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VISITING NURSE ASSOCIATION

CONSOLIDATED FINANCIAL STATEMENTS

and

SUPPLEMENTARY INFORMATION

September 30, 2020 and 2019

With Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Visiting Nurse Association of the Treasure Coast, Inc. and Affiliates

We have audited the accompanying consolidated financial statements of Visiting Nurse Association of the Treasure Coast, Inc. and Affiliates, which comprise the consolidated balance sheets as of September 30, 2020 and 2019, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Visiting Nurse Association of the Treasure Coast, Inc. and Affiliates as of September 30, 2020 and 2019, and the consolidated results of their operations, changes in their net assets and their consolidated cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

Other Matters

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the September 30, 2020 and 2019 consolidated financial statements as a whole. The consolidating information is presented for the purpose of additional analysis of the consolidated financial statements, rather than to present the financial position, results of operations and changes in net assets of the individual organizations, 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits 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 U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as of and for the years ended September 30, 2020 and 2019 as a whole.

Effect of Adopting New Accounting Standards

As discussed in Note 1 to the consolidated financial statements, Visiting Nurse Association of the Treasure Coast, Inc. and Affiliates adopted new accounting guidance, Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), FASB ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, FASB ASU No. 2019-06, *Extending the Private Company Accounting Alternatives on Goodwill and Certain Identifiable Intangible Assets to Not-for-Profit Entities*, and FASB ASU 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilitie*s and related guidance. Our opinion is not modified with respect to these matters.

Berry Dunn McNeil & Parker, LLC

Manchester, New Hampshire
January 19, 2021

VISITING NURSE ASSOCIATION OF THE TREASURE COAST, INC. AND AFFILIATES

Consolidated Balance Sheets

September 30, 2020 and 2019

ASSETS

	2020	2019
Current assets		
Cash and cash equivalents	**$ 5,683,066**	$ 226,774
Patient accounts receivable, net	**2,839,245**	2,763,118
Pledges receivable, net	**82,115**	148,758
Prepaid expenses	**288,500**	171,464
Short-term investments	**4,191,179**	2,355,436
Total current assets	**13,084,105**	5,665,550
Long-term investments	**19,654,339**	20,371,521
Property and equipment, net	**2,622,633**	2,336,710
Goodwill	**1,080,000**	1,200,000
Other assets	**63,103**	63,543
Total assets	**$36,504,180**	$29,637,324

LIABILITIES AND NET ASSETS

	2020	2019
Current liabilities		
Line of credit	**$ -**	$ 911,864
Current portion of lease payable	**31,079**	55,882
Accounts payable and accrued expenses	**1,246,291**	1,138,002
Accrued payroll and related expenses	**2,136,105**	1,738,395
CARES Act funding advances	**5,885,032**	-
Total current liabilities	**9,298,507**	3,844,143
Lease payable, less current portion	**48,248**	9,421
Obligations under charitable gift annuities	**619,005**	670,616
Total liabilities	**9,965,760**	4,524,180
Net assets		
Without donor restrictions	**11,664,298**	9,890,920
With donor restrictions	**14,874,122**	15,222,224
Total net assets	**26,538,420**	25,113,144
Total liabilities and net assets	**$36,504,180**	$29,637,324

The accompanying notes are an integral part of these consolidated financial statements.

VISITING NURSE ASSOCIATION OF THE TREASURE COAST, INC. AND AFFILIATES

Consolidated Statements of Operations

Years Ended September 30, 2020 and 2019

	2020	2019
Operating revenue		
Net patient service revenue	**$30,492,950**	$28,180,092
Net assets released from restrictions for operations	**1,830,030**	1,657,118
Thrift shop and other operating revenue	**716,188**	944,063
Contributions	**3,004,131**	2,280,439
Total operating revenue	**36,043,299**	33,061,712
Operating expenses		
Salaries and benefits	**25,947,852**	23,780,032
Other operating expenses	**8,514,685**	8,395,822
Depreciation and amortization	**479,940**	373,442
Interest expense	**48,748**	84,362
Total operating expenses	**34,991,225**	32,633,658
Operating surplus	**1,052,074**	428,054
Other revenue and gains (losses)		
Investment income, net of expenses	**142,650**	477,603
Change in fair value of investments	**578,227**	-
Realized gain on investments	**-**	343,805
Change in charitable gift annuity liability and related expenses	**(1,751)**	(325,849)
Other non-operating revenue (expenses)	**2,178**	(12,384)
Other revenue and gains, net	**721,304**	483,175
Excess of revenue over expenses	**1,773,378**	911,229
Unrealized gain (loss) on investments	**-**	(345,073)
Change in net assets without donor restrictions	**$ 1,773,378**	$ 566,156

The accompanying notes are an integral part of these consolidated financial statements.

VISITING NURSE ASSOCIATION OF THE TREASURE COAST, INC. AND AFFILIATES

Consolidated Statements of Changes in Net Assets

Years Ended September 30, 2020 and 2019

	2020	2019
Net assets without donor restrictions		
Excess of revenue over expenses	**$ 1,773,378**	$ 911,229
Unrealized gain (loss) on investments	**-**	(345,073)
Change in net assets without donor restrictions	**1,773,378**	566,156
Net assets with donor restrictions		
Contributions	**579,426**	2,209,943
Investment income	**190,300**	143,711
Change in fair value of investments	**712,202**	-
Realized gain on investments	**-**	141,465
Unrealized gain (loss) on investments	**-**	(175,190)
Net assets released from restrictions for operations	**(1,830,030)**	(1,657,118)
Change in net assets with donor restrictions	**(348,102)**	662,811
Change in net assets	**1,425,276**	1,228,967
Net assets, beginning of year	**25,113,144**	23,884,177
Net assets, end of year	**$26,538,420**	$25,113,144

The accompanying notes are an integral part of these consolidated financial statements.

VISITING NURSE ASSOCIATION OF THE TREASURE COAST, INC. AND AFFILIATES

Consolidated Statements of Cash Flows

Years Ended September 30, 2020 and 2019

	2020	2019
Cash flows from operating activities		
Change in net assets	**$ 1,425,276**	$ 1,228,967
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	**479,940**	373,442
Change in fair value of investments	**(1,290,429)**	-
Realized gains on investments	**-**	(485,270)
Unrealized gains on investments	**-**	520,263
Change in charitable gift annuity liability	**(51,611)**	(59,146)
Contributions for long-term purposes	**(213,347)**	(1,821,490)
(Increase) decrease in the following assets		
Patient accounts receivable	**(76,127)**	(263,075)
Pledges receivable	**66,643**	(85,722)
Prepaid expenses	**(117,036)**	106,918
Other assets	**440**	1,003
Increase (decrease) in the following liabilities		
Accounts payable and accrued expenses	**108,289**	(23,280)
Accrued payroll and related expenses	**397,710**	280,033
CARES Act funding advances	**5,885,032**	-
Net cash provided by operating activities	**6,614,780**	(227,357)
Cash flows from investing activities		
Purchases of investments	**(7,291,756)**	(12,431,661)
Proceeds from the sale of investments	**7,463,624**	10,698,968
Purchases of property and equipment	**(567,101)**	(199,444)
Net cash used by investing activities	**(395,233)**	(1,932,137)
Cash flows from financing activities		
Contributions with long-term donor restrictions	**213,347**	1,821,490
Repayments on line of credit	**(911,864)**	(499,516)
Principal payments on lease payable	**(64,738)**	(55,882)
Net cash (used) provided by financing activities	**(763,255)**	1,266,092
Net increase (decrease) in cash and cash equivalents	**5,456,292**	(893,402)
Cash and cash equivalents, beginning of year	**226,774**	1,120,176
Cash and cash equivalents, end of year	**$ 5,683,066**	$ 226,774
Supplemental disclosure of cash flow information		
Interest paid	**$ 48,748**	$ 84,362
Property and equipment acquired under capital lease	**78,762**	-
Property and equipment in accounts payable	**107,650**	-

The accompanying notes are an integral part of these consolidated financial statements.

1. Summary of Significant Accounting Policies

Organization

The consolidated financial statements include Visiting Nurse Association of the Treasure Coast, Inc. (VNA - Treasure Coast) and its controlled affiliates (together referred to as the Association). All significant inter-entity transactions have been eliminated in the consolidation. The controlled affiliates of VNA - Treasure Coast include Visiting Nurse Association of Indian River County, Inc. (IRC), Hospice of Indian River County, Inc. (Hospice), VNA Space Coast, Inc. (Space Coast), VNA Space Coast Private Care, Inc. (Space Coast Private Care) and Visiting Nurse Association & Hospice Foundation, Inc. (Foundation). Each entity, controlled by sole corporate membership, is incorporated as a not-for-profit corporation under the laws of the State of Florida and is a not-for-profit corporation, as described in Section 501(c)(3) of the Internal Revenue Code. Each entity is exempt from federal and state income taxes under Section 501(a) of the Internal Revenue Code and Chapter 220.13 of the Florida Statutes, respectively. The purpose and mission of each entity is as follows:

VNA – Treasure Coast – provides management and administrative services to its controlled affiliates and the Foundation. Services provided by VNA-Treasure Coast include private duty and intermittent home healthcare services to patients which are provided by skilled nursing care, home health aides, and companionship. In addition, VNA-Treasure Coast provides Mobile Unit services and the flu program to patients.

IRC – provides intermittent home healthcare services to homebound patients in and around Indian River County and is a certified Medicare and Medicaid provider. Services provided by IRC include skilled nursing care, physical, speech and occupational therapy, medical social work services, home health aides and dietician.

Hospice – provides a variety of services to the terminally ill and their families. Some of the services provided include nursing, bereavement, social services, and counseling for family members. Hospice is Medicare and Medicaid certified. Hospice also operates a 12-bed residential/inpatient Hospice House. The Hospice House was built by, is owned by, and is leased from the Foundation. The land that the Hospice House building is located on is leased by the Foundation from Indian River County Hospital District for $1 per year.

Space Coast – provides intermittent home healthcare services to homebound patients and is a certified Medicare and Medicaid provider. Services provided by Space Coast in Brevard County, Florida include skilled nursing care, physical, speech and occupational therapy, medical social work services, home health aides and dietician.

Space Coast Private Care - provides private duty home health care services to private pay patients needing skilled and unskilled care. Services are provided through home health aides, certified nursing assistants, companions and nurse case managers. This entity was established during 2019.

Foundation – solicits and raises funds and endowments to provide financial support to the Association. The Foundation's strategic vision is to inspire philanthropists and donors to partner with the Association to build a healthier community for all. This is accomplished by engaging current donors and those with an interest in or linkage to home health or hospice care; developing Board members who inspire others to become involved as champions and supporters; enhancing collaborative relations with the Association and other community partners; assuring best practices in Foundation accountability and service. The Foundation Board of Directors is committed to raising contributions in the community through a comprehensive and integrated fund development plan. These charitable investments support the priority needs of the Association, which may include charity care for underserved or uninsured patients, capital projects, Hospice House operations and program initiatives.

Basis of Presentation

Net assets and revenues, expenses, gains, and losses are classified as follows based on the existence or absence of donor-imposed restrictions in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities.* Under FASB ASC Topic 958 and FASB ASC Topic 954, *Health Care Entities*, all not-for-profit healthcare organizations are required to provide a balance sheet, a statement of operations, a statement of changes in net assets, and a statement of cash flows. FASB ASC Topic 954 requires reporting amounts for an organization's total assets, liabilities, and net assets in a balance sheet; reporting the change in an organization's net assets in statements of operations and changes in net assets; and reporting the change in its cash and cash equivalents in a statement of cash flows.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Association. These net assets may be used at the discretion of the Association's management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions are to be met by actions of the Association or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of operations and changes in net assets.

Income Taxes

The Association consists of public charities under Section 501(c)(3) of the Internal Revenue Code. As public charities, the Association is exempt from state and federal income taxes on income earned in accordance with its tax-exempt purpose. Unrelated business income is subject to state and federal income tax. Management has evaluated the Association’s tax positions and concluded that the Association has no unrelated business income or uncertain tax positions that require adjustment to the consolidated financial statements.

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with an original maturity of three months or less, excluding restricted cash.

The Association has cash deposits in a major financial institution in excess of $250,000, which may exceed federal depository insurance limits. The Association has not experienced any losses in such accounts. Management believes it is not exposed to any significant risk with respect to these accounts.

The Association targets the cash balance in its operating accounts to not exceed $100,000 through utilization of an automatic sweep of deficit/excess funds against its bank line of credit agreement to minimize interest expense on the line of credit.

Patient Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides a reserve for payment adjustments by analyzing past history and identification of trends for all funding sources in the aggregate. Management regularly reviews data about revenue in evaluating the sufficiency of the reserve which is netted against accounts receivable. Amounts not collected after all reasonable collection efforts have been exhausted are applied against the allowance for payment adjustments.

Investments

Investments are measured at fair value in the balance sheet. Realized gains and losses on sales of investments are computed based on specific identification of the investment sold. Investment income or loss is included in the excess of revenue over expenses unless restricted by donor or law. Certain realized gains restricted by law or donors and all unrealized gains and temporary unrealized losses on investments are excluded from the excess of revenue over expenses.

On a periodic basis, the Association evaluates its investments to determine if declines in market value below cost are other than temporary. If such declines are determined to be other than temporary, an impairment charge is recognized and included in the excess of revenue over expenses.

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. As such, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the balance sheets, statements of operations, and changes in net assets.

Net Assets With Donor Restrictions

Net assets with donor restrictions are those whose use by the Association has been limited by donors to a specific time period or purpose. The Association had net assets with donor restrictions of $14,874,122 and $15,222,224 in 2020 and 2019, respectively.

Pledges Receivable

Pledges receivable that are expected to be collected within one year are recorded at net realizable value. Pledges receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the pledges are received.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation. Maintenance, repairs and minor renewals are expensed as incurred, and renewals and betterments are capitalized. Depreciation expense is computed using the straight-line method over the useful lives of the related assets.

Goodwill

Goodwill is recognized for the excess of the purchase price over the fair value of tangible and intangible net assets of businesses acquired. Goodwill is reviewed for possible impairment at least annually or more frequently upon the occurrence of an event or when circumstances indicate that a reporting unit's carrying amount is greater than its fair value. During the year ended September 30, 2019, the Association completed this impairment review which indicated that there was no impairment.

In 2020, the Association adopted FASB Accounting Standards Update (ASU) No. 2019-06, *Extending the Private Company Accounting Alternatives on Goodwill and Certain Identifiable Intangible Assets to Not-for-Profit Entities*, which allows not-for-profit entities to amortize goodwill rather than evaluating it for impairment annually. ASU No. 2019-06 permits amortization by the straight-line method over 10 years. Total amortization expense related to goodwill was $120,000 for the year ended September 30, 2020.

Endowment

The Association has one endowment fund for the Hospice House. The fund was established for the purpose of providing income to support general operations of the Hospice House. As required by GAAP, net assets of an endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Directors of the Association has interpreted relevant state law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund. As a result of this interpretation, the Association classifies as net assets with donor restrictions (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) 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 (also known as historical cost). Net appreciation in excess of the historical cost is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Association in a manner consistent with the standard of procedure prescribed by the Uniform Prudent Management of Institutional Funds Act (UPMIFA).

Net Patient Service Revenue

Services to all patients are recorded as revenue when services are rendered at the estimated net realizable amounts from patients, third-party payors and others, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and in future periods as final settlements are determined. Patients unable to pay full charge, who do not have other third-party resources, are charged a reduced amount based on the Association's published sliding fee scale. Reductions in full charge are recognized when the service is rendered.

Performance obligations are determined based on the nature of the services provided by the Association. Revenue for performance obligations satisfied over time is recognized based on actual services rendered. Generally, performance obligations satisfied over time relate to patients receiving skilled and non-skilled services in their home or facility. The Association measures the period over which the performance obligation is satisfied from admission to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge.

Providers of home health services to clients eligible for Medicare home health benefits are paid on a prospective basis, with no retrospective settlement. The prospective payment is based on the scoring attributed to the acuity level of the client at a rate determined by federal guidelines. As the performance obligations for home health services are met, revenue is recognized based upon the portion of the transaction price allocated to the performance obligation. The transaction price is the prospective payment determined for the medically necessary services.

Providers of hospice services to clients eligible for Medicare hospice benefits are paid on a per diem basis, with no retrospective settlement, provided the Association's aggregate annual Medicare reimbursement is below a predetermined aggregate capitated rate. Revenue is recognized as the services are performed based on the fixed rate amount. As the performance obligations for hospice services are met, revenue is recognized based upon the portion of the transaction price allocated to the performance obligation. The transaction price is the predetermined aggregate capitated rate per day.

Because all of the Association's performance obligations relate to short-term periods of care, the Association has elected to apply the optional exemption provided in FASB ASC Subtopic 606-10-50-14 (a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

Charitable Gift Annuity Program

The Association maintains a charitable gift annuity program. Under this program, the Association agrees to pay the annuitant a fixed payment over the annuitant's remaining life in exchange for a lump-sum gift. The Association's annuity payment liability is recorded at the present value of these payments using actuarially based assumptions.

Recently Issued Accounting Pronouncements

In 2020, the Association adopted FASB ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), and related guidance, which supersedes accounting standards that previously existed under GAAP and provides a single revenue model to address revenue recognition to be applied by all companies. Under the new standard, which added Topic 606 to the ASC, entities recognize revenue when a customer obtains control of promised goods or services in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. ASU No. 2014-09 also requires companies to disclose additional information, including the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Association elected to adopt this ASU retrospectively with the cumulative effect recognized at the date of initial application; therefore, the consolidated financial statements and related notes have been presented accordingly. The balance of accounts receivable at the beginning of 2019 was $2,500,043. The adoption had no significant impact for the years ended September 30, 2020 and 2019.

In 2020, the Association also adopted FASB ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which clarifies and improves the accounting guidance for contributions received and contributions made. The amendments in this ASU assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of ASC Topic No. 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other accounting guidance, and (2) distinguishing between conditional and unconditional contributions. This ASU was adopted by the Association for the year ended September 30, 2020. Adoption of the ASU did not have a material impact on the Association's financial reporting.

In 2020, the Association also adopted FASB ASU No. 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilitie*s, which enhances the reporting model for financial instruments. The amendments in this ASU requires equity investments to be measured at fair value with changes in fair value recognized in the performance indicator. This ASU was adopted by the Association for the year ended September 30, 2020. Adoption of the ASU increased the excess of revenue over expenses by $196,548 for the year ended September 30, 2020.

Uncertainty

On March 11, 2020, the World Health Organization declared the Coronavirus disease (COVID-19) a global pandemic. In response to the global pandemic, The Centers for Medicare & Medicaid Services (CMS) implemented certain relief measures and also issued guidance for limiting the spread of COVID-19.

Local, U.S., and world governments have encouraged self-isolation to curtail the spread of COVID-19, by mandating the temporary shut-down of business in many sectors and imposing limitations on travel and the size and duration of group meetings. Many sectors are experiencing disruption to business operations and may feel further impacts related to delayed government reimbursement, volatility in investment returns, and reduced philanthropic support. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them.

The U.S. government has responded with several phases of relief legislation as a response to the COVID-19 outbreak. Legislation enacted into law on March 27, 2020, called the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), a statute to address the economic impact of the COVID-19 outbreak. The CARES Act, among other things, 1) authorizes emergency loans to distressed businesses by establishing, and providing funding for, forgivable bridge loans, 2) provides additional funding for grants and technical assistance, 3) delays due dates for employer payroll taxes and estimated tax payments for corporations, and 4) revises provisions of the IRC, including those related to losses, charitable deductions, and business interest. The Association has received emergency grant funding under the CARES Act from CMS totaling $1,304,460 to offset the cost impact. These funds are recorded as deferred revenue for the year ended September 30, 2020. While management expects this matter to impact operating results, the related financial impact and duration cannot be reasonably estimated. These funds will be recognized as other operating revenue when it has been determined that the conditions of the funding have been met.

On April 27, 2020, the Association received a loan from the U.S. Small Business Association within the CARES Act under the Paycheck Protection Program (PPP) in the amount of $4,580,572. The loan is unsecured, has a two-year term with a maturity date of April 2022, bears an annual interest rate of 1%, and shall be payable monthly with the first six monthly payments deferred. The principal amount of the PPP is subject to forgiveness, upon the Association's request, to the extent that the proceeds are used to pay qualifying expenditures, including payroll costs, interest on mortgages, rent and utilities, incurred by the Association. It is the Association's intent to apply for forgiveness. Forgiveness is subject to the sole approval of the SBA. The Association has chosen to follow the conditional contribution model for the PPP and has opted to not record any income until forgiveness is received. The full amount of the PPP received is reported as a refundable advance in the current liabilities section of the balance sheet at September 30, 2020.

2. Availability and Liquidity of Financial Assets

As of September 30, 2020, the Association has working capital of $3,785,598 and average days (based on normal expenditures) cash and liquid investments on hand of 90, which includes cash and investments, net of restricted amounts.

Financial assets and liquidity resources available within one year for general expenditure, such as operating expenses and capital acquisitions not financed with debt or restricted funds (unfunded capital expenditures), were as follows:

	2020	2019
Cash and cash equivalents	**$ 5,683,066**	$ 226,774
Patient accounts receivable, net	**2,839,245**	2,763,118
Portion of expected endowment draw available for operations	**425,000**	53,603
Investments without donor restrictions for current use (Note 3)	**2,845,643**	2,382,206
Financial assets available to meet cash needs for general expenditures within one year	**$11,792,954**	$ 5,425,701

The Association has certain investments to use which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the information above. The Association has other investments for restricted use or designated by the Board of Directors, which are more fully described in Notes 3 and 5, that are not available for general expenditure within the next year and are not reflected in the amount above.

The Association also has a line of credit available to meet short-term needs. See Note 8 for information about this arrangement.

The Association manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability;
- Maintaining adequate liquid assets; and
- Maintaining sufficient reserves to provide reasonable assurance that long-term commitments and obligations under endowments with donor restrictions and board-designated endowments that support mission fulfillment will continue to be met, ensuring the sustainability of the Association.

3. Investments

Investments are stated at fair value and consist of the following:

	2020	2019
Cash and cash equivalents	**$ 4,903,110**	$ 2,678,314
Government agencies	**3,567,786**	2,503,331
Corporate bonds	**2,817,565**	3,227,661
Equities	**12,139,929**	14,025,048
Real estate funds and other	**417,128**	292,603
Total investments	**$23,845,518**	$22,726,957
Endowment - board designated	**$ 2,318,380**	$ 2,119,784
Endowment - unappropriated spending	**2,845,643**	2,382,206
Endowment - Hospice House in perpetuity	**7,677,570**	7,564,990
Without donor restrictions for current use	**2,442,264**	623,074
Without donor restrictions for long-term growth	**4,963,297**	4,030,924
With donor restrictions for current use	**1,748,915**	1,732,362
With donor restrictions - purpose restrictions	**283,671**	2,035,911
Charitable gift annuities	**1,565,778**	2,860,780
Total investments	**$23,845,518**	$22,726,957

4. Fair Value Measurement

FASB ASC Topic 820, *Fair Value Measurement*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants and also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The fair value hierarchy within ASC Topic 820 distinguishes three levels of inputs that may be utilized when measuring fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Financial assets measured at fair value on a recurring basis at September 30 consisted of the following:

2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	**$ 4,903,110**	**$ -**	**$ -**	**$ 4,903,110**
Government agencies	**-**	**3,567,786**	**-**	**3,567,786**
Corporate bonds	**-**	**2,817,565**	**-**	**2,817,565**
Equities	**12,139,929**	**-**	**-**	**12,139,929**
Real estate funds	**-**	**-**	**417,128**	**417,128**
	$17,043,039	**$ 6,385,351**	**$ 417,128**	**$23,845,518**

2019	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 2,678,314	$ -	$ -	$ 2,678,314
Government agencies	-	2,503,331	-	2,503,331
Corporate bonds	-	3,227,661	-	3,227,661
Equities	14,025,048	-	-	14,025,048
Real estate funds	-	-	292,603	292,603
	$16,703,362	$ 5,730,992	$ 292,603	$22,726,957

The fair value of the Association's government agencies and corporate bonds is measured based on Level 2 inputs. The fair value is determined annually based on quoted market prices of similar instruments. The fair value of the Association's real estate funds is based on Level 3 inputs. The fair market value of the real estate investments is determined by the Association's share of the fair value of the underlying assets, and is provided by the custodian.

The following presents the change in the assets measured at fair value based on Level 3 inputs:

Balance, September 30, 2018	$ 265,180
Unrealized gains	49,574
Realized gains	5,545
Purchases	34,522
Sales	(62,218)
Balance, September 30, 2019	292,603
Unrealized losses	**(39,840)**
Realized gains	**2,734**
Purchases	**269,298**
Sales	**(107,667)**
Balance, September 30, 2020	**$ 417,128**

5. Endowment

In accordance with UPMIFA, the Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund;
(2) The purposes of the Association and the donor-restricted endowment fund;
(3) General economic conditions;
(4) The possible effect of inflation and deflation;
(5) The expected total return from income and the appreciation of investments;
(6) Other resources of the Association; and
(7) The investment policies of the Association.

Spending Policy

The Association has a policy of appropriating a distribution annually based on the average total investment return for the preceding twelve quarters adjusted for inflation, but not to exceed 5% nor be less than 3% of the average portfolio value.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Association to retain as a fund of perpetual duration. The Board's policy does not permit spending from underwater endowment. There were no deficiencies of this nature as of September 30, 2020 and 2019.

Return Objectives and Risk Parameters

The Association has adopted an investment policy for endowment assets that attempts to provide a predictable stream of funding to programs supported by its endowment, while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Association must hold in perpetuity or for a donor-specified period and whose income is available for operations. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that meet or exceed designated benchmarks while incurring a reasonable and prudent level of investment risk. The endowment assets consist of a balanced portfolio of cash, debt and equity securities.

Endowment Net Asset Composition by Type of Fund

The endowment net asset composition by type of fund and changes therein for 2019 and 2020 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance, September 30, 2018	$ 2,042,905	$ 10,270,126	$ 12,313,031
Contributions	114,917	27,500	142,417
Investment income	107,424	169,553	276,977
Investment fees	(20,655)	(32,602)	(53,257)
Realized gains	89,628	141,465	231,093
Unrealized losses	(110,995)	(175,190)	(286,185)
Spending policy appropriation	(103,440)	(453,656)	(557,096)
Balance, September 30, 2019	2,119,784	9,947,196	12,066,980
Contributions	**9,267**	**112,580**	**121,847**
Investment income	**46,860**	**219,894**	**266,754**
Investment fees	**(9,304)**	**(43,659)**	**(52,963)**
Realized gains	**58,637**	**275,159**	**333,796**
Unrealized gains	**93,136**	**437,043**	**530,179**
Spending policy appropriation	**-**	**(425,000)**	**(425,000)**
Balance, September 30, 2020	**$ 2,318,380**	**$ 10,523,213**	**$ 12,841,593**

Net assets with donor restrictions consist of the following:

	2020	2019
Specific purpose		
Hospice house operations	**$ 1,909,248**	$ 2,284,372
Home health and hospice	**1,957,962**	2,122,334
Hospice funds	**374,864**	800,721
Diabetes Bleyer Estate	**1,671**	12,544
Other	**107,164**	55,057
Total specific purpose	**4,350,909**	5,275,028
Subject to the Association's spending policy and appropriation		
Unappropriated spending	**2,845,643**	2,382,206
Donor restricted endowment funds for Hospice House in perpetuity	**7,677,570**	7,564,990
Total donor restricted endowment	**10,523,213**	9,947,196
Total net assets with donor restrictions	**$ 14,874,122**	$ 15,222,224

6. Property and Equipment

Property and equipment consists of the following:

	2020	2019
Equipment, furniture and fixtures	**$ 5,340,292**	$ 5,236,056
Building and improvements	**2,342,056**	2,342,056
Leasehold improvements	**1,808,066**	1,778,127
Land and improvements	**129,139**	129,139
Vehicles	**294,375**	262,134
Construction in progress	**489,276**	30,675
Total cost	**10,403,204**	9,778,187
Less accumulated depreciation	**7,780,571**	7,441,477
Property and equipment, net	**$ 2,622,633**	$ 2,336,710

The Association constructed its hospice facility on land owned by the Indian River County Hospital District (the Hospital District). The land is leased under an agreement which provides, among other things, for an annual payment to the Hospital District of $1 through December 31, 2026. These consolidated financial statements reflect the $1,050,000 fair value of this land use right, as determined by an independent appraisal, included in leasehold improvements.

7. Line of Credit

The Association has a $4,000,000 line of credit arrangement with a bank. This arrangement provides for short-term borrowings at a rate of the greater of 1% or the bank's prime rate minus 1%. The line of credit is collateralized by substantially all assets of VNA - Treasure Coast. There was no balance outstanding as of September 30, 2020 and $911,864 outstanding as of September 30, 2019. Interest expense related to the line of credit was $48,748 and $84,362 for the years ended September 30, 2020 and 2019, respectively.

8. Charitable Gift Annuities

The Association has a Charitable Gift Annuity (CGA) Program whereby the donor makes a gift to the Association and the Association agrees to pay a specified income to the donor for life. The asset is measured at fair value when received. Investments are limited to conservative assets, as further defined by Florida statutes. The Internal Revenue Service published discount rate at the date of each gift is the discount rate used to determine the present value of the expected future cash flows to be paid to the annuitant.

Contribution revenue is recognized as the difference between the asset and liability upon receipt of the donation. In subsequent periods, payments to the annuitant reduce the annuity liability. Adjustments to the annuity liability to reflect amortization of the discount and changes in life expectancy of the donor are netted against the related contributions in the consolidated statements of operations and changes in net assets. Total contribution revenue from the CGAs, net of reserve for annuity payments, was approximately $5,000 and $497,251 in 2020 and 2019, respectively. The annuity liability for the future cash flows expected to be paid to the annuitants was $619,005 and $670,616 at September 30, 2020 and 2019, respectively.

9. Defined Contribution Plan

The Association has a defined contribution tax deferred annuity plan. Eligible employees may contribute a percentage of their salary to the plan through elective deferrals, up to the maximum amount allowed by current law. The Association matched 50% of employees' elective deferrals up to 3% during the years ended September 30, 2020 and 2019. Employee contributions immediately vest 100%. Employees with over five years of service vest in the Association's profit sharing and matching contributions for each plan. The Association recognized employer contributions of $207,453 in 2020 and $175,254 in 2019.

10. Net Patient Service Revenue

Net patient service revenue is as follows:

	2020	2019
Medicare	**$23,873,225**	$21,814,410
Medicaid	**780,237**	805,603
Other third-party payers and private pay	**5,839,488**	5,560,079
Total	**$30,492,950**	$28,180,092

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action including fines, penalties and exclusion from the Medicare and Medicaid programs. The Association believes that it is in substantial compliance with all applicable laws and regulations. However, there is at least a reasonable possibility that recorded estimates could change by a material amount in the near term. Differences between amounts previously estimated and amounts subsequently determined to be recoverable or payable are included in patient service revenue in the year that such amounts become known.

The Association provides care to clients who meet certain criteria without charge or at amounts less than its established rates. The Foundation provides a Charity Care Program to reimburse the Association for services rendered to such patients, based upon an individual financial assessment of each patient's capacity to pay for these services.

Additionally, the cost of providing care to both Medicaid and IRC indigent patients is not fully paid for by these respective programs. Accordingly, the Foundation subsidizes the costs for services provided to Medicaid patients.

The total amount of charity care provided, including subsidized service to Medicaid patients, was $652,981 in 2020 and $644,838 in 2019.

In assessing collectability, the Association has elected the portfolio approach. This portfolio approach is being used as the Association has similar contracts with similar classes of patients. The Association reasonably expects that the effect of applying a portfolio approach to a group of contracts would not differ materially from considering each contract separately. Management's judgment to group the contracts by portfolio is based on the payment behavior expected in each portfolio category. As a result, management believes aggregating contracts (which are at the patient level) by the particular payor or group of payors results in the recognition of revenue approximating that which would result from applying the analysis at the individual patient level.

The Association has established payment terms for self-pay patients in the Private Care programs which requires a signed financial agreement outlining payment terms prior to services starting. Charges for services are billed every two weeks, with the full amount due upon receipt of invoice. If payment is not received after fourteen days, a past due final notice is mailed.

11. Functional Expenses

The Association provides various services to residents within its geographic location. Expenses related to providing these services are as follows:

	2020	2019
Program services		
Salaries and benefits	**$18,343,685**	$16,959,486
Contract services	**737,670**	949,640
Program supplies	**2,602,513**	2,578,728
Telephone	**428,064**	389,581
Transportation	**387,398**	379,827
Other operating expenses	**1,797,401**	1,647,094
Depreciation and amortization	**99,879**	61,241
Interest	**17,008**	32,986
Total program services	**24,413,618**	22,998,583
Administrative and general		
Salaries and benefits	**7,407,935**	6,604,057
Contract services	**369,222**	417,096
Program supplies	**225,028**	212,246
Transportation	**89,254**	89,400
Other operating expenses	**1,664,620**	1,486,377
Depreciation and amortization	**279,514**	304,584
Interest	**31,740**	51,376
Total administrative and general	**10,067,313**	9,165,136
Fundraising		
Salaries and benefits	**196,232**	216,489
Contract services	**6,936**	5,580
Transportation	**357**	-
Other operating expenses	**206,222**	240,253
Depreciation and amortization	**100,547**	7,617
Total fundraising	**510,294**	469,939
Total	**$34,991,225**	$32,633,658

The Association uses Medicare cost reporting methodology for allocation of expenses among program services, administrative and general, and fundraising expenses.

12. Commitments

Capital Leases

Maturities of capital lease obligations are as follows:

2021	$ 31,079
2022	21,658
2023	16,737
2024	6,894
2025	2,959
	$ 79,327

Operating Leases

Leases that do not meet the criteria for capitalization are classified as operating leases with related rental charged to operations as incurred. Future minimum rental payments due for office space under operating leases are as follows:

2021	$ 604,932
2022	206,733
	$ 811,665

Lease expense was $633,588 in 2020 and $745,573 in 2019.

Renovation Contract

In 2019, the Association entered into an agreement with a vendor for the renovation of its Hospice House. The total estimated cost of construction is approximately $2,225,644 and as of September 30, 2020, the Association had incurred costs of $489,276. Funding of the renovation has been secured by donor contributions and restricted funds. The Association expects the renovation of the Hospice House to be completed by August 2021.

13. Concentration of Risk

The Association grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payer agreements. Following is a summary of accounts receivable, by funding source:

	2020	2019
Medicare	**81 %**	76 %
Medicaid	**1**	3
Other	**18**	21
Total	**100 %**	100 %

14. Medical Malpractice Insurance

The Association maintains medical malpractice insurance coverage on a claims-made basis. The Association is subject to complaints, claims, and litigation due to potential claims which arise in the normal course of business. GAAP requires the Association to accrue the ultimate cost of malpractice claims when the incident that gives rise to the claim occurs, without consideration of insurance recoveries. Expected recoveries are presented as a separate asset. The Association has evaluated its exposure to losses arising from potential claims and determined no such accrual is necessary at September 30, 2020 and 2019. The Association intends to renew coverage on a claims-made basis and anticipates that such coverage will be available in future periods.

15. Subsequent Events

For financial reporting purposes, subsequent events have been evaluated by management through January 19, 2021, which is the date the consolidated financial statements were available to be issued.

On October 15, 2020, the Association ratified articles of organization for VNA Foundation Property Holdings, LLC (LLC) with the Foundation as the sole member. The purpose of the LLC is to further the charitable purposes of its tax-exempt member.

On November 4, 2020, the Association executed a lease agreement for Treasure Coast. The lease commences on January 15, 2021 for a term of one year. The lease term has an option to renew for two additional one year terms. Future minimum rental payments for the year ended September 30, 2021 are $15,900.

On November 24, 2020, the Association executed an addendum to the land lease agreement with the Hospital District. The addendum added ten acres to the previously leased land at the same price of $1 per year. In addition, the Association has the option to renew the lease for four additional ten-year terms upon expiration of the initial term on December 31, 2026. In the event that all of the options are exercised, the lease shall terminate on December 31, 2066.

On December 14, 2020, the Association executed a lease agreement for Space Coast. The lease commences once a certificate of occupancy is issued which is estimated on or around April 1, 2021. The lease is for a term of seven years with an option to renew the lease in perpetuity in five year increments. Future minimum rental payments for the year ended September 30, 2021 are estimated to be $45,000.

Schedule 1

VISITING NURSE ASSOCIATION OF THE TREASURE COAST, INC. AND AFFILIATES

Consolidating Balance Sheets

September 30, 2020

ASSETS

	Treasure Coast	Hospice	Space Coast	Indian River County	Space Coast Private Care	Foundation	Eliminations	Consolidated
Current assets								
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ 5,683,066	$ -	$ 5,683,066
Patient accounts receivable, net	273,723	981,550	517,925	1,060,052	5,995	-	-	2,839,245
Pledges receivable, net	-	-	-	-	-	82,115	-	82,115
Due from related parties	2,836,145	9,604,029	-	-	-	(5,341,452)	(7,098,722)	-
Prepaid expenses	240,711	8,586	8,352	14,649	1,170	15,032	-	288,500
Short-term investments	-	-	-	-	-	4,191,179	-	4,191,179
Total current assets	3,350,579	10,594,165	526,277	1,074,701	7,165	4,629,940	(7,098,722)	13,084,105
Noncurrent assets								
Long-term investments	-	-	-	-	-	19,654,339	-	19,654,339
Property and equipment, net	218,154	60,772	4,325	4,238	-	2,335,144	-	2,622,633
Goodwill, net	1,080,000	-	-	-	-	-	-	1,080,000
Other assets	18,355	18,470	958	12,300	-	13,020	-	63,103
Total noncurrent assets	1,316,509	79,242	5,283	16,538	-	22,002,503	-	23,420,075
Total assets	$ 4,667,088	$ 10,673,407	$ 531,560	$ 1,091,239	$ 7,165	$ 26,632,443	$ (7,098,722)	$ 36,504,180

VISITING NURSE ASSOCIATION OF THE TREASURE COAST, INC. AND AFFILIATES

Consolidating Balance Sheets

September 30, 2020

LIABILITIES AND NET ASSETS (DEFICIT)

	Treasure Coast	Hospice	Space Coast	Indian River County	Space Coast Private Care	Foundation	Eliminations	Consolidated
Current liabilities								
Current portion of lease payable	$ 31,079	$ -	$ -	$ -	$ -	$ -	$ -	$ 31,079
Accounts payable and accrued expenses	481,469	600,192	42,474	70,827	393	50,936	-	1,246,291
Accrued payroll and related expenses	1,353,181	279,350	117,490	366,443	5,832	13,809	-	2,136,105
CARES Act funding advances	4,656,362	309,032	222,832	696,806	-	-	-	5,885,032
Due to related parties	-	-	1,750,880	5,289,710	58,132	-	(7,098,722)	-
Total current liabilities	6,522,091	1,188,574	2,133,676	6,423,786	64,357	64,745	(7,098,722)	9,298,507
Lease payable, less current portion	48,248	-	-	-	-	-	-	48,248
Obligations under charitable gift annuities	-	-	-	-	-	619,005	-	619,005
Total liabilities	6,570,339	1,188,574	2,133,676	6,423,786	64,357	683,750	(7,098,722)	9,965,760
Net assets (deficit)								
Without donor restrictions	(1,903,251)	9,484,833	(1,602,116)	(5,332,547)	(57,192)	11,074,571	-	11,664,298
With donor restrictions	-	-	-	-	-	14,874,122	-	14,874,122
Total net assets (deficit)	(1,903,251)	9,484,833	(1,602,116)	(5,332,547)	(57,192)	25,948,693	-	26,538,420
Total liabilities and net assets (deficit)	$ 4,667,088	$ 10,673,407	$ 531,560	$ 1,091,239	$ 7,165	$ 26,632,443	$ (7,098,722)	$ 36,504,180

Schedule 2

VISITING NURSE ASSOCIATION OF THE TREASURE COAST, INC. AND AFFILIATES

Consolidating Balance Sheets

September 30, 2019

ASSETS

	Treasure Coast	Hospice	Space Coast	Indian River County	Space Coast Private Care	Foundation	Eliminations	Consolidated
Current assets								
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ 226,774	$ -	$ 226,774
Patient accounts receivable, net	288,068	1,183,589	487,191	804,270	-	-	-	2,763,118
Pledges receivable, net	-	-	-	-	-	148,758	-	148,758
Due from related parties	-	7,175,533	-	-	-	446,719	(7,622,252)	-
Prepaid expenses	143,317	7,818	5,270	11,861	-	3,198	-	171,464
Short-term investments	-	-	-	-	-	2,355,436	-	2,355,436
Total current assets	431,385	8,366,940	492,461	816,131	-	3,180,885	(7,622,252)	5,665,550
Noncurrent assets								
Long-term investments	-	-	-	-	-	20,371,521	-	20,371,521
Property and equipment, net	243,411	12,852	-	5,872	6,260	2,068,315	-	2,336,710
Goodwill	1,200,000	-	-	-	-	-	-	1,200,000
Other assets	18,354	18,470	-	12,300	-	14,419	-	63,543
Total noncurrent assets	1,461,765	31,322	-	18,172	6,260	22,454,255	-	23,971,774
Total assets	$ 1,893,150	$ 8,398,262	$ 492,461	$ 834,303	$ 6,260	$ 25,635,140	$ (7,622,252)	$ 29,637,324

VISITING NURSE ASSOCIATION OF THE TREASURE COAST, INC. AND AFFILIATES

Consolidating Balance Sheets

September 30, 2019

LIABILITIES AND NET ASSETS (DEFICIT)

	Treasure Coast	Hospice	Space Coast	Indian River County	Space Coast Private Care	Foundation	Eliminations	Consolidated
Current liabilities								
Line of credit	$ 911,864	$ -	$ -	$ -	$ -	$ -	$ -	$ 911,864
Current portion of lease payable	55,882	-	-	-	-	-	-	55,882
Accounts payable and accrued expenses	453,030	486,688	42,949	63,972	-	91,363	-	1,138,002
Accrued payroll and related expenses	1,172,007	214,343	72,237	252,565	-	27,243	-	1,738,395
Due to related parties	1,075,711	-	1,495,816	5,044,465	6,260	-	(7,622,252)	-
Total current liabilities	3,668,494	701,031	1,611,002	5,361,002	6,260	118,606	(7,622,252)	3,844,143
Lease payable, less current portion	9,421	-	-	-	-	-	-	9,421
Obligations under charitable gift annuities	-	-	-	-	-	670,616	-	670,616
Total liabilities	3,677,915	701,031	1,611,002	5,361,002	6,260	789,222	(7,622,252)	4,524,180
Net assets (deficit)								
Without donor restrictions	(1,784,765)	7,697,231	(1,118,541)	(4,526,699)	-	9,623,694	-	9,890,920
With donor restrictions	-	-	-	-	-	15,222,224	-	15,222,224
Total net assets (deficit)	(1,784,765)	7,697,231	(1,118,541)	(4,526,699)	-	24,845,918	-	25,113,144
Total liabilities and net assets (deficit)	$ 1,893,150	$ 8,398,262	$ 492,461	$ 834,303	$ 6,260	$ 25,635,140	$ (7,622,252)	$ 29,637,324

VISITING NURSE ASSOCIATION OF THE TREASURE COAST, INC. AND AFFILIATES

Consolidating Statements of Operations

Year Ended September 30, 2020

	Treasure Coast	Hospice	Space Coast	Indian River County	Space Coast Private Care	Foundation	Eliminations	Consolidated
Operating revenue								
Net patient service revenue	$ 4,096,567	$ 11,848,568	$ 4,279,555	$ 10,215,761	$ 52,499	$ -	$ -	$ 30,492,950
Net assets released from restrictions for operations	-	-	-	-	-	1,830,030	-	1,830,030
Thrift shop and other operating revenue	10,829	705,359	-	-	-	-	-	716,188
Contributions	295,449	2,474,405	20,893	652,315	-	3,075,779	(3,514,710)	3,004,131
Management fees	7,901,606	-	-	-	-	-	(7,901,606)	-
Total operating revenue	12,304,451	15,028,332	4,300,448	10,868,076	52,499	4,905,809	(11,416,316)	36,043,299
Operating expenses								
Salaries and wages	8,429,453	6,252,843	3,174,667	7,627,193	96,730	366,966	-	25,947,852
Other operating expenses	3,683,187	6,983,343	1,608,959	4,045,941	12,961	371,644	(8,191,350)	8,514,685
Charity care expense	-	-	-	-	-	3,224,966	(3,224,966)	-
Depreciation and amortization	262,265	6,547	597	1,634	-	208,897	-	479,940
Interest expense	48,748	-	-	-	-	-	-	48,748
Total operating expenses	12,423,653	13,242,733	4,784,223	11,674,768	109,691	4,172,473	(11,416,316)	34,991,225
Operating (loss) income	(119,202)	1,785,599	(483,775)	(806,692)	(57,192)	733,336	-	1,052,074
Other revenue and gains (losses)								
Investment income, net of expenses	541	(97)	200	844	-	141,162	-	142,650
Change in fair value of investments	-	-	-	-	-	578,227	-	578,227
Change in charitable gift annuities	-	-	-	-	-	(1,751)	-	(1,751)
Other non-operating revenue (expenses)	175	2,100	-	-	-	(97)	-	2,178
Other revenue and gains, net	716	2,003	200	844	-	717,541	-	721,304
(Deficit) excess of revenue over expenses and (decrease) increase in net assets without donor restrictions	$ (118,486)	$ 1,787,602	$ (483,575)	$ (805,848)	$ (57,192)	$ 1,450,877	$ -	$ 1,773,378

Schedule 4

VISITING NURSE ASSOCIATION OF THE TREASURE COAST, INC. AND AFFILIATES

Consolidating Statements of Operations

Year Ended September 30, 2019

	Treasure Coast	Hospice	Space Coast	Indian River County	Foundation	Eliminations	Consolidated
Operating revenue							
Net patient service revenue	$ 4,009,508	$ 10,640,655	$ 3,978,907	$ 9,551,022	$ -	$ -	$ 28,180,092
Net assets released from restrictions for operations	-	-	-	-	1,657,118	-	1,657,118
Thrift shop and other operating revenue (loss)	(4,001)	948,061	-	3	-	-	944,063
Contributions	280,522	2,133,265	15,789	601,245	2,481,992	(3,232,374)	2,280,439
Management fees	6,895,392	-	-	-	-	(6,895,392)	-
Total operating revenue	11,181,421	13,721,981	3,994,696	10,152,270	4,139,110	(10,127,766)	33,061,712
Operating expenses							
Salaries and wages	7,753,351	5,786,875	2,810,353	7,065,175	364,278	-	23,780,032
Other operating expenses	3,380,407	6,573,055	1,676,688	3,493,415	454,524	(7,182,267)	8,395,822
Charity care expense	-	-	-	-	2,945,499	(2,945,499)	-
Depreciation and amortization	129,758	9,345	-	1,634	232,705	-	373,442
Interest expense	84,362	-	-	-	-	-	84,362
Total operating expenses	11,347,878	12,369,275	4,487,041	10,560,224	3,997,006	(10,127,766)	32,633,658
Operating (loss) income	(166,457)	1,352,706	(492,345)	(407,954)	142,104	-	428,054
Other revenue and gains							
Investment income, net of expenses	-	147	1,379	164	475,913	-	477,603
Realized gains on investments	-	-	-	-	343,805	-	343,805
Change in charitable gift annuities	-	-	-	-	(325,849)	-	(325,849)
Other non-operating revenue (expenses)	400	95	-	-	(12,879)	-	(12,384)
Other revenue and gains, net	400	242	1,379	164	480,990	-	483,175
(Deficit) excess of revenue over expenses	(166,057)	1,352,948	(490,966)	(407,790)	623,094	-	911,229
Change in unrealized gains on investments	-	-	-	-	(345,073)	-	(345,073)
Change in net assets without donor restrictions	$ (166,057)	$ 1,352,948	$ (490,966)	$ (407,790)	$ 278,021	$ -	$ 566,156

VISITING NURSE ASSOCIATION OF THE TREASURE COAST, INC. AND AFFILIATES

Consolidating Statements of Changes in Net Assets (Deficit)

Year Ended September 30, 2020

	Treasure Coast	Hospice	Space Coast	Indian River County	Space Coast Private Care	Foundation	Consolidated
Net assets without donor restrictions							
(Deficit) excess of revenue over expenses and (decrease) increase in net assets without donor restrictions	$ (118,486)	$ 1,787,602	$ (483,575)	$ (805,848)	$ (57,192)	$ 1,450,877	$ 1,773,378
Net assets with donor restrictions							
Contributions	-	-	-	-	-	579,426	579,426
Investment income, net	-	-	-	-	-	190,300	190,300
Change in fair value of investments	-	-	-	-	-	712,202	712,202
Net assets released from restrictions for operations	-	-	-	-	-	(1,830,030)	(1,830,030)
Change in net assets with donor restrictions	-	-	-	-	-	(348,102)	(348,102)
Change in net assets (deficit)	(118,486)	1,787,602	(483,575)	(805,848)	(57,192)	1,102,775	1,425,276
Net assets (deficit), beginning of year	(1,784,765)	7,697,231	(1,118,541)	(4,526,699)	-	24,845,918	25,113,144
Net assets (deficit), end of year	$ (1,903,251)	$ 9,484,833	$ (1,602,116)	$ (5,332,547)	$ (57,192)	$ 25,948,693	$ 26,538,420

Schedule 6

VISITING NURSE ASSOCIATION OF THE TREASURE COAST, INC. AND AFFILIATES

Consolidating Statements of Changes in Net Assets (Deficit)

Year Ended September 30, 2019

	Treasure Coast	Hospice	Space Coast	Indian River County	Foundation	Consolidated
Net assets without donor restrictions						
(Deficit) excess of revenue over expenses	$ (166,057)	$ 1,352,948	$ (490,966)	$ (407,790)	$ 623,094	$ 911,229
Unrealized losses on investments	-	-	-	-	(345,073)	(345,073)
Net assets with donor restrictions						
Contributions	-	-	-	-	2,209,943	2,209,943
Investment income	-	-	-	-	143,711	143,711
Realized gains on investments	-	-	-	-	141,465	141,465
Unrealized losses on investments	-	-	-	-	(175,190)	(175,190)
Net assets released from restrictions for operations	-	-	-	-	(1,657,118)	(1,657,118)
Change in net assets with donor restrictions	-	-	-	-	662,811	662,811
Change in net assets (deficit)	(166,057)	1,352,948	(490,966)	(407,790)	940,832	1,228,967
Net assets (deficit), beginning of year	(1,618,708)	6,344,283	(627,575)	(4,118,909)	23,905,086	23,884,177
Net assets (deficit), end of year	$ (1,784,765)	$ 7,697,231	$ (1,118,541)	$ (4,526,699)	$ 24,845,918	$ 25,113,144