

Financial Statements

Lakeland Volunteers In Medicine, Inc.

Year Ended December 31, 2022

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LAKELAND VOLUNTEERS IN MEDICINE, INC.

YEAR ENDED DECEMBER 31, 2022

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2022, 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, 2022, 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 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 a 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 include 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
August 11, 2023

LAKELAND VOLUNTEERS IN MEDICINE, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

ASSETS

Cash	\$ 654,079
Promises to give	1,545,446
Inventory	40,542
Prepaid insurance	31,051
Deposits	8,858
Property and equipment, net of accumulated depreciation	5,276,425
Beneficial interest in assets held by others	<u>1,899,133</u>
Total assets	<u><u>\$ 9,455,534</u></u>

LIABILITIES AND NET ASSETS

Accounts payable	44,279
Accrued expenses	<u>9,503</u>
Total liabilities	53,782
Net assets:	
Without donor restrictions	9,356,961
With donor restrictions	<u>44,791</u>
Total net assets	<u><u>9,401,752</u></u>
Total liabilities and net assets	<u><u>\$ 9,455,534</u></u>

Read accompanying notes to financial statements.

LAKELAND VOLUNTEERS IN MEDICINE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT:			
Contributions	\$ 2,579,615	\$ 2,000	\$ 2,581,615
Grants	1,577,200	125,060	1,702,260
Event income	292,477	-	292,477
Investment income (loss)	(306,060)	-	(306,060)
Net assets released from restrictions	<u>135,513</u>	<u>(135,513)</u>	<u>-</u>
 Total revenues, gains and other support	 4,278,745	 (8,453)	 4,270,292
EXPENSES			
Program services	2,538,640	-	2,538,640
Management and general	115,547	-	115,547
Fund raising	<u>382,518</u>	<u>-</u>	<u>382,518</u>
 Total expenses	 <u>3,036,705</u>	 <u>-</u>	 <u>3,036,705</u>
 Change in net assets	 1,242,040	 (8,453)	 1,233,587
 NET ASSETS, December 31, 2021	 <u>8,114,921</u>	 <u>53,244</u>	 <u>8,168,165</u>
 NET ASSETS, December 31, 2022	 <u><u>\$ 9,356,961</u></u>	 <u><u>\$ 44,791</u></u>	 <u><u>\$ 9,401,752</u></u>

Read accompanying notes to financial statements.

LAKELAND VOLUNTEERS IN MEDICINE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUND RAISING</u>	<u>TOTAL</u>
Payroll and related expenses	\$ 1,540,645	\$ 84,793	\$ 195,620	\$ 1,821,058
Outside lab fees, medical services and radiology	192,747	-	-	192,747
Insurance	162,706	680	-	163,386
Drugs and medications	162,004	-	-	162,004
Depreciation	139,896	-	-	139,896
Repairs and maintenance	125,967	379	5,891	132,237
Supplies	2,141	-	103,329	105,470
Advertising	28,438	535	39,817	68,790
Medical supplies	61,366	-	-	61,366
Professional fees	14,132	25,074	1,488	40,694
Travel and entertainment	10,485	873	27,681	39,039
Utilities	38,809	-	-	38,809
Office supplies	13,931	1,554	3,694	19,179
Telephone	14,351	-	-	14,351
Printing and reproduction	9,984	-	3,277	13,261
Bank charges	7,190	344	-	7,534
Dues and publications	4,074	500	204	4,778
Professional development	3,372	600	433	4,405
Uniforms and laundry	2,738	-	-	2,738
Postage and delivery	1,864	-	725	2,589
Licenses, permits and taxes	1,800	215	359	2,374
Total expenses	<u>\$ 2,538,640</u>	<u>\$ 115,547</u>	<u>\$ 382,518</u>	<u>\$ 3,036,705</u>

Read accompanying notes to financial statements.

LAKELAND VOLUNTEERS IN MEDICINE, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 1,233,587
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	139,896
Net realized and unrealized gain on investments	327,274
Increase in promises to give	(1,492,202)
Decrease in inventory	8,708
Decrease in prepaid insurance	3,359
Decrease in accounts payable	(4,821)
Decrease in deferred support	(1,000)
Increase in accrued expenses	<u>2,886</u>
Net cash provided by (used in) operating activities	217,687

CASH PROVIDED BY INVESTING ACTIVITIES:

Purchases of investments and reinvestments	(21,214)
Purchases of property and equipment	<u>(49,121)</u>
Net cash provided by (used in) investing activities	<u>(70,335)</u>

NET INCREASE IN CASH	147,352
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CASH, December 31, 2021	<u>506,727</u>
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CASH, December 31, 2022	<u><u>\$ 654,079</u></u>
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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, 2022, 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 736,077 for the year ended December 31, 2022, 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, 2022, 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, 2022.

Management Evaluation: Management has evaluated subsequent events through August 11, 2023, 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 \$2,557,461.

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, 2022 are as follows:

Investment income from interest and dividends	\$ 37,052
Investment fees	(15,838)
Net realized gain	62,262
Net unrealized gain (loss)	<u>(389,536)</u>
 Total	 <u><u>\$ (306,060)</u></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 level 3 asset held at GiveWell Community Foundation, Inc. is reported below:

Level 3

December 31, 2021	\$ 2,205,193
Contributions	-
Distributions	-
Investment loss	<u>(306,060)</u>
December 31, 2022	<u><u>\$ 1,899,133</u></u>

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment for the year ended December 31, 2022 are as follows:

Land	\$ 1,649,945
Building and improvements	3,845,237
Medical equipment	386,707
Office furniture and equipment	111,203
Computer hardware and software	<u>78,065</u>
Total property and equipment	6,071,157
Less accumulated depreciation	<u>794,732</u>
Property and equipment, net	<u><u>\$ 5,276,425</u></u>

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 2022 totaled \$22,067.

LAKELAND VOLUNTEERS IN MEDICINE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - SPECIAL EVENT

The Organization hosted the Swan Derby fund raiser in 2022, resulting in financial activity as reported below:

	<u>Monetary</u>	<u>In-kind</u>	<u>Total</u>
Revenue	\$ 238,257	\$ 54,220	\$ 292,477
Less expenses	<u>67,472</u>	<u>54,220</u>	<u>121,692</u>
Net	<u><u>\$ 170,785</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 170,785</u></u>

NOTE 7 - 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, 2022), equal to the prime rate as published in the Wall Street Journal.

NOTE 8 - 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.

NOTE 9 - LEASES

The new lease guidance requires the recognition of a right-of-use asset and a lease liability for operating leases. The Organization elected the package of practical expedients, which allowed, among other things, not re-evaluating the classification of existing and expired leases, and not re-evaluating the initial direct costs for existing leases. The Organization did not elect the hindsight practical expedient, which would have allowed the Organization to re-evaluate existing or expired leases based on current information, such as with respect to renewals. Adoption of the new guidance had no effect on the financial statements.

LAKELAND VOLUNTEERS IN MEDICINE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 9 - LEASES (Continued)

Operating leases for which the Organization is lessee, the liability is calculated using a risk-free discount rate and a comparable period with the lease term for all asset classes. All lease and non-lease components are combined for all leases. Lease payments for leases with a term of 12 months or less are expensed on a straight-line basis over the term of the lease with no lease asset or liability recognized. Only lease options that the Organization believes are reasonably certain to exercise are included in the measurement of the lease assets and liabilities.