



Independent Auditors' Report on Combined Financial Statements

The Board of Directors
Volunteers of America of Florida, Inc.
and affiliated corporations:

Report on Financial Statements

Opinion

We have audited the financial statements of Volunteers of America of Florida, Inc. (a not-for-profit organization) and affiliated corporations, which comprise the combined statement of financial position as of June 30, 2023, and the related combined statements of activities and changes in net assets, functional expenses and cash flows for the year then ended and the related notes to the combined financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Volunteers of America of Florida, Inc. and affiliated corporations as of June 30, 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 (GAAS) and if applicable, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 Volunteers of America of Florida, Inc. and affiliated corporations as of June 30, 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.

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 Volunteers of America of Florida, Inc. and affiliated corporations' ability to continue as a going concern for one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued.

Davis Group, P.A.
Certified Public Accountants & Advisors
P.O. Box 3271, Orlando, Florida 32802
Phone: 407-434-7900 Fax: 407-434-7910

Auditor's Responsibilities 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 GAAS and *Government 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 GAAS, 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 the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Volunteers of America of Florida, Inc. and affiliated corporations' 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 Volunteers of America of Florida, Inc. and affiliated corporations' 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplementary information included in Schedules 1 through 4 is presented for purposes of additional analysis of the combined financial statements rather than to present the financial position and results of operations of the individual organizations. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and Chapter 10.650 of the Rules of the Auditor General of the State of Florida, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined 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 to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Schedules 1 through 4 and the Schedule of Expenditures of Federal Awards and State Financial Assistance is fairly stated in all material respects in relation to the combined financial statements as a whole. The schedules of state earnings, related party transaction adjustments, bed-day availability payments, and program/cost center actual expenses and revenues are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Report on Summarized Comparative Information

We have previously audited Volunteers of America of Florida, Inc. and affiliated corporations 2022 combined financial statements, and we expressed an unmodified opinion on those audited combined financial statements in our report dated December 9, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2023, on our consideration of the Organization'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.



Davis Group, P.A.
Orlando, Florida
December 12, 2023

**VOLUNTEERS OF AMERICA
OF FLORIDA, INC.
AND AFFILIATED CORPORATIONS**

Combined Statement of Financial Position

June 30, 2023

(With comparative financial information as of June 30, 2022)

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,476,473	\$ 413,497
Accounts receivable	2,283,849	2,983,814
Investments	518,661	464,467
Due from affiliated entities	1,187,443	2,170,450
Prepaid expenses	343,712	614,105
Tax and insurance escrows	103,168	89,603
Other current assets	5,479	2,073
Total current assets	5,918,785	6,738,009
Property and equipment:		
Land	6,028,659	5,868,659
Buildings and improvements	56,605,458	56,077,296
Furnishings and equipment	4,572,855	4,228,000
Construction in progress	409,866	1,299,742
Less: accumulated depreciation	(23,366,726)	(22,218,906)
Net property and equipment	44,250,112	45,254,791
Other assets:		
Right of use assets	466,952	-
Restricted assets	1,018,641	912,095
Financing costs, net	1,356,542	1,185,209
Interest rate swap	60,748	203,443
Other	72,764	75,717
Total other assets	2,975,647	2,376,464
Total assets	\$ 53,144,544	\$ 54,369,264
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 801,107	\$ 1,144,324
Construction payable	20,950	1,750
Accrued expenses	912,589	1,002,207
Lease obligations, current	198,543	-
Current installments of mortgages payable	7,271	7,213
Current installments of notes and loans payable	216,802	321,539
Current installments of bonds payable	474,361	441,586
Other current liabilities	223,737	255,984
Total current liabilities	2,855,360	3,174,603
Lease obligations, non-current	268,409	-
Mortgages payable, non-current	7,311,512	7,318,876
Lines of credit, non-current	1,250,000	2,578,444
Notes and loans payable, non-current	6,211,628	6,436,478
Bonds payable, non-current	7,636,194	8,251,283
Obligation under interest rate swap	104,708	-
Other long-term liabilities	120,469	129,766
Total liabilities	25,758,280	27,889,450
Net assets:		
Net assets without donor restrictions	6,406,380	5,712,430
Net assets with donor restrictions	20,979,884	20,767,384
Total net assets	27,386,264	26,479,814
Total liabilities and net assets	\$ 53,144,544	\$ 54,369,264

**VOLUNTEERS OF AMERICA
OF FLORIDA, INC.
AND AFFILIATED CORPORATIONS**

Combined Statement of Activities and Changes in Net Assets

Year ended June 30, 2023

(With summarized comparative financial information for the year ended June 30, 2022)

	Without Donor Restrictions	Limited Partnership - Without Donor Restrictions	Without Donor Restrictions Subtotal
Revenues from operations:			
Public support received directly:			
Contributions	\$ 408,478	\$ -	\$ 408,478
Restricted contributions	77,530	-	77,530
Contributed services, property and materials, in-kind	1,248,512	-	1,248,512
Special events, net of direct benefit costs	67,603	-	67,603
Public support received indirectly -			
VOA awards and grants	3,996	-	3,996
Total public support	1,806,119	-	1,806,119
Revenue and grants from governmental agencies	14,628,501	-	14,628,501
Other revenue:			
Program service fees	4,171,003	171,480	4,342,483
Rental income	281,851	-	281,851
Other operating revenue	1,670,875	36	1,670,911
Total other revenue	6,123,729	171,516	6,295,245
Assets released from restriction	-	-	-
Total revenues from operations	22,558,349	171,516	22,729,865
Expenses:			
Operating expenses:			
Promoting self-sufficiency	17,633,832	-	17,633,832
Fostering independence	4,180,993	294,493	4,475,486
Total program services	21,814,825	294,493	22,109,318
Management and general	1,096,449	-	1,096,449
Fundraising activities	191,667	-	191,667
Total supporting services	1,288,116	-	1,288,116
Total operating expenses	23,102,941	294,493	23,397,434
Excess (deficit) from operations	(544,592)	(122,977)	(667,569)
Other revenues and (expenses):			
Gain (loss) on sale of property and equipment	1,225,491	-	1,225,491
Unrealized gain (loss) on investments	54,532	-	54,532
Gain on interest rate swap	81,496	-	81,496
Total other revenues and (expenses)	1,361,519	-	1,361,519
Change in net assets	816,927	(122,977)	693,950
Net assets, beginning of year	6,128,425	(415,995)	5,712,430
Net assets, end of year	\$ 6,945,352	\$ (538,972)	\$ 6,406,380

With Donor Restrictions	Totals	
	2023	2022
\$ -	\$ 408,478	\$ 362,398
-	77,530	113,446
-	1,248,512	1,092,342
-	67,603	138,280
-	3,996	-
-	1,806,119	1,706,466
212,500	14,841,001	16,181,237
-	4,342,483	4,281,747
-	281,851	259,894
-	1,670,911	1,249,068
-	6,295,245	5,790,709
-	-	-
212,500	22,942,365	23,678,412
-	17,633,832	17,782,060
-	4,475,486	4,609,654
-	22,109,318	22,391,714
-	1,096,449	1,090,450
-	191,667	210,705
-	1,288,116	1,301,155
-	23,397,434	23,692,869
212,500	(455,069)	(14,457)
-	1,225,491	42,540
-	54,532	(110,143)
-	81,496	298,540
-	1,361,519	230,937
212,500	906,450	216,480
20,767,384	26,479,814	26,263,334
\$ 20,979,884	\$ 27,386,264	\$ 26,479,814

**VOLUNTEERS OF AMERICA
OF FLORIDA, INC.
AND AFFILIATED CORPORATIONS**

Combined Statement of Cash Flows

Year ended June 30, 2023

(With comparative financial information as of June 30, 2022)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 906,450	\$ 216,480
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,696,253	1,651,416
Gain on disposal of property and equipment	(1,225,491)	(42,540)
Unrealized (gain) loss on investments	(54,532)	110,143
Fair value adjustment of interest rate swap	(81,496)	(298,540)
Increase (decrease) in cash due to:		
Accounts receivable	699,965	(23,671)
Prepaid expenses	270,393	7,617
Tax and insurance escrows	(13,565)	(19,716)
Other current assets	(3,406)	(1,452)
Other assets	2,953	3,086
Accounts payable	(343,217)	134,846
Construction payable	19,200	(165,715)
Accrued expenses	(89,618)	(291,145)
Other current liabilities	(32,247)	(109,975)
Other long-term liabilities	(9,297)	(215)
Net cash provided by operating activities	<u>1,742,345</u>	<u>1,170,619</u>
Cash flows from investing activities:		
Proceeds (purchases) of investments	338	(92)
(Deposits to) withdrawals from restricted accounts	(106,546)	6,714
Net repayments from (advances to) affiliated entities	983,007	(2,170,348)
Proceeds from sale of property and equipment	1,761,663	-
Purchases of property and equipment	(1,098,135)	(1,273,328)
Net cash provided by (used in) investing activities	<u>1,540,327</u>	<u>(3,437,054)</u>
Cash flows from financing activities:		
Financing costs paid	(300,944)	-
Net (repayments) advances on lines of credit	(1,328,444)	2,278,444
Borrowings on long-term debt	389,467	408,486
Repayments of long-term debt	(1,308,674)	(1,134,846)
Proceeds from interest rate swap	328,899	-
Net cash (used in) provided by financing activities	<u>(2,219,696)</u>	<u>1,552,084</u>
Net increase (decrease) in cash and cash equivalents	1,062,976	(714,351)
Cash and cash equivalents, beginning of year	413,497	1,127,848
Cash and cash equivalents, end of year	<u>\$ 1,476,473</u>	<u>\$ 413,497</u>
Supplemental disclosure of cash flow information-		
Cash paid for interest	<u>\$ 777,275</u>	<u>\$ 656,506</u>