

*Financial Statements*

Lakeland Volunteers In Medicine, Inc.

Year Ended December 31, 2021

THIS PAGE INTENTIONALLY LEFT BLANK.

**LAKELAND VOLUNTEERS IN MEDICINE, INC.**

**YEAR ENDED DECEMBER 31, 2021**

---

---

**TABLE OF CONTENTS**

	<b><u>PAGE NUMBER</u></b>
Independent Auditor's Report	1-2
Statement Of Financial Position	3
Statement Of Activities	4
Statement Of Functional Expenses	5
Statement Of Cash Flows	6
Notes To Financial Statements	7-13



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Lakeland Volunteers In Medicine, Inc.

We have audited the accompanying financial statements of Lakeland Volunteers In Medicine, Inc., (a nonprofit organization) which comprise the statement of financial position as of December 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lakeland Volunteers In Medicine, Inc. as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Lakeland Volunteers In Medicine, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lakeland Volunteers In Medicine, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### *Auditor's Responsibility for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional or omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by if reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in these circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lakeland Volunteers In Medicine, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lakeland Volunteers In Medicine, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Ramos & Floyd CPAs PLLC*

Lakeland, Florida  
April 14, 2022

**LAKELAND VOLUNTEERS IN MEDICINE, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2021**

---

---

**ASSETS**

Cash	\$ 506,727
Promises to give	53,244
Inventory	49,250
Prepaid insurance	34,410
Deposits	8,858
Property and equipment, net of accumulated depreciation	5,367,201
Beneficial interest in assets held by others	<u>2,205,193</u>
Total assets	<u><u>\$ 8,224,883</u></u>

**LIABILITIES AND NET ASSETS**

Accounts payable	\$ 6,618
Accrued expenses	49,100
Deferred support	<u>1,000</u>
Total liabilities	56,718
Net assets:	
Without donor restrictions	8,114,921
With donor restrictions	<u>53,244</u>
Total net assets	<u>8,168,165</u>
Total liabilities and net assets	<u><u>\$ 8,224,883</u></u>

Read accompanying notes to financial statements.

**LAKELAND VOLUNTEERS IN MEDICINE, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS AND OTHER SUPPORT:</b>			
Contributions	\$ 1,793,356	\$ 1,505	\$ 1,794,861
Grants	1,054,502	99,346	1,153,848
Event income	228,375	-	228,375
Investment income	245,911	-	245,911
Net assets released from restrictions	85,126	(85,126)	-
Total revenues, gains and other support	3,407,270	15,725	3,422,995
<b>EXPENSES</b>			
Program services	2,804,502	-	2,804,502
Management and general	125,759	-	125,759
Fund raising	215,218	-	215,218
Total expenses	3,145,479	-	3,145,479
Change in net assets	261,791	15,725	277,516
<b>NET ASSETS, December 31, 2020</b>	7,853,130	37,519	7,890,649
<b>NET ASSETS, December 31, 2021</b>	\$ 8,114,921	\$ 53,244	\$ 8,168,165

Read accompanying notes to financial statements.

**LAKELAND VOLUNTEERS IN MEDICINE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2021**

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUND RAISING</u>	<u>TOTAL</u>
Advertising	\$ -	\$ -	\$ 5,281	\$ 5,281
Bank charges	5,989	-	-	5,989
Depreciation	142,360	-	-	142,360
Drugs and medications	366,729	-	-	366,729
Dues and publications	3,295	1,421	-	4,716
Insurance	139,989	178	-	140,167
Licenses, permits and taxes	1,035	42	350	1,427
Medical supplies	58,331	-	-	58,331
Office supplies	18,853	991	937	20,781
Postage and delivery	2,238	-	200	2,438
Outside lab fees, medical services and radiology	150,670	-	-	150,670
Payroll and related expenses	1,695,400	86,882	135,691	1,917,973
Printing and reproduction	9,683	-	1,752	11,435
Professional development	5,912	-	-	5,912
Professional fees	25,913	32,200	1,045	59,158
Repairs and maintenance	109,025	2,669	5,013	116,707
Supplies	2,639	-	63,528	66,167
Telephone	9,084	21	-	9,105
Travel and entertainment	9,460	1,355	1,421	12,236
Uniforms and laundry	1,811	-	-	1,811
Utilities	46,086	-	-	46,086
Total expenses	<u>\$ 2,804,502</u>	<u>\$ 125,759</u>	<u>\$ 215,218</u>	<u>\$ 3,145,479</u>

Read accompanying notes to financial statements.



**LAKELAND VOLUNTEERS IN MEDICINE, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2021**

---

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets	\$ 277,516
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	142,360
Net realized and unrealized gain on investments	(228,656)
Increase in promises to give	(11,100)
Increase in inventory	(2,634)
Increase in prepaid insurance	(1,586)
Decrease in accounts payable	(11,684)
Increase in accrued expenses	4,206
	168,422
Net cash provided by (used in) operating activities	168,422

**CASH PROVIDED BY INVESTING ACTIVITIES:**

Purchases of investments and reinvestments	(16,847)
Purchases of property and equipment	(37,559)
	(54,406)
Net cash provided by (used in) investing activities	(54,406)

**NET INCREASE IN CASH** 114,016

**CASH, December 31, 2020** 392,711

**CASH, December 31, 2021** \$ 506,727

**SUPPLEMENTAL DATA:**

Income taxes paid	\$ -
Interest paid	-

Read accompanying notes to financial statements.

**LAKELAND VOLUNTEERS IN MEDICINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Organization: Lakeland Volunteers In Medicine, Inc. (the "Organization") is a tax-exempt, publicly-supported, volunteer-run organization formed and existing exclusively to provide a free medical clinic for the working uninsured of Polk County, Florida. The Organization's primary sources of funding are contributions and grants.

Basis of Presentation: The Organization's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets, support and revenue, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported in two classes: without donor restrictions and with donor restrictions; with donor restrictions can be further segregated between temporary and permanent restrictions.

Use of Estimates: The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash: Cash consists of a checking account from which the Organization operates. Cash exceeds FDIC-insured amounts at various times throughout the year.

Promises to Give: A majority of the contributions to the Organization are received from donors in the Lakeland, Florida area. Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. Promises to give are written off when an account is no longer deemed collectible. At December 31, 2021, promises to give were deemed fully collectible.

Inventory: Inventory consists of various medical products including pharmaceutical items. Inventory is recorded at cost (first-in, first-out) or market.

Property and Equipment: Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value and are recognized when such assets are received. The Organization capitalizes asset acquisitions exceeding \$1,000. Depreciation includes amortization and is calculated using the straight-line method over the estimated useful lives of the respective assets.

**LAKELAND VOLUNTEERS IN MEDICINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Revenue Recognition: Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been met. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without donor restriction in the statement of activities.

Special events revenue is recorded when the event takes place.

Revenues from exchange transactions are recognized when the services are rendered. A receivable is recognized by the Organization for outstanding invoices.

Contributed Materials and Services: All contributions of property and equipment, materials and professional services received by the Organization have been recorded as donations at their estimated value at the date of receipt. These items totaled \$1,070,546 for the year ended December 31, 2021, and have been included in the statement of financial position as property and equipment or in the statement of activities as both support and expense, respectively. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization. Those contributions do not meet the requirements for recognition in the financial statements, however, and are not recorded.

Functional Expenses: The costs of providing various services have been summarized on a functional basis in the statement of activities and statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting service benefitted.

Advertising: The Organization expenses advertising costs as incurred.

Income Taxes: The Organization is a not-for-profit organization that is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Although organizations under Section 501(c)(3) pay no tax on their exempt function income, they can be liable for business tax on income they earn from activities not related to their exempt purpose. For the year ended December 31, 2021, the Organization engaged in no activities that were unrelated to its exempt purpose.

**LAKELAND VOLUNTEERS IN MEDICINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Fair Value of Financial Instruments: The Organization's financial statements, which include cash, promises to give, beneficial interest in assets held by others, accounts payable, accrued expenses and deferred support approximate fair values at December 31, 2021.

Management Evaluation: Management has evaluated subsequent events through April 14, 2022, the date the financial statements were available for issuance.

**NOTE 2 - LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, total \$2,715,914.

As part of the Organization's liquidity management plan, cash that exceeds the Organization's expected short-term requirements is invested at GiveWell Community Foundation, Inc.

**NOTE 3 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS**

The Organization established the Lakeland Volunteers in Medicine, Inc. Fund (the "Fund") within GiveWell Community Foundation, Inc. ("Community Foundation"). The Fund was established as an unrestricted agency fund of the Community Foundation in order to provide support to the Organization to carry out its role and mission in the greater Polk County, Florida area.

The assets in the Fund are pooled with assets of other such funds maintained and managed by the Community Foundation. The Fund's prorated portion of realized and unrealized gains and losses incurred and interest and dividends earned are included in the accompanying statement of activities.

The beneficial interest in assets held by others is exposed to a variety of uncertainties, including interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is possible that changes in the values of these investments could occur in the near term. Such changes could materially affect the amounts reported in the financial statements of the Organization.

**LAKELAND VOLUNTEERS IN MEDICINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

---

**NOTE 3 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS (Continued)**

The components of investment return for the year ended December 31, 2021 are as follows:

Investment income from interest and dividends	\$ 33,951
Investment fees	(16,696)
Net realized gain	113,998
Net unrealized gain	<u>114,658</u>
Total	\$ <u>245,911</u>

The Organization adheres to Financial Accounting Standards Board Accounting Standards codification, *Fair Value Measurements and Disclosures*, which defines fair value as the price that should be received for an asset or paid to transfer a liability (an exit price) in the Organization's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The standard establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels or inputs that may be used to measure fair value.

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

**LAKELAND VOLUNTEERS IN MEDICINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

---

**NOTE 3 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS (Continued)**

The Organization's Level 3 financial assets consist of the beneficial interest held at GiveWell Community Foundation, Inc. They are measured with a valuation technique utilizing market prices at the close of the last business day for the statement period provided by the Foundation.

The fair value of the beneficial interest held at GiveWell Community Foundation, Inc. is reported below:

Level 3

December 31, 2020	\$ 1,959,690
Contributions	-
Distributions	(408)
Investment return	<u>245,911</u>
December 31, 2021	<u>\$ 2,205,193</u>

**NOTE 4 - PROPERTY AND EQUIPMENT**

Property and equipment consists of:

Land	\$ 1,649,945
Building and improvements	3,845,237
Medical equipment	359,681
Office furniture and equipment	108,570
Computer hardware and software	<u>58,604</u>
	6,022,037
Less accumulated depreciation	<u>654,836</u>
Net property and equipment	<u>\$ 5,367,201</u>

---

**LAKELAND VOLUNTEERS IN MEDICINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

---

**NOTE 5 - SIMPLE IRA PLAN**

The Organization offers a Simple IRA plan to substantially all its employees who earned at least \$5,000 per year. For employees electing to participate, the Organization matches their contribution in an amount up to 3% or a maximum of \$3,000 of the participant's compensation, whichever comes first. Employer contributions for 2021 totaled \$24,880.

**NOTE 6 - SPECIAL EVENT**

The Organization hosted the Swan Derby fund raiser in 2021, resulting in financial activity as reported below:

	<u>Monetary</u>	<u>In-kind</u>	<u>Total</u>
Revenue	\$ 201,183	\$ 27,192	\$ 228,375
Less expenses	<u>80,527</u>	<u>21,192</u>	<u>101,719</u>
Net	<u>\$ 120,656</u>	<u>\$ 6,000</u>	<u>\$ 126,656</u>

**NOTE 7 - PAYROLL PROTECTION LOANS**

In 2021, the Organization received a \$240,647 Payroll Protection Program (PPP) loan made available through the Small Business Administration. The Organization met certain requirements and the loan was forgiven and recognized as a grant.

**NOTE 8 - LINE-OF-CREDIT**

The Organization has a \$250,000 unsecured revolving line-of-credit with a bank. The interest rate on the note is variable (3.25 APR at December 31, 2021), equal to the prime rate as published in the Wall Street Journal.

**LAKELAND VOLUNTEERS IN MEDICINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

---

**NOTE 9 - COVID-19**

The Organization's operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on the Organization's financial position, operations and cash flows. Possible effects may include, but are not limited to, disruption to the Organization's donor contributions and revenue, absenteeism in the Organization's labor workforce, and ultimately, its financial viability.