

GRACE WAY VILLAGE, INC.
(A Non-Profit Corporation)

FORT PIERCE, FLORIDA

FINANCIAL STATEMENTS

AND

REVIEW REPORT

For Year Ended December 31, 2019

Gerald Jackson, Jr.
CERTIFIED PUBLIC ACCOUNTANT, P.A.
150 S.W. CHAMBER COURT, SUITE 202
PORT ST. LUCIE, FLORIDA 34986-3413

TELEPHONE
(772)879-3738
1(800)768-3738

JERRY@FLACONDOCPA.COM

FAX (772) 879-2801

Independent Accountant's Review Report

Board of Directors
Grace Way Village, Inc.

I have reviewed the accompanying financial statements of Grace Way Village, Inc. which comprises the statement of assets, liabilities and net assets-modified cash basis as of December 31, 2019, and the related statement of activities and changes in net assets-modified cash basis, statement of functional expenses-modified cash basis, summary of designated net assets, and the related notes to the financial statements for the year then ended. A review includes primarily analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair representation of the financial statements that are free from material misstatement due to fraud or error.

Accountant's Responsibility

My responsibility is to conduct the review, in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United State of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Emphasis of Matter

As described in Note 2 (Page 5) ASU No. 2016-14 was adopted starting with 2019 financial reporting.

Accountant's Conclusion

Based on my review, I am not aware of any material modification that should be made to the accompanying financial statements in order for them to be in conformity with the modified cash basis of accounting.

Gerald Jackson Jr

March 15, 2020

GRACE WAY VILLAGE, INC.

**Statement of Assets, Liabilities and Net Assets-Modified Cash Basis
December 31,2019**

Assets

Current Assets:		
Cash -Operating	95,554	
Cash - Investments	13,246	
Total Cash- Operating	108,800	
Other Current Assets:		
Prepaid Expenses	285	
Event Deposits	260	
Total Other Current Assets	545	
Total Current Assets		109,345
Fixed Assets:		
Furniture and Equipment	38,478	
Leasehold Improvements	16,535	
Less: Accumulated Depreciation	(40,591)	
Total Fixed Assets		14,422
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Total Assets		\$ 123,767
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Liabilities and Net Assets

Current Liabilities:		
Accounts Payable	7,436	
Payroll Taxes Payable	2,310	
Total Current Liabilities		9,746
Net Assets:		
Without Donor Restrictions	98,665	
With Donor Restrictions	15,356	
Total-Unrestricted		114,021
Total Net Assets:		114,021
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Total Liabilities and Net Assets		\$ 123,767
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Read Independent Auditor's Report and Notes to Financials.

GRACE WAY VILLAGE, INC.

Statement of Activities and Changes in Net Assets-Modified Cash Basis For Year Ended December 31,2019

	<u>Net Assets Without Donor Restrictions</u>
REVENUES	
Contributions	\$ 121,031
Contributions- In Kind	39,935
Grants	47,700
Fundraising Events	38,188
Interest and Dividends	115
Rental Revenue	7,200
Total REVENUES	\$ 254,169
EXPENSES	
Program services	148,805
Supporting services	125,314
(see Statement of Functional Expense for detail)	
TOTAL EXPENSES	\$ 274,119
<u>Change in Net Assets Without Donor Restrictions</u>	
Increase (Decrease)	(19,950)
Beginning - January 1, 2019	118,615
Ending, December 31, 2019	\$ 98,665

Read Independent Auditor's Report and Notes to Financials.

GRACE WAY VILLAGE INC.

**Statement of Functional Expenses-Modified Cash Basis
For Year Ended December 31, 2019**

	PROGRAM SERVICES			SUPPORT SERVICES	TOTAL ALL SERVICES
	Fund Raising	Programs	TOTAL PROGRAM SERVICES	Management and General	
EXPENSES					
Business Registration Fees	\$ 0	\$ 0	\$ 0	\$ 675	\$ 675
Accounting Fees	0	0	0	6,366	6,366
Bank Fees	0	0	0	11	11
Advertising	0	1,704	1,704	1,163	2,867
Depreciation and Amortization	0	7,200	7,200	0	7,200
Donated Facilities	0	38,235	38,235	0	38,235
Donated Services	0	1,700	1,700	0	1,700
Postage	0	2,245	2,245	618	2,863
Printing & Reproduction	0	0	0	16	16
Books and Subscriptions	0	468	468	0	468
Food Purchases	0	9,299	9,299	0	9,299
Supplies and Materials	0	4,006	4,006	3,648	7,654
Credit Card Processing Fees	0	0	0	12	12
Equipment Rental, Maint.	0	13,190	13,190	0	13,190
Fundraising-General	49,722	0	49,722	0	49,722
Rent.Parking,Utilities	0	0	0	16,569	16,569
Insurance	0	0	0	2,907	2,907
Membership and Dues	0	0	0	1,048	1,048
Outside Services	0	1,066	1,066	9,918	10,984
Other Expenses	0	0	0	61	61
Sponsorship	0	0	0	40	40
Staff Development	0	164	164	0	164
Travel	0	358	358	50	408
Salaries and Wages	0	18,059	18,059	72,766	90,825
Payroll Tax Expense	0	1,389	1,389	5,596	6,985
PayPal Fees	0	0	0	448	448
Website	0	0	0	2,019	2,019
Workers Comp. Insurance	0	0	0	1,383	1,383
Total Expenses	\$ 49,722	\$ 99,083	\$ 148,805	\$ 125,314	\$ 274,119

Read Independent Auditor's Report and Notes to Financials.

GRACE WAY VILLAGE, INC.

Summary of Activity
Net Assets with Donor Restrictions
For Year Ended December 31, 2019

FUND DESCRIPTION	BALANCE JANUARY 1 2019	INCREASES	DECREASES	TRANSFERS	BALANCE DECEMBER 31 2019
MATTHEW'S CAFÉ	5,524	0	0	0	5,524
FAMILY TRANS. LIVING FACILITY	9,796	36	0	0	9,832
TOTAL-	15,320	36	0	0	15,356

See Independent Auditor's Report and Notes to Financials.

Grace Way Village, Inc.
Notes to Financial Statements

NOTE 1 - NATURE OF ORGANIZATION

Grace Way Village, Inc. was incorporated in the State of Florida on May 15, 2009 as a nonprofit corporation. The primary purpose of the corporation is to provide clothing, food and other basic needs for individuals and families. The organization reaches the community through Getting Ahead, Hopes Closet for Children, Counter Culture and Matthew's Café. The organization is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code and filed form 990-EZ for the year ending December 31, 2019.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared using the modified cash/tax basis of accounting which is not a basis of accounting in accordance with generally accepted accounting principles.

Fund Accounting:

The corporation uses fund accounting and has one fund –

Operating fund – At December 31, 2019 the net assets of this fund consisted of both net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions are available for the support of the organization's operations and may be used at the discretion of the organization's management. Net assets with donor restrictions are designated by the donors for a specific use.

Contributed Services:

In accordance with SFAS 116, the value of contributed professional services is recorded in the financial statements and was estimated to be \$38,235 for donated facilities and \$1,700 for professional fees. An equal amount is recorded as an expense.

Fixed Assets:

It is the policy of the organization to record fixed assets record at cost and depreciate them over their useful lives (5 to 7 years) under the straight line method. As of December 31, 2019 fixed assets consisted of \$38,478 of furniture and equipment and \$16,535 of leasehold improvements.

Subsequent Events

Management has evaluated the existence of any subsequent events through March 15, 2020, the date the financial statements were available to be issued and none existed.

Fair Value Measurement

Under FASB ASC 820, *Fair Value Measurements and Disclosures* (SFAS No. 157), fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the most advantageous market for the asset or liability.

Grace Way Village, Inc.
Notes to Financial Statements

The organization has determined that there was no material difference between the carrying value and fair value of its financial assets and liabilities at December 31, 2019; therefore, no adjustment for the effect of FASB ASC 820 was made to the organization's financial statements at December 31, 2019.

New Accounting Pronouncement - ASU No. 2016-14

Effective with 2019 ASU No. 2016-14, Not for Profit Entities (Topic 958) Presentation of Financial Statements for Not-For-Profit Entities was adopted. The new standards change the following items on the financial statements:

1. The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net class net assets with donor restrictions.
2. The unrestricted net asset class has been renamed to net assets without donor restrictions.
3. The financial statements include a new disclosure about liquidity and availability of resources (Note 4).

NOTE 3 - ASC 606

It has been determined that ASC 606 - Revenue Recognition (also described as Contracts with Customers) does not apply to association accounting reporting and therefore was not implemented in 2019.

NOTE 4 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following table provides the financial assets as of December 31, 2019 reduced by amounts not available for general use within one year because of contractual or other obligations.

Financial assets at year end:	
Cash and cash equivalents	\$108,800
Prepaid Expenses	\$285
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Total financial assets	\$109,085
Less those unavailable for general expenses within one year:	
Accounts Payable	\$7,436
Payroll Taxes Payable	\$2,310
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Total unavailable within one year:	\$9,746
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Assets available to meet cash needs for general expenses within one year	<u>\$99,339</u>

The cash balance in excess of daily requirements is invested in short term interest bearing bank accounts.

GRACE WAY VILLAGE INC
RECLASS AND ADJUSTING ENTRIES
FOR YEAR ENDING DECEMBER 31,2019

	#1	DR	CR
65115 Deprecation Expense		\$7,200.00	
17100 Accumulated Depreciation			\$7,200.00
Record 2019 Depreciation			

	#2	DR	CR
32000 Net Assets without Restrictions		\$7,200.00	
17100 Accumulated Depreciation			\$7,200.00
Record 2018 Deprecation Recorded on 2018 Review Report but not booked			

NOTE- RECORD BOTH ENTRIES WITH A DATE OF DECEMBER 31,2019 IN SOFTWARE SYSTEM