
GRANDMA'S PLACE, INC.
INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

MARK ESCOFFERY, P.A.
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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, 2020 and 2019 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.

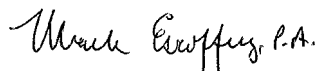
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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, 2019 and 2018, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated January 8, 2021, 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.



Palm Beach Gardens, Florida
January 8, 2021

GRANDMA'S PLACE, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets:		
Investments	\$ 737,575	\$ 710,651
Cash	552,069	290,096
Grants Receivable	-	46,051
Employee receivable	1,400	6,600
Prepaid Expenses	13,079	9,375
Total Current Assets	<u>1,304,123</u>	<u>1,062,773</u>
Property and Equipment, Net	<u>351,681</u>	<u>357,284</u>
TOTAL ASSETS	<u>\$ 1,655,804</u>	<u>\$ 1,420,057</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accrued Expenses	\$ 23,149	\$ 17,987
Accounts Payable	5,314	9,058
Note Payable	102,500	
Total Liabilities	<u>130,963</u>	<u>27,045</u>
Net Assets:		
With Restrictions	32,766	22,268
Without restrictions	1,492,075	1,370,744
Total Net Assets	<u>1,524,841</u>	<u>1,393,012</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,655,804</u>	<u>\$ 1,420,057</u>

See accompanying Notes to Financial Statements

GRANDMA'S PLACE, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>Without Restriction</u>	<u>With Restrictions</u>	<u>Total 2020</u>	<u>Total 2019</u>
REVENUES AND SUPPORT:				
Fee Revenue	\$ 360,646	\$ -	\$ 360,646	\$ 351,544
Contributions	257,251	138,602	395,853	375,594
Fundraising	102,561	-	102,561	94,926
Investment earnings	26,924	-	26,924	(1,012)
Net assets released from restrictions	128,104	(128,104)	-	-
Total Revenue and Support	<u>875,486</u>	<u>10,498</u>	<u>885,984</u>	<u>820,962</u>
EXPENSES:				
Program Services	584,743	-	584,743	615,069
Administrative	94,661	-	94,661	100,856
Fundraising	74,751	-	74,751	72,932
Total Expenses	<u>754,155</u>	<u>-</u>	<u>754,155</u>	<u>788,857</u>
Change in Net Assets	121,331	10,498	131,829	32,105
Net Assets, Beginning	1,370,744	22,268	1,393,012	1,360,907
Net Assets, Ending	<u>\$ 1,492,075</u>	<u>\$ 32,766</u>	<u>\$ 1,524,841</u>	<u>\$ 1,393,012</u>

See accompanying Notes to Financial Statements

GRANDMA'S PLACE, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities:		
Cash Received from Grantors	\$ 314,595	\$ 398,785
Cash Received from Contributions	393,625	372,269
Investment Income	33,368	38,700
Cash Paid to Suppliers and Employees	(752,737)	(799,899)
Cash From Other Income	210,246	102,037
	<hr/>	<hr/>
Net Cash Provided By Operating Activities	199,097	111,892
	<hr/>	<hr/>
Cash Flows from Investing Activities:		
Purchase of Property and Equipment	(12,700)	(27,879)
Decrease/(Increase) in Investments	(26,924)	13,283
	<hr/>	<hr/>
Net Cash Flows (Used In) Investing Activities	(39,624)	(14,596)
	<hr/>	<hr/>
Cash Flows from Financing Activities:		
Proceeds from notes payable	102,500	
	<hr/>	<hr/>
Increase in Cash	261,973	97,296
Cash Beginning	290,096	192,800
	<hr/>	<hr/>
Cash Ending	\$ 552,069	\$ 290,096
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See accompanying Notes to Financial Statements

GRANDMA'S PLACE, INC.

**STATEMENTS OF CASH FLOWS
(Continued)**

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Reconciliation of Change in Net Assets to Net Cash Provided By/ (Used In) Operating Activities:		
Change in Net Assets	\$ 131,829	\$ 32,105
Adjustment to reconcile Change in Net Assets to Net Cash (Used In) Operating Activities:		
Depreciation and Amortization	18,303	27,319
(Increase)/Decrease In:		
Grants Receivable	51,251	40,066
Prepayments	(3,704)	(1,644)
(Decrease)/Increase In:		
Accounts Payable and accrued expenses	1,418	2,406
	<u>\$ 199,097</u>	<u>\$ 111,892</u>

See accompanying Notes to Financial Statements

GRANDMA'S PLACE, INC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020 AND 2019

	<u>Total</u> Program Expenses	<u>Supporting Services</u> Management Fundraising and general		<u>Total</u> All Services	<u>Total</u> Expenses 2019
Personnel	\$ 425,467	\$ 11,272	\$ 69,147	\$ 505,886	\$ 557,440
Insurance	43,409	205	6,328	49,942	51,836
Occupancy	15,629		581	16,210	24,716
Program Expenses	47,028			47,028	10,720
Depreciation	17,702		601	18,303	27,319
Fundraising fees		35,397		35,397	31,351
Luncheon expenses		26,280		26,280	27,133
Professional fees	6,868		16,796	23,664	19,210
Office expenses	4,393	1,243	80	5,716	17,256
Household expenses	47			47	9,641
Children's expenses	9,234			9,234	3,344
Information technology	5,568		385	5,953	
Auto & Travel	1,599			1,599	3,015
Equipment rental	2,835	354	354	3,543	3,219
Communication	3,938			3,938	1,189
Arkansas property expenses	579			579	521
Conferences	447		389	836	947
	<u>\$584,743</u>	<u>\$74,751</u>	<u>\$94,661</u>	<u>\$754,155</u>	<u>\$788,857</u>

See accompanying Notes to financial statements

GRANDMA’S PLACE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

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 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, 2017. The organization is not currently under examination by the Internal revenue Service.

Basis of Presentation

The accounting and reporting policies of the Organization conform to accounting principles generally accepted in the United States of America and are in accordance with Financial Accounting Standards Board (FASB). In August 2016, the FASB issued Update 2016-14 to Accounting Standards Codification 958 Not-for-Profit Entities. These financial statements are prepared on the accrual basis of accounting and report information regarding financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

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

Without Donor Restrictions– are those currently available for use in the current operation of the Organization.

With Donor Restrictions– are those stipulated by donors for specific operation purposes.

GRANDMA'S PLACE, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

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

Basis of Presentation (Cont'd.)

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 Net, 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, 2020 AND 2019

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 Net Assets with Donor restrictions. When a donor restriction expires, that is, when either the stipulated time restriction ends or the purpose restriction is accomplished, Net Assets with Donor Restrictions are reclassified to Net Assets without Donor restrictions 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, 2020 AND 2019

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, 2020, the Organization had approximately \$552,069 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, 2018, 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, 2020:

GRANDMA'S PLACE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

NOTE 3 – FAIR VALUE MEASUREMENTS

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash	\$ 220,379	-	-	\$ 220,379
Equity investments	517,196	-	-	517,196
	<u>\$ 737,575</u>	-	-	<u>\$ 737,575</u>

The Organization only as **Level 1** investments at June 30, 2020.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Land	\$ 49,900	\$ 49,900
Building	301,380	301,380
Furniture and Equipment	85,642	85,642
Building Improvements	131,069	118,369
Vehicles	26,697	26,697
Computer Software	11,170	11,170
	<u>605,858</u>	<u>593,158</u>
Less: Accumulated Depreciation	254,177	235,874
Property and Equipment, Net	<u>\$ 351,681</u>	<u>\$ 357,284</u>

NOTE 5 – CONCENTRATION

The Organization received a substantial portion of its support from Child Net Inc. (CFC), a not-for-profit organization. The agreement between the Organization and the CFC extends until June 30, 2020 and may be renewed each year thereafter. The organization received 26% and 25% of its revenue from this source for the years ended June 30, 2020 and 2019, respectively.

GRANDMA’S PLACE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020 AND 2019

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 – NET ASSETS WITHOUT RESTRICTIONS

During the year ended June 30, 2020 the Organization received \$138,702 in contributions which have been classified as Net Assets with restrictions of which \$105,936 was released from restrictions leaving a balance of \$32,766 on June 30, 2020.

NOTE 8 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and Cash Equivalents	\$552,069
Investments	737,575
Accounts receivable	1,400
Total available for general expenditures	<u>\$1,291,044</u>

NOTE 9 – 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 January 8, 2021.

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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, 2020 and have issued my report thereon dated January 8, 2021. 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.



Palm Beach Gardens, Florida
January 8, 2021