

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

FORT PIERCE, FLORIDA

FINANCIAL STATEMENTS

AND

AUDIT REPORT

For Year Ended December 31, 2020

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 AUDITOR'S REPORT

To the Board of Directors
Grace Way Village, Inc.

Report on the Financial Statements

I have audited the accompanying statement of assets, liabilities, and net assets-modified cash basis of Grace Way Village, Inc. for the year ended December 31, 2020 and the related statements of activities and changes in net assets--modified cash basis and the statement of functional expenses-modified cash basis, for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and the 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 audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 risk assessments, the auditor considers internal control relevant to the Organization'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 Organization'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.

As described in Note 2 these financial statements were prepared on the modified cash basis method, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Emphasis of Matter

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

Opinion:

In my opinion, the financial statements referred to above present fairly, in all material respects, the statement of assets, liabilities and net assets of Grace Way Village, Inc. as of December 31, 2020, and its revenues and expenses for the year then ended on the modified cash basis of accounting as described in Note 2 to the financial statements.



Gerald Jackson Jr., CPA
Port St. Lucie, FL 34986
March 15, 2021

GRACE WAY VILLAGE, INC.

Statement of Assets, Liabilities and Net Assets-Modified Cash Basis December 31,2020

Assets

Current Assets:

Cash -Operating	112,159
Cash - Investments	153,267
Total Cash- Operating	265,426

Other Current Assets:

Prepaid Rent	60,000
Other Prepaid Expenses	695
Event Deposits	260

Total Other Current Assets 60,955

Total Current Assets 326,381

Fixed Assets:

Furniture and Equipment	64,985
Leasehold Improvements	21,535
Less: Accumulated Depreciation	(53,891)

Total Fixed Assets 32,629

Escrowed Deposit-Land Purchase 90,000 90,000

Total Assets \$ 449,010

Liabilities and Net Assets

Current Liabilities:

Accounts Payable	809
Payroll Taxes Payable	3,208

Total Current Liabilities 4,017

Net Assets:

Without Donor Restrictions	420,671
With Donor Restrictions	24,322
Total-Unrestricted	444,993

Total Net Assets: 444,993

Total Liabilities and Net Assets \$ 449,010

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 31,2020

	<u>Net Assets Without Donor Restrictions</u>
REVENUES	
Contributions	\$ 448,771
Contributions- In Kind	198,692
Grants	73,617
Fundraising Events	15,698
Interest and Dividends	20
Insurance Claim	12,296
PPP (Cares Act) Loan Forgiven	19,020
Rental Revenue	5,500
Total REVENUES	\$ 773,614

EXPENSES

Program services	302,794
Supporting services	149,920
<small>(see Statement of Functional Expense for detail)</small>	
TOTAL EXPENSES	\$ 452,714

Change in Net Assets Without Donor Restrictions

Increase (Decrease)	320,900
Beginning - January 1, 2020	99,771
Ending, December 31, 2020	\$ 420,671

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, 2020**

	PROGRAM SERVICES			SUPPORT SERVICES	TOTAL ALL SERVICES
	Fund Raising	Programs	TOTAL PROGRAM SERVICES	Management and General	
EXPENSES					
Business Registration Fees	\$ 0	\$ 0	\$ 0	\$ 186	\$ 186
Special Assist to Individuals	0	0	0	182	182
Fund Development	0	0	0	0	0
Accounting Fees	0	0	0	5,585	5,585
Depreciation and Amortization	0	0	0	13,300	13,300
Donated Facilities	0	0	0	10,000	10,000
Donated Services	891	68,942	69,833	12,029	81,862
Donated Goods	21,583	85,247	106,830	0	106,830
Postage	110	0	110	1,122	1,232
Printing & Reproduction	0	110	110	0	110
Books and Subscriptions	0	0	0	351	351
Food Purchases	0	14,929	14,929	625	15,554
Supplies and Materials	635	2,039	2,674	3,706	6,380
Telephone and Telecomm.	0	0	0	0	0
Advertising	0	0	0	1,231	1,231
Bank Charges	0	0	0	55	55
Credit Card Processing Fees	89	0	89	0	89
Equipment Rental, Maint.	0	203	203	4,647	4,850
Property Maintenance	0	0	0	8,270	8,270
Fundraising-General	16,186	0	16,186	136	16,322
Rent.Parking,Utilities	0	0	0	25,479	25,479
Insurance-Property	0	0	0	4,849	4,849
Insurance- Liability, D & O	0	0	0	3,206	3,206
Membership and Dues	0	0	0	785	785
Outside Services	0	1,769	1,769	26,401	28,170
PayPal Fees	0	0	0	592	592
Other Expenses	18	0	18	917	935
Sponsorship	0	0	0	100	100
Travel	778	0	778	0	778
Salaries and Wages	3,744	80,121	83,865	18,771	102,636
Payroll Tax Expense	288	4,625	4,913	3,000	7,913
Website Services	0	0	0	3,538	3,538
Reimbursements	0	487	487	320	807
Workers Comp. Insurance	0	0	0	537	537
Total Expenses	\$ 44,322	\$ 258,472	\$ 302,794	\$ 149,920	\$ 452,714

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, 2020

<u>FUND DESCRIPTION</u>	BALANCE JANUARY 1 2020	INCREASES	DECREASES	TRANSFERS	BALANCE DECEMBER 31 2020
GRACE WAY VILLAGE CAFÉ	5,524	0	0	0	5,524
FAMILY TRANS. LIVING FACILITY	9,832	8,966	0	0	18,798
TOTAL-	15,356	8,966	0	0	24,322

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 Grace Way Village Boutique and Grace Way Village Cafe. The organization is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code and filed form 990 for the year ending December 31, 2020.

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, 2020 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 (in kind) services, rental facilities and goods, etc. was recorded in the financial statements. 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, 2020 fixed assets consisted of \$64,985 of furniture and equipment and \$21,535 of leasehold improvements.

Subsequent Events

Management has evaluated the existence of any subsequent events through March 15, 2021, 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, 2020; therefore, no adjustment for the effect of FASB ASC 820 was made to the organization's financial statements at December 31, 2020.

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 and therefore was not implemented.

NOTE 4 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The following table provides the financial assets as of December 31, 2020 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	\$265,426
Prepaid Expenses	\$60,955
Total financial assets	\$326,381
Less those unavailable for general expenses within one year:	
Accounts Payable	\$809
Payroll Taxes Payable	\$3,208
Total unavailable within one year:	\$4,017
Assets available to meet cash needs for general expenses within one year	\$322,364

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

NOTE 5 – DEPOSIT FOR OPTION TO PURCHASE REAL PROPERTY

On May 6, 2020 \$90,000 was paid for the option to purchase real property for property that is currently leased by Grace Way Village. Also, \$60,000 was paid as prepaid rent related to the same property.