

Financial Statements

Lakeland Volunteers In Medicine, Inc.

Year Ended December 31, 2023

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LAKELAND VOLUNTEERS IN MEDICINE, INC.

YEAR ENDED DECEMBER 31, 2023

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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, 2023, 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, 2023, 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
May 20, 2024

LAKELAND VOLUNTEERS IN MEDICINE, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

ASSETS

Cash	\$ 2,272,733
Grants receivable	658,486
Inventory	64,794
Prepaid insurance	19,203
Deposits	8,858
Property and equipment, net of accumulated depreciation	5,194,044
Investments, at fair value	<u>2,124,416</u>
 Total assets	 <u><u>\$ 10,342,534</u></u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 70,543
Accrued expenses	60,301
Deferred revenue	<u>70,500</u>
 Total liabilities	 201,344
 Net assets:	
Without donor restrictions	10,071,708
With donor restrictions	<u>69,482</u>
 Total net assets	 <u>10,141,190</u>
 Total liabilities and net assets	 <u><u>\$ 10,342,534</u></u>

Read accompanying notes to financial statements.

LAKELAND VOLUNTEERS IN MEDICINE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT:			
Contributions	\$ 1,323,178	\$ -	\$ 1,323,178
Grants	2,332,592	138,965	2,471,557
Event income	420,739	-	420,739
Investment income, net	225,283	-	225,283
Loss on disposal of asset	(3,292)	-	(3,292)
Other income	2,300	-	2,300
Net assets released from restrictions	114,274	(114,274)	-
Total revenues, gains and other support	4,415,074	24,691	4,439,765
 EXPENSES			
Program services	3,203,407	-	3,203,407
Management and general	149,201	-	149,201
Fund raising	347,719	-	347,719
Total expenses	3,700,327	-	3,700,327
Change in net assets	714,747	24,691	739,438
NET ASSETS, December 31, 2022	9,356,961	44,791	9,401,752
NET ASSETS, December 31, 2023	\$ 10,071,708	\$ 69,482	\$ 10,141,190

Read accompanying notes to financial statements.

LAKELAND VOLUNTEERS IN MEDICINE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUND RAISING</u>	<u>TOTAL</u>
Payroll and related expenses	\$ 1,781,340	\$ 121,272	\$ 195,899	\$ 2,098,511
Outside lab fees, medical services and radiology	397,396	-	-	397,396
Insurance	185,621	5,250	-	190,871
Drugs and medications	178,091	-	-	178,091
Repairs and maintenance	149,538	1,202	5,433	156,173
Depreciation	153,255	-	-	153,255
Supplies	3,193	563	99,494	103,250
Medical supplies	97,274	-	-	97,274
Professional fees	74,350	13,624	426	88,400
Travel and entertainment	18,100	349	40,806	59,255
Utilities	42,264	-	-	42,264
Advertising	33,312	149	100	33,561
Telephone	19,706	-	-	19,706
Office supplies	15,810	2,952	555	19,317
Rent	16,908	-	-	16,908
Printing and reproduction	11,574	160	2,535	14,269
Professional development	6,376	2,838	100	9,314
Bank charges	7,999	71	15	8,085
Dues and publications	6,059	700	539	7,298
Uniforms and laundry	3,045	-	-	3,045
Postage and delivery	1,378	-	1,267	2,645
Licenses, permits and taxes	818	71	550	1,439
Total expenses	<u>\$ 3,203,407</u>	<u>\$ 149,201</u>	<u>\$ 347,719</u>	<u>\$ 3,700,327</u>

Read accompanying notes to financial statements.

LAKELAND VOLUNTEERS IN MEDICINE, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 739,438
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	153,255
Loss on sale of equipment	3,292
Net realized and unrealized gain on investments	(185,954)
(Increase) decrease in:	
Promises to give	1,500,000
Grants receivable	(613,040)
Inventory	(24,252)
Prepaid insurance	11,848
Increase (decrease) in:	
Accounts payable	26,264
Accrued expenses	50,798
Deferred revenue	70,500
	1,732,149
Net cash provided by (used in) operating activities	1,732,149

CASH PROVIDED BY INVESTING ACTIVITIES:

Purchases of investments and reinvestments	(39,329)
Purchases of property and equipment	(74,166)
	(113,495)
Net cash provided by (used in) investing activities	(113,495)

NET INCREASE IN CASH

1,618,654

CASH, December 31, 2022

654,079

CASH, December 31, 2023

\$ 2,272,733

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.

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.

Net Assets: Net assets, revenues, support, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets 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 may designate, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

LAKELAND VOLUNTEERS IN MEDICINE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net assets with donor restrictions - Net assets subject to donor (or certain grantor) restrictions. Some donor-imposed restrictions may be 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 may be perpetual in nature, where the donor stipulates those 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.

Revenue Recognition: The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions upon which they depend have been met. Government contracts and grants, some of which are cost-reimbursable, are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. The Organization was awarded cost-reimbursable grants of \$161,007 that have not been recognized at December 31, 2023 because qualifying expenditures have not yet been incurred. Revenue from special events is recognized when the event takes place.

A receivable is recognized by the Organization for outstanding invoices or other known amounts due to it. The Organization considers its receivables to be fully collectible; accordingly, no allowance for doubtful accounts is required. The Organization does not charge interest on outstanding accounts receivable.

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 \$863,096 for the year ended December 31, 2023, 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. Advertising expense as of December 31, 2023 was \$33,561.

LAKELAND VOLUNTEERS IN MEDICINE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2023, the Organization engaged in no activities that were unrelated to its exempt purpose.

Leases: The Organization accounts for leases under Financial Accounting Standard Board's Accounting Standards Codification (ASC) 842, Leases. For operating leases in which the Organization is the lessee, the lease standard requires the recognition of a right-of-use asset and a lease liability. The Organization calculates operating lease liabilities with a risk-free discount rate, using 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.

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, 2023.

Management Evaluation: Management has evaluated subsequent events through May 20, 2024, 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, consist of the following as of December 31, 2023:

Cash	\$ 2,272,733
Investments	2,124,416
Grants receivable	658,486
Less	
Donor-imposed restrictions	<u>69,482</u>
Total	<u><u>\$ 4,986,153</u></u>

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.

LAKELAND VOLUNTEERS IN MEDICINE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment for the year ended December 31, 2023 are as follows:

Land	\$ 1,655,445
Building and improvements	3,849,043
Medical equipment	426,694
Office furniture and equipment	106,737
Computer hardware and software	<u>82,721</u>
 Total property and equipment	 6,120,640
 Less accumulated depreciation	 <u>926,596</u>
 Property and equipment, net	 <u><u>\$ 5,194,044</u></u>

NOTE 4 - INVESTMENTS

Investments securities are carried at quoted market prices, are held for trading purposes, and consist of the following as of December 31, 2023:

	<u>Cost</u>	<u>Market</u>
GiveWell Community Foundation - balanced funds	<u>\$ 2,044,463</u>	<u>\$ 2,124,416</u>
 Total investments	 <u><u>\$ 2,044,463</u></u>	 <u><u>\$ 2,124,416</u></u>

The components of investment return for the year ended December 31, 2023 are as follows:

Investment income from interest and dividends	\$ 55,350
Investment fees	(16,021)
Net realized gain	106,001
Net unrealized gain (loss)	<u>79,953</u>
 Total	 <u><u>\$ 225,283</u></u>

LAKELAND VOLUNTEERS IN MEDICINE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - FAIR VALUE MEASUREMENTS

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.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The following table sets forth, by level, within the fair value hierarchy, amounts recorded in the Organization's financial statements at fair value as of December 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
GiveWell Community				
Foundation	\$ -	\$ 2,124,416	\$ -	\$ 2,124,416
Total	<u>\$ -</u>	<u>\$ 2,124,416</u>	<u>\$ -</u>	<u>\$ 2,124,416</u>

LAKELAND VOLUNTEERS IN MEDICINE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - 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 2023 totaled \$28,377.

NOTE 7 - SPECIAL EVENTS

The Organization hosted events including the Swan Derby fund raiser in 2023, resulting in financial activity as reported below:

	Swan Derby	Other fundraising events	In-Kind	Total
Revenue	\$ 290,054	\$ 76,465	\$ 54,220	\$ 420,739
Less expenses	94,526	8,724	54,220	157,470
Net	\$ 195,528	\$ 67,741	\$ -	\$ 263,269

NOTE 8 - LINE-OF-CREDIT

The Organization has a \$250,000 unsecured revolving line-of-credit with a bank. At December 31, 2023, the balance was zero. The interest rate on the note is variable (3.25 APR at December 31, 2023), equal to the prime rate as published in the Wall Street Journal.

NOTE 9 - CONCENTRATION

The Organization received approximately 74% of grant revenue and 78% of grants receivable from the Polk County Board of County Commissioners and Florida Association of Free and Charitable Clinics, Inc. during the year ended December 31, 2023. Changes in funding mechanism, changes in regulatory requirements, and related government budgetary constraints could have an adverse effect on the Organization.

LAKELAND VOLUNTEERS IN MEDICINE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 10 - NEW ACCOUNTING GUIDANCE IMPLEMENTATION

On January 1, 2023, the Organization adopted ASU 2016-13 *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ACS 326)*. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (“CECL”) methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to the financial assets measured at amortized cost, including assessments receivable. Adoption of the new guidance had no effect on the financial statements.