

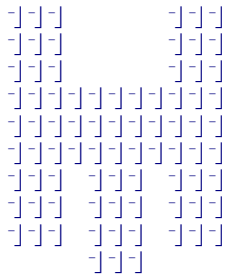
**VITA NOVA, INC.**

**REPORT ON AUDIT OF  
CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended September 30, 2024**  
***(with comparable totals for 2023)***

## TABLE OF CONTENTS

	<u>PAGE</u>
<b>INDEPENDENT AUDITOR'S REPORT</b>	1-3
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
Consolidated Statement of Financial Position	4
Consolidated Statement of Activities	5
Consolidated Statement of Cash Flows	6-7
Consolidated Statement of Functional Expenses	8-9
<b>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS</b>	10-21
<b>INTERNAL ACCOUNTING AND ADMINISTRATIVE CONTROL AND COMPLIANCE</b>	
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 <i>Government Auditing Standards</i>	22-23
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance required by the Uniform Guidance	24-26
Schedule of Findings and Questioned Costs	27-28
<b>SUPPLEMENTARY INFORMATION</b>	
Schedule of Expenditures of Federal Awards	29
Notes to Schedule of Expenditures of Federal Awards	30
Consolidating Statement of Financial Position	31
Consolidating Statement of Activities	32



# Holyfield & Thomas, LLC

## Certified Public Accountants & Advisors

125 Butler Street • West Palm Beach, FL 33407

(561) 689-6000 • Fax (561) 689-6001 • [www.holyfieldandthomas.com](http://www.holyfieldandthomas.com)

### 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, 2024, 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, 2024, 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting

and other records used to prepare the consolidated financial statements or to the consolidated 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 April 29, 2025, 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 2023 consolidated financial statements, and we expressed an unmodified audit opinion on those consolidated financial statements in our report dated May 22, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2023, is consistent, in all material respects, with the consolidated audited financial statements from which it has been derived.

*Holyfield & Thomas, LLC*

West Palm Beach, Florida  
April 29, 2025

*As of September 30, 2024**(with comparable totals for 2023)*

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 144,814	\$ -	\$ 144,814	\$ 362,293
Investments	821,654	133,884	955,538	882,884
Grants receivable	137,513	160,000	297,513	136,626
Pledges receivable	6,750	100,000	106,750	100,000
Prepaid expenses	47,444	-	47,444	30,365
Total current assets	1,158,175	393,884	1,552,059	1,512,168
Investments, in endowments	6,131,424	-	6,131,424	5,219,047
Pledges receivable, net	-	674,750	674,750	737,100
Deposits	49,024	-	49,024	36,672
Property and equipment, net	2,979,541	-	2,979,541	3,005,152
Operating right-of-use lease assets, net	627,384	-	627,384	799,827
Total assets	<u>\$ 10,945,548</u>	<u>\$ 1,068,634</u>	<u>\$ 12,014,182</u>	<u>\$ 11,309,966</u>
<b>LIABILITIES AND NET ASSETS</b>				
Liabilities:				
Accounts payable	\$ 66,529	\$ -	\$ 66,529	\$ 56,757
Accrued expenses	78,593	-	78,593	83,554
Other current liabilities	5,720	-	5,720	19,392
Refundable advance	8,000	-	8,000	14,000
Note payable, current portion	6,380	-	6,380	5,772
Operating lease obligations, current portion	184,875	-	184,875	166,134
Total current liabilities	350,097	-	350,097	345,609
Note payable	14,032	-	14,032	20,460
Operating lease obligations, net of current portion	478,517	-	478,517	663,391
Total liabilities	<u>842,646</u>	<u>-</u>	<u>842,646</u>	<u>1,029,460</u>
Net assets:				
Without donor restrictions	10,102,902	-	10,102,902	9,214,095
With donor restrictions	-	1,068,634	1,068,634	1,066,411
Total net assets	<u>10,102,902</u>	<u>1,068,634</u>	<u>11,171,536</u>	<u>10,280,506</u>
Total liabilities and net assets	<u>\$ 10,945,548</u>	<u>\$ 1,068,634</u>	<u>\$ 12,014,182</u>	<u>\$ 11,309,966</u>

*See accompanying notes to consolidated financial statements.*

*For the Year Ended September 30, 2024**(with comparable totals for 2023)*

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
Revenues and support:				
Grants:				
Governmental	\$ 2,117,498	\$ -	\$ 2,117,498	\$ 1,785,312
Foundation	806,396	293,884	1,100,280	1,904,237
Contributions	207,177	-	207,177	129,355
Special events	229,981	-	229,981	217,540
Client service fees	59,139	-	59,139	58,168
In-kind support	15,595	-	15,595	2,275
Realized and change in unrealized gain (loss)	1,149,261	-	1,149,261	466,853
Interest & dividend income, net	169,669	-	169,669	167,146
Total revenues and support	<u>4,754,716</u>	<u>293,884</u>	<u>5,048,600</u>	<u>4,730,886</u>
Net assets released from restriction	<u>291,661</u>	<u>(291,661)</u>	<u>-</u>	<u>-</u>
Expenses:				
Program services:				
the Spot	1,911,559	-	1,911,559	1,667,374
Village	837,511	-	837,511	830,226
Independent Living	509,561	-	509,561	520,306
Total program services	<u>3,258,631</u>	<u>-</u>	<u>3,258,631</u>	<u>3,017,906</u>
Supporting services:				
Management and general	525,425	-	525,425	270,022
Fundraising	373,514	-	373,514	329,328
Total expenses	<u>4,157,570</u>	<u>-</u>	<u>4,157,570</u>	<u>3,617,256</u>
Change in net assets	<u>888,807</u>	<u>2,223</u>	<u>891,030</u>	<u>1,113,630</u>
Net assets, beginning of year	<u>9,214,095</u>	<u>1,066,411</u>	<u>10,280,506</u>	<u>9,166,876</u>
Net assets, end of year	<u>\$ 10,102,902</u>	<u>\$ 1,068,634</u>	<u>\$ 11,171,536</u>	<u>\$ 10,280,506</u>

*See accompanying notes to consolidated financial statements.*

*For the Year Ended September 30, 2024**(with comparable totals for 2023)*

	2024	2023
Cash flows from operating activities:		
Cash received from grants	\$ 3,112,491	\$ 2,827,247
Cash received from client service fees	59,139	58,168
Cash received from contributions	431,158	355,895
Cash paid to vendors and employees	(3,755,335)	(3,207,205)
Cash paid on operating leases	(212,221)	(188,833)
Investment income, net	169,669	167,146
Interest paid	(2,332)	(2,884)
Net cash provided by (used in) operating activities	<u>(197,431)</u>	<u>9,534</u>
Cash flows from investing activities:		
Purchase of investments	(610,186)	(637,653)
Sales/maturities of investments	674,416	189,067
Transfer from investment account	100,000	350,000
Purchase of property and equipment	(178,458)	(168,467)
Net cash used in investing activities	<u>(14,228)</u>	<u>(267,053)</u>
Cash flows from financing activities:		
Payments on vehicle loan	(5,820)	(5,268)
Net cash used in financing activities	<u>(5,820)</u>	<u>(5,268)</u>
Change in cash and cash equivalents	(217,479)	(262,787)
Cash and cash equivalents, beginning of year	362,293	625,080
Cash and cash equivalents, end of year	<u>\$ 144,814</u>	<u>\$ 362,293</u>
Supplemental cash flow information:		
Noncash investing and financing transactions:	<u>\$ -</u>	<u>\$ 962,565</u>

During fiscal 2023, Vita Nova recorded debt, and corresponding right-of-use assets of \$962,565 in the form of operating leases for the right-of-use of its office/program space and copiers.

*See accompanying notes to consolidated financial statements.*



*For the Year Ended September 30, 2024**(with comparable totals for 2023)*

	2024	2023
Reconciliation of change in net assets to net cash provided by (used in) operating activities:		
Change in net assets	\$ 891,030	\$ 1,113,630
Adjustment to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	204,069	196,084
In-kind contribution of capital assets	-	(2,275)
Realized and change in unrealized (gain) loss	(1,149,261)	(466,853)
Lease expense	172,443	162,738
(Increase) decrease in certain assets:		
Grants receivable	(160,887)	(25,202)
Pledges receivable	55,600	(837,100)
Prepaid expenses	(17,079)	(2,391)
Deposits	(12,352)	(2,425)
Increase (decrease) in certain liabilities:		
Accounts payable	9,772	35,806
Accrued expenses	(4,961)	(33,268)
Other current liabilities	(13,672)	(5,170)
Refundable advance	(6,000)	9,000
Operating lease obligations	(166,133)	(133,040)
Net cash provided by (used in) operating activities	<u>\$ (197,431)</u>	<u>\$ 9,534</u>

See accompanying notes to consolidated financial statements.

**VITA NOVA, INC.**
***For the Year Ended September 30, 2024***

	Program Services			
	the Spot	Village	Independent Living	Total
Salary and related costs	\$ 825,968	\$ 195,796	\$ 315,779	\$ 1,337,543
Payroll taxes	55,297	10,562	19,115	84,974
Other employment benefits	137,755	38,879	49,142	225,776
	1,019,020	245,237	384,036	1,648,293
Advertising	2,288	565	636	3,489
Bank charges and merchant fees	-	1,435	2	1,437
Computer services	26,004	9,098	10,084	45,186
Conferences, conventions, & meetings	7,275	864	2,871	11,010
Contract labor	15,828	7,277	5,104	28,209
Copying and printing	1,343	167	370	1,880
Dues, books, and subscriptions	3,714	466	1,452	5,632
Equipment rental	6,435	6,449	6,360	19,244
Gifts and volunteer appreciation	860	460	275	1,595
Insurance	39,883	52,653	6,439	98,975
Interest	2,332	-	-	2,332
Miscellaneous	3,199	508	119	3,826
Office supplies	15,138	2,330	1,394	18,862
Postage and shipping	286	104	245	635
Professional fees	71,576	13,174	15,180	99,930
Rent	224,810	194,076	45,866	464,752
Repairs and maintenance	50,329	40,486	5,228	96,043
Resident assistance	341,572	4,056	7,022	352,650
Special event supplies	-	-	-	-
Staff development	910	1,670	328	2,908
Storage	4,622	411	3,709	8,742
Taxes and licenses	166	2,240	166	2,572
Telephone, internet, and television	18,054	16,852	4,733	39,639
Travel	5,588	2,284	1,830	9,702
Utilities	18,791	64,452	5,742	88,985
Total expenses before depreciation	1,880,023	667,314	509,191	3,056,528
Depreciation	31,536	170,197	370	202,103
Total expenses	\$ 1,911,559	\$ 837,511	\$ 509,561	\$ 3,258,631

*See accompanying notes to consolidated financial statements.*

**CONSOLIDATED STATEMENT  
OF FUNCTIONAL EXPENSES**

*(with comparable totals for 2023)*

Supporting Services			
Management and General	Fundraising	2024 Total	2023 Total
\$ 337,447	\$ 171,904	\$ 1,846,894	\$ 1,606,633
27,754	11,564	124,292	121,963
21,423	20,478	267,677	232,285
386,624	203,946	2,238,863	1,960,881
757	11,234	15,480	11,424
5,200	5,457	12,094	7,684
4,813	3,701	53,700	36,198
5,805	7,450	24,265	30,817
1,992	1,872	32,073	30,708
171	5,592	7,643	8,868
2,217	1,001	8,850	6,748
9,254	641	29,139	16,594
1,947	2,945	6,487	8,018
1,870	1,865	102,710	94,633
-	-	2,332	2,884
630	2,431	6,887	9,886
3,148	1,427	23,437	40,356
180	144	959	1,227
61,959	5,292	167,181	78,924
13,368	15,811	493,931	419,093
3,879	1,541	101,463	86,920
(89)	60	352,621	290,496
-	93,302	93,302	76,401
345	(54)	3,199	17,267
720	662	10,124	8,276
669	10	3,251	7,750
4,795	2,207	46,641	44,045
11,189	2,568	23,459	29,084
2,330	2,095	93,410	95,990
523,773	373,200	3,953,501	3,421,172
1,652	314	204,069	196,084
<u>\$ 525,425</u>	<u>\$ 373,514</u>	<u>\$ 4,157,570</u>	<u>\$ 3,617,256</u>

*See accompanying notes to consolidated financial statements.*

**For the Year Ended September 30, 2024**

---

**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. 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 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. Programs under the Spot umbrella include:
  - *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, 2024***

---

***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.
- *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 31 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 lifestyle 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.

Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended September 30, 2023, from which the summarized information was derived. Certain 2023 amounts may have been reclassified to conform to 2024 classifications. Such reclassifications would have no effect on the change in net assets as previously reported.

***For the Year Ended September 30, 2024***

---

**1. Summary of Significant Accounting Policies, continued***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 transactions (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 investment portfolios.

*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, including Foundations. 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, 2024, no allowance for doubtful accounts is considered necessary.

*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 \$1,000, that extend useful lives are capitalized. Expenditures for routine maintenance and repairs are charged to expense as incurred.

**For the Year Ended September 30, 2024**

---

**1. Summary of Significant Accounting Policies, continued***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, *Not-for-Profit Entities – Revenue Recognition*.
- *Contributed Services and In-Kind Support* - Unpaid volunteers have made significant contributions of their time to develop and maintain the Organization's programs. Donated services are recognized as contributions in accordance with FASB ASC 958-605, *Revenue Recognition*, 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. The Organization also follows 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 standard clarifies the presentation and disclosure of contributed non-financial assets with an intention to provide the reader of the financial statements a clearer understanding of what type of non-financial assets were received and how they are used and recognized by the not-for-profit. Contributed services and in-kind support are 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. In-kind support of \$15,595 is reflected in the consolidated statement of activities as a separate line item. The in-kind support is included in the consolidated statement of functional expenses, as special event supplies under the fundraising column as the in-kind contributions were provided to the Mallets and Martinis special event. Advertising and promotion are valued based on prices of advertising time and/or space. Goods and supplies are based on the estimated price of identical or similar products if purchased in our region, for such items as cookies, flowers, wine, etc.

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.

For the Year Ended September 30, 2024

---

**1. Summary of Significant Accounting Policies, continued***Functional Expenses, continued*

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.

*Advertising Costs*

The Organization expenses the cost of advertising as incurred. Advertising expense was \$15,480 for the year ended September 30, 2024, and is reported in the consolidated statement of functional expenses.

*Leases*

The Organization follows provisions of FASB Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. ASU 2016-02 is a comprehensive lease measurement and recognition standard with expanded disclosure requirements. Under the guidance, leases with terms of more than 12 months are required to be recognized in the balance sheet as liabilities, with corresponding "right-of-use" assets.

*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.

**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	\$ 144,814
Investments – Vita Nova	955,538
Grants receivable	297,511
Pledges receivable	<u>106,750</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 1,504,613</u>



***For the Year Ended September 30, 2024***

---

***2. Liquidity and Availability of Resources, continued***

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, 2024 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. This year there was a contribution of \$228,000 from the Foundation to Vita Nova. The contribution is eliminated in the consolidating statement of activities included in the supplementary information section of these financial statements. Also, the Foundation holds a significant amount of investments to provide continued support to Vita Nova. As of September 30, 2024, the Foundation's investment balance is \$6,131,424 as noted on the consolidating statement of financial position.

***3. Fair Value Measurements - Investments***

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.

For the Year Ended September 30, 2024**3. Fair Value Measurements - Investments, continued**

*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 receivable* – The carrying amount reported approximates fair value due to the short-term duration of the instruments.

*Pledges receivable* – The carrying amount approximates fair value because the discount rate applied to the long-term portion of the receivable approximates the current market rate.

*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.

*Lease obligations* – The carrying amount reported approximates fair value as the leases are initially measured based on the present value of lease payments discounted at rates reflective of market rates at lease commencement.

*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, 2024.

*Investments – Cash equivalents held in investment accounts, exchange traded product funds, equity funds, fixed income funds, mutual funds, and alternative investments* – 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.

As of September 30, 2024, 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	\$ 704,262	\$ 704,262	\$ -
Fixed income securities	339,269	338,370	899
Mutual funds	2,198,740	1,545,257	653,483
Exchange traded funds	2,023,089	1,333,861	689,228
Equity securities	1,789,440	1,399,101	390,339
Alternative investments	<u>32,162</u>	<u>38,773</u>	<u>(6,611)</u>
Total investments	<u>\$ 7,086,962</u>	<u>\$ 5,359,624</u>	<u>\$ 1,727,338</u>

Investment management fees of approximately \$34,432 were paid during the year and directly reduce investment income. These fees are part of interest & dividend income, net, in the consolidated statement of activities.

Investments:	
Vita Nova	\$ 955,538
Foundation	<u>6,131,424</u>
Total investments	<u>\$ 7,086,962</u>

**For the Year Ended September 30, 2024**

---

**4. Pledges Receivable**

During the prior year, Vita Nova received a one-million-dollar pledge receivable from a foundation for the construction of its Omega Housing Project (the "Project") for a new youth housing complex as described in Note 5. Vita Nova is to receive \$100,000 each year over the next 10 years. The long-term portion of the pledges receivable has been discounted to present value using the Mid-term Applicable Federal Rate (AFR) of 4.19%. Management believes that the pledge receivable is fully collectible and, therefore, no allowance for uncollectible receivable was considered necessary.

During the year, an agreement with HUD was signed to fund \$750,000 of the Project. Much of the funding has been received or committed for this project and a capital campaign will be held to raise the approximately \$250,000 unfunded portion.

**5. Property and Equipment**

Property and equipment as of September 30, 2024, consisted of the following:

Land	\$ 388,624
Building and improvements	3,547,216
Furniture, fixtures, and equipment	415,802
Vehicles	<u>178,785</u>
	4,480,734
Less accumulated depreciation	( 1,720,755)
Plus construction in process	<u>169,869</u>
	<u>\$ 2,979,541</u>

Depreciation expense for the year ended September 30, 2024 was \$204,069. The construction in process is pre-construction costs incurred over the past two years for the Omega Housing Project. The Project will be an affordable housing complex for its clients. Construction has not commenced as of year-end, and was in the process of permitting. Construction is to begin in summer 2025 and to be completed in 2026. Once the Project is placed in service, depreciation expense will commence.

**6. 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 that started 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:

2025	\$ 6,380
2026	6,920
2027	<u>7,112</u>
	20,412
Less current portion	<u>6,380</u>
Note payable	<u>\$ 14,032</u>

For the Year Ended September 30, 2024**7. Leases**

The Organization occupies its administration office space and the Spot drop-in center in West Palm Beach, subject to a lease that originally commenced on February 1, 2018. This lease has been renewed after its initial five-year term and is currently under a lease term that began on January 31, 2023, and expires January 31, 2028. The lease includes scheduled annual increases each year. In addition, the Organization leases office equipment under two non-cancelable leases with the latest lease expiring in February 2027. The Company has elected a package of practical expedients whereby non-lease components are not separated from the lease components. Furthermore, the Organization leases several apartments and houses for its various programs, but these are all short-term leases.

Operating right-of-use assets as of September 30, 2024, consisted of the following:

Operating right-of-use assets	\$ 962,565
Less accumulated amortization	<u>(335,181)</u>
Net operating right-of-use assets	<u>\$ 627,384</u>

Operating lease obligations as of September 30, 2024, consisted of the following:

Right-of-use liability	\$ 663,392
Less current portion	<u>(184,875)</u>
Non-current portion	<u>\$ 478,517</u>

Operating lease expense for the year ended September 30, 2024, consisted of the following:

	<u>Amortization</u>	<u>Finance Charges</u>	<u>Total</u>
Operating leases	<u>\$ 172,443</u>	<u>\$ 46,088</u>	<u>\$ 218,531</u>

Total rent expense under all operating leases was \$523,070 for the year ended September 30, 2024, as reported in line items shown for rent and equipment rental on the consolidated statement of functional expenses of \$493,931 and \$29,139, respectively. The difference between total lease expense of \$523,070 and operating lease expense as noted above of \$218,531 is \$304,539, which includes short-term lease payments for the apartment locations, houses, and variable copier charges.

Undiscounted future lease payments under operating leases as of September 30, 2024, for each of the next five years and thereafter, include:

2025	\$ 220,010
2026	217,312
2027	221,818
2028	<u>73,955</u>
Total	733,095
Less discount to present value	<u>(69,703)</u>
Present value of future lease payments	663,392
Less current portion	<u>(184,875)</u>
Non-current portion	<u>\$ 478,517</u>

**For the Year Ended September 30, 2024**

---

**7. Leases, continued**

The lease discount for the office/program space, and the copiers has been calculated using an interest rate of 6.25%, which approximates the incremental borrowing rate of the Organization for the acquisition of the related assets at the time the leases were signed.

The weighted average lease term for the operating leases is 3.28 years. The weighted average discount rate for the operating leases is 6.25%.

**8. Net Assets**

The assets with donor restrictions are restricted for the following purposes, and or time restrictions as of September 30, 2024:

Omega Housing Project	\$ 774,750
the Spot	201,250
The Vita Nova Village	83,334
Air conditioning units and appliances	<u>9,300</u>
	<u>\$ 1,068,634</u>

In addition to the programs/purposes listed above, the Omega Housing Project and \$160,000 of the Spot amount is also restricted as to time.

**9. Concentrations***Cash*

The Organization maintains accounts at institutions insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of September 30, 2024, cash was completely covered by the federal insurance limits, leaving no exposure.

*Investments*

Balances at brokerage accounts are guaranteed by the Securities Investor Protection Corporation (SIPC) up to \$500,000, which includes a \$250,000 limit for cash. As of September 30, 2024, the security balances exceeded the SIPC insurance limit.

*Revenue Support and Grants Receivable*

During the year ended September 30, 2024, approximately \$498,000 (10%), and \$922,000 (18%) of the Organization's support was from ChildNet, and the U.S. Dept. of Housing and Urban Development (HUD), respectively. The balance due from ChildNet and HUD was approximately \$42,000 (14%), and \$52,000 (17%) of grants receivable as of September 30, 2024, respectively.

**10. Contingencies**

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.

**For the Year Ended September 30, 2024**

---

**11. 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. 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, 2024 there were \$18,629 of employer matching contributions, which are included in other employment benefits in the consolidated statement of functional expenses.

**12. Related Party Transactions**

Contribution receipts for the year ended September 30, 2024 included approximately \$9,300 from Vita Nova directors and their related entities. A board member offered to contribute a matching donation up to \$25,000 if the entire board commits to a donation that will be matched. As of year-end of September 30, 2024, all board members have committed over and above \$25,000 therefore once all the donations are received the match of \$25,000 will be donated to Vita Nova. The donor has restricted these donations for air conditioning units and appliances. Subsequent to the year-end and before issuance of these financial statements \$10,500 of the match has since been received.

In addition, Vita Nova conducted business with Macri Associates Consulting, a company of a Foundation board member, to perform an efficiency study for operations and process improvement. The total paid for this work for year ended September 30, 2024 was \$39,000.

**13. 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.

***For the Year Ended September 30, 2024***

---

**13. Endowment, continued**

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.

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.

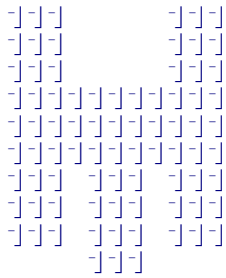
The Foundation's annual appropriations, if any, are determined at the discretion of the Foundation's Board of Directors unless specific instructions are provided by future endowment donors.

The changes in endowment net assets for the year ended September 30, 2024 are as follows:

Endowment assets, net of \$3,259 in associated payables, beginning	\$ 5,215,788
Contributions to Vita Nova	(228,000)
Investment return:	
Investment income	176,783
Investment expenses	(27,060)
Other administration expenses	(3,420)
Net unrealized/realized gains	<u>996,554</u>
Endowment net assets, ending	<u>\$ 6,130,645</u>
Investments, in endowments	\$ 6,131,424
Less accounts payable associated with endowment assets	<u>(779)</u>
Endowment net assets, ending	<u>\$ 6,130,645</u>

**14. Subsequent Events**

Vita Nova's management has evaluated subsequent events through April 29, 2025, the date on which the consolidated financial statements were available to be issued, and determined there were no subsequent events required to be disclosed in these financial statements.



## Holyfield & Thomas, LLC

Certified Public Accountants & Advisors

125 Butler Street • West Palm Beach, FL 33407

(561) 689-6000 • Fax (561) 689-6001 • [www.holyfieldandthomas.com](http://www.holyfieldandthomas.com)

### **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, 2024, 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 April 29, 2025.

#### **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, material weaknesses or significant deficiencies may exist that were not identified.



## **Report on Compliance and Other Matters**

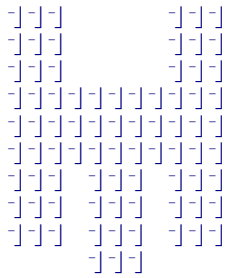
As part of obtaining reasonable assurance about whether Vita Nova, Inc.'s consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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  
April 29, 2025



# Holyfield & Thomas, LLC

## Certified Public Accountants & Advisors

125 Butler Street • West Palm Beach, FL 33407

(561) 689-6000 • Fax (561) 689-6001 • [www.holyfieldandthomas.com](http://www.holyfieldandthomas.com)

### **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, 2024. 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, 2024.

##### ***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

April 29, 2025

*For the Year Ended September 30, 2024*

---

**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?	None noted
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?	None noted
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
Assistance Listing 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?	Yes

***For the Year Ended September 30, 2024***

---

**SECTION II – FINANCIAL STATEMENT FINDINGS**

No financial statement findings are reported.

**SECTION III – FINDINGS AND QUESTIONED COSTS**

No federal awards findings or questioned costs are reported.

**PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS**

***Finding No. 2023-001*** Significant deficiency for Major Program - U.S. Department of Housing and Urban Development (HUD) Continuum of Care Program, Youth Homeless Demonstration Program (YHDP) – Assistance Listing No. 14.267.

***Condition:*** Rent was not deemed reasonable for one vendor included in the compliance test.

***Current Status:*** Prior to the auditor finding the issue, and subsequent to year end, the overage was found by the Program Director, who explained the issue to the landlord and negotiated a reduced rent so the rent would be reduced by the overage over the remaining months. Therefore, the issue was resolved within the lease term for each tenant, but crossed fiscal years. A procedure was also implemented to approve the rent reasonableness worksheet by the Program Director. Furthermore, no similar findings were noted in the 2024 audit.

## **SUPPLEMENTARY INFORMATION**

***For the Year Ended September 30, 2024***

Federal Grantor Pass-through Entity Federal Program Title	Assistance Listing No. / 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	VIT24EFC VIT23EFC	\$ 124,500 373,500
Total Department of Health and Human Services		498,000
U.S. Department of Housing and Urban Development:		
	14.267	
Continuum of Care Program, YHDP TH RR	FL0841Y4D052202	547,744
Continuum of Care Program, YHDP Diversion	FL0928Y4D052201	135,004
Continuum of Care Program, YHDP PSH	FL0842Y4D052202	56,422
	14.251	
Economic Development Initiative, Community Project Funding	B-23-CP-FL-0402	98,949
	14.218	
Passed through from State of Florida, via Palm Beach County: Community Development Block Grants/Entitlements Grants	R2021-1517	41,108
	14.231	
Emergency Solutions Grant Program	R2023-1433	84,040
Total Department of Housing and Urban Development		963,267
Total expenditures of federal awards		1,461,267
Other government grants		656,231
Total governmental grants		\$ 2,117,498

*See independent auditor's report.*



***For the Year Ended September 30, 2024***

---

**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, 2024. 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, 2024***

	Vita Nova	Foundation	Eliminations	Consolidated
<b>ASSETS</b>				
Cash and cash equivalents	\$ 144,814	\$ -	\$ -	\$ 144,814
Investments	955,538	-	-	955,538
Grants receivable	298,292	-	(779)	297,513
Pledges receivable	106,750	-	-	106,750
Prepaid expenses	47,444	-	-	47,444
Total current assets	1,552,838	-	(779)	1,552,059
Investments, in endowments	-	6,131,424		6,131,424
Pledges receivable, net	674,750	-	-	674,750
Deposits	49,024	-	-	49,024
Property and equipment, net	2,979,541	-	-	2,979,541
Operating right-of-use lease assets, net	627,384	-	-	627,384
Total assets	<u>\$ 5,883,537</u>	<u>\$ 6,131,424</u>	<u>\$ (779)</u>	<u>\$ 12,014,182</u>
<b>LIABILITIES AND NET ASSETS</b>				
Liabilities:				
Accounts payable	\$ 66,529	779	\$ (779)	\$ 66,529
Accrued expenses	78,593	-	-	78,593
Other current liabilities	5,720	-	-	5,720
Refundable advance	8,000	-	-	8,000
Current portion of note payable	6,380	-	-	6,380
Operating lease obligations, current portion	184,875	-	-	184,875
Total current liabilities	350,097	779	(779)	350,097
Note payable	14,032	-	-	14,032
Operating lease obligations, net of current portion	478,517	-	-	478,517
Total liabilities	<u>842,646</u>	<u>779</u>	<u>(779)</u>	<u>842,646</u>
Net assets:				
Without donor restrictions	3,972,257	6,130,645	-	10,102,902
With donor restrictions	1,068,634	-	-	1,068,634
Total net assets	<u>5,040,891</u>	<u>6,130,645</u>	<u>-</u>	<u>11,171,536</u>
Total liabilities and net assets	<u>\$ 5,883,537</u>	<u>\$ 6,131,424</u>	<u>\$ (779)</u>	<u>\$ 12,014,182</u>

*See independent auditor's report.*

***For the Year Ended September 30, 2024***

	Vita Nova	Foundation	Eliminations	Consolidated
Revenues and support:				
Grants:				
Governmental	\$ 2,117,498	\$ -	\$ -	\$ 2,117,498
Foundation	1,100,280	-	-	1,100,280
Contributions	207,177	-	-	207,177
Special events	229,981	-	-	229,981
Client service fees	59,139	-	-	59,139
In-kind support	15,595	-	-	15,595
Income from supporting organization	228,000	-	(228,000)	-
Realized and change in unrealized gain	152,707	996,554	-	1,149,261
Interest & dividend income, net	19,946	149,723	-	169,669
Total revenues and support	<u>4,130,323</u>	<u>1,146,277</u>	<u>(228,000)</u>	<u>5,048,600</u>
Expenses:				
Program services:				
the Spot	1,911,559	-	-	1,911,559
Village	837,511	-	-	837,511
Independent Living	509,561	-	-	509,561
Other	-	228,000	(228,000)	-
Total program services	<u>3,258,631</u>	<u>228,000</u>	<u>(228,000)</u>	<u>3,258,631</u>
Supporting services:				
Management and general	522,005	3,420	-	525,425
Fundraising	373,514	-	-	373,514
Total expenses	<u>4,154,150</u>	<u>231,420</u>	<u>(228,000)</u>	<u>4,157,570</u>
Change in net assets	(23,827)	914,857	-	891,030
Net assets, beginning of year	<u>5,064,718</u>	<u>5,215,788</u>	<u>-</u>	<u>10,280,506</u>
Net assets, end of year	<u>\$ 5,040,891</u>	<u>\$ 6,130,645</u>	<u>\$ -</u>	<u>\$ 11,171,536</u>

*See independent auditor's report.*