	\$ 88,124	\$ 389,531
Payroll taxes and expenses	21,343	3,514	3,946	28,803
Employee benefits	3,751	618	694	5,063
<b>TOTAL COMPENSATION RELATED</b>	<u>257,170</u>	<u>73,463</u>	<u>92,764</u>	<u>423,397</u>
Accounting	-	6,600	-	6,600
Advertising	5,325	6,212	6,212	17,749
Aid to homeowner	880	-	-	880
Amortization of operating leases	-	8,804	-	8,804
Application and miscellaneous fees	28,023	-	-	28,023
Building materials and supplies	122,409	-	-	122,409
Contract services	237,459	-	-	237,459
Depreciation	36,378	-	-	36,378
Insurance	8,491	3,639	-	12,130
Interest on operating leases	-	1,132	-	1,132
Miscellaneous	309	1,528	1,222	3,059
Office expense	3,364	2,828	1,982	8,174
Repairs and maintenance	9,572	-	-	9,572
Special events	-	-	6,929	6,929
Telephone	482	1,446	-	1,928
Vehicle expense	21,902	-	-	21,902
Youth camp	8,086	-	-	8,086
<b>TOTAL EXPENSES</b>	<u>\$ 739,850</u>	<u>\$ 105,652</u>	<u>\$ 109,109</u>	<u>\$ 954,611</u>

See Independent Auditor's Report and Notes to Financial Statements



**GOOD NEIGHBORS, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>2021</u>
<b>COMPENSATION RELATED</b>				
Salaries	\$ 174,455	\$ 58,911	\$ 62,133	\$ 295,499
Payroll taxes and expenses	15,459	3,168	3,522	22,149
<b>TOTAL COMPENSATION RELATED</b>	<u>189,914</u>	<u>62,079</u>	<u>65,655</u>	<u>317,648</u>
Accounting	-	7,270	-	7,270
Advertising	3,983	4,642	4,642	13,267
Application and miscellaneous fees	18,783	-	-	18,783
Building materials and supplies	129,279	-	-	129,279
Contract services	212,317	-	-	212,317
Depreciation	29,400	-	-	29,400
Insurance	6,488	2,780	-	9,268
Miscellaneous	152	758	606	1,516
Occupancy	1,500	3,900	600	6,000
Office expense	1,638	3,130	2,213	6,981
Repairs and maintenance	2,480	-	-	2,480
Special events	-	-	5,470	5,470
Telephone	499	1,497	-	1,996
Vehicle expense	11,268	-	-	11,268
Youth camp	9,829	-	-	9,829
<b>TOTAL EXPENSES</b>	<u>\$ 617,530</u>	<u>\$ 86,056</u>	<u>\$ 79,186</u>	<u>\$ 782,772</u>

**GOOD NEIGHBORS, INC.**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (4,223)	\$ 166,369
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	36,378	29,400
Amortization of operating lease ROU asset	8,804	-
Donations of marketable securities	(9,835)	(10,863)
Payments on operating lease obligation	(5,768)	-
(Increase) decrease in grants receivable	(50,557)	9,976
(Increase)decrease in promises to give	500	1,063
(Decrease) increase in accounts payable and credit card liabilities	10,155	435
(Decrease) increase in accrued expenses	3,056	6,889
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(11,490)</b>	<b>203,269</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of vehicles and equipment	(119,956)	-
Proceeds from sale of investments	9,835	10,863
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>(110,121)</b>	<b>10,863</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(121,611)</b>	<b>214,132</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b>513,974</b>	<b>299,842</b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 392,363</b>	<b>\$ 513,974</b>
<b>SUPPLEMENTAL INFORMATION</b>		
Interest Paid	<b>\$ 1,132</b>	<b>\$ -</b>

See Independent Auditor's Report and Notes to Financial Statements

**GOOD NEIGHBORS, INC.****NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021****NOTE 1 – NATURE OF ORGANIZATION**

Good Neighbors, Inc. is a not-for-profit organization that works with qualified low-income homeowners in Southern Chester and Lancaster Counties, PA and Northern New Castle County, DE to make their homes warmer, safer, drier, and healthier.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Basis of Accounting

The financial statements of Good Neighbors, Inc. have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

Under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-10-65-1, the Organization is required to report information regarding its financial position and activities according to two mutually exclusive classes according to the existence or absence of donor-imposed restrictions. See Net Assets with Donor Restrictions and Net Assets without Donor Restrictions.

Net Assets with Donor Restrictions

Net assets with donor restrictions is the part of net assets of the Organization that is subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants). Some donors impose restrictions that are temporary in nature, for example, stipulating that resources be used after a specified date, for particular programs or services, or to acquire buildings or equipment. Other donors impose restrictions that are perpetual in nature, for example, stipulating that resources be maintained in perpetuity. Laws may extend those limits to investment returns from those resources and to other enhancements (diminishments) of those resources. Thus, those laws extend donor-imposed restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Net Assets without Donor Restrictions

Net assets without donor restrictions is the part of net assets of the Organization that is not subject to donor-imposed restrictions.

Cash and Cash Equivalents

The Organization considers highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**GOOD NEIGHBORS, INC.****NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021****NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**Grants Receivable

Grants receivable consist of amounts due from a cost reimbursement grant awarded from New Castle County. Receivables and related revenues are recognized when the expenses are incurred and reimbursable. Provision for losses on receivables is made when considered necessary to maintain an adequate allowance to cover bad debts. Receivables are charged against the allowance when the Organization determines that payments will not be received. Any subsequent receipts are credited to the allowance. As of December 31, 2022 and 2021, the Organization estimates that no reserve for losses on receivables is required.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period in which notification of such promise is received. Unconditional promises to give due in one year or less are recorded at their net realizable value. Unconditional promises to give due in more than one year are recorded at fair value in the year promised using present value techniques. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Allowance for Doubtful Accounts

The Organization estimates that all of its promises to give are collectible; accordingly, there is no provision for an allowance for doubtful accounts. If amounts become uncollectible, they will be charged to operations when that determination is made. As of December 31, 2022 and 2021 the Organization has deemed all monies collectible.

Property and Equipment

Property and equipment are carried at cost. Acquisitions in excess of \$2,000 are capitalized. Depreciation on assets purchased is computed using the straight-line and accelerated methods over the useful lives of the assets ranging from 5-7 years.

Revenue Recognition

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Grant revenues are recognized when received or when spent, whichever occurs first. Contributions are recorded at fair value, which is net of estimated uncollectible amounts. Program fees and benefits are recognized in the period received. Revenue from special events and other functions is recognized as earned having applicable costs concurrently recognized. Interest and investment income is recognized as earned.

**GOOD NEIGHBORS, INC.****NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021****NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**Revenue Recognition (Cont'd)

The Organization's policy is to report contributions with donor-imposed restrictions as unrestricted support when these restrictions are met in the same year that the contribution was received.

The Organization recognizes revenue when it satisfies a performance obligation by transferring control of a promised good or service to the customer. The Organization's principal activity resulting in contracts with customers is revenue from special events.

Because the benefit received from special events has an original expected duration of one year or less, the Organization has elected the practical expedient and not disclosed the value of unsatisfied performance obligations and expected timing for completion related to the revenue.

Donated Facilities, Services and Assets

Donated facilities and services are recorded at fair market value at the date of donation.

The Organization receives donated services from a variety of unpaid volunteers assisting the Organization. Accounting standards require that only volunteer services that (1) create or enforce long-lived assets or (2) require specialized skills provided by individuals possessing skills that would typically need to be purchased if not donated must be recorded.

Donated equipment and other donated materials are recorded at their estimated fair value as of the date of donation.

Advertising

The costs of advertising are expensed as incurred. Total advertising costs for the years ended December 31, 2022 and 2021 were \$17,749 and \$13,267 respectively.

Leases

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the lease payments 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 NEIGHBORS, INC.****NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021****NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)***Recently adopted accounting standards*

In 2022, the Organization adopted Accounting Standards Update (ASU) No. 2016-02, *Leases*, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The Organization elected not to restate the comparative period (2021). It also elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases. As a result of implementing ASU No. 2016-02, the Organization recognized operating lease right-of-use assets and operating lease liabilities in its statement of financial position as of December 31, 2022.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Allocation of Functional Expenses

The costs of providing the program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated between the program and supporting services. Program costs include those related to home repairs. Fundraising expenses are costs related to campaigns, grant writing, and other fundraising efforts. Administrative expenses are costs directly related to the overall operation of the Organization, which are not associated with program or fundraising services. Certain administrative expenses, such as salaries and employee benefits, are allocated to program and fundraising based on the usage of employees' time.

Income Taxes

Good Neighbors, Inc. is exempt from federal and state income taxes under Internal Revenue Code Section 501 (c)(3).

Date of Management Approval

The Organization has evaluated those events and transactions that occurred after the statement of financial position date of December 31, 2022 through June 21, 2023, the date the financial statements were available to be issued and determined there were no other items to be disclosed.

**GOOD NEIGHBORS, INC.**

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

**NOTE 3 – FINANCIAL ASSETS AND LIQUIDITY RESOURCES**

As of December 31, 2022 and 2021, financial assets and liquidity resources available within one year for general expenditures such as operating expenses were as follows:

	2022	2021
Financial assets:		
Cash and cash equivalents	\$ 392,363	\$ 513,974
Grants and accounts receivable	50,557	-
Promises to give	4,000	4,500
Less: donor restricted financial assets	(167,795)	(224,685)
Total financial assets available within one year	\$ 279,125	\$ 293,789

As of December 31, 2022 and 2021, respectively, the Organization has \$279,125 and \$293,795 in financial assets available to utilize for general expenditures within the next year. The Organization's cash flows have seasonal variations during the year attributable to the timing of contributions received. To manage liquidity, the Organization maintains credit cards, as well as a \$10,000 line of credit that may be used as needed during the year to manage cash flows.

**NOTE 4 – CONCENTRATION OF CREDIT RISK FOR CASH HELD IN BANK**

The Organization maintains cash balances in one local bank at December 31, 2022 and 2021, which is insured by the Federal Deposit Insurance Corporation up to \$250,000. At times the balance can be in excess of the insured limit. Total uninsured cash balances at December 31, 2022 and 2021 were \$93,644 and \$249,138, respectively.

**NOTE 5 – UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give for the years ended December 31, 2022 and 2021 are as follows:

	2022	2021
Receivable in less than one year	\$ 4,000	\$ 4,500
Receivable in one to ten years	-	-
Total promises to give	\$ 4,000	\$ 4,500

**GOOD NEIGHBORS, INC.**

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

**NOTE 6 – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at December 31, 2022 and 2021:

	2022	2021
Vehicles	\$ 236,219	\$ 126,488
Equipment	67,159	56,934
	303,378	183,422
Less: accumulated depreciation	(167,834)	(131,456)
Net property and equipment	\$ 135,544	\$ 51,966

Depreciation expense for the years ended December 31, 2022 and 2021 was \$36,378 and \$29,400, respectively.

**NOTE 7 – LINE OF CREDIT**

The Organization obtained a line of credit with WSFS Bank in August 2018 for \$10,000. The balance of the line of credit plus interest (currently 5.0%) is due on demand from lender, secured by all inventory, chattel paper, accounts and equipment. The term for the line of credit expires August 2024. This line of credit was originally obtained to fund various projects through their partnership with Federal Home Loan Bank (FHLB) and WSFS. The Organization's role was sponsor in this agreement, performing the needed home repairs for very low-income homeowners in New Castle, DE. The partnership with FHLB expired in 2020 with access to the line remaining. No amounts were drawn on the line of credit during 2022 and 2021.

**NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions at December 31, 2022 and 2021 consist of:

	2022	2021
Time restrictions	\$ 4,000	\$ 4,500
Home repair - state specific	163,886	97,863
Capital expenditures	2,060	125,000
Other	1,849	1,822
	\$ 171,795	\$ 229,185



**GOOD NEIGHBORS, INC.**

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

**NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS (Cont'd)**

Net assets with donor restrictions released during December 31, 2022 and 2021 are as follows:

	2022	2021
United Way supported programs	\$ -	\$ 15,000
Time restrictions	4,500	5,562
Home repair - state specific	91,477	125,590
Capital expenditures	122,940	320
Other	1,573	30,284
	\$ 220,490	\$ 176,756

**NOTE 9 – BOARD DESIGNATED ASSETS**

The Board designated funds from a continual donor to accomplish more repairs on homes with children. This donor is especially interested in promoting this area of repairs but consistently donates with no designation. Board designated assets at December 31, 2022 and 2021 were \$28,511 and \$0, respectively.

**NOTE 10– DONATED ASSETS AND SERVICES**

The Organization received a significant amount of donated services from unpaid volunteers and from various contractors/businesses who assisted in the various projects undertaken during 2022 and 2021. For the year ended December 31, 2022 over 200 volunteers donated over 3,500 hours valued at over \$105,100. For the year ended December 31, 2021 over 300 volunteers donated over 3,800 hours valued at over \$106,300. No amounts have been recognized in the statement of activities for these services because the criteria for recognition under FASB ASC No. 958-605-25-16 have not been satisfied.

During the years ended December 31, 2022 and 2021, the Organization received the following noncash donations that have been reflected at fair value in the financial statements:

	2022			
	Program	Management	Fundraising	Total
Donated facilities	\$ 1,783	\$ 2,036	\$ 313	\$ 4,132
Donated services	2,272	-	-	2,272
Donated goods & materials	23,373	1,230	918	25,521
	\$ 27,428	\$ 3,266	\$ 1,231	\$ 31,925

**GOOD NEIGHBORS, INC.**

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

**NOTE 10– DONATED ASSETS AND SERVICES (Cont’d)**

	2021			Total
	Program	Management	Fundraising	
Donated services	\$ 2,495	\$ -	\$ -	\$ 2,495
Donated goods & materials	37,881	-	-	37,881
	\$ 40,376	\$ -	\$ -	\$ 40,376

**NOTE 11 – REVENUE RECOGNITION**

Performance Obligations

Revenue and support received for the Organization's fundraisers are comprised of an exchange element based upon the benefits provided to the participants and a contribution element for the portion of the payment received in excess of the participant benefits. The Organization recognizes exchange revenue from its fundraisers at the point in time to which the fundraiser relates. The performance obligation consists of providing participants with access to the special event.

Disaggregation of Revenue

The disaggregation of the timing of recognizing revenue from contracts with customers for the year ended December 31, 2022, is as follows:

	Point in Time	Over Time	Total
Special events	\$ 161,115	\$ -	\$ 161,115

The disaggregation of the timing of recognizing revenue from contracts with customers for the year ended December 31, 2021, is as follows:

	Point in Time	Over Time	Total
Special events	\$ 137,768	\$ -	\$ 137,768

**NOTE 12 – MAJOR CONTRIBUTORS**

For the year ended December 31, 2022, the Organization had one major contributor representing approximately 11% of total revenue. The Organization had no major contributors for the year ended December 31, 2021.

**GOOD NEIGHBORS, INC.**

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

**NOTE 13 – LEASE COMMITMENTS**

Good Neighbors evaluated current contracts to determine which met the criteria of a lease. The operating lease right-of-use (ROU) assets represent Good Neighbors' right to use underlying assets for the lease term, and the operating lease liabilities represent Good Neighbors' obligation to make lease payments arising from these leases. 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. Good Neighbors has made an accounting policy election to an incremental borrowing rate of 5.0% to discount future lease payments.

The Organization leases office space under an operating lease agreement. The lease required monthly payments of \$500 and expired in December 2021. The lease was renewed for a three year term, expiring in December 2024. Monthly payments adjust based on an agreed upon schedule included in the lease agreement. Rent expense for years ended December 31, 2022 and 2021 was \$7,326 and \$6,000, respectively.

Good Neighbors' operating leases consist primarily of real estate leasing for office space. The lease holds an automatic lease termination clause, which requires a written extension or renewal prior to the last day of the term of the lease. Therefore, the lease payments associated with an extension are not included in the ROU asset nor the lease liability recognized as of December 31, 2022.

The following summarizes the line items in the statement of financial position which include amounts for operating leases as of December 31, 2022:

Operating lease right-of-use assets	\$	25,617
Less: Amortization		(8,804)
	<u>\$</u>	<u>16,813</u>
Current portion of operating lease liabilities	\$	10,032
Operating lease liabilities		9,817
	<u>\$</u>	<u>19,849</u>

Future maturities of operating lease liabilities are as follows for the years ending December 31:

2023	\$	10,032
2024		10,800
Total operating lease payments		<u>20,832</u>
Less present value discount		(983)
Total operating lease obligations	<u>\$</u>	<u>19,849</u>

**GOOD NEIGHBORS, INC.****NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021****NOTE 14 – SIMPLE IRA PLAN**

The Organization adopted a Simple IRA plan, effective February 2022, for the exclusive benefit of all employees. All existing employees were eligible for participation upon inception and new employees are eligible after a 90 day probationary period. The Organization matches the employees' contributions up to 3% of gross compensation. The plan provides for immediate vesting of all contributions. There was \$5,063 in contribution expense for the year ended December 31, 2022.