
GRANDMA'S PLACE, INC.
INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

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GRANDMA'S PLACE, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Grandma's Place, Inc.
Royal Palm Beach, Florida

Report on Financial Statements

I have audited the accompanying Financial Statements of Grandma's Place, Inc. ("the Organization") (a nonprofit organization) which comprise the Statements of Financial Position as of June 30, 2017 and 2016 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audits 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above presently fairly, in all material respects, the financial position of the Organization as of June 30, 2017 and 2016, and the results of its operations, 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.

In accordance with *Government Auditing Standards*, I have also issued my report dated February 12, 2018, on my consideration of the Organization's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Report on Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Financial Assistance 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 my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole

Mark E. Coffey, P.A.

Palm Beach Gardens, Florida
February 16, 2018

GRANDMA'S PLACE, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Current Assets:		
Investments	\$ 335,213	\$ 302,595
Cash	405,308	288,270
Grants Receivable	44,345	54,531
Prepaid Expenses	5,211	11,838
Total Current Assets	<u>790,077</u>	<u>657,234</u>
Property and Equipment, Net	<u>368,994</u>	<u>405,392</u>
TOTAL ASSETS	<u>\$ 1,159,071</u>	<u>\$ 1,062,626</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accrued Expenses	\$ 8,821	\$ 12,385
Accounts Payable	598	629
Total Liabilities	<u>9,419</u>	<u>13,014</u>
Net Assets:		
Temporarily Restricted	410	56,940
Unrestricted	1,149,242	992,672
Total Net Assets	<u>1,149,652</u>	<u>1,049,612</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,159,071</u>	<u>\$ 1,062,626</u>

See accompanying Notes to Financial Statements

GRANDMA'S PLACE, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	<u>Un- Restricted</u>	<u>Temporarily Restricted</u>	<u>Total 2017</u>	<u>Total 2016</u>
REVENUES AND SUPPORT:				
Fee Revenue	\$ 359,635	\$ -	\$ 359,635	\$ 572,604
Contributions	413,997	56,886	470,883	263,189
Fundraising	64,589	-	64,589	130,375
Unrealized loss on investments	32,617	-	32,617	(14,359)
Net assets released from restrictions	113,416	(113,416)		
Total Revenue and Support	984,254	(56,530)	927,724	951,809
EXPENSES:				
Program Services	694,046	-	694,046	770,094
Administrative	84,789	-	84,789	124,735
Fundraising	48,849	-	48,849	75,099
Total Expenses	827,684	-	827,684	969,928
Change in Net Assets	156,570	(56,530)	100,040	(18,119)
Net Assets, Beginning	992,672	56,940	1,049,612	1,067,731
Net Assets, Ending	\$ 1,149,242	\$ 410	\$ 1,149,652	\$ 1,049,612

See accompanying Notes to Financial Statements

GRANDMA'S PLACE, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities:		
Cash Received from Grantors	\$ 481,031	\$ 914,277
Cash Received from Contributions	470,883	263,189
Investment Income	2,871	2,004
Cash Paid to Suppliers and Employees	(824,652)	(1,106,316)
Cash From Other Income	18,313	(13,009)
Net Cash Provided By/ (Used In) Operating Activities	<u>148,446</u>	<u>60,145</u>
Cash Flows from Investing Activities:		
Purchase of Property and Equipment	-	(24,784)
Decrease/(Increase) in Investments	(31,408)	14,359
Net Cash Flows (Used In) Investing Activities	<u>(50,375)</u>	<u>(10,425)</u>
Increase in Cash	117,038	49,720
Cash Beginning	288,270	238,550
Cash Ending	<u>\$ 405,308</u>	<u>\$ 288,270</u>

See accompanying Notes to Financial Statements

GRANDMA'S PLACE, INC.

STATEMENTS OF CASH FLOWS
(Continued)

FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Reconciliation of Change in Net Assets to Net Cash Provided By/ (Used In) Operating Activities:		
Change in Net Assets	\$ 100,040	\$ (18,119)
Adjustment to reconcile Change in Net Assets to Net Cash (Used In) Operating Activities:		
Depreciation and Amortization	35,188	35,768
(Increase)/Decrease In:		
Grants Receivable	10,186	41,673
Prepayments	6,627	4,133
(Decrease)/Increase In:		
Accounts Payable	(3,595)	(3,310)
Net Cash Provided By Operating Activities	<u><u>\$ 148,446</u></u>	<u><u>\$ 60,145</u></u>

See accompanying Notes to Financial Statements

GRANDMA'S PLACE, INC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017 AND 2016

	Program Services Foster Programs	Supporting Fundraising	Services Management and General	Total All Services	Total Expenses 2016
Personnel	\$442,531		\$75,181	\$517,712	\$598,437
Insurance	51,784			51,784	60,827
Occupancy	49,378		2,175	51,553	55,748
Program Expenses	40,298			40,298	32,570
Capital campaign	37,500			37,500	
Depreciation	35,188			35,188	35,768
Fundraising expenses		25,406		25,406	75,099
Donations					23,729
Fundraising event		23,443		23,443	
Professional fees	18,366			18,366	23,164
Office Expenses	1,729		7,433	9,162	14,782
Household expenses	7,336			7,336	17,637
Fees for service	4,251			4,251	5,270
Other					3,576
Information technology					2,903
Auto & Travel	2,581			2,581	11,051
Communication	2,162			2,162	
Conferences	942			942	9,367
	<u>\$694,046</u>	<u>\$48,849</u>	<u>\$84,789</u>	<u>\$827,684</u>	<u>\$969,928</u>

See accompanying Notes to financial statements

GRANDMA’S PLACE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Grandma’s Place, Inc. (“the Organization”) is a not-for-profit health care agency that provides care in a nurturing environment for abused or neglected children in the foster care system. The Organization was formerly known as Kid Sanctuary, Inc. and changed its name on October 7, 2008. The Organization is licensed by the State of Florida and operates primarily as a subcontractor under an agreement with Child and Family Connections, Inc. (a not-for-profit organization) that receives its funding from a master agreement with the State of Florida Department of Children and Families.

Income Taxes

The Organization is exempt from Federal Income Tax under Section 501(c) (3) of the Internal Revenue Code. The Organization’s income tax return is subject to examination by the Internal Revenue Service (IRS) for tax years after June 30, 2015.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting. The Organization reports information regarding its financial position and activities according to three classes of net assets: Unrestricted, Temporarily Restricted and Permanently Restricted.

Net assets and revenue, gains and losses are classified and reported based on the existence or absence of donor imposed restrictions as follows:

Unrestricted – are those currently available for use in the current operation of the Organization under the direction of the Board of Directors, and those resources invested in property and equipment.

Temporarily Restricted– are those stipulated by donors for specific operation purposes or for the acquisition of property and equipment; or those not currently available for use until commitments regarding their use have been fulfilled.

GRANDMA’S PLACE, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont’d.)

Basis of Presentation (Cont’d.)

Permanently Restricted - are those which are required by donors to be held in perpetuity or, if sold, the proceeds must be reinvested in accordance with the same donor stipulated purpose.

Cash and Cash Equivalents

Cash and cash equivalents are composed of interest-bearing checking, saving, and money market accounts. The Organization considers all highly liquid investments with an original maturity of less than three months when purchased to be cash equivalents.

Investments

The Organization’s investments are stated at fair market value. Unrealized gains or losses are included in the Change of Net Assets.

Grants Receivable

Grants receivable consist of State grant monies earned and due to the Organization for bed nights provided, per the contract between Child and Family Connections, Inc. and the Organization. Management believes these amounts are fully realizable, and therefore there is no allowance for doubtful accounts.

Property and Equipment

The Organization capitalizes all property, furniture and equipment acquisitions in excess of \$1,000. Property and equipment are stated at cost, or if donated, fair value at the date of the gift less accumulated depreciation.

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, as follows:

<u>ASSETS</u>	<u>METHOD</u>	<u>LIFE</u>
Furniture & Equipment	SL	7 Years
Building	SL	40 Years
Building Improvements	SL	20 Years

GRANDMA'S PLACE, INC.
NOTED TO FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Property and Equipment (Cont'd.)

Additions, improvements, and expenditures for repairs and maintenance that are material in nature and that significantly add to the productivity or extend the economic life of assets are capitalized. Any immaterial amounts or amounts incurred as recurring expenditures for repairs and maintenance are expensed.

Contributed Services

The Organization does not recognize any support, revenue or expense from services contributed by volunteers because they do not meet the criteria for measurement.

Contributions and Revenue

All donor restricted contributions or grants are reported as Temporarily Restricted Net Assets. When a donor restriction expires, that is, when either the stipulated time restriction ends or the purpose restriction is accomplished, Temporarily Restricted Net Assets are reclassified to Unrestricted Net Assets in the Statement of Activities.

Functional Classification of Expenses

In the accompanying Statement of Activities, expenses have been reported by their functional classification, a method of grouping expenses according to the purpose for which they were incurred. The primary functional classifications are program services and supporting activities. Program services are the activities that result in services being provided to members that fulfill the purposes or mission for which the organization exists. Supporting activities are all activities of an organization, other than program services, and are included in the financial statements as management and general expenses.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles include the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

GRANDMA'S PLACE, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

NOTE 2 – CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and investments. Accounts at each banking institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization also maintains cash and cash equivalents with accounts with an investment company that is a member of the New York Stock Exchange and the Securities Investor Protection Corporation (SIPC). The SIPC protects such investments up to \$500,000, including up to \$100,000 of cash and cash equivalents. As of June 30, 2017 the Organization had approximately \$405,308 of cash held at a bank. Management believes the Organization is not exposed to any significant credit risk on its cash and cash equivalents.

NOTE 3 – FAIR VALUE MEASUREMENTS

The Organization measures its financial instruments at fair value on a recurring basis in accordance with accounting principles generally accepted in the United States. Fair value is defined 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. GAAP provides a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities. These tiers include:

Level 1 - defined as observable inputs such as quoted prices for identical instruments in active markets.

Level 2 – defined as inputs other than quoted prices in active markets that are directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and

Level 3 – defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant value drivers are observable. The fair value of the Organization's investments in mutual funds is based on quoted net asset values of the shares as of June 30, 2017, and thus is considered in **Level 1** of the fair value.

The Organization measures certain financial instruments at fair value on a recurring basis. Financial assets measured on a recurring basis are as follows at June 30, 2017:

GRANDMA'S PLACE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

NOTE 3 – FAIR VALUE MEASUREMENTS

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash	\$ 2,958	-	-	\$ 2,958
Equity investments	332,255	-	-	332,255
	<u>\$ 335,213</u>	-	-	<u>\$ 335,213</u>

The Organization only as **Level 1** investments at June 30, 2017.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of June 30, 2017 and 2016:

	<u>2017</u>	<u>2015</u>
Land	\$ 49,900	\$ 49,900
Building	301,380	301,380
Furniture and Equipment	67,827	67,827
Playground	8,432	8,432
Building Improvements	71,177	71,177
Vehicles	102,517	102,517
Computer Software	10,154	10,154
	<u>613,948</u>	<u>613,948</u>
Less: Accumulated Depreciation	245,254	208,856
Property and Equipment, Net	<u>\$ 368,994</u>	<u>\$ 405,392</u>

NOTE 5 – CONCENTRATION

The Organization received a substantial portion of its support from Child and Family Connections, Inc. (CFC), a not-for-profit organization. The agreement between the Organization and the CFC extends until June 30, 2017, and may be renewed each year thereafter. The organization received 38% and 60% of its revenue from this source for the years ended June 30, 2017 and 2016, respectively.

GRANDMA'S PLACE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017 AND 2016

NOTE 6 – CONTINGENCIES

The Organization receives a substantial amount of its support from the State of Florida. Any significant reduction in the level of support could have an adverse effect on the Organization's operational activities.

NOTE 7 – TEMPORARILY RESTRICTED NET ASSETS

During the year ended June 30, 2017 the Organization received \$56,885 in contributions which have been classified as Temporarily Restricted Net Assets. The balance in Temporarily Restricted net Assets at June 30, 2017 was \$113,826.

NOTE 8 – SUBSEQUENT EVENTS

Management has evaluated events that occurred subsequent to the year end for potential recognition or disclosure in the financial statements, through the date on which the financial statements were available to be issued. The date when the financial statements were available to be issued was February 12, 2018.

Mark Escoffery, P.A.

Certified Public Accountant

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To The Board of Directors
Grandma's place, Inc.
Royal Palm Beach, Florida

I have audited the financial statements of Grandma's Place, Inc. ("the Organization") (a nonprofit organization) as of and for the year ended June 30, 2017, and have issued my report thereon dated February 12, 2018. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Organization's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

To The Board of Directors
Grandma's Place, Inc.
Royal Palm Beach, Florida
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatements, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of Management, others within the entity, the Board of Directors, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Wanda E. Coffey, P. A.

Palm Beach Gardens, Florida
February 12, 2018