

GRACE PLACE FOR CHILDREN AND FAMILIES, INC.

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JULY 31, 2021



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**GRACE PLACE FOR CHILDREN AND FAMILIES, INC.
TABLE OF CONTENTS
YEAR ENDED JULY 31, 2021**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS	4
STATEMENT OF FUNCTIONAL EXPENSES	5
STATEMENT OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7
SUPPLEMENTARY INFORMATION	
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	19
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	21
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	23
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	24
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	25



INDEPENDENT AUDITORS' REPORT

Board of Directors
Grace Place for Children and Families, Inc.
Naples, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Grace Place for Children and Families, Inc. (the Organization), which comprise the statement of financial position as of July 31, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 auditors' 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 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Grace Place for Children and Families, Inc. as of July 31, 2021 and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 2 to the financial statements, Grace Place for Children and Families, Inc. adopted a provision of Financial Accounting Standards Board Accounting Standards Updates 2014-09, *Revenue from Contracts with Customers*. The new accounting standard clarifies how revenue is to be recognized and requires expanded disclosures related to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Our opinion is not modified with respect to that matter.

Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relate 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 the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 11, 2022, on our consideration of Grace Place for Children and Families, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Grace Place for Children and Families, Inc.'s internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Grace Place for Children and Families, Inc.'s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Naples, Florida
August 11, 2022

GRACE PLACE FOR CHILDREN AND FAMILIES, INC.
STATEMENT OF FINANCIAL POSITION
JULY 31, 2021

ASSETS

Cash and Cash Equivalents	\$ 631,146
Investments	2,069,516
Grants Receivable	609,673
Unconditional Promises to Give, Net	550,000
Prepaid Expenses	67,828
Beneficial Interest in assets held by Community Foundation	405,172
Property and Equipment, Net	<u>11,421,686</u>
Total Assets	<u><u>\$ 15,755,021</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable and Accrued Expenses	\$ 166,679
Note Payable	979,693
Total Liabilities	<u>1,146,372</u>

NET ASSETS

Without Donor Restrictions:	13,642,011
With Donor Restrictions:	<u>966,638</u>
Total Net Assets	<u>14,608,649</u>
Total Liabilities and Net Assets	<u><u>\$ 15,755,021</u></u>

See accompanying Notes to Financial Statements.

GRACE PLACE FOR CHILDREN AND FAMILIES, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JULY 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Grant Revenue:			
Federal and State Grants	\$ 1,109,260	\$ -	\$ 1,109,260
Contributions and Other Grants	2,366,018	930,928	3,296,946
Special Events Revenue	\$ 376,951		
Special Events Expenses	<u>(45,090)</u>		
Program Services	331,861	-	331,861
Gain/Loss on Sale of Asset	19,615	-	19,615
In-Kind Contributions	7,015	-	7,015
Increase in Beneficial Interest in Investments Held by Others	300	-	300
Investment Income	84,064	-	84,064
Paycheck Protection Program Grant Revenue	65,684	7,435	73,119
Total	<u>642,761</u>	<u>-</u>	<u>642,761</u>
Net Assets Released from Restrictions	4,626,578	938,363	5,564,941
Total Support and Revenues	<u>5,141,237</u>	<u>423,704</u>	<u>5,564,941</u>
EXPENSES			
Program	3,582,225	-	3,582,225
General and Administrative	491,353	-	491,353
Fundraising	489,557	-	489,557
Total Expenses	<u>4,563,135</u>	<u>-</u>	<u>4,563,135</u>
CHANGE IN NET ASSETS	578,102	423,704	1,001,806
Net Assets - Beginning of Year	<u>13,063,909</u>	<u>542,934</u>	<u>13,606,843</u>
NET ASSETS - END OF YEAR	<u><u>\$ 13,642,011</u></u>	<u><u>\$ 966,638</u></u>	<u><u>\$ 14,608,649</u></u>

See accompanying Notes to Financial Statements.

**GRACE PLACE FOR CHILDREN AND FAMILIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JULY 31, 2021**

	Bright Beginnings	Adult Education	School Age	Food Pantry	Total Program Services	General and Administrative	Fundraising	Total
Fundraising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,212	\$ 120,212
Depreciation and Amortization	209,864	59,961	269,825	59,961	599,611	10,423	3,066	613,100
Interest	21,291	6,083	27,374	6,083	60,831	1,057	311	62,199
Maintenance	1,832	81	1,912	81	3,906	-	-	3,906
Occupancy Costs	130,744	37,355	170,078	37,355	375,532	12,905	1,392	389,829
Office Expense	21,701	6,200	27,902	6,200	62,003	84,143	2,423	148,569
Program Supplies	120,728	44,921	127,515	38,373	331,537	3,480	-	335,017
Salaries and Benefits	783,663	207,311	940,066	35,760	1,966,800	296,119	406,944	2,669,863
Staff Development	3,090	883	4,855	-	8,828	65,977	-	74,805
Utilities and Telephone	29,469	8,420	62,788	8,420	109,097	1,016	299	110,412
Vehicle	32,040	-	32,040	-	64,080	-	-	64,080
Professional Services	-	-	-	-	-	-	-	-
Total	1,354,422	371,215	1,664,355	192,233	3,582,225	491,353	534,647	4,608,225
Less: Special Event Expenses	-	-	-	-	-	-	(45,090)	(45,090)
Total Functional Expenses	\$ 1,354,422	\$ 371,215	\$ 1,664,355	\$ 192,233	\$ 3,582,225	\$ 491,353	\$ 489,557	\$ 4,563,135

See accompanying Notes to Financial Statements.

**GRACE PLACE FOR CHILDREN AND FAMILIES, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JULY 31, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	
Adjustments to Reconcile Change in Net Assets to Net Cash	\$ 1,001,806
Provided by Operating Activities:	
Realized (Gain) Loss on Investments	(3,533)
Unrealized (Gain) Loss on Investments	(63,038)
Depreciation	613,100
Change in Value of Beneficial Interest in Assets Held by the Community Foundation	(84,064)
Donated Securities Included in Contributions	(12,330)
(Increase) Decrease in:	
Grants and Contracts Receivable	(198,421)
Other Receivables	(550,000)
Prepaid Expenses	16,944
Increase (Decrease) in:	
Accounts Payable	112,633
Refundable Advances	(158,371)
Net Cash Provided by Operating Activities	<u>674,726</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sale of Investments	7,507
Purchases of Investments	(1,998,122)
Proceeds from Sale of Property, Equipment Construction in Progress	8,647
Purchase of Property, Equipment and Construction in Progress	(94,053)
Net Cash Used by Investing Activities	<u>(2,076,021)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on Notes Payable	(46,120)
Proceeds from Issuance of New Debt	500,000
Net Cash Provided by Financing Activities	<u>453,880</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(947,415)
Cash and Cash Equivalents - Beginning of Year	<u>1,578,561</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 631,146</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Cash Paid for Interest	<u>\$ -</u>

See accompanying Notes to Financial Statements.

GRACE PLACE FOR CHILDREN AND FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Grace Place for Children and Families, Inc. (the Organization), is a nonprofit corporation organized under IRC Section 501(c)(3) in the state of Florida in July 2004. The Organization provides community-centered support programs for children and families in Golden Gate, Florida. These services are free of charge to those who need them.

Basis of Accounting

The Organization's financial statements have been prepared on the accrual basis of accounting, which recognizes revenues when earned, regardless of when received, and expenses when incurred, regardless of when paid.

Financial Statement Presentation

Net assets and revenues, gains, and losses are classified based on donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an endowment.

Net Assets With Donor Restrictions – Net assets subject to donor – (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires; that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Liquidity

Assets are presented in the accompanying statement of financial position according to their nearness of conversion to cash, and liabilities according to the nearness of their maturity and resulting use of cash.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all bank and similar deposits, demand accounts, money market funds, and short-term investments with an original maturity of three months or less to be cash equivalents. The Organization maintains bank accounts with balances, which, at times, may exceed federally insured limits.

Grants and Contracts Receivable

Grants and contracts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible program service fees receivable amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Management has determined that no allowance is necessary as of July 31, 2021.

GRACE PLACE FOR CHILDREN AND FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Promises to Give

Unconditional promises to give expected to be collected in within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. The discounts on those amounts are computed using an imputed interest rate applicable to the year in which the promise is to be received. Conditional promises to give are not included as support until such time as the conditions are substantially met. Additionally, the Organization uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

Revenue Recognition

All contributions are considered to be available for use without restriction unless specifically restricted by the donor. Contributions and grants received with donor and grantor stipulations that limit the use of donated assets are treated as net assets with donor restrictions. When the purpose of the restriction is accomplished, the donor restricted net assets are reclassified to net assets without restrictions and reported in the statement of activities as Net Assets Released from Restrictions. All donor restricted contributions and grants whose restrictions are met in the same fiscal year as the donation is received are recorded as support without restriction.

Contributions subject to donor-imposed restrictions that they must be maintained permanently are treated as net assets with donor restrictions. The donor of those assets permits the use of income earned on related investments for general purposes.

Contributed services are recognized only if services received create or enhance nonfinancial assets or require specialized skills, and are provided by individuals possessing these skills, and would typically be purchased if not provided by donations. Contributed services meeting the requirement for recognition in the financial statements are recorded at the fair market value of professional services rendered. During the years ended July 31, 2021, no amounts met these criteria.

Grants or contributions restricted for the purpose of acquiring or constructing long-lived assets are recorded as net assets with donor restrictions until the long-lived asset is acquired or constructed; at such time the net assets are released from the restriction and reclassified to net assets without restriction. Absent donor restrictions as to how long long-lived assets must be maintained, expirations of donor restrictions are reported when donated or acquired long-lived assets are placed in service.

A portion of the Organization's revenue is the product of cost reimbursement grants. Therefore, the Organization recognizes revenue under these grants in the amounts of costs and expenses at the time they are incurred. As of July 31, 2021, the Organization does not have any conditional grants that have not been recognized as revenue in the statement of activities because conditions have not been met.

GRACE PLACE FOR CHILDREN AND FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are originally recorded at cost if purchased or, if donated, at fair market value on the date received. The Organization carries investments at fair value determined by quoted market prices. Investment income may be either with or without donor restricted resources when earned, determined according to the donor's imposed restrictions. Realized and unrealized gains and losses are recognized in the period in which they occur in the statements of activities.

Fair Value Measurements

The Organization categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets.

Level 2 – Financial assets and liabilities are valued using inputs and quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data. Level 2 includes private collateralized mortgage obligations, certificates of deposit, municipal bonds, and corporate debt securities.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset or inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset. Level 3 includes private equity, venture capital, hedge funds, and real estate.

Subsequent to initial recognition, the Organization may remeasure the carrying value of assets and liabilities measured on a nonrecurring basis to fair value. Adjustments to fair value usually result when certain assets are impaired. Such assets are written down from their carrying amounts to their fair value.

GRACE PLACE FOR CHILDREN AND FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment, Net

The Organization records equipment at cost when purchased, or at fair market value when donated. Donated assets are reported as support without donor restriction unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with restriction. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor use restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with restriction to net assets without restriction at that time. The Organization may receive contributions of works of art or similar assets that are not part of a collection. These assets are accounted as held and used and are not depreciated.

The Organization capitalizes assets over \$1,000 or more and a useful life of one year or more. Buildings, improvements, vehicles, and equipment are depreciated using a straight-line method over the estimated useful lives of the respective assets, ranging from 3 to 39 years. Expenditures for major renewals and betterments that extend the useful lives of buildings and equipment are capitalized. The Organization uses the straight-line method of depreciation calculated over the estimated useful life of the asset.

Functional Allocation of Expenses

The cost of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Salaries and related employee benefits have been allocated to the programs and supporting services based on an estimated time and effort. Other expenses including depreciation, interest, and occupancy costs are allocated based on their proportionate square footage utilization.

Advertising Costs

It is the policy of the Organization to expense advertising costs when incurred.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

GRACE PLACE FOR CHILDREN AND FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Internal Revenue Service (IRS) has determined the Organization is exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code (IRC). In addition, the Organization has been determined by the IRS not to be a private foundation within the meaning of Section 509(a) of the IRC. Accordingly, no provision for income taxes has been made in these financial statements.

The Organization follows the income tax standard regarding the recognition and measurement of uncertain tax positions. This guidance clarifies the accounting for uncertainty in income taxes recognized in an Organization's financial statements. The Organization evaluated their tax positions and determined they have no uncertain tax positions that would have a material impact on the financial statements.

The Organization's income tax returns are subject to review and examination by federal and state authorities. The Organization is not aware of any activities that would jeopardize their tax-exempt status. The Organization is not aware of any activities that are subject to tax on unrelated business income or excise or other taxes.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through August 11, 2022, the date the financial statements were issued.

NOTE 2 ADOPTION OF NEW ACCOUNTING STANDARDS

New Accounting Pronouncements – ASU 2014-09

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. The guidance requires the Organization to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Additionally, qualitative and quantitative disclosures are required regarding customer contracts, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract.

ASU 2014-09 requires organizations to exercise more judgment and recognize revenue using a five-step process. The Organization adopted ASU 2014-09 using the modified retrospective method for all contracts effective August 1, 2020 and is using a portfolio approach to group contracts with similar characteristics and analyze historical cash collections trends. Modified retrospective adoption requires entities to apply the standard retrospectively to the most current period presented in the financial statements, requiring the cumulative effect of the retrospective application as an adjustment to the opening balance of net assets at the date of initial application. Prior periods have not been adjusted. No cumulative-effect adjustment in net assets was recorded as the adoption of ASU 2014-09 did not significantly impact the Organization's reported historical revenue. In addition, retrospective application of ASU 2014-09 would not have resulted in a change in revenue as previously presented.

GRACE PLACE FOR CHILDREN AND FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 2 ADOPTION OF NEW ACCOUNTING STANDARDS (CONTINUED)

New Accounting Pronouncements – ASU 2014-09 (Continued)

The adoption of ASU 2014-09 has no impact on the Organization's accounts receivable as it was historically recorded net of allowance for doubtful accounts and contractual adjustments. The adoption of ASU 2014-09 did not have a significant impact on the Organization's statements of activities for the years ended July 31, 2021.

NOTE 3 LIQUIDITY

The Organization routinely monitors liquidity to meet its operating needs and other contractual commitments. The Organization considers all expenditures related to its ongoing activities. In addition to the financial assets available to meet general expenditures, the Organization operates with a balanced operating budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor restricted resources.

The Organization's financial assets that are available within one year of the balance sheet date for general expenditures are as follows:

Cash and Cash Equivalents	\$ 631,146
Investments	2,069,516
Grants and Contracts Receivable	609,673
Unconditional Promises to Give	550,000
Total	3,860,335
Less:	
Net Assets With Donor Restrictions for Purpose	(966,638)
Total	\$ 2,893,697

NOTE 4 BENEFICIAL INTEREST IN INVESTMENTS HELD BY OTHERS

The Organization has transferred funds to the Community Foundation of Collier County for investment purposes. The Community Foundation of Collier County is holding the funds for the benefit of the Organization. Future benefits of these funds remain on the books of the Organization as the funds originally belonged to the Organization. The investment is recorded at fair value at July 31, 2021, and the balance is \$405,172.

An additional fund exists at the Community Foundation of Collier County that does not meet the criteria of a beneficial interest fund held by others. As such, these assets are not reported by the Organization and are excluded from the statement of financial position. These designated funds are valued at approximately \$6,900 at July 31, 2021.

GRACE PLACE FOR CHILDREN AND FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 5 INVESTMENTS

The Organization invests in investment grade mutual funds, equity securities, and debt securities from companies listed on recognized exchanges.

The components of investments are summarized as follows at July 31, 2021:

	<u>Cost</u>	<u>Fair Value</u>
Equities	\$ 1,464,464	\$ 1,515,491
Mutual Funds	542,014	554,025
Total	<u>\$ 2,006,478</u>	<u>\$ 2,069,516</u>

The Organization invests in a variety of investments. In general, investments are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with the certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statement of financial position.

The following tabulations summarize unrealized and realized gains and losses for the year ended July 31, 2021:

	<u>Cost</u>	<u>Fair Value</u>	<u>Excess (Deficit) Fair Value Over Cost</u>
Balance - July 31, 2020	\$ -	\$ -	\$ -
Balance - July 31, 2021	2,006,478	2,069,516	63,038
Net Increase in Unrealized Gain			<u>63,038</u>
Net Realized Gain			3,533
Total Unrealized and Realized Gains			<u>\$ 66,571</u>

The following is a detailed summary of investment return for the year ended July 31, 2021:

Dividends and Interest	\$ 6,548
Realized Gain on Sale of Investments	3,533
Investment Fees	-
Net Change in Unrealized Gain	63,038
Total Investment Return	<u>\$ 73,119</u>

GRACE PLACE FOR CHILDREN AND FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment, net, at July 31, 2021, consisted of the following:

Land	\$ 241,922
Buildings and Improvements	11,883,928
Vehicles	200,196
Furniture and Fixtures	1,507,875
Software	248,398
Total	14,082,319
Accumulated Depreciation	(2,660,633)
Total Property and Equipment	\$ 11,421,686

Depreciation expense for the years ended July 31, 2021 totaled \$613,100.

NOTE 7 LINE OF CREDIT

The Organization has a line of credit in the amount of \$500,000, due November 22, 2022, which carries an interest rate equal to *The Wall Street Journal* prime rate. The interest rate was 3.25% at July 31, 2021. The balance on the line of credit at July 31, 2021 was \$-0-.

NOTE 8 NOTE PAYABLE

The Organization had a note payable outstanding as follows as of July 31:

Description

Mortgage Note Payable to The Florida United Methodist Foundation, Inc., due through January 1, 2041 in monthly installments of \$6,305, including interest at a quarterly adjustable rate (effective rate of 4.25% at July 31, 2021) and collateralized by the land and building.	\$ 979,693
Total Notes Payable	\$ 979,693

Future Principal payments are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2022	\$ 36,461
2023	37,967
2024	39,436
2025	41,165
2026	42,866
Thereafter	781,798
Total	\$ 979,693

GRACE PLACE FOR CHILDREN AND FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 9 NET ASSETS

Net assets without donor restrictions consisted of the following as of July 31, 2021:

Undesignated	\$ 2,830,558
Equity In Property and Equipment	10,441,993
Board Designated Endowment	369,460
Total	\$ 13,642,011

The board maintains board-designated net assets for an endowment fund. The board has the option to re-direct the use of these net assets, if necessary.

Net assets with donor restrictions consisted of the following as of July 31, 2021:

Subject to Expenditure for Specified Purpose or Time:	
Education	\$ 380,928
Unconditional Promises to Give	550,000
Total Net Assets With Restrictions for Purpose or Time	930,928
Net Assets With Restrictions Perpetual in Nature:	
Endowment	35,710
Total Net Assets with Donor Restrictions	\$ 966,638

NOTE 10 ENDOWMENT

As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Organization has an endowment fund (the Fund) which is classified as net assets with donor restrictions – held in perpetuity with only the investment income available for operations.

Interpretation of Relevant Law

The board of directors has interpreted the relevant law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions: (a) the original value of gifts donated to the endowment maintained in perpetuity, (b) the original value of subsequent gifts to the endowment maintained in perpetuity, and (c) accumulations to the endowment maintained in perpetuity made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the Fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions is classified as net assets without donor restrictions. The Organization considers all earnings on endowment funds to be appropriated and available for current year operations.

GRACE PLACE FOR CHILDREN AND FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 10 ENDOWMENT (CONTINUED)

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, as of July 31, 2021, there were no deficiencies of this nature reported in net assets without donor restrictions.

Investment Policies

Over the long term, the Organization expects the current spending practice to allow its endowment to grow at an average rate equal to or greater than the consumer price index. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return. Distributions from the endowment fund are approved annually for the subsequent fiscal year by the Board of Directors based on the needs of the Organization and their determination of availability of funds for distribution, using 4% of endowment assets on an average rolling twelve quarter basis as a distribution guide.

Endowment net asset composition by fund type as of July 31, 2021 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Net Assets - July 31, 2020	\$ 292,833	\$ 28,275	\$ 321,108
Investment Return:			
Investment Income	81,373	2,691	84,064
Contributions	-	6,067	6,067
Amounts Appropriated for Expenditures	(4,746)	(1,323)	(6,069)
Endowment Net Assets - July 31, 2021	<u>\$ 369,460</u>	<u>\$ 35,710</u>	<u>\$ 405,170</u>

NOTE 11 UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give are as follows at July 31, 2021:

Unconditional Promises to Give	\$ 550,000
Less: Discount to Net Present Value	-
Total	<u>\$ 550,000</u>

Payments of the promise to give are expected to be as follows:

<u>Year Ending July 31,</u>	<u>Amount</u>
2022	\$ 550,000
Total	<u>\$ 550,000</u>

GRACE PLACE FOR CHILDREN AND FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 11 UNCONDITIONAL PROMISES TO GIVE (CONTINUED)

Unconditional promises to give are reflected at present value of estimated future cash flows using discount rates at the time of gift. Management has estimated there to be no discount necessary for the year ended July 31, 2021 as the remaining outstanding pledges are expected to be collected within the following year.

NOTE 12 FAIR VALUE MEASUREMENT

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Organization measures fair value refer to Note 1 — Summary of Significant Accounting Policies. The following tables present the fair value hierarchy for the balances of the assets that the Organization measured at fair value on a recurring basis as of July 31:

	2021			Total
	Level 1	Level 2	Level 3	
Assets:				
Investments:				
Equities	\$ 1,515,491	\$ -	\$ -	\$ 1,515,491
Mutual Funds	554,025	-	-	554,025
Beneficial Interest in Assets Held by Others	-	-	405,172	405,172
Total Investments	<u>\$ 2,069,516</u>	<u>\$ -</u>	<u>\$ 405,172</u>	<u>\$ 2,474,688</u>

Instrument	Fair Value 2021	Valuation Technique	Principal Unobservable Inputs	Timing of Distributions
Beneficial Interest in Trusts	\$ 405,172	Market Price	Amount and at Close of Business	
		Beneficial Interest in Assets 2021		
Purchases		\$ 800		
Interest Income, Dividends, and Gains (Losses)		84,064		
Transfers In		6,067		
Transfers Out		(6,069)		

NOTE 13 BENEFIT PLAN

The Organization provides a SIMPLE IRA plan for its employees. Contributions are 3% for all eligible employees. Expenses totaled \$37,961 for the year ended July 31, 2021.

GRACE PLACE FOR CHILDREN AND FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS
JULY 31, 2021

NOTE 14 PPP LOAN FORGIVENESS

On April 20, 2020, the Organization received proceeds in the amount of \$540,750 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan). The PPP loan may be forgiven by the U.S. Small Business Administration (SBA) subject to certain performance barriers, as outlined in the loan agreement and the CARES Act. Therefore, the Organization classified this loan as a conditional contribution for accounting purposes during the year ended July 31, 2020. The Organization recognized \$382,379 of grant revenue related to this agreement during the year ended July 31, 2020, which represents the portion of the PPP loan funds for which the performance barriers had been met. As of July 31, 2021, the Organization has satisfied the remaining performance barriers attributable to \$158,371 of the PPP loan proceeds, and this amount is classified as Paycheck Protection Program Grant Revenue in the accompanying statement of activities. On December 23, 2020, The SBA formally forgave the Organization's obligation under this PPP loan in an amount totaling \$540,750.

On February 9, 2021, the Organization received a loan from a financial institution in the amount of \$484,390 to fund payroll, rent, and utilities through the Paycheck Protection Program Flexibility Act of 2020 (the PPP Loan). The PPP Loan could be forgiven by the U.S. Small Business Administration (SBA) subject to certain performance barriers as outlined in the loan agreement and the CARES Act. Therefore, the Organization classified this loan as a conditional contribution for accounting purposes during the year ended July 31, 2021. As of July 31, 2021, the Organization has satisfied the performance barriers attributable to the PPP loan proceeds, and this amount is classified as Paycheck Protection Program Grant Revenue in the accompanying statement of activities. On June 28, 2021, The SBA formally forgave the Organization's obligation under this PPP loan in an amount totaling \$484,390.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Organization's financial position.



**INDEPENDENT AUDITORS' 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***

Board of Directors
Grace Place for Children and Families, Inc.
Naples, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Grace Place for Children and Families, Inc. (the Organization), which comprise the statement of financial position as of July 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 11, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-002 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

Naples, Florida
August 11, 2022



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Grace Place for Children and Families, Inc.
Naples, Florida

Report on Compliance for Each Major Federal Program

We have audited Grace Place for Children and Families, Inc.'s (the Organization) compliance with the types of compliance requirements described in the *OMB Circular Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended July 31, 2021. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility for the Financial Statements

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for major federal programs. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended July 31, 2021.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

Naples, Florida
August 11, 2022

**GRACE PLACE FOR CHILDREN AND FAMILIES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JULY 31, 2021**

Federal Agency Pass-Through Entity Federal Program	Assistance Listing Number	Contract Grant Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed Through State of Florida, Department of Education			
21st Century Community Learning Centers	84.287C	93B-2241B-PCC7	\$ 418,218
21st Century Community Learning Centers	84.287C	93B-2241B-PCC3	95,454
21st Century Community Learning Centers	84.287C	93B-2241B-PCC6	541,557
Total from Department of Education			1,055,229
U.S. DEPARTMENT OF THE TREASURY			
Passed Through Collier County, COVID-19 Coronavirus Relief Fund			
	21.019	Y2265	37,639
U.S. DEPARTMENT OF HOMELAND SECURITY			
Emergency Food and Shelter National Board Program			
Emergency Food and Shelter National Board Program	97.024	159000019	10,000
Emergency Food and Shelter National Board Program	97.024	159000019	6,392
Total from Department of Justice			16,392
Total Federal Financial Assistance			\$ 1,109,260

See accompanying Notes to Schedule of Expenditures of Federal Awards.

GRACE PLACE FOR CHILDREN AND FAMILIES, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JULY 31, 2021

NOTE 1 PURPOSE OF SCHEDULE

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Grace Place for Children and Families, Inc. (the Organization) under programs of the federal government for the year ended July 31, 2021. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Organization has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance. During the year ended July 31, 2021, there were no funds passed through to sub recipients.

**GRACE PLACE FOR CHILDREN AND FAMILIES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JULY 31, 2021**

Section I – Summary of Auditors’ Results

Financial Statements

- | | | |
|--|-------------------|-----------------------------|
| 1. Type of auditors’ report issued: | Unmodified | |
| 2. Internal control over financial reporting: | | |
| • Material weakness(es) identified? | <u> x </u> yes | <u> </u> no |
| • Significant deficiency(ies) identified that are not considered to be material weakness (es)? | <u> x </u> yes | <u> </u> none reported |
| 3. Noncompliance material to financial statements noted? | <u> </u> yes | <u> x </u> no |

Federal Awards

- | | | |
|---|-------------------|----------------------------|
| 1. Internal control over major federal programs: | | |
| • Material weakness(es) identified? | <u> </u> yes | <u> x </u> no |
| • Significant deficiency(ies) identified that are not considered to be material weakness(es)? | <u> </u> yes | <u> x </u> none reported |
| 2. Type of auditors’ report issued on compliance for major federal programs and state projects: | Unmodified | |
| 3. Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? | <u> </u> yes | <u> x </u> no |

Identification of Major Federal Programs

Assistance Listing Number

84.287C

Name of Federal Program or Cluster

21st Century Community Learning Centers

Dollar threshold used to distinguish between Type A and Type B programs/projects was:
Major Federal Program

 \$ 750,000

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?

 yes x no

**GRACE PLACE FOR CHILDREN AND FAMILIES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JULY 31, 2021**

Section II – Financial Statement Findings

2021 – 001

Type of Finding:

- Material Weakness in Internal Control Over Financial Reporting

Condition: Multiple audit entries were necessary to properly state account balances. Account reconciliations were not performed timely and accurately. Therefore, the potential exists that a material misstatement of the annual financial statements could occur and not be prevented, or detected and corrected, by the organization's internal controls.

Criteria or specific requirement: Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.

Effect: The lack of controls in place over the financial reporting function increases the risk of misstatements, fraud, or errors occurring and not being detected and corrected.

Cause: The Organization had a high level of turnover in key positions during the year under audit. Financial statements were not properly reviewed and approved during the year by someone knowledgeable of the requirements to prepare the financials in accordance with U.S. GAAP.

Repeat finding: This is not a repeat finding.

Recommendation: The organization should evaluate their financial reporting processes and controls, including the expertise of its internal staff, to determine whether additional controls over the preparation of annual financial statements can be implemented to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.

Views of responsible officials and planned corrective actions: Management will continue to rely on the audit firm to draft the financial statements and the related notes to the financial statements, and will review, approve, and accept responsibility for the annual financial statements prior to their issuance.

GRACE PLACE FOR CHILDREN AND FAMILIES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JULY 31, 2021

Section II – Financial Statement Findings

2021 – 002

Type of Finding:

- Significant Deficiency in Internal Control Over Financial Reporting

Condition: No supporting documentation was able to be provided to show journal entries were reviewed and approved.

Criteria or specific requirement: Internal controls should be in place to ensure all journal entries are reviewed and approved prior to entry and supporting documentation should be maintained.

Effect: Unauthorized journal entries increase the risk of misappropriation of assets and management override of controls within the Organization.

Cause: The Organization was not aware the proof of journal entry review needed to be documented and documentation maintained.

Repeat finding: This is not a repeat finding.

Recommendation: The organization should evaluate their journal entry processes and controls, including the maintaining and storage of documents in order to ensure journal entry review and approval is documented and available for review going forward.

Views of responsible officials and planned corrective actions: Management will review the journal entry policies and procedures and ensure it includes instructions for proper documentation and storage requirements.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with the Uniform Guidance.