

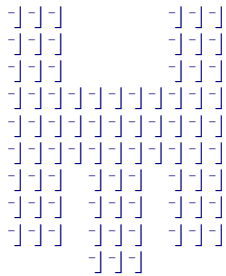
VITA NOVA, INC.

**REPORT ON AUDIT OF
CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended September 30, 2022
*(with comparable totals for 2021)***

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors of
Vita Nova, Inc.
West Palm Beach, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Vita Nova, Inc. (a not-for-profit corporation), which comprise the consolidated statement of financial position as of September 30, 2022, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Vita Nova, Inc. as of September 30, 2022, and the consolidated 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 and 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 Vita Nova, 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 opinions.

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 Vita Nova, 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 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 generally accepted auditing standards 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 generally accepted auditing standards and *Government 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 the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Vita Nova, 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 Vita Nova, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying 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 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 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 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, the schedule of expenditures of federal awards 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 May 24, 2023, on our consideration of Vita Nova, 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 results of that testing, and not to provide an opinion on the effectiveness of Vita Nova, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Vita Nova, Inc.'s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited Vita Nova, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 21, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Holyfield & Thomas, LLC

West Palm Beach, Florida
May 24, 2023

*As of September 30, 2022**(with comparable totals for 2021)*

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
ASSETS				
Cash and cash equivalents	\$ 350,516	\$ 274,564	\$ 625,080	\$ 904,944
Investments	840,300	-	840,300	1,000,668
Grants receivable	111,424	-	111,424	139,481
Other receivable	-	-	-	10,081
Prepaid expenses	27,974	-	27,974	42,132
Total current assets	1,330,214	274,564	1,604,778	2,097,306
Investments, in endowments	4,696,192	-	4,696,192	6,061,526
Deposits	34,247	-	34,247	30,139
Property and equipment, net	3,030,494	-	3,030,494	2,818,270
Total assets	<u>\$ 9,091,147</u>	<u>\$ 274,564</u>	<u>\$ 9,365,711</u>	<u>\$ 11,007,241</u>
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable	\$ 20,951	\$ -	\$ 20,951	\$ 11,520
Accrued expenses	116,822	-	116,822	85,223
Other current liabilities	24,562	-	24,562	33,414
Refundable advance	5,000	-	5,000	4,839
Current portion of note payable	5,225	-	5,225	4,727
Total current liabilities	172,560	-	172,560	139,723
Note payable	26,275	-	26,275	31,540
Total liabilities	198,835	-	198,835	171,263
Net assets:				
Without donor restrictions	8,892,312	-	8,892,312	10,531,163
With donor restrictions	-	274,564	274,564	304,815
Total net assets	8,892,312	274,564	9,166,876	10,835,978
Total liabilities and net assets	<u>\$ 9,091,147</u>	<u>\$ 274,564</u>	<u>\$ 9,365,711</u>	<u>\$ 11,007,241</u>

See accompanying notes to consolidated financial statements.

*For the Year Ended September 30, 2022**(with comparable totals for 2021)*

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
Revenues and support:				
Grants:				
Governmental	\$ 1,866,177	\$ -	\$ 1,866,177	\$ 1,333,173
Foundation	885,877	-	885,877	912,389
Contributions	86,885	-	86,885	129,498
Thrift store sales	-	-	-	2,878
Special events	155,244	-	155,244	9,598
Client service fees	28,477	-	28,477	14,357
In-kind support	-	-	-	5,000
Realized and change in unrealized (loss) gain	(1,389,625)	-	(1,389,625)	902,648
Investment income, net	150,115	-	150,115	98,906
Paycheck Protection Program (PPP)		-	-	210,602
Total revenues and support	<u>1,783,150</u>	<u>-</u>	<u>1,783,150</u>	<u>3,619,049</u>
Net assets released from restriction	<u>30,251</u>	<u>(30,251)</u>	<u>-</u>	<u>-</u>
Expenses:				
Program services:				
the Spot	1,687,886	-	1,687,886	1,205,459
Thrift store	-	-	-	66,117
Village	547,664	-	547,664	485,546
Independent Living	467,043	-	467,043	438,394
Total program services	<u>2,702,593</u>	<u>-</u>	<u>2,702,593</u>	<u>2,195,516</u>
Supporting services:				
Management and general	526,813	-	526,813	495,190
Fundraising	222,846	-	222,846	157,795
Total expenses	<u>3,452,252</u>	<u>-</u>	<u>3,452,252</u>	<u>2,848,501</u>
Gain on disposal of fixed assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>141,234</u>
Change in net assets	(1,638,851)	(30,251)	(1,669,102)	911,782
Net assets, beginning of year	<u>10,531,163</u>	<u>304,815</u>	<u>10,835,978</u>	<u>9,924,196</u>
Net assets, end of year	<u>\$ 8,892,312</u>	<u>\$ 274,564</u>	<u>\$ 9,166,876</u>	<u>\$ 10,835,978</u>

See accompanying notes to consolidated financial statements.

*For the Year Ended September 30, 2022**(with comparable totals for 2021)*

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Cash received from grants	\$ 2,780,111	\$ 2,255,694
Cash received from client service fees	28,477	14,357
Cash received from thrift store sales	-	2,878
Cash received from contributions	252,371	134,324
Cash paid to vendors and employees	(3,247,596)	(2,720,076)
Investment income, net	150,115	98,906
Interest paid	<u>(4,142)</u>	<u>(306)</u>
Net cash provided by (used in) operating activities	<u>(40,664)</u>	<u>(214,223)</u>
Cash flows from investing activities:		
Purchase of investments	(16,807)	(1,000,668)
Sales/maturities of investments	152,884	414,933
Proceeds from sale of thrift store, net	-	1,140,443
Purchase of property and equipment	<u>(370,510)</u>	<u>(708,979)</u>
Net cash provided by (used in) investing activities	<u>(234,433)</u>	<u>(154,271)</u>
Cash flows from financing activities:		
Payments on vehicle loans	<u>(4,767)</u>	<u>(373)</u>
Net cash provided by (used in) financing activities	<u>(4,767)</u>	<u>(373)</u>
Change in cash and cash equivalents	(279,864)	(368,867)
Cash and cash equivalents, beginning of year	<u>904,944</u>	<u>1,273,811</u>
Cash and cash equivalents, end of year	<u>\$ 625,080</u>	<u>\$ 904,944</u>
Supplemental cash flow information:		
Noncash investing and financing transactions:		
Vehicle acquired with note payable	<u>\$ -</u>	<u>\$ 41,640</u>

See accompanying notes to consolidated financial statements.

*For the Year Ended September 30, 2022**(with comparable totals for 2021)*

	<u>2022</u>	<u>2021</u>
Reconciliation of change in net assets to net cash provided by (used in) operating activities:		
Change in net assets	\$ (1,669,102)	\$ 911,782
Adjustment to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	158,286	150,436
In-kind contribution of capital assets	-	(5,000)
Realized and change in unrealized loss (gain)	1,389,625	(902,648)
Gain on disposal of fixed assets	-	(141,234)
Paycheck Protection Program (PPP)	-	(210,602)
(Increase) decrease in certain assets:		
Grants receivable	28,057	10,132
Other receivables	10,081	(6,282)
Prepaid expenses	14,158	(21,175)
Deposits	(4,108)	(6,300)
Increase (decrease) in certain liabilities:		
Accounts payable	9,431	(3,785)
Accrued expenses	31,599	11,027
Other current liabilities	(8,852)	(2,083)
Refundable advance	161	1,509
Net cash provided by (used in) operating activities	<u>\$ (40,664)</u>	<u>\$ (214,223)</u>

See accompanying notes to consolidated financial statements.

VITA NOVA, INC.

For the Year Ended September 30, 2022

	Program Services			Total
	the Spot	Village	Independent Living	
Salary and related costs	\$ 663,075	\$ 174,634	\$ 291,087	\$ 1,128,796
Payroll taxes	51,077	13,402	24,607	89,086
Other employment benefits	115,079	26,794	46,087	187,960
	<u>829,231</u>	<u>214,830</u>	<u>361,781</u>	<u>1,405,842</u>
Advertising	4,435	626	739	5,800
Bank charges and merchant fees	-	283	-	283
Computer services	15,017	4,050	6,131	25,198
Conferences, conventions, and meetings	5,675	314	1,728	7,717
Contract labor	24,533	6,250	9,700	40,483
Copying and printing	974	582	208	1,764
Dues, books, and subscriptions	1,496	297	1,416	3,209
Equipment rental	12,305	6,794	5,521	24,620
Gifts and volunteer appreciation	224	69	45	338
Insurance	25,753	26,510	8,261	60,524
Interest	4,142	-	-	4,142
Miscellaneous	3,324	747	372	4,443
Office supplies	22,426	5,640	1,119	29,185
Postage and shipping	407	91	141	639
Professional fees	30,056	8,754	12,018	50,828
Rent	235,900	75,087	33,720	344,707
Repairs and maintenance	21,444	38,326	4,073	63,843
Resident assistance	386,528	12,837	7,426	406,791
Special event supplies	1,171	31	9	1,211
Staff development	931	1,690	294	2,915
Storage	1,548	3,351	950	5,849
Taxes and licenses	15	2,054	145	2,214
Telephone, internet, and television	18,038	10,286	5,524	33,848
Travel	5,015	578	766	6,359
Utilities	22,700	47,495	4,764	74,959
Total expenses before depreciation	<u>1,673,288</u>	<u>467,572</u>	<u>466,851</u>	<u>2,607,711</u>
Depreciation	<u>14,598</u>	<u>80,092</u>	<u>192</u>	<u>94,882</u>
Total expenses	<u>\$ 1,687,886</u>	<u>\$ 547,664</u>	<u>\$ 467,043</u>	<u>\$ 2,702,593</u>

See accompanying notes to consolidated financial statements.

**CONSOLIDATED STATEMENT
OF FUNCTIONAL EXPENSES**

(with comparable totals for 2021)

Supporting Services			
Management and General	Fundraising	2022 Total	2021 Total
\$ 345,084	\$ 93,584	\$ 1,567,464	\$ 1,423,125
27,066	7,291	123,443	106,651
12,219	13,050	213,229	190,374
384,369	113,925	1,904,136	1,720,150
685	5,944	12,429	19,745
1,166	5,210	6,659	3,537
2,266	1,461	28,925	22,224
7,621	3,647	18,985	6,680
5,473	2,279	48,235	33,091
329	9,869	11,962	11,850
1,597	1,771	6,577	5,196
(5,011)	1,199	20,808	32,549
2,429	1,157	3,924	5,157
7,333	1,941	69,798	63,919
-	-	4,142	306
5,603	898	10,944	6,448
5,410	1,481	36,076	31,808
562	92	1,293	2,291
11,099	2,731	64,658	69,103
9,442	8,093	362,242	274,518
4,460	2,213	70,516	62,698
418	47	407,256	172,252
100	51,589	52,900	6,454
76	1,975	4,966	8,801
3,361	118	9,328	6,265
680	2	2,896	8,910
3,734	1,141	38,723	37,210
9,025	2,768	18,152	15,288
1,334	1,143	77,436	71,615
463,561	222,694	3,293,966	2,698,065
63,252	152	158,286	150,436
<u>\$ 526,813</u>	<u>\$ 222,846</u>	<u>\$ 3,452,252</u>	<u>\$ 2,848,501</u>

See accompanying notes to consolidated financial statements.

For the Year Ended September 30, 2022

1. Summary of Significant Accounting Policies*Organization and Purpose*

Vita Nova, Inc. (Vita Nova) was incorporated under the laws of the State of Florida on September 19, 1991 as a not-for-profit corporation for the purpose of owning, operating, and/or providing programs and services to older foster youth in Palm Beach County. These programs and services help lead these young adults to self-sufficiency. Up until June 2020 Vita Nova operated a resale thrift store; the revenues and support are included on the consolidated statement of activities. In addition, Vita Nova maintains three buildings for the purpose of operating a youth independence program. Vita Nova may solicit funds, contributions and gifts of any kind, and accept any gift, device, bequest and property of any kind, subject to its own internal donation acceptance policy.

Vita Nova's mission is to help young adults' transition to independence by providing a stable, nurturing environment that includes housing, counseling, and education. To achieve its mission, Vita Nova provides various programs contracted through federal, state, county, and private grants. Vita Nova is committed to being the following:

- A premier provider of quality services related to supporting youth transitioning from foster care to independence.
- Recognized as a leader and partner, connecting and networking with community groups to respond to the needs of its target population.

The State of Florida has laws that govern preparing a youth for aging out of the foster care system. These laws are called independent living services and they exist to help a youth learn the skills and the resources they will need prior to leaving the child welfare system. Vita Nova has been awarded a contract from the lead agency in the State of Florida to coordinate these services for youth and young adults. There are approximately 500 young people from Palm Beach County eligible for these services and Vita Nova's independent services team provides a level of care and preparation to help our young adults learn the skills they need to be successful self-sufficient adults. Brief descriptions of Vita Nova's significant programs are as follows:

- *the Spot* is a drop-in center program for homeless youth, or those at risk of homelessness. It is the first drop-in center of its kind in Palm Beach County, and provides education, employment, vocational and health related resources, as well as access to stable housing for young adults, ages 18-25 years old either formerly from foster care or community youth. This year three new programs were added under the Spot umbrella:
 - *YHDP Diversion* is the Youth Homeless Demonstration Program to provide Diversion services to youth at risk of homelessness funded by US Housing and Urban Development (HUD). The Diversion program serves youth ages 18-24, to specifically reduce the number of youth entering shelter, reduce the length of time youth are homeless, and provide support to stabilize the youth with their current family or supportive adult. Services include intake and assessment, community referrals and linkages, financial support, and outreach services.
 - *YHDP TH-RR* is the Demonstration Program to provide Transitional Housing and Rapid Rehousing to homeless youth ages 18-24 also funded by HUD. The program provides youth with transitional housing for up to 90 days to stabilize the youth and work with them to assist in identifying their own apartments, negotiating with landlords, and moving into their own apartments under Rapid Rehousing that provides rental and utility assistance up to 18 months.

For the Year Ended September 30, 2022

1. Summary of Significant Accounting Policies, continued

- *ESG-CV* is the Emergency Shelter Grant under the CARES Act for those impacted by COVID funded by Palm Beach County Board of County Commissioners. The program provides short-term and medium-term rental assistance to prevent homelessness to individuals and families earning 50% or less of the Average Median Income in Palm Beach County. The program pays for past due rent and utility payments as well as rental assistance to keep individuals and families stably housed.
- *Vita Nova Thrift Store* was the store front business selling gently used items to help bring more awareness in the community about the challenges related to older foster youth who grow up without healthy families. As of June 2020, the thrift store was closed as it no longer fits into Vita Nova's strategic plan, and the Organization sold the building during the prior fiscal year.
- *The Vita Nova Village* is a program to fill many gaps in services related to youth who age out of their foster home, group homes or adoptive placements and have nowhere to turn. This residential program has capacity for 28 young adults ages 18-25 years old; often these youth need a great deal of help becoming stable with the most common tasks and Vita Nova provides a supportive and caring environment for young adults to thrive. Since opening the doors, the Vita Nova Village has served over 300 young adults with a goal of fostering a successful independent life style for each participant.
- *Vita Nova Independent Living Services* is a program helping older foster youth, ages 18-25, learn living skills that lead to independence according to a Florida Statute protecting the rights of older foster youth in Palm Beach County.

Presentation

The accompanying consolidated financial statements reflect the consolidated financial statements of Vita Nova, Inc. (Vita Nova) and Vita Nova Foundation (Foundation), collectively the Organization. The Foundation is formed as a supporting non-profit organization whose main goal is to support Vita Nova's mission. All material inter-organizational transactions and balances have been eliminated in preparing these consolidated financial statements.

Method of Accounting

The consolidated financial statements are prepared under the accrual method of accounting, whereby revenues are recognized when earned and expenses when the corresponding liability is incurred.

Use of Estimates

Management uses estimates and assumptions in preparing the consolidated financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Comparable Financial Information

The consolidated financial statements include certain prior-year summarized comparable information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America.

For the Year Ended September 30, 2022

1. Summary of Significant Accounting Policies, continued*Comparable Financial Information, continued*

Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended September 30, 2021, from which the summarized information was derived. Certain 2021 amounts may have been reclassified to conform to 2022 classifications. Such reclassifications would have no effect on the change in net assets as previously reported.

Consolidated Financial Statement Presentation

The Organization's financial statements are presented in accordance with Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-205, *Not-For-Profit Entities, Presentation of Financial Statements*. Under this standard, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: described as follows:

- ***Net Assets Without Donor Restrictions***: this classification includes those net assets whose use by the Organization is not restricted by donors, even though their use may be limited in other respects, such as by contract or by board designation. Changes in net assets arising from exchange transaction (except income and gains on assets that are restricted by donors or by law) are included in the net asset without donor restriction class.
- ***Net Assets With Donor Restrictions***: this classification includes those net assets whose use by the Organization has been limited by donors to either a later period of time, after a specified date, or for a specified purpose. Other donor-imposed restrictions are perpetual in nature, where the donor and assets that must be maintained in perpetuity.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents, except those balances that are part of the Foundation's investment portfolio. For the Vita Nova investment account, the cash in savings is categorized as cash, and funds in the bank deposit program and money market funds are classified as investments.

Investments

Pursuant to FASB ASC 958-320, *Investments-Debt and Equity Securities*, the Organization's investments are stated at fair value. Investment earnings, realized and unrealized gains and losses, and expenses are included in the change in net assets in the consolidated statement of activities.

Grants Receivable

Grants receivable consists primarily of receivables from various granting organizations. An allowance for uncollectible receivables is based on historical experience, management's knowledge of the individual receivables, and the probability of collection. The Organization considers its grants receivable to be fully collectible and therefore, as of September 30, 2022, no allowance for doubtful accounts is considered necessary.

For the Year Ended September 30, 2022

1. Summary of Significant Accounting Policies, continued

Property and Equipment

Property and equipment are recorded at cost, if purchased, or fair value, if donated, less accumulated depreciation. Depreciation is computed using the straight-line method over useful lives of 5-39 years. Costs of major renewals and improvements, in excess of \$2,000, that extend useful lives are capitalized. Expenditures for routine maintenance and repairs are charged to expense as incurred.

Revenue Recognition

- *Contributions* - The Organization accounts for contributed goods and services, which meet certain criteria, as contributions at their estimated fair value at date of receipt. The Organization reports contributions, including unconditional promises to give, as support without donor restrictions unless they are received with donor stipulations that limit the use of the gift. When a donor restriction expires, that is, a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. However, if the restriction is met in the same period as the restricted income is received, the Organization classifies such income as support without donor restrictions.
- *Grants-Governmental* – Revenue arising from governmental grants under various federal, state, and county programs is recognized when expenditures are made for the purpose specified. These grants generally are on a cost reimbursement basis or fee for service, including recoverable overhead. Grant funds received in advance for program cost reimbursements of the purpose specified are classified as refundable advances.
- *Grants-Foundation* – Revenue arising from foundation grants is generally considered to be contributions and recognized in accordance with the provisions of FASB ASC 958-605.
- *Contributed Services* - Unpaid volunteers have made significant contributions of their time to develop and maintain the Organization's programs. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The amount of such services is recorded in the consolidated financial statements as in-kind support, and as an offsetting expense at the estimated fair market value at the date of receipt.

The Organization receives generous support of volunteers who donate their time in many areas and while deemed important to the Organization, these volunteer services do not formally meet the criteria for recognition.

Functional Expenses

Expenses are reported on a functional basis. Direct expenses of a specific function are charged accordingly. The costs of providing the various programs and other activities have been detailed in the consolidated statement of functional expenses and summarized on a functional basis in the consolidated statement of activities. Certain expenses attributable to program services and supporting services were allocated by management based upon either the number of employees in each department or the relative square footage of facilities used in the activities of the Organization.

For the Year Ended September 30, 2022

1. Summary of Significant Accounting Policies, continued*Advertising Costs*

The Organization expenses the cost of advertising as incurred. Advertising expense was \$12,429 for the year ended September 30, 2022, and is reported in the consolidated statement of functional expenses.

Income Taxes

Vita Nova is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Foundation is a supporting organization and is exempt from income taxes under Section 509(a)(3) of the IRC. Accordingly, there is no liability for income taxes reflected in these financial statements.

The Organization follows FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. This pronouncement seeks to reduce the diversity in practice associated with certain aspects of measurement and recognition in accounting for income taxes. It prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position that an entity takes or expects to take in a tax return. An entity may only recognize or continue to recognize tax positions that meet a “more likely than not” threshold. The Organization assesses its income tax positions based on management’s evaluation of the facts, circumstances, and information available at the reporting date. The Organization uses the prescribed more likely than not threshold when making its assessment. There are currently no open Federal or State tax years under audit.

Recently Adopted Accounting Pronouncements

As of October 1, 2021, Vita Nova adopted the provisions of FASB ASU Accounting Standards Update 2020-07 - *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The purpose of the standard is to clarify the presentation and disclosure of contributed nonfinancial assets with an intention to provide the reader of the financial statements a clearer understanding of what type of nonfinancial assets were received and how they are used and recognized by the not-for-profit.

Future Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This standard replaces existing leasing rules with a comprehensive lease measurement and recognition standard and expanded disclosure requirements. ASU 2016-02 will require lessees to recognize most leases on their statement of financial position as liabilities, with corresponding “right-of-use” assets. ASU 2020-05 extended the effective date of the standard to annual reporting periods in fiscal years that begin after December 15, 2021. Therefore, the standard will be effective for the Organization’s fiscal year beginning October 1, 2022 and ending September 30, 2023.

Management is evaluating the effect that this updated standard will have on the Organization’s future financial statements.

For the Year Ended September 30, 2022**2. Liquidity and Availability of Resources**

Financial assets available for general expenditure within one year of the statement of financial position date that are without donor restrictions or other restrictions limiting their use comprise the following:

Cash and cash equivalents	\$ 625,080
Investments – Vita Nova	840,300
Grants and other receivables	111,424
Less cash restricted for capital improvements, See Note 5	<u>(97,064)</u>
Financial assets available to meet general Expenditures over the next 12 months	<u>\$ 1,479,740</u>

The Organization is substantially supported by grants from governmental agencies and foundations, as well as other contributions without and with donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Some of the Organization's net assets with donor restrictions are available for general expenditure within one year of September 30, 2022 because the restrictions on the net assets are expected to be met by conducting the normal program activities of the Organization in the coming year. Accordingly, the related resources have been included in the quantitative information detailing the financial assets available to meet general expenditures within one year.

Furthermore, as explained earlier in these notes, these financial statements are consolidated with the Vita Nova Foundation, which is a supporting organization of Vita Nova, Inc. The Foundation typically provides an annual contribution to Vita Nova on an as needed basis and as approved by the Foundation's Board. The consolidating statement of activities reflects the elimination of the income from the supporting organization of \$215,579. Also, the Foundation holds a significant amount of investments to provide continued support to Vita Nova. As of September 30, 2022, the Foundation's investment balance is \$4,696,192 as noted on the consolidating statement of financial position.

3. Property and Equipment

Property and equipment as of September 30, 2022, consisted of the following:

Land	\$ 388,624
Building and improvements	3,529,409
Furniture, fixtures, and equipment	311,029
Vehicles	<u>122,034</u>
	4,351,096
Less accumulated depreciation	<u>1,320,602</u>
	<u>\$ 3,030,494</u>

Depreciation expense for the year ended September 30, 2022 was \$158,286. Vita Nova began a renovation project of the The Vita Nova Village residential site two years ago. Buildings 1 and 2 were completed during the prior fiscal year, at the end of February 2021. Construction in progress in the prior year of \$255,805 was for the final Building 3 of the Villages, and therefore depreciation expense was not taken on those assets as of the prior year-end. The renovation of Building 3 was complete in March 2022 and started being depreciated at that time.

For the Year Ended September 30, 2022

4. Fair Value Measurements

FASB ASC 820-10, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value and provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

The three levels of the fair value hierarchy under FASB ASC 820-10 are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Fair Value of Financial instruments: The following methods and assumptions were used by the Organization in estimating fair value of financial instruments that are not disclosed under ASC 820.

Cash and cash equivalents – The carrying amount reported approximates fair value.

Grants, and other receivables – The carrying amount reported approximates fair value due to the short-term duration of the instruments.

Accounts payable, accrued expenses, other current liabilities, and refundable advance – The carrying amount reported approximates fair value due to the short-term duration of the instruments.

Items Measured at Fair Value on a Recurring Basis: The following methods and assumptions were used by the Organization in estimating fair value of financial instruments that are measured at fair value on a recurring basis under ASC 820. There has been no change in the methodologies used as of September 30, 2022.

Investments – Cash equivalents held in investment accounts, exchange traded product funds, equity funds, fixed income funds, mutual funds – Valued by the custodian as determined from the quoted market prices, if available, of a national securities exchange on the last business day of the fiscal year, with the exception of cash equivalents and certificates of deposit as their carrying amount approximates fair value due to their short-term liquidity.

For the Year Ended September 30, 2022**4. Fair Value Measurements, continued**

As of September 30, 2022, major categories of investments, all measured at Level 1, consisted of the following:

<u>Description</u>	<u>Fair Value</u>	<u>Historical Cost</u>	<u>Unrealized Gain (Loss)</u>
Investments:			
Cash equivalents	\$ 142,912	\$ 142,912	\$ -
Fixed income securities	388,632	441,417	(52,785)
Mutual funds	2,191,169	1,959,583	231,586
Exchange traded funds	1,493,242	1,388,872	104,370
Equity securities	1,225,536	1,286,963	(61,427)
Alternative investments	<u>95,001</u>	<u>100,000</u>	<u>(4,999)</u>
Total investments	<u>\$ 5,536,492</u>	<u>\$ 5,319,747</u>	<u>\$ (216,745)</u>

Investment management fees of approximately \$36,979 were paid during the year and directly reduce investment income. These fees are part of investment income, net, in the consolidated statement of activities.

Investments:	
Vita Nova	\$ 840,300
Foundation	<u>4,696,192</u>
Total investments	<u>\$ 5,536,492</u>

5. Net Assets

The assets with donor restrictions are restricted for the following purposes as of September 30, 2022:

Capital assets	\$ 97,064
the Spot expenses	<u>177,500</u>
	<u>\$ 274,564</u>

6. Concentrations***Cash***

The Organization maintains accounts at institutions insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of September 30, 2022, cash exceeded federal insurance limits by approximately \$142,000.

Revenue Support and Grants Receivable

During the year ended September 30, 2022, approximately \$474,000 (26%), and \$609,000 (33%) of the Organization's support was from ChildNet, and U.S. Dept. of Housing and Urban Development (HUD), respectively. The balance due from ChildNet, and HUD was approximately \$40,000(36%), and \$23,000 (21%) of grants receivable as of September 30, 2022, respectively.

For the Year Ended September 30, 2022**7. Note Payable**

Vita Nova has a note payable to a financing institution, secured by a vehicle. The note requires monthly payments of principal and interest starting in September 2021, and matures six years later in August 2027. The annual percentage rate for the note is 10.03%.

Annual principal payments on the note payable for the years ending September 30, are as follows:

2023	\$ 5,225
2024	5,772
2025	6,380
2026	7,052
2027	<u>7,071</u>
	31,500
Less current portion	<u>5,225</u>
Note payable	<u>\$ 26,275</u>

8. Commitments and Contingencies*Grants*

Grants require the fulfillment of certain conditions as set forth in the grant agreements and are subject to audit and adjustment by grantor agencies. Failure by the Organization to comply with the terms of the grants, including disallowance of costs, could result in a liability. The Organization expects the amounts of such liability, if any, to be immaterial.

Leases

The Organization occupies its administration office space and the Spot drop-in center in West Palm Beach, subject to a lease that commenced on February 1, 2018. This lease requires monthly payments of approximately \$10,500, and expires January 31, 2023. In addition, the Organization leases office equipment under non-cancelable leases, requiring monthly payments of approximately \$2,600, with the latest lease expiring in 2025. Furthermore, commencing in fiscal year 2018, the Organization leases three houses on an annual basis for its LGBT Homeless Housing program for a total monthly payment of approximately \$5,000. As of October 1, 2020, Vita Nova added an additional location as part of a new Federally funded Youth Homeless Demonstration program to serve homeless youth. This year the program has expanded, and 5 more locations were added with total annual rent expense of \$57,000. In September 2021 Vita Nova added an additional location with an approximate annual cost of \$25,000 for new programs.

Total rent expense under all operating leases was \$383,050 for the year ended September 30, 2022, as reported in line items shown for rent and equipment rental on the consolidated statement of functional expenses of \$362,242 and \$20,808, respectively.

Approximate future minimum rental payments under non-cancelable operating leases for each year under lease are:

2023	\$ 239,825
2024	212,221
2025	220,009
2026	217,312
2027	221,818
Thereafter	<u>73,955</u>
	<u>\$ 1,185,140</u>

For the Year Ended September 30, 2022

9. Retirement Plan

The Organization maintains the Vita Nova, Inc. 401(k) Plan (the "Plan"), a 401(k) defined contribution plan covering all eligible employees of the Organization. An employee may elect to defer up to 90% of compensation as a contribution to the Plan as per the Plan agreement. Previously, matching contributions were discretionary, and there were no matching contributions in the prior year. However, as of February 1, 2021, the Plan was amended to institute a match of 50% of deferrals up to the first 6% of the participant's compensation. For the year ended September 30, 2022 there were \$13,485 of employer matching contributions, which are included in other employment benefits in the consolidated statement of functional expenses.

10. Endowment

The Organization's endowment consists of investment funds created to provide ongoing financial support to Vita Nova and are held within the Foundation. The endowment is board designated by the Foundation to be held for a specific purpose or in perpetuity and earnings on the endowment are without donor restrictions.

FASB ASC 958, *Not-for-Profit Entities*, provides guidance on the net asset classification of endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and improves disclosures about an organization's endowment funds (both donor-restricted endowment funds and Board-designated endowment funds), whether or not the organization is subject to UPMIFA.

The State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA), which became effective July 1, 2012, and provides a) consistent investment and spending standards to all forms of charitable funds, b) strengthens the concept of prudent investing, c) abandons historic dollar value as a floor for expenditures and provides more flexibility to the organization in making decisions about whether to expend any portion of an endowment fund, and d) provides a process for the release or modification of restrictions on a gift instrument.

The adoption by the Foundation of the provisions of the law does not have a significant change in its management and investment policies of endowment.

As a result of this standard, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Currently there are no net assets with donor restrictions in the endowment.

The Foundation has adopted conservative investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment, while seeking to maintain the purchasing power of the endowment assets. Under this policy, the endowment assets are invested in a manner that is intended to produce results while assuming a moderate level of investment risk.

For the Year Ended September 30, 2022

10. Endowment, continued

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total-return-based distribution strategy, meaning that it will fund distributions from net investment income, net realized capital gains and proceeds from the sale of investments. The distribution of portfolio's assets will be permitted to the extent that such distributions do not exceed a level that would erode the portfolio's real assets over time. The Foundation utilizes the services of a financial advisor who provides input into the investment strategy policy. Furthermore, the Board of Directors of the Foundation will review its investment and spending policies on an annual basis for possible revision.

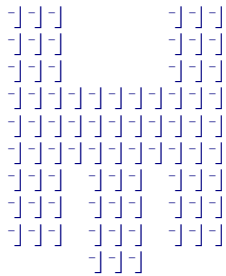
The Foundation's annual appropriations, if any, are determined at the discretion of the Foundation's Board of Directors unless specific instructions are provided by future endowment donors.

The changes in endowment net assets for the year ended September 30, 2022 are as follows:

Endowment net assets, beginning	\$ 6,061,526
Contributions	-
Investment return:	
Investment income	159,602
Investment expenses	(26,334)
Other administration expenses	(2,905)
Net unrealized gains/(losses)	(1,212,450)
Appropriation for expenditure	(215,579)
Payment of intercompany payable	<u>(67,668)</u>
Endowment net assets, ending	<u>\$ 4,696,192</u>

11. Subsequent Events

Vita Nova's management has evaluated subsequent events through May 24, 2023, the date on which the consolidated financial statements were available to be issued, and determined there were no events required to be disclosed in these financial statements.



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INDEPENDENT AUDITOR'S 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

To the Board of Directors of
Vita Nova, Inc.
West Palm Beach, 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 consolidated financial statements of Vita Nova, Inc., which comprise the consolidated statement of financial position as of September 30, 2022, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated May 24, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Vita Nova, Inc.'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Vita Nova, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Vita Nova, Inc.'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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control that are described in our separate management comment letter.

Report on Compliance and Other Matters

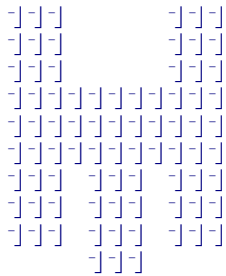
As part of obtaining reasonable assurance about whether Vita Nova, Inc.'s consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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 results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Holyfield & Thomas, LLC

West Palm Beach, Florida
May 24, 2023



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
Vita Nova, Inc.
West Palm, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Vita Nova, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Vita Nova, Inc.'s major federal programs for the year ended September 30, 2022. Vita Nova, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Vita Nova, Inc. 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 September 30, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Vita Nova, Inc. and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Vita Nova, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Vita Nova, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Vita Nova, Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Vita Nova, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Vita Nova, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Vita Nova, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Vita Nova, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Holyfield & Thomas, LLC

West Palm Beach, Florida

May 24, 2023

For the Year Ended September 30, 2022

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Type of auditor’s report issued on compliance on major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No

Major programs:

Federal Grantor	U.S. Department of Housing and Urban Development
CFDA Number	14.267
Name of Federal Program or Cluster	Continuum of Care Program, YHDP
Dollar Threshold used to distinguish between type A and type B programs:	\$ 750,000
Auditee qualified as a low-risk auditee?	No

For the Year Ended September 30, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS

No findings are reported.

SECTION III – FINDINGS AND QUESTIONED COSTS

Major Federal Programs – No findings or questioned costs are reported.

CORRECTIVE ACTION PLAN

There is no corrective action plan required, as there are no findings or questioned costs reported for the year ended September 30, 2022, with respect to federal awards.

PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS

Federal Programs – There were no audit findings or questioned costs for the year ended September 30, 2021, relative to federal awards, requiring action on the part of the auditee.

MANAGEMENT LETTER

There are no comments for the fiscal year ended September 30, 2022.

SUPPLEMENTARY INFORMATION

For the Year Ended September 30, 2022

Federal Grantor Pass-through Entity Federal Program Title	CFDA Number / Award Number	Federal Expenditures
U.S. Department of Health and Human Services		
Passed through from the Florida Department of Children and Families, via ChildNet, Inc.:		
	93.674	
John H. Chafee Foster Care Program for Successful Transition to Adulthood	VIT20EFC VIT21EFC	\$ 355,090 119,113
	93.550	
Passed through Agency for Children & Families: Transitional Living for Homeless Youth	90CX7126-05	194,344
Total Department of Health and Human Services		<u>668,547</u>
U.S. Department of Housing and Urban Development:		
	14.267	
Continuum of Care Program, YHDP TH RR Continuum of Care Program, YHDP Diversion	FL0841Y4D051899 FL0841Y4D051899	506,619 102,239
	14.218	
Passed through from State of Florida, via Palm Beach County: Community Development Block Grants/Entitlements Grants	R2020-1471	14,731
	14.231	
Emergency Solutions Grant Program	R2021-1001	<u>197,557</u>
Total Department of Housing and Urban Development		<u>821,146</u>
Total expenditures of federal awards		1,489,693
Other government grants		<u>376,484</u>
Total governmental grants		<u>\$ 1,866,177</u>

See independent auditor's report.

For the Year Ended September 30, 2022

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Vita Nova, Inc. under programs of the federal government for the year ended September 30, 2022. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of Vita Nova, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Vita Nova, Inc.

2. Summary of Significant Accounting Policies

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.

3. Indirect Cost Rate

Vita Nova, Inc. has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

See independent auditor's report.

As of September 30, 2022

	Vita Nova	Foundation	Eliminations	Consolidated
ASSETS				
Cash and cash equivalents	\$ 625,080	\$ -	\$ -	\$ 625,080
Investments	840,300	-	-	840,300
Grants receivable	111,424	-	-	111,424
Prepaid expenses	27,974	-	-	27,974
Total current assets	1,604,778	-	-	1,604,778
Investments, in endowments	-	4,696,192	-	4,696,192
Deposits	34,247	-	-	34,247
Property and equipment, net	3,030,494	-	-	3,030,494
Total assets	<u>\$ 4,669,519</u>	<u>\$ 4,696,192</u>	<u>\$ -</u>	<u>\$ 9,365,711</u>
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable	\$ 20,951	\$ -	\$ -	\$ 20,951
Accrued expenses	116,822	-	-	116,822
Other current liabilities	24,562	-	-	24,562
Refundable advance	5,000	-	-	5,000
Current portion of long term debt	5,225	-	-	5,225
Total current liabilities	172,560	-	-	172,560
Long-term debt	26,275	-	-	26,275
Total liabilities	<u>198,835</u>	<u>-</u>	<u>-</u>	<u>198,835</u>
Net assets:				
Without donor restrictions	4,196,120	4,696,192	-	8,892,312
With donor restrictions	274,564	-	-	274,564
Total net assets	<u>4,470,684</u>	<u>4,696,192</u>	<u>-</u>	<u>9,166,876</u>
Total liabilities and net assets	<u>\$ 4,669,519</u>	<u>\$ 4,696,192</u>	<u>\$ -</u>	<u>\$ 9,365,711</u>

See independent auditor's report.

For the Year Ended September 30, 2022

	Vita Nova	Foundation	Eliminations	Consolidated
Revenues and support:				
Grants:				
Governmental	\$ 1,866,177	\$ -	\$ -	\$ 1,866,177
Foundation	885,877	-	-	885,877
Contributions	86,885	-	-	86,885
Special events	155,244	-	-	155,244
Client service fees	28,477	-	-	28,477
Income from supporting organization	215,579	-	(215,579)	-
Realized and change in unrealized gain (loss)	(177,175)	(1,212,450)	-	(1,389,625)
Investment income, net	16,847	133,268	-	150,115
Total revenues and support	<u>3,077,911</u>	<u>(1,079,182)</u>	<u>(215,579)</u>	<u>1,783,150</u>
Expenses:				
Program services:				
the Spot	1,687,886	-	-	1,687,886
Village	547,664	-	-	547,664
Independent Living	467,043	-	-	467,043
Other	-	215,579	(215,579)	-
Total program services	<u>2,702,593</u>	<u>215,579</u>	<u>(215,579)</u>	<u>2,702,593</u>
Supporting services:				
Management and general	523,908	2,905	-	526,813
Fundraising	222,846	-	-	222,846
Total expenses	<u>3,449,347</u>	<u>218,484</u>	<u>(215,579)</u>	<u>3,452,252</u>
Change in net assets	(371,436)	(1,297,666)	-	(1,669,102)
Net assets, beginning of year	4,842,120	5,993,858	-	10,835,978
Net assets, end of year	<u>\$ 4,470,684</u>	<u>\$ 4,696,192</u>	<u>\$ -</u>	<u>\$ 9,166,876</u>

See independent auditor's report.