



NEW LIFE VILLAGE, INC. & ASSOCIATION

**Consolidated Financial Statements,
Supplementary Information,
and Other Reports**

Year Ended August 31, 2023

NEW LIFE VILLAGE, INC. & ASSOCIATION
Consolidated Financial Statements
Year Ended August 31, 2023

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PRIDA, GUIDA & PEREZ, P.A.
Certified Public Accountants and Advisors

INDEPENDENT AUDITORS' REPORT

To the Boards of Directors
New Life Village, Inc. & Association
Tampa, Florida

Report on the Audit of the Financial Statements

We have audited the accompanying consolidated financial statements of New Life Village, Inc. & Association, which comprise the consolidated statement of financial position as of August 31, 2023, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, "financial statements").

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Life Village, Inc. & Association, as of August 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of New Life Village, Inc. & Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 New Life Village, Inc. & Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

INDEPENDENT AUDITORS' REPORT (Continued)

Auditors' 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 auditors' 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 audits 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 New Life Village, Inc. & Association'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 New Life Village, Inc. & Association'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.

INDEPENDENT AUDITORS' REPORT (Continued)

Disclaimer of Opinion on Required Supplementary Information

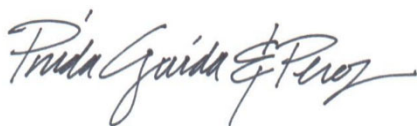
Accounting principles generally accepted in the United States of America require that the Schedule of Future Major Repairs and Replacements on page 33 be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Consolidating Statement of Financial Position, Consolidating Statement of Activities and Changes in Net Assets and Fund Balance, and the 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*, are presented for purposes of additional analysis and are 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 supplementary information 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 14, 2024, on our consideration of New Life Village, Inc. & Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 New Life Village, Inc. & Association'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 New Life Village, Inc. & Association's internal control over financial reporting and compliance.



Prida, Guida & Perez, P.A.
Tampa, Florida
May 14, 2024

FINANCIAL STATEMENTS

NEW LIFE VILLAGE, INC. & ASSOCIATION
Consolidated Statement of Financial Position
August 31, 2023

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|---------------------------------------|------------------------------------|---------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | \$ 227,097 | \$ 152,110 | \$ 379,207 |
| Certificates of deposit | 173,600 | - | 173,600 |
| Grants receivable | 236,041 | - | 236,041 |
| Utility charges due from residents | 5,765 | - | 5,765 |
| Prepaid expenses and other assets | 68,800 | - | 68,800 |
| Total current assets | <u>711,303</u> | <u>152,110</u> | <u>863,413</u> |
| Construction in progress | 52,000 | - | 52,000 |
| Property and equipment, net | 7,012,805 | - | 7,012,805 |
| Deposits | 796 | - | 796 |
| Total assets | <u>\$ 7,776,904</u> | <u>\$ 152,110</u> | <u>\$ 7,929,014</u> |
| Liabilities and net assets | | | |
| Current liabilities | | | |
| Line of credit | \$ 331,095 | \$ - | \$ 331,095 |
| Accounts payable and accrued expenses | 200,430 | - | 200,430 |
| Tenant security deposits | 88,957 | - | 88,957 |
| Total current liabilities | <u>620,482</u> | <u>-</u> | <u>620,482</u> |
| Reserve assessments received in advance | 268,192 | - | 268,192 |
| Accrued interest on deferred payment mortgages | 51,245 | - | 51,245 |
| Deferred payment mortgages | 1,711,847 | - | 1,711,847 |
| Total liabilities | <u>2,651,766</u> | <u>-</u> | <u>2,651,766</u> |
| Net assets | | | |
| Without donor restrictions | | | |
| Undesignated | 5,125,138 | - | 5,125,138 |
| With donor restrictions | - | 152,110 | 152,110 |
| Total net assets | <u>5,125,138</u> | <u>152,110</u> | <u>5,277,248</u> |
| Total liabilities and net assets | <u>\$ 7,776,904</u> | <u>\$ 152,110</u> | <u>\$ 7,929,014</u> |

Read accompanying notes to consolidated financial statements.

NEW LIFE VILLAGE, INC. & ASSOCIATION
Consolidated Statement of Activities and Changes in Net Assets
Year Ended August 31, 2023

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|---------------------------------------|------------------------------------|---------------------|
| Revenue and other support | | | |
| Rent | \$ 425,527 | \$ - | \$ 425,527 |
| Contributions | 249,518 | 150,127 | 399,645 |
| In-kind contributions | 20,000 | - | 20,000 |
| Federal grants | 191,860 | - | 191,860 |
| Assessments - operating | 15,220 | - | 15,220 |
| Interest | 130 | - | 130 |
| Other | 33,403 | - | 33,403 |
| Net assets released from restrictions | 962,841 | (962,841) | - |
| Total revenue and other support | <u>1,898,499</u> | <u>(812,714)</u> | <u>1,085,785</u> |
| Expenses | | | |
| Program services | 1,045,370 | - | 1,045,370 |
| General and administrative | 132,065 | - | 132,065 |
| Fundraising | 40,161 | - | 40,161 |
| Total expenses | <u>1,217,596</u> | <u>-</u> | <u>1,217,596</u> |
| Other income (expense) | | | |
| Insurance recovery | 136,826 | - | 136,826 |
| Hurricane loss | (146,000) | - | (146,000) |
| Total other loss | <u>(9,174)</u> | <u>-</u> | <u>(9,174)</u> |
| Change in net assets | 671,729 | (812,714) | (140,985) |
| Net assets at beginning of year, as previously presented | 6,351,171 | 964,824 | 7,315,995 |
| Prior period adjustments: | | | |
| Reserve assessments improperly recorded as assets | (221,371) | - | (221,371) |
| Grant revenue recorded prematurely | (386,377) | - | (386,377) |
| Deferred payment mortgage proceeds improperly reported as grant revenue | (1,279,653) | - | (1,279,653) |
| Accrued interest unrecorded | (10,361) | - | (10,361) |
| Net assets at beginning of year, restated | <u>4,453,409</u> | <u>964,824</u> | <u>5,418,233</u> |
| Net assets balance at end of year | <u>\$ 5,125,138</u> | <u>\$ 152,110</u> | <u>\$ 5,277,248</u> |

Read accompanying notes to consolidated financial statements.

NEW LIFE VILLAGE, INC. & ASSOCIATION
Consolidated Statement of Functional Expenses
Year Ended August 31, 2023

| | <u>Program Services</u> | | | <u>Management & General</u> | <u>Fundraising</u> | <u>Total</u> |
|------------------------------------|-------------------------------|--|---------------------|-------------------------------------|--------------------|---------------------|
| | <u>Affordable Housing</u> | <u>Trauma- Informed Services</u> | <u>Total</u> | | | |
| Salaries | \$ 136,914 | \$ 193,193 | \$ 330,107 | \$ 16,809 | \$ - | \$ 346,916 |
| Employee benefits | 5,474 | 7,724 | 13,198 | 672 | - | 13,870 |
| Payroll taxes | 12,409 | 17,510 | 29,919 | 1,524 | - | 31,443 |
| | <u>154,797</u> | <u>218,427</u> | <u>373,224</u> | <u>19,005</u> | <u>-</u> | <u>392,229</u> |
| Client holiday party | - | 3,680 | 3,680 | - | - | 3,680 |
| Condominium association fees | 41,619 | - | 41,619 | - | - | 41,619 |
| Fees and licenses | 2,830 | 3,840 | 6,670 | 13,541 | - | 20,211 |
| Insurance | 62,835 | 15,157 | 77,992 | 619 | - | 78,611 |
| Interest | 44,285 | - | 44,285 | 3,267 | - | 47,552 |
| Marketing and promotion | 2,008 | 2,008 | 4,016 | - | 12,047 | 16,063 |
| Meetings and conferences | 7,695 | 11,050 | 18,745 | 987 | - | 19,732 |
| Occupancy costs | 95,929 | 43,985 | 139,914 | 1,795 | - | 141,709 |
| Office expenses | 17,164 | 18,372 | 35,536 | 22,908 | 574 | 59,018 |
| Professional fees | 2,666 | 4,442 | 7,108 | 62,346 | 27,540 | 96,994 |
| Program supplies | - | 54,820 | 54,820 | - | - | 54,820 |
| Property taxes | - | - | - | 3,775 | - | 3,775 |
| Repairs and maintenance | 55,963 | - | 55,963 | - | - | 55,963 |
| Travel | 1,415 | 2,033 | 3,448 | 182 | - | 3,630 |
| Total expenses before depreciation | <u>489,206</u> | <u>377,814</u> | <u>867,020</u> | <u>128,425</u> | <u>40,161</u> | <u>1,035,606</u> |
| Depreciation | <u>174,710</u> | <u>3,640</u> | <u>178,350</u> | <u>3,640</u> | <u>-</u> | <u>181,990</u> |
| Total expenses | <u>\$ 663,916</u> | <u>\$ 381,454</u> | <u>\$ 1,045,370</u> | <u>\$ 132,065</u> | <u>\$ 40,161</u> | <u>\$ 1,217,596</u> |

Read accompanying notes to consolidated financial statements.

NEW LIFE VILLAGE, INC. & ASSOCIATION
Consolidated Statement of Cash Flows
Year Ended August 31, 2023

Cash flows from operating activities

| | |
|---|------------|
| Cash receipts | |
| Rental receipts | \$ 425,527 |
| Contributions | 399,645 |
| Grants | 27,944 |
| Assessments | 20,422 |
| Insurance proceeds received | 136,826 |
| Interest & other | 33,533 |
| Total receipts | 1,043,897 |
| | |
| Cash disbursements | |
| Salaries and wages | (392,229) |
| Occupancy costs | (141,709) |
| Repairs and maintenance | (123,120) |
| Property insurance and taxes | (121,884) |
| Administrative costs | (192,018) |
| Interest | (6,668) |
| Supplies and other operating costs | (5,145) |
| Total disbursements | (982,773) |
| Net cash provided by operating activities | 61,124 |

Cash flows from investing activities

| | |
|--|-------------|
| Purchases of property and equipment | (25,136) |
| Purchases of construction materials | (1,516,976) |
| Redemptions of certificates of deposit | 231,489 |
| Net cash used in investing activities | (1,310,623) |

Cash flows from financing activities

| | |
|---|-----------|
| Net borrowings on line of credit | 331,095 |
| Proceeds from deferred payment mortgages | 432,195 |
| Net cash provided by financing activities | 763,290 |
| Net change in cash and cash equivalents | (486,209) |

| | |
|---|---------|
| Cash and cash equivalents - beginning of year | 865,416 |
|---|---------|

| | |
|---|------------|
| Cash and cash equivalents - end of year | \$ 379,207 |
|---|------------|

Supplemental disclosures:

| | |
|--|--------------|
| Construction in progress transferred to property and equipment | \$ 4,941,957 |
|--|--------------|

Read accompanying notes to consolidated financial statements.

NEW LIFE VILLAGE, INC. & ASSOCIATION
Notes to Consolidated Financial Statements
Year Ended August 31, 2023

Note 1 – Organization

The Organization consists of New Life Village, Inc. and New Life Village Condominium Association, Inc. The entities comprising the Organization have certain board members in common.

New Life Village, Inc. (“NLV” or “Village”) is a nonprofit entity incorporated on December 1, 2008 under the laws of the state of Florida operating in Tampa, Florida, in an area heavily impacted by both an affordable housing and a foster care crisis.

NLV is an intergenerational community designed to support families raising foster-to-permanency and kinship children who have survived abuse, neglect, and trauma. NLV offers a program-rich environment with below-market housing and on-site wrap-around services. NLV is designed for children formerly in foster care and/or affected by trauma. Their foster/adoptive/kinship families now provide them with permanency. In addition, elders seeking meaning and purpose in the Village serve as surrogate grandparents, tutors, and mentors to the children and adults in the Village. NLV’s community-driven intergenerational housing and integrated onsite services improve health and wellbeing. The Village is comprised of autonomous families who utilize the Village’s programs to allow children to realize safety, housing stability, permanency, healing, and the ability to thrive within a trauma-informed community and allow elders an opportunity to engage in enrichment activities. The Village hosts an onsite Trauma Informed Wellness, Resilience, and Character Development Program. NLV exists to reduce the number of children in foster care by encouraging more families to adopt and/or to prevent children from entering foster care.

NLV also provides affordable housing utilizing 32 condominium units owned by the Village as well as 16 new townhomes that completed construction during 2023.

New Life Village Condominium Association, Inc. (“Association”) is a statutory condominium association as referred to and authorized under Chapter 718 of the Florida Statutes. It was organized on November 16, 1972 as a nonprofit corporation for purposes of maintaining and preserving the common property of the Association. The Association consists of 36 residential units, of which 32 are owned by NLV and four are independently owned. The Association is financially dependent on NLV who funded 90% of the current year assessments. Subsequent to year end, one of the four independently owned units was acquired by NLV.

The organizations referred to above hereafter are referred to collectively as “the Organization”.

Note 2 – Significant Accounting Policies

Basis of consolidation – The financial statements include the accounts of NLV and the Association. Since officers of NLV also serve on the board of the Association and because the Association is financially dependent on NLV, the financial statements are presented on a consolidated basis. All inter-organizational accounts and transactions have been eliminated.

Basis of presentation – The financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Use of estimates – The preparation of financial statements, in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

NEW LIFE VILLAGE, INC. & ASSOCIATION
Notes to Consolidated Financial Statements
Year Ended August 31, 2023

Note 2 – Significant Accounting Policies (Continued)

Cash and cash equivalents – Cash and cash equivalents consist of cash on hand and demand deposits with banks, money market accounts, and certificates of deposit with maturity dates of less than 90 days. All highly liquid investments with original maturities of three months or less are considered cash equivalents for the purpose of reporting cash flows.

Certificates of deposit – Certificates of deposit are reported at cost plus accrued interest. The certificates are held at two banks, have original maturities of six to seven months, and earn interest at annual rates from 4.0% – 4.9%. The certificates' cost and accrued interest approximates fair value. Fair value is measured based on level 2 inputs, those which are other than quoted market prices, yet which are observable to other participants in the market.

Grants receivable and allowance – Grants receivable are stated at expected collectable amounts once services are provided or reimbursable expenditures are made less an allowance for doubtful accounts. Management periodically performs a review of grants receivable and establishes an allowance for uncollectible accounts if deemed necessary. Management has determined that no allowance for doubtful accounts related to grants receivable is necessary as of August 31, 2023.

Utility charges due from residents and allowance – Utility charges due from residents are stated at net expected collectable amounts less an allowance for doubtful accounts. Water usage is sub metered and billed to residents by a third party. The Association pays the water bill directly to the utility and receives reimbursement from the third party for the residents' portion of the water bill. Management periodically performs a review of utility charges due from residents and establishes an allowance for uncollectible accounts if deemed necessary. Management has determined that no allowance for doubtful accounts related to utility charges due from residents is necessary as of August 31, 2023.

Construction in progress – Construction in progress represents projects that are under development. Construction in progress is not depreciated until the developed assets are placed in service.

Property and equipment –

NLV – Property and equipment are recorded at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets ranging generally from five to 39 years. Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized. When property and equipment are sold or otherwise disposed of, the asset and related accumulated depreciation are relieved, and any gain or loss is included in operations.

Association – In conformity with industry practice, the Association's policy for recognizing common property as assets in its statement of financial position is to recognize (a) common property and (b) real property to which it has title and that the Board can dispose of for cash while retaining the proceeds for the Association or that is used to generate significant cash flows from members on the basis of usage or from nonmembers. The Association has no such property. The Association holds title to common real property consisting of real property and common areas acquired from the developer and related improvements to such property. This common property cannot be disposed of by the Board for cash while retaining the proceeds for the Association nor is it used to generate significant cash flows from members on the basis of usage or from nonmembers, and as such, it is not recognized as an asset. The disposition and use of common property is restricted by the Association's governing documents.

NEW LIFE VILLAGE, INC. & ASSOCIATION
Notes to Consolidated Financial Statements
Year Ended August 31, 2023

Note 2 – Significant Accounting Policies (Continued)

Impairment of assets – Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the net carrying amount may not be recoverable. When these events occur, management measures impairment by comparing the carrying value of long-lived assets to the estimated undiscounted future cash flows resulting from the assets. If the undiscounted future cash flows are less than the carrying amount of the long-lived assets, an impairment loss is recognized. Management has determined that there are no impairments to be recognized for the year ended August 31, 2023.

Tenant security deposits – Tenant security deposits are kept in a noninterest-bearing bank account in the name of the Organization until returned to the depositor or forfeited.

Classification of net assets – Net assets of the Organization are classified based on the presence or absence of donor- or grantor-imposed restrictions, as follows:

Net assets without donor restrictions – Amounts that are not subject to usage restrictions based on donor- or grantor- imposed requirements. Net assets without donor restrictions includes expendable funds available to support operations as well as net assets invested in property and equipment. This class also includes net assets previously restricted by donors or grantors where restrictions have expired or been met.

Net assets with donor restrictions – Amounts subject to usage limitations based on donor- or grantor-imposed restrictions. Restrictions may be met by the passage of time or by actions of the Organization. These restrictions may be temporary or perpetual in nature. When a donor restriction expires, net assets with donor restrictions are released to net assets without donor restrictions and are reported in the consolidated statements of activities as net assets released from restriction.

Revenue recognition –

Rent – Rent revenue is recognized monthly when due under the terms of tenant lease agreements. Rental payments received in advance are deferred and classified as a liability until earned.

Contributions – Contribution revenue is recognized when an unconditional gift is given to the Organization, or when such a legally enforceable gift is promised but not yet received. Unconditional promises to give expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue. The Organization has no promises to give at August 31, 2023.

In-kind contributions – A substantial number of unpaid volunteers have made significant contributions of their time to develop and maintain the Village programs. No amounts have been reported in the consolidated financial statements because the criteria for recording such services have not been met. Professional services were contributed that did meet the criteria for recording in-kind contribution revenue and administrative expense.

NEW LIFE VILLAGE, INC. & ASSOCIATION
Notes to Consolidated Financial Statements
Year Ended August 31, 2023

Note 2 – Significant Accounting Policies (Continued)

Revenue recognition (continued) –

Grants – The Organization receives performance and reimbursement grants. Grant revenues are recognized when grantor-imposed restrictions are met, pursuant to each grant agreement. Grant payments received in advance that have not been earned or that have control barriers that must be met for the Organization to be entitled to the revenue are deferred and classified as a liability until earned. For non-reciprocal agreements, revenues are recognized when received, or when any conditions by grantors have been met. Grants received with grantor-imposed restrictions that are met in the same year as received are reported as revenues without donor restrictions.

Operating assessments – Unit owners are subject to monthly operating assessments to provide funds for the Association’s operating expenses. Operating assessment revenue is recognized as the related performance obligations are satisfied in transaction amounts expected to be collected. The Association’s performance obligations related to its operating assessments are satisfied over time on an annual basis for operations. The annual budget and operating assessments are determined and approved by the Association’s board of directors. Any excess operating assessments at year end are retained by the Association for use in future years. Operating assessments paid by NLV to the Association are eliminated in consolidation.

Reserves assessments – Unit owners are subject to monthly reserves assessments to provide funds for the Association’s reserves for major repairs and replacements. Reserves assessment revenue is recognized as the related performance obligations are satisfied when amounts are expended for their designated purpose. Unpaid fees are recorded as assessments receivable and fees paid in advance are recorded as prepaid assessments. The annual budget and reserves assessments are determined and approved by the Association’s board of directors. Because the Association does not recognize reserves assessment revenue until reserve expenses are incurred.

Functional allocation of expenses – The costs of providing program and supporting services have been summarized in the accompanying consolidated statement of functional expenses. Expenses that are associated with a specific program are charged directly to that program. Expenses that are attributable to more than one program or supporting function are allocated on a reasonable basis that is consistently applied. Allocations are based on direct usage or management’s estimate of the benefit derived by each activity. Management’s estimates are based on factors such as time and effort, square footage, clients served, or any other reasonable basis. The expenses that are allocated on the basis of time and effort are salaries, employee benefits, payroll taxes, travel, and meetings and conferences. Occupancy, Association expenses, insurance, certain supplies, and depreciation are allocated on a square footage basis.

Income taxes –

NLV – NLV has been recognized by the Internal Revenue Service as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and has been determined not to be a private foundation. As a result, there is no provision for federal income taxes in these financial statements and no federal income taxes were paid. Management believes that NLV has adequately addressed all relevant tax positions and there are no unrecorded tax liabilities. Generally, the tax returns of the Organizations remain open for three years for federal income tax examination.

NEW LIFE VILLAGE, INC. & ASSOCIATION
Notes to Consolidated Financial Statements
Year Ended August 31, 2023

Note 2 – Significant Accounting Policies (Continued)

Income taxes (continued) –

Association – The Association may be taxed either as homeowners’ association or as a regular corporation. For the year ended August 31, 2023, the Association elected to be taxed as a homeowners’ association. Under that election, the Association is taxed on its nonexempt function income, such as interest earnings. Exempt function income, which consists primarily of member assessments, is not taxable.

Note 3 – Restatement of Net Assets

During the year management determined that the prepaid reserve assessments recorded on NLV at August 31, 2022 were improperly reported as assets, rather than being reported as expenses when paid. The beginning balances of net assets and prepaid reserve assessments were adjusted \$221,371 to correct this misstatement.

During the year management determined that certain amounts paid for reimbursement contracts during the year ended August 31, 2022 were reported as grant revenue when incurred, rather than being reported as debt when reimbursement proceeds were received. The beginning balances of net assets and grants receivable previously reported were adjusted \$386,377 to correct this misstatement.

During the year management determined that the HOME and CDBG deferred mortgages were improperly reported as grant revenue during the year ended August 31, 2022, rather than being reported as liabilities. The beginning balances of net assets and liabilities previously reported were adjusted \$1,279,653 to correct this misstatement.

During the year management determined that the HOME deferred mortgage required interest to be paid or accrued on an annual basis. The beginning balances of net assets and liabilities previously reported were adjusted \$10,361 to correct this misstatement.

The following summarizes the changes in the Organizations’ previously reported net assets:

| | Net Assets Without Donor Restrictions |
|--|---|
| Beginning net assets, as previously reported | \$ 7,315,995 |
| Prepaid reserve assessments adjustment | (221,371) |
| Grants receivable adjustment | (386,377) |
| Deferred payment loans adjustment | (1,279,653) |
| Accrued interest adjustment | (10,361) |
| Beginning net assets, as restated | \$ 5,418,233 |

NEW LIFE VILLAGE, INC. & ASSOCIATION
Notes to Consolidated Financial Statements
Year Ended August 31, 2023

Note 4 – Availability and Liquidity

The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due and strives to operate within a prudent range of financial soundness and stability, maintain adequate liquid assets to fund near-term operating needs, and maintain sufficient reserves to provide reasonable assurance that any long-term obligations will be discharged. Financial assets in excess of daily cash requirements may be invested in certificates of deposit, money market funds, or other short-term investments. Cash needs of the Organization are expected to be met on a monthly basis from rents and assessments collected and from grant and contribution revenue.

The Organization has the following financial assets available to meet its needs for general expenditures over the next 12 months at August 31, 2023:

| | | |
|--|----|------------|
| Cash and cash equivalents | \$ | 379,207 |
| Certificates of deposit | | 173,600 |
| Grants receivable | | 236,041 |
| Utility charges due from residents | | 5,765 |
| | | 794,613 |
| Less amounts unavailable for general expenditure due to: | | |
| Donor imposed restrictions | | (152,110) |
| Assessments received in advance | | (268,192) |
| | | \$ 374,311 |

NLV also has an unsecured line of credit of \$937,500 with Valley Bank, of which \$606,405 was available at August 31, 2023.

Note 5 – Construction in Progress and Commitment

Construction in progress of \$52,000 at August 31, 2023 relates to future construction plans at the Village for which there are construction commitments of approximately \$297,000 at August 31, 2023.

NEW LIFE VILLAGE, INC. & ASSOCIATION
Notes to Consolidated Financial Statements
Year Ended August 31, 2023

Note 6 – Property and Equipment

Property and equipment consists of the following at August 31, 2023:

| | |
|-------------------------------|---------------------|
| Land and buildings | \$ 4,701,323 |
| Condominum units for rent | 2,667,155 |
| Land improvements | 20,541 |
| Building improvements | 175,270 |
| Playground equipment | 107,367 |
| Computer software | 4,732 |
| Furniture and fixtures | 246,986 |
| | <u>7,923,374</u> |
| Less accumulated depreciation | <u>(910,569)</u> |
| | <u>\$ 7,012,805</u> |

Depreciation expense was approximately \$182,000 for the year ended August 31, 2023.

Note 7 – Line of Credit

NLV has a \$937,500 line of credit with Valley Bank. At August 31, 2023, \$331,095 was outstanding. Borrowings under the line of credit accrue simple interest at a variable interest rate, subject to change based on the daily Wall Street Journal prime rate, but no less than 4%. The interest rate on the line of credit at August 31, 2023 was 8.5%. This line of credit is payable on demand, is secured by certain real property of NLV, and matures July 2024.

Note 8 – Reserve Assessments Received in Advance

The Association's governing documents require that funds be accumulated for future major repairs and replacements. Accumulated funds are generally not available for expenditures for normal operations. The Association's Board of Directors annually reviews the estimates of the remaining useful lives and the replacement costs of the components of common property. The estimates for all other components of the replacement reserve were determined by the Association's Board of Directors based on past experience.

Funds are being accumulated as replacement funds based on the estimates of future needs for repairs and replacements of common property components. Actual expenditures may vary from the estimated future expenditures, and the variations may be material. Therefore, amounts accumulated may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

NEW LIFE VILLAGE, INC. & ASSOCIATION
Notes to Consolidated Financial Statements
Year Ended August 31, 2023

Note 8 – Reserve Assessments Received in Advance (Continued)

NLV and independent unit owners are subject to monthly assessments to provide funds for the Association's reserves for major repairs and replacements. Assessment revenue is recognized as the related performance obligations to the reserve assessments are satisfied when amounts are expended for their designated purpose. Changes in the Association's assessments received in advance are as follows:

| Balance at August 31, 2022 | Additions | Expenditures | Transfers | Balance at August 31, 2023 |
|-------------------------------|-----------|--------------|-----------|-------------------------------|
| \$ 221,371 | \$ 46,821 | \$ - | \$ - | \$ 268,192 |

Additions includes NLV's contributions to the reserves in the amount of \$41,619, which has been included in expense in the accompanying statement of activities and changes in net assets.

Note 9 – Deferred Payment Mortgages

The Organizations deferred payment mortgages are as follows at August 31, 2023:

| | |
|---|--------------|
| Community Development Block Grant ("CDBG") | \$ 53,185 |
| Home Investment Partnerships Program ("HOME") | 1,658,662 |
| | \$ 1,711,847 |

CDBG Deferred Mortgage (2023)

During the year ended August 31, 2023, the Organization entered into an agreement with Hillsborough County, Florida funded by the Community Development Block Grants/Entitlement Grants Program (AL #14.218) in an amount not to exceed \$341,120 for the construction of amenities and improvements on the Organization's property.

Pursuant to the funding agreement, a deferred payment mortgage was executed between the Organization and Hillsborough County, Florida for the full amount of the funding. The funding agreement includes provisions for the continued use of the improvements in a public facility benefiting low- or moderate-income persons through September 30, 2038.

The Land Use Restriction Agreement ("LURA") and the mortgage provide for the right of Hillsborough County, Florida to collect the mortgage in the event the Organization does not follow the terms of the LURA. Payment of the mortgage principal is deferred until the expiration of the LURA at which time provided the terms of the LURA are met the mortgage will be forgiven. The outstanding balance of the mortgage was \$53,185 at August 31, 2023 with \$287,940 unused at August 31, 2023.

NEW LIFE VILLAGE, INC. & ASSOCIATION
Notes to Consolidated Financial Statements
Year Ended August 31, 2023

Note 9 – Deferred Payment Mortgages (Continued)

HOME Deferred Mortgage (2022)

During the year ended August 31, 2022, the Organization entered into an agreement with Hillsborough County, Florida funded by the Home Investments Partnership Program (AL #14.239) in an amount not to exceed \$1,736,820 for the construction of a 16-unit affordable rental housing development on the Organization's property. During the year ended August 31, 2023, the agreement was amended to increase the funding to \$1,826,199.

Pursuant to the funding agreement, a deferred payment mortgage was executed between the Organization and Hillsborough County, Florida for the full amount of the funding. The funding agreement includes provisions for the continued use of the improvements in a public facility benefiting low-income individuals and families to the later of February 28, 2053 or 30 years from the completion of the project, which was February 3, 2023.

The LURA and the mortgage provide for the right of Hillsborough County, Florida to collect the mortgage in the event the Organization does not follow the terms of the LURA. The terms of the mortgage are 2.6% interest only payments to be paid annually in arrears out of available cash flow, after payment of project expenses and any debt service for a period of 30 years. Simple interest not paid is accrued. There were no available cash flows for the year ended August 31, 2023 from which to make an interest payment. The outstanding balance of the mortgage and accrued interest was \$1,651,294 and \$51,245, respectively, at August 31, 2023.

CDBG Deferred Mortgage (2024)

Subsequent to year end, in October 2023, the Organization entered into another agreement with Hillsborough County, Florida funded by the Community Development Block Grants/Entitlement Grants Program (AL #14.218) in an amount not to exceed \$605,870 for the construction of additional amenities and improvements on the Organization's property.

Subsequent to year end, in April 2024, the Organization entered into a construction contract with a contractor totaling approximately \$580,000.

Pursuant to the funding agreement, a deferred payment mortgage was executed between the Organization and Hillsborough County, Florida for the full amount of the funding. The funding agreement includes provisions for the continued use of the improvements in a public facility benefiting low- or moderate-income persons through April 30, 2045.

The LURA and the mortgage provide for the right of Hillsborough County, Florida to collect the mortgage in the event the Organization does not follow the terms of the LURA. Payment of the mortgage principal is deferred until the expiration of the LURA at which time provided the terms of the LURA are met the mortgage will be forgiven.

NEW LIFE VILLAGE, INC. & ASSOCIATION
Notes to Consolidated Financial Statements
Year Ended August 31, 2023

Note 10 – Net Assets

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following at August 31, 2023:

| | |
|-----------------------------------|-------------------|
| Purpose restrictions: | |
| Capital projects / building funds | \$ 150,000 |
| Multi-purpose building | <u>2,110</u> |
| | <u>\$ 152,110</u> |

Net Assets Released from Donor Restrictions

Net assets are released from donor restrictions by incurring expenses which satisfy the purpose restrictions specified by donors or grantors. Net assets were released from donor restrictions as follows for the years ended August 31, 2023:

| | |
|--------------------------------------|-------------------|
| Satisfaction of purpose restrictions | <u>\$ 962,841</u> |
|--------------------------------------|-------------------|

Note 11 – Concentrations, Commitments, and Contingencies

Concentration of credit risk – From time to time, the Organization may maintain cash balances that exceed federal insurance limits. The Organization has not experienced any losses on such accounts and does not believe it is exposed to any significant credit risk on cash and other deposits.

Concentration of funding sources – The Organization receives a substantial amount of support from granting agencies for its programs. If this support were to be reduced or eliminated, it could affect the operation of the supported programs. For the year ended August 31, 2023, 18% of total revenue was received through various support from one funding agency.

Rent increases – For the new HOME funded townhomes the Organization is limited to approved rental rates established by the Department of Housing and Urban Development.

Examination by grantor agencies – The Organization is required under various agreements to operate its 16 new townhomes as housing for low- and moderate-income families, as well as to comply with various other provisions. In the event of noncompliance, the properties could be forfeited, and/or the repayment of disallowed expenditures may be required.

Property acquired with grant funding – A substantial amount of the Organization’s property has been acquired with restricted funds and is considered to be owned by the Organization while used in the program for or in future authorized programs. However, its disposition and the ownership of any proceeds are subject to applicable regulations.

NEW LIFE VILLAGE, INC. & ASSOCIATION
Notes to Consolidated Financial Statements
Year Ended August 31, 2023

Note 12 – Hurricane Damage

During the year ended August 31, 2023, several of the condominium buildings sustained damage from a hurricane. Because the damage occurred to Association property repairs were expensed and no impairment was recorded. Recoveries and expenses related to the hurricane are as follows:

| | |
|--------------------------|-----------------|
| Insurance recoveries | \$ (136,826) |
| Hurricane damage repairs | <u>146,000</u> |
| Net hurricane loss | <u>\$ 9,174</u> |

Note 13 – Subsequent Events

The Organization has evaluated subsequent events through May 14, 2024, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date and through May 14, 2024, other than those disclosed in Notes 1 and 9 that require adjustment or disclosure in the financial statements.

OTHER INFORMATION

NEW LIFE VILLAGE, INC. & ASSOCIATION
Combining Statement of Financial Position
August 31, 2023

| | <u>New Life Village, Inc.</u> | | | <u>New Life Village Condominium Association, Inc.</u> | | | <u>Eliminations</u> | <u>Total</u> |
|---|---------------------------------------|------------------------------------|---------------------|---|-----------------------------|-------------------|---------------------|---------------------|
| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> | <u>Operating Fund</u> | <u>Replacement Fund</u> | <u>Total</u> | | |
| Assets | | | | | | | | |
| Current assets | | | | | | | | |
| Cash and cash equivalents | \$ 6,880 | \$ 152,110 | \$ 158,990 | \$ 125,043 | \$ 95,174 | \$ 220,217 | \$ - | \$ 379,207 |
| Certificates of deposit | 582 | - | 582 | - | 173,018 | 173,018 | - | 173,600 |
| Grants receivable | 236,041 | - | 236,041 | - | - | - | - | 236,041 |
| Utility charges due from residents | - | - | - | 5,765 | - | 5,765 | - | 5,765 |
| Prepaid expenses and other assets | 22,752 | - | 22,752 | 46,048 | - | 46,048 | - | 68,800 |
| Due from related party | 10,000 | - | 10,000 | 315 | - | 315 | (10,315) | - |
| Total current assets | <u>276,255</u> | <u>152,110</u> | <u>428,365</u> | <u>177,171</u> | <u>268,192</u> | <u>445,363</u> | <u>(10,315)</u> | <u>863,413</u> |
| Construction in progress | 52,000 | - | 52,000 | - | - | - | - | 52,000 |
| Property and equipment, net | 7,012,805 | - | 7,012,805 | - | - | - | - | 7,012,805 |
| Deposits | 796 | - | 796 | - | - | - | - | 796 |
| Total assets | <u>\$ 7,341,856</u> | <u>\$ 152,110</u> | <u>\$ 7,493,966</u> | <u>\$ 177,171</u> | <u>\$ 268,192</u> | <u>\$ 445,363</u> | <u>\$ (10,315)</u> | <u>\$ 7,929,014</u> |
| Liabilities | | | | | | | | |
| Current liabilities | | | | | | | | |
| Line of credit | \$ 331,095 | \$ - | \$ 331,095 | \$ - | \$ - | \$ - | \$ - | \$ 331,095 |
| Accounts payable and accrued expenses | 57,385 | - | 57,385 | 143,045 | - | 143,045 | - | 200,430 |
| Tenant security deposits | 88,957 | - | 88,957 | - | - | - | - | 88,957 |
| Due to related party | 315 | - | 315 | 10,000 | - | 10,000 | (10,315) | - |
| Total current liabilities | <u>477,752</u> | <u>-</u> | <u>477,752</u> | <u>153,045</u> | <u>-</u> | <u>153,045</u> | <u>(10,315)</u> | <u>620,482</u> |
| Reserve assessments received in advance | - | - | - | - | 268,192 | 268,192 | - | 268,192 |
| Accrued interest on deferred payment mortgages | 51,245 | - | 51,245 | - | - | - | - | 51,245 |
| Deferred payment mortgages | 1,711,847 | - | 1,711,847 | - | - | - | - | 1,711,847 |
| Total liabilities | <u>2,240,844</u> | <u>-</u> | <u>2,240,844</u> | <u>153,045</u> | <u>268,192</u> | <u>421,237</u> | <u>(10,315)</u> | <u>2,651,766</u> |
| Net assets and fund balance | | | | | | | | |
| Net assets | | | | | | | | |
| Without donor restrictions | | | | | | | | |
| Undesignated | 5,101,012 | - | 5,101,012 | - | - | - | 24,126 | 5,125,138 |
| With donor restrictions | - | 152,110 | 152,110 | - | - | - | - | 152,110 |
| Fund balance | - | - | - | 24,126 | - | 24,126 | (24,126) | - |
| Total net assets and fund balance | <u>5,101,012</u> | <u>152,110</u> | <u>5,253,122</u> | <u>24,126</u> | <u>-</u> | <u>24,126</u> | <u>-</u> | <u>5,277,248</u> |
| Total liabilities, net assets, and fund balance | <u>\$ 7,341,856</u> | <u>\$ 152,110</u> | <u>\$ 7,493,966</u> | <u>\$ 177,171</u> | <u>\$ 268,192</u> | <u>\$ 445,363</u> | <u>\$ (10,315)</u> | <u>\$ 7,929,014</u> |

Read Independent Auditors' Report.

NEW LIFE VILLAGE, INC. & ASSOCIATION
Consolidated Statement of Activities and Changes in Net Assets and Fund Balance
Year Ended August 31, 2023

| | New Life Village, Inc. | | | New Life Village Condominium Association, Inc. | | | Eliminations | Total |
|--|-------------------------------|----------------------------|---------------------|--|---------------------|------------------|------------------|---------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Operating Fund | Replacement Fund | Total | | |
| Revenue and other support | | | | | | | | |
| Rent, net | \$ 425,527 | \$ - | \$ 425,527 | \$ 10,596 | \$ - | \$ 10,596 | \$ (10,596) | \$ 425,527 |
| Contributions | 249,518 | 150,127 | 399,645 | - | - | - | - | 399,645 |
| In-kind contributions | 20,000 | - | 20,000 | - | - | - | - | 20,000 |
| Federal grants | 191,860 | - | 191,860 | - | - | - | - | 191,860 |
| Assessments - operating | - | - | - | 157,477 | - | 157,477 | (142,257) | 15,220 |
| Interest | 16 | - | 16 | 114 | - | 114 | - | 130 |
| Other | 33,403 | - | 33,403 | - | - | - | - | 33,403 |
| Net assets released from restrictions | 962,841 | (962,841) | - | - | - | - | - | - |
| Total revenue and other support | <u>1,883,165</u> | <u>(812,714)</u> | <u>1,070,451</u> | <u>168,187</u> | <u>-</u> | <u>168,187</u> | <u>(152,853)</u> | <u>1,085,785</u> |
| Expenses | | | | | | | | |
| Program services | 1,052,966 | - | 1,052,966 | 145,257 | - | 145,257 | (152,853) | 1,045,370 |
| General and administrative | 119,045 | - | 119,045 | 13,020 | - | 13,020 | - | 132,065 |
| Fundraising | 40,161 | - | 40,161 | - | - | - | - | 40,161 |
| Total expenses | <u>1,212,172</u> | <u>-</u> | <u>1,212,172</u> | <u>158,277</u> | <u>-</u> | <u>158,277</u> | <u>(152,853)</u> | <u>1,217,596</u> |
| Other income (expense) | | | | | | | | |
| Insurance recovery | - | - | - | 136,826 | - | 136,826 | - | 136,826 |
| Hurricane loss | - | - | - | (146,000) | - | (146,000) | - | (146,000) |
| Total other loss | <u>-</u> | <u>-</u> | <u>-</u> | <u>(9,174)</u> | <u>-</u> | <u>(9,174)</u> | <u>-</u> | <u>(9,174)</u> |
| Change in net assets and fund balance | 670,993 | (812,714) | (141,721) | 736 | - | 736 | - | (140,985) |
| Net assets and fund balance at beginning of year, as previously presented | 6,327,781 | 964,824 | 7,292,605 | 23,390 | - | 23,390 | - | 7,315,995 |
| Prior period adjustments: | | | | | | | | |
| Reserve assessments improperly recorded as assets | (221,371) | - | (221,371) | - | - | - | - | (221,371) |
| Grant revenue recorded prematurely | (386,377) | - | (386,377) | - | - | - | - | (386,377) |
| Deferred payment mortgage proceeds improperly reported as grant revenue | (1,279,653) | - | (1,279,653) | - | - | - | - | (1,279,653) |
| Accrued interest unrecorded | (10,361) | - | (10,361) | - | - | - | - | (10,361) |
| Net assets and fund balance at beginning of year, restated | <u>4,430,019</u> | <u>964,824</u> | <u>5,394,843</u> | <u>23,390</u> | <u>-</u> | <u>23,390</u> | <u>-</u> | <u>5,418,233</u> |
| Net assets and fund balance at end of year | <u>\$ 5,101,012</u> | <u>\$ 152,110</u> | <u>\$ 5,253,122</u> | <u>\$ 24,126</u> | <u>\$ -</u> | <u>\$ 24,126</u> | <u>\$ -</u> | <u>\$ 5,277,248</u> |

Read Independent Auditors' Report.

SUPPLEMENTARY INFORMATION

NEW LIFE VILLAGE, INC. & ASSOCIATION
Schedule of Expenditures of Federal Awards
Year Ended August 31, 2023

| Federal Agency | Assistance | | | |
|---|---------------|--------------------|---------------------|----------------------|
| <i>Direct Funding/Pass-Through Entity</i> | Listing | Identifying | Federal | Transfers to |
| <u>Federal Program</u> | <u>Number</u> | <u>Information</u> | <u>Expenditures</u> | <u>Subrecipients</u> |
| U.S. Department of Housing and Urban Development | | | | |
| <i>Passed through Hillsborough County Board of County Commissioners</i> | | | | |
| CDBG-Entitlement Grants Cluster: | | | | |
| Public Facilities Improvement Loan | 14.218 | 22-0350 | \$ 53,185 * | \$ - |
| CDBG-Entitlement Grants Cluster: | | | | |
| Program Funding Agreement | 14.218 | 22-1236 | <u>191,860</u> | <u>-</u> |
| | | | <u>245,045</u> | <u>-</u> |
| <i>Passed through Hillsborough County Board of County Commissioners</i> | | | | |
| Home Investment Partnerships Program | | | | |
| Deferred payment loan | 14.239 | 21-1236 | 1,279,653 * | - |
| Additional borrowings | 14.239 | 21-1236 | <u>379,009 *</u> | <u>-</u> |
| | | | <u>1,658,662</u> | <u>-</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 1,903,707</u> | <u>\$ -</u> |

* Represents the balance of a deferred payment loan from previous years plus new additional borrowings during the current year, if any, for which the federal government imposes continuing compliance requirements.

Read Independent Auditors' Report.

NEW LIFE VILLAGE, INC. & ASSOCIATION
Notes to Schedule of Expenditures of Federal Awards
Year Ended August 31, 2023

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activities of New Life Village, Inc. (“Village”) for the year ended August 31, 2023. 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 the Village, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Village.

Note 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.

Note 3 – Indirect Costs

The Village has elected not to use the 10% de minimis cost rate allowed by the Uniform Guidance.

Note 4 – Loans

The Village has the following loan balances:

| Assistance Listing Number | Description | Original Loan Amount | Balance at September 1, 2022 | Additional Loan Funding | Balance at August 31, 2023 |
|---------------------------------|--|----------------------------|------------------------------------|-------------------------------|----------------------------------|
| 14.218 | <i>CDBG-Entitlement Grants Cluster: Community Development Block Grants/ Entitlement Grants</i> Publi Facilities Improvement Loan | \$ 341,120 | \$ - | \$ 53,185 | \$ 53,185 |
| 14.239 | <i>Home Investment Partnerships Program</i> Deferred Payment Loan | 1,736,820 | <u>1,279,653</u> | <u>379,009</u> | <u>1,658,662</u> |
| | | | <u>\$ 1,279,653</u> | <u>\$ 432,194</u> | <u>\$ 1,711,847</u> |

Note 5 – Contingency

Expenditures incurred by the Village are subject to audit and possible disallowance by federal agencies. Management believes that, if audited, an adjustment for disallowed expenses would be immaterial.

Read Independent Auditors’ Report.



PRIDA, GUIDA & PEREZ, P.A.
Certified Public Accountants and Advisors

**INDEPENDENT AUDITORS' 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 Boards of Directors
New Life Village, Inc. & Association
Tampa, 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 New Life Village, Inc. & Association, which comprise the consolidated statement of financial position as of August 31, 2023, and the related consolidated statements of activities and changes in net assets and fund balance, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, "financial statements"), and have issued our report thereon dated May 14, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered New Life Village, Inc. & Association'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of New Life Village, Inc. & Association's internal control. Accordingly, we do not express an opinion on the effectiveness of New Life Village, Inc. & Association'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 consolidation 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 consolidation 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.

**INDEPENDENT AUDITORS' 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* (Continued)**

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether New Life Village, Inc. & Association's financial statements are free of 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 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Prida Guida & Perez".

Prida, Guida & Perez, P.A.
Tampa, Florida
May 14, 2024



PRIDA, GUIDA & PEREZ, P.A.
Certified Public Accountants and Advisors

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

To the Board of Directors
New Life Village, Inc.
Tampa, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited New Life Village, 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 New Life Village, Inc.'s major federal programs for the year ended August 31, 2023. New Life Village, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, New Life Village, 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 August 31, 2023.

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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of New Life Village, 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 New Life Village, Inc.'s compliance with the compliance requirements referred to above.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE (Continued)**

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 New Life Village, Inc.'s federal programs.

Auditors' 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 New Life Village, 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 New Life Village, 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 New Life Village, 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 New Life Village, 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 New Life Village, 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.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE (Continued)**

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 consolidation 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 consolidation 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 Auditors' 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.



Prida, Guida & Perez, P.A.
Tampa, Florida
May 14, 2024

NEW LIFE VILLAGE, INC. & ASSOCIATION
Schedule of Findings and Questioned Costs
Year Ended August 31, 2023

SECTION 1 - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued on whether the financial statements were prepared in accordance with GAAP

Unmodified

Internal control over the financial reporting:

| | | | | | |
|---|-------|-----|-------|----------|---------------|
| Material weakness(es) identified? | _____ | yes | _____ | <u>X</u> | no |
| Significant deficiency(ies) identified? | _____ | yes | _____ | <u>X</u> | none reported |
| Noncompliance material to financial statements noted? | _____ | yes | _____ | <u>X</u> | no |

Federal Award Programs

Type of auditors' report issued on compliance for major programs

Unmodified

Internal control over major programs:

| | | | | | |
|---|-------|-----|-------|----------|---------------|
| Material weakness(es) identified? | _____ | yes | _____ | <u>X</u> | no |
| Significant deficiency(ies) identified? | _____ | yes | _____ | <u>X</u> | none reported |

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?

_____ yes X no

Identification of major programs:

Assistance Listing

| <u>Number</u> | <u>Name of Federal Program/Cluster</u> |
|---------------|--|
| 14.239 | Home Investment Partnerships Program |

Dollar threshold used to distinguish between type A and type B federal programs

\$750,000

Auditee qualified as low-risk auditee?

_____ yes X no

SECTION 2 – FINANCIAL STATEMENT FINDINGS

No matters were reported for the year ended August 31, 2023.

SECTION 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported for the year ended August 31, 2023.

REQUIRED SUPPLEMENTARY INFORMATION

NEW LIFE VILLAGE, INC. & ASSOCIATION
Schedule of Future Major Repairs and Replacements
August 31, 2023

The Association’s board of directors estimates the remaining useful lives and the replacement costs of the components of common property. Replacement costs were based on the estimated costs to repair or replace the common property components.

The following schedule is based on the study and presents significant information about the components of common property:

| | Estimated Remaining Life (Years) | Estimated Replacement Cost | Reserve Assessments Received in Advance Balance at August 31, 2023 | Fiscal Year 2024 Funding Requirement | Fiscal Year 2024 Approved Funding |
|----------|--|----------------------------------|--|--|--|
| Paving | 3 | \$ 200,000 | \$ 78,125 | \$ 40,625 | \$ 12,679 |
| Painting | 5 | 120,000 | 71,819 | 9,636 | 15,926 |
| Roofing | 20 | 136,000 | 118,248 | 888 | 20,559 |
| | | \$ 456,000 | \$ 268,192 | \$ 51,149 | \$ 49,164 |