

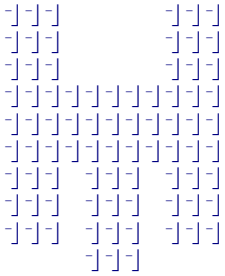
**CARIDAD CENTER, INC.**

**REPORT ON AUDIT OF  
CONSOLIDATED FINANCIAL STATEMENTS**

**For The Year Ended September 30, 2025**  
*(with comparable totals for 2024)*

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Caridad Center, Inc.  
Boynton Beach, Florida

### Report on the Audit of the Consolidated Financial Statements

#### *Opinion*

We have audited the accompanying consolidated financial statements of Caridad Center, Inc. (a nonprofit organization), which comprise the consolidated statements of financial position as of September 30, 2025, and the related consolidated statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Caridad Center, Inc. as of September 30, 2025, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Caridad Center, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Caridad Center, Inc.'s ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

## ***Auditor's Responsibility for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Caridad Center, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Caridad Center, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of state financial assistance, as required by Chapter 10.650, *Rules of the Auditor General*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to

prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated 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 XX, 2026, on our consideration of Caridad Center, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Caridad Center, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Caridad Center, Inc.'s internal control over financial reporting and compliance.

#### **Report on Summarized Comparative Information**

We have previously audited Caridad Center, Inc.'s 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated May 13, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2024, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

*Holyfield & Thomas, LLC*

West Palm Beach, Florida  
May 20, 2026

*As of September 30, 2025**(with comparable totals for 2024)*

	Without Donor Restrictions	With Donor Restrictions	2025	2024
<b>ASSETS</b>				
Cash and cash equivalents	\$ 206,771	\$ 318,907	\$ 525,678	\$ 276,498
Investments	1,592,923	-	1,592,923	2,478,622
Grants and promises to give receivable	626,136	195,000	821,136	430,079
Inventory	188,450	-	188,450	258,039
Other current assets	36,438	-	36,438	124,933
Total current assets	2,650,718	513,907	3,164,625	3,568,171
Property and equipment, net	5,929,521	-	5,929,521	5,749,055
Operating right-of-use asset, net	62,940	-	62,940	77,355
Total assets	<u>\$ 8,643,179</u>	<u>\$ 513,907</u>	<u>\$ 9,157,086</u>	<u>\$ 9,394,581</u>
<b>LIABILITIES AND NET ASSETS</b>				
Accounts payable	\$ 47,108	\$ -	\$ 47,108	\$ 83,288
Accrued compensation and related expenses	119,381	-	119,381	293,601
Deferred revenue	35,859	-	35,859	36,364
Refundable advances	168,002	-	168,002	-
Note payable	37,534	-	37,534	37,384
Operating lease obligation, current portion	15,689	-	15,689	14,415
Total current liabilities	423,573	-	423,573	465,052
Operating lease obligation	47,251	-	47,251	62,940
Total liabilities	470,824	-	470,824	527,992
Net assets:				
Without donor restrictions:				
Board designated quasi-endowment fund	315,000	-	315,000	315,000
Undesignated	7,857,355	-	7,857,355	8,270,088
Total without donor restrictions	8,172,355	-	8,172,355	8,585,088
With donor restrictions	-	513,907	513,907	281,501
Total net assets	8,172,355	513,907	8,686,262	8,866,589
Total liabilities and net assets	<u>\$ 8,643,179</u>	<u>\$ 513,907</u>	<u>\$ 9,157,086</u>	<u>\$ 9,394,581</u>

See accompanying notes to consolidated financial statements.

*For the Year Ended September 30, 2025**(with comparable totals for 2024)*

	Without Donor Restrictions	With Donor Restrictions	2025	2024
Support and revenues:				
Contributions	\$ 640,058	\$ 160,000	\$ 800,058	\$ 654,749
Federal grants	618,790	-	618,790	811,706
State grants	1,067,263	-	1,067,263	622,318
County and other grants	687,946	1,766,373	2,454,319	2,871,160
In-kind contributions:				
Pharmacy and laboratory supplies	2,523,652	-	2,523,652	2,402,327
Professional services	8,703,934	-	8,703,934	9,385,208
Special events	257,235	-	257,235	389,330
Program services fees	3,219	-	3,219	181
Rental income	505	-	505	505
Miscellaneous income	-	-	-	3,106
Interest and dividend income, net	55,792	-	55,792	86,961
Realized and change in unrealized gains on investments	85,435	-	85,435	511,477
Total support and revenues	<u>14,643,829</u>	<u>1,926,373</u>	<u>16,570,202</u>	<u>17,739,028</u>
Net assets released from restriction	<u>1,693,967</u>	<u>(1,693,967)</u>	<u>-</u>	<u>-</u>
Expenses:				
Program	15,486,593	-	15,486,593	16,758,657
Management and general	647,277	-	647,277	729,321
Fundraising	616,659	-	616,659	650,145
Total expenses	<u>16,750,529</u>	<u>-</u>	<u>16,750,529</u>	<u>18,138,123</u>
Change in net assets	(412,733)	232,406	(180,327)	(399,095)
Net assets, beginning of year	<u>8,585,088</u>	<u>281,501</u>	<u>8,866,589</u>	<u>9,265,684</u>
Net assets, end of year	<u>\$ 8,172,355</u>	<u>\$ 513,907</u>	<u>\$ 8,686,262</u>	<u>\$ 8,866,589</u>

See accompanying notes to consolidated financial statements.

***For the Year Ended September 30, 2025******(with comparable totals for 2024)***

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Cash received from contributors and grantors	\$ 4,717,375	\$ 5,087,588
Cash received for special events	257,235	389,330
Cash received for program service fees	3,219	181
Cash received from miscellaneous activities	-	3,106
Cash received from interest and dividends	55,792	86,961
Cash paid for special events	(153,826)	(153,277)
Cash paid to employees	(2,745,040)	(3,214,904)
Cash paid for goods and services	(2,212,988)	(2,872,563)
Cash paid on operating lease	<u>(20,293)</u>	<u>(13,529)</u>
Net cash used in operating activities	<u>(98,526)</u>	<u>(687,107)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(578,931)	(693,916)
Purchase of investments	(1,268,916)	(2,962,722)
Proceeds from the sale of investments	<u>2,240,050</u>	<u>3,813,692</u>
Net cash provided by investing activities	<u>392,203</u>	<u>157,054</u>
Cash flows from financing activities:		
Repayment of note payable	<u>(44,497)</u>	<u>(59,258)</u>
Net cash used in financing activities	<u>(44,497)</u>	<u>(59,258)</u>
Change in cash and cash equivalents	249,180	(589,311)
Cash and cash equivalents, beginning of year	<u>276,498</u>	<u>865,809</u>
Cash and cash equivalents, end of year	<u>\$ 525,678</u>	<u>\$ 276,498</u>

*See accompanying notes to consolidated financial statements.*

***For the Year Ended September 30, 2025******(with comparable totals for 2024)***

	<u>2025</u>	<u>2024</u>
Reconciliation of change in net assets to net cash used in operating activities:		
Change in net assets	\$ (180,327)	\$ (399,095)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	398,465	348,866
Realized and change in unrealized gains on investments	(85,435)	(511,477)
Lease expense	14,415	8,953
(Increase) decrease in operating assets:		
Grants receivable	(391,057)	127,655
Inventory	69,589	(197,027)
Other current assets	133,142	48,998
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(36,180)	(63,883)
Accrued compensation and related expenses	(174,220)	(40,639)
Deferred revenue	(505)	(505)
Refundable advances	168,002	-
Operating lease obligation	<u>(14,415)</u>	<u>(8,953)</u>
Net cash used in operating activities	<u>\$ (98,526)</u>	<u>\$ (687,107)</u>

## Supplemental information of noncash financing activities:

During 2025, Caridad Center, Inc. financed insurance premiums of \$44,647 through a premium financing arrangement.

*See accompanying notes to consolidated financial statements.*

**CONSOLIDATED STATEMENT OF  
FUNCTIONAL EXPENSES**

***For the Year Ended September 30, 2025***

	Program Services			
	Outreach	Education	Clinic	Totals
Salaries and wages	\$ 235,118	\$ 213,983	\$ 1,622,023	\$ 2,071,124
Payroll taxes and employee benefits	48,653	44,428	356,574	449,655
Total salaries and related expenses	283,771	258,411	1,978,597	2,520,779
Advertising and promotion	-	-	-	-
Contract labor	103,443	17,767	179,253	300,463
Donated services and supplies				
Pharmacy and laboratory supplies	-	-	2,587,547	2,587,547
Professional services	663,076	-	8,040,858	8,703,934
Dues and subscriptions	1,224	-	8,630	9,854
Emergency aid	47,216	25,950	19,175	92,341
Financial fees	-	-	-	-
Holiday	350	-	-	350
Information technology	6,305	1,717	34,593	42,615
Insurance	13,402	585	116,970	130,957
Janitorial and biohazard waste	2,053	-	63,356	65,409
Laboratory	-	-	91,046	91,046
Office expenses	15,069	14,051	79,969	109,089
Printing and postage	475	11,126	1,867	13,468
Professional fees	-	-	-	-
Program supplies	14,468	55,139	156,814	226,421
Repairs and maintenance	6,066	105	52,847	59,018
Scholarships	46,250	-	-	46,250
Special events	-	-	-	-
Storage	5,268	6,039	6,517	17,824
Summer program	-	-	-	-
Property taxes	345	-	7,079	7,424
Telephone and utilities	2,745	-	58,146	60,891
Training and education	-	-	2,385	2,385
Travel and related expenses	161	4,485	2,689	7,335
Depreciation	14,953	1,163	375,077	391,193
Total expenses	<u>\$ 1,226,640</u>	<u>\$ 396,538</u>	<u>\$13,863,415</u>	<u>\$15,486,593</u>

*See accompanying notes to consolidated financial statements.*

**CONSOLIDATED STATEMENT OF  
FUNCTIONAL EXPENSES**

*(with comparable totals for 2024)*

Supporting Services				
Management and General	Fundraising	Total Supporting Services	2025 Totals	2024 Totals
\$ 374,636	\$ 299,280	\$ 673,916	\$ 2,745,040	\$ 3,214,904
71,729	50,255	121,984	571,639	697,878
446,365	349,535	795,900	3,316,679	3,912,782
-	8,093	8,093	8,093	712
-	13,553	13,553	314,016	461,163
-	-	-	2,587,547	2,204,143
-	-	-	8,703,934	9,385,208
8,590	392	8,982	18,836	21,275
-	-	-	92,341	167,819
17,134	2,394	19,528	19,528	20,923
-	-	-	350	13,766
14,864	5,771	20,635	63,250	205,926
14,213	4,020	18,233	149,190	106,895
6,159	1,026	7,185	72,594	73,563
-	-	-	91,046	148,894
16,598	5,235	21,833	130,922	172,935
135	5,183	5,318	18,786	50,624
100,034	64,013	164,047	164,047	151,136
-	-	-	226,421	274,839
5,637	1,167	6,804	65,822	87,364
-	-	-	46,250	51,400
-	153,826	153,826	153,826	153,277
-	-	-	17,824	15,226
-	-	-	-	4,500
1,036	173	1,209	8,633	7,883
8,235	1,372	9,607	70,498	59,227
1,180	-	1,180	3,565	12,358
731	-	731	8,066	25,419
6,366	906	7,272	398,465	348,866
<u>\$ 647,277</u>	<u>\$ 616,659</u>	<u>\$ 1,263,936</u>	<u>\$ 16,750,529</u>	<u>\$ 18,138,123</u>

*See accompanying notes to consolidated financial statements.*

*For the Year Ended September 30, 2025*

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

*Organization and Nature of Activities*

Caridad Center, Inc. (the "Organization") is a nonprofit organization established in 1989, and has been a community resource to the underserved population in Palm Beach County. The Organization was established to provide medical and dental services to individuals and families that otherwise would not have received any medical care. In addition, subsidies for housing and educational programs have been available throughout the years. The primary sources of income for the Organization are donations and grants from various individuals, foundations, government agencies, and charities. Additionally, medical professionals (doctors/dentists/nurses/specialists/etc.) and organizations donate substantial medical and dental services and supplies.

*Consolidated Financial Statement Presentation*

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

The consolidated financial statements have been prepared in conformity with the disclosure and display requirements of the Financial Accounting Standards Board (FASB) as set forth under FASB Accounting Standards Codification (FASB ASC) 958-205 *Not-for-Profit Entities, Presentation of Financial Statements*. Accordingly, the net assets of the Organization are reported in each of the following classes:

*Net assets without donor restrictions* – This classification includes those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by contract or by Board designation. Changes in net assets arising from exchange transactions (except income and gains on assets that are restricted by donors or by law) are included in the net assets without donor restrictions.

*Net assets with donor restrictions* – This classification includes those net assets whose use by the Organization has been limited by donors to either later periods of time, or after specified dates, or for a specified purpose. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity.

*Basis of Accounting*

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

*Estimates*

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*For the Year Ended September 30, 2025*

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**1. Organization and Summary of Significant Accounting Policies, continued**

*Cash and Cash Equivalents*

For purposes of reporting cash flows, the Organization considers its cash and cash equivalents to include cash on hand, cash in checking accounts, and all highly liquid investments available for current use with an initial maturity of three (3) months or less.

*Investments*

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the consolidated statement of financial position. Quoted market prices are used to determine fair values. Unrealized gains and losses, if any, are included in the caption "Realized and change in unrealized gains on investments" in the accompanying consolidated statement of activities.

The Organization has established a board designated fund, referred to as a "Quasi-Endowment Fund", to be invested in accordance with the Organization's investment policy with the income to be accumulated or used for operations or expansion as needed.

*Grants Receivable*

Grants receivable consists primarily of receivables arising from non-exchange transactions from various granting organizations. An allowance for uncollectible receivables is based on historical experience, management's knowledge of the individual receivables, and the probability of collection. The Organization considered its grants receivable to be fully collectible and therefore, as of September 30, 2025, no allowance for doubtful accounts was considered necessary.

*Inventory*

Inventory consists of medical and dental supplies. Such supplies that are received as donations are recorded at market value at the time of donation. Purchased supplies are recorded at the lower of cost or market (first-in, first-out method).

*Property and Equipment*

Property and equipment are recorded at cost if purchased and at their estimated fair value if donated, less accumulated depreciation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service, as instructed by the donor. Maintenance and repairs are expensed as incurred. The Organization capitalizes all property and equipment with a cost of \$1,000 if purchased, and a fair value of \$1,000 at date of donation if received by contribution. Depreciation is computed on the straight-line method over the estimated useful lives of assets, ranging from 5 - 39 years.

*Deferred Revenue*

Rental income is deferred and recognized as revenue in the applicable period.

*For the Year Ended September 30, 2025*

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**1. Organization and Summary of Significant Accounting Policies, continued**

*Refundable Advances*

Grant funds received prior to the incurrence of allowable expenditures under grant agreements are recorded as refundable advances. Revenue is recognized as allowable expenses are incurred in accordance with the terms of the grant agreements. Refundable advances represent amounts received in excess of eligible expenditures incurred as of the consolidated statement of financial position date.

*Support and Revenues*

*Contributions* – The Organization recognizes contributions, including unconditional promises to give, in accordance with FASB ASC 958-605, *Not-for-Profit Entities, Revenue Recognition*. Contributions are recorded as support without donor restrictions unless the donor imposes specific stipulations that limit the use of the gift. When donor restrictions are met, either through the passage of time or the fulfillment of a specified purpose, net assets with donor restrictions are reclassified to net assets without donor restrictions. This reclassification is reported in the consolidated statement of activities as net assets released from restrictions. If a donor-imposed restriction is fulfilled in the same reporting period in which the contribution is received, the Organization recognizes the contribution as support without donor restrictions in that period.

*Grants* – Grants are subject to annual renewal and periodic amendment and require the fulfillment of certain conditions, as set forth in each instrument of the grants. Failure to fulfill the conditions may require the return of the funds to grantors. Although a return of funds is a possibility, the Organization deems the contingency remote, since by accepting the grants and their terms, it has met the objectives of the grantor and, therefore, the conditions of retaining the grants.

*In-Kind Contributions*

*Professional services* – Donated services are recognized as contributions in accordance with FASB ASC 958-605, *Not-for-Profit Entities, Revenue Recognition*, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are provided by entities or persons possessing those skills, and would need to be purchased if they were not donated. These services are reflected in the consolidated financial statements at their estimated fair market value at the date of receipt and are presented in the consolidated statement of functional expenses under professional services.

*Pharmacy and laboratory supplies* – Donated supplies are recognized as contributions in accordance with FASB ASC 958-605, *Not-for-Profit Entities, Revenue Recognition*. These contributions are recorded at their fair value at the time of donation and are presented on the consolidated statement of functional expenses under pharmacy and laboratory supplies.

*Advertising*

The Organization expenses advertising costs as incurred. Total expenditures for advertising costs for the year ended September 30, 2025, were \$8,093.

*For the Year Ended September 30, 2025*

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**1. Organization and Summary of Significant Accounting Policies, continued**

*Functional Expenses*

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities and according to a more natural classification in the consolidated statement of functional expenses. Accordingly, expenses that can be identified with a specific program or supporting service are charged directly to the program or supporting service. Expenses that apply to more than one functional category have been allocated among the programs and supporting services benefited.

*Income Taxes*

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Furthermore, it has been determined that the Organization is not a private foundation. The Organization has adopted FASB ASC 740-10-25, *Accounting for Uncertainty in Income Taxes*. The Organization will record a liability for uncertain tax positions when it is more likely than not that a tax position would not be sustained if examined by the taxing authority. The Organization continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings. The Organization's evaluation on September 30, 2025 revealed no uncertain tax positions that would have a material impact on the consolidated financial statements. The Organization does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the consolidated financial statements.

*Prior Year Comparable Information*

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended September 30, 2024, from which the summarized information was derived. Certain 2024 amounts may have been reclassified to conform to 2025 classifications. Such reclassifications would have no effect on the change in net assets as previously reported.

**2. Liquidity and Availability of Resources**

Financial assets available for general expenditure within one year of the consolidated statement of financial position date consist of the following:

Cash and cash equivalents	\$ 525,678
Investments	1,592,923
Grants receivable	<u>821,136</u>
Total financial assets available to meet general expenditures within one year	<u>\$ 2,939,737</u>

*For the Year Ended September 30, 2025*

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

The Organization receives significant revenue from Government and foundation grants, which covers approximately 75% of its operating expenditures. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Some of the Organization's net assets with donor restrictions are available for general expenditure within one year of September 30, 2025 because the restrictions on the net assets are expected to be met by conducting the normal program activities of the Organization in the coming year. Accordingly, the related resources have been included in the quantitative information detailing the financial assets available to meet general expenditures within one year.

**3. Fair Value Measurement**

FASB ASC 820-10 establishes a framework for measuring fair value of financial instruments. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement).

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

*Level 1* – Inputs are based on quoted market prices.

*Level 2* – Inputs are based on quoted market prices for similar assets or liabilities.

*Level 3* – Inputs to the valuation methodology are based on generally unobservable data and use estimates and varying degrees of judgment.

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

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

*Cash and cash equivalents, grants receivable, accounts payable, and accrued compensation and related expenses* – The carrying amounts reported approximate fair values due to the short-term duration of the instruments.

*Note payable and lease obligation:* The carrying amounts reported approximate fair values as the stated interest rates approximate market rates.

*Items Measured at Fair Value on a Recurring Basis:* The following valuation methodologies are used for assets measured at fair value on a recurring basis. There have been no changes in the methodologies used as of September 30, 2025.

*Investments* – Valued at quoted market price of securities by the custodian as of the close of business on September 30, 2025.

*For the Year Ended September 30, 2025*

**3. Fair Value Measurement, continued**

The following table sets forth by level, within the fair value hierarchy, the Organization’s assets at fair value as of September 30, 2025:

	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Investments:				
Equity securities	\$ 919,799	\$ -	\$ -	\$ 919,799
Fixed income securities	673,124	-	-	673,124
Total assets at fair value	<u>\$ 1,592,923</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,592,923</u>

**4. Board Designated Quasi-Endowment Fund**

As of September 30, 2025, the Board of Directors designated \$315,000 of net assets without donor restrictions as a quasi-endowment to support the mission of the Organization. Since that amount resulted from an internal designation and not from a donor restricted contribution, it is classified and reported as net assets without donor restrictions.

FASB ASC 958 provides guidance on the net asset classification of donor-restricted and board-designated endowment funds for a nonprofit organization that is subject to an enacted version of the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) to improve disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds), whether or not the organization is subject to FUPMIFA.

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

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

Changes in the board designated endowment net assets for the year ended September 30, 2025, consist of the following:

Endowment net assets, beginning of year	\$ 315,000
Investment returns:	
Investment income	9,772
Investment expenses	-
Net investment return	<u>9,772</u>
Contributions	-
Appropriation of endowment assets for expenditure	<u>(9,772)</u>
Endowment net assets, end of year	<u>\$ 315,000</u>

***For the Year Ended September 30, 2025***

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**4. Board Designated Quasi-Endowment Fund, continued**

As of September 30, 2025, the Organization's Board of Directors had not approved a spending policy or investment policy for endowment funds.

**5. Grants and Promises to Give Receivable**

Grants and promises to give receivable as of September 30, 2025, consisted of the following amounts:

Government grants	\$ 580,813
Promises to give from donors and other agencies	<u>240,323</u>
Total grants and promises to give receivable	<u>\$ 821,136</u>

**6. Property and Equipment**

Property and equipment as of September 30, 2025, consisted of the following:

Building	\$ 6,386,130
Equipment and vehicles	2,422,252
Land	159,146
Computer software	<u>136,952</u>
Total property and equipment	9,104,480
Accumulated depreciation	(3,835,359)
Construction in progress	<u>660,400</u>
Property and equipment, net	<u>\$ 5,929,521</u>

As of September 30, 2025, the Organization had capitalized construction in progress costs totaling \$660,400. These costs relate to the expansion of the second floor to enhance administrative space, as well as renovations of the first-floor clinic areas to improve patient care. The project is being funded through federal grant funds and was completed subsequent to year end. Upon the placement of this space into service, the total costs will be reclassified to building and depreciated over their estimated useful lives.

**7. Leases**

The Organization leases copier equipment under an operating lease through April 2029. The terms of the lease call for monthly payments of \$1,691.

The operating right-of-use asset as of September 30, 2025, consisted of the following:

Copier equipment	\$ 86,309
Accumulated amortization	<u>(23,369)</u>
Total operating right-of-use asset	<u>\$ 62,940</u>

***For the Year Ended September 30, 2025*****7. Leases, continued**

The operating lease obligation as of September 30, 2025, consisted of the following:

Copier equipment	62,940
Less current portion	<u>(15,689)</u>
Non-current portion	<u>\$ 47,251</u>

Operating lease expense for the year ended September 30, 2025, consisted of the following:

	<u>Amortization</u>	<u>Finance Charges</u>	<u>Total</u>
Copier equipment	<u>\$ 14,415</u>	<u>\$ 5,878</u>	<u>\$ 20,293</u>

Lease expense under the lease obligation for the year ended September 30, 2025 is included in printing and postage in the statement of functional expenses.

The undiscounted future lease payments under the operating lease as of September 30, 2025, for each of the next four years are:

2026	\$ 20,293
2027	20,293
2028	20,293
2029	11,837
Less discount to present value	<u>(9,776)</u>
Present value of future lease payment	<u>\$ 62,940</u>

Discounts have been calculated using an interest rate that approximates the incremental borrowing rate of the Organization for the acquisition of the related assets at the time the lease was signed. The remaining lease term is 4 years and the discount rate is 8.50%.

**8. Deferred Revenue**

On June 11, 1997, the Organization leased a portion of its real property to The Soup Kitchen, Inc. of Palm Beach County. The lease term continues through May 31, 2096 and required a one-time rental payment of \$50,000 upon execution of the agreement, which occurred in 1998. The following is a schedule by years of minimum future rental revenue to be recognized under this lease agreement as of September 30, 2025:

<u>Year ended September 30</u>	
2026	\$ 505
2027	505
2028	505
2029	505
2030	505
Thereafter	<u>33,334</u>
Total	<u>\$ 35,859</u>

*For the Year Ended September 30, 2025*

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**9. Note Payable**

The Organization has a note due to an insurance premium finance company requiring monthly payments of principal and interest. The note is unsecured and requires monthly installments of \$4,692, including principal and interest at a rate of 10.99%. The note matures on May 21, 2026.

**10. Net Assets with Donor Restrictions**

Restrictions on assets are imposed by the donor and include restrictions for specified programs or purposes, or for a specified time when the assets may be used. In addition to reporting net assets that have donor restrictions, the Organization designates net assets from time to time, to provide funding for future programs and initiatives. As of September 30, 2025, the Organization’s classification of net assets with donor restrictions was as follows:

Net assets with donor restrictions:

Subject to expenditures for a specific purpose:

Capital purchases	\$ 90,345
Vision services	9,800
Dental services	213,762
Youth behavioral health services	<u>5,000</u>
Total purpose restricted	<u>318,907</u>

Subject to the passage of time:

Grants receivable	<u>195,000</u>
Total time restriction	<u>195,000</u>
Total net assets with donor restrictions	<u>\$ 513,907</u>

**11. In-Kind Contributions**

In-kind contributions are reflected as support and expenses in the accompanying consolidated financial statements and are recorded at their estimated fair value. These amounts include dental, medical, and vision services, as well as pharmacy and laboratory supplies, and are recorded as in-kind contributions in the consolidated statement of activities and as donated services and supplies in the consolidated statement of functional expenses. Donated dental services are valued at the price per procedure as determined by Premier Dental Group, an insurance consortium. Donated vision services are valued at the price per procedure at stated Medicare rates. Donated medical and other services are valued at the price per hour as determined by the Florida Department of Health. Donated pharmacy and laboratory supplies are valued at market price as of the date of receipt.

***For the Year Ended September 30, 2025***

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**11. In-Kind Contributions, continued**

The value of donated services and supplies were as follows for the year ended September 30, 2025:

Professional services:	
Dental	\$ 4,397,513
Medical	2,114,493
Vision	1,387,088
Other	<u>804,840</u>
Total professional services	8,703,934
Pharmacy and laboratory supplies	<u>2,523,652</u>
Total	<u>\$ 11,227,586</u>

**12. Grant Requirements**

Grants are subject to annual renewal and periodic amendment and require the fulfillment of certain conditions, as set forth in each instrument of the grants. Failure to fulfill the conditions may require the return of the funds to grantors. Although a return of funds is a possibility, the Organization deems the contingency remote, since by accepting the grants and their terms it has met the objectives of the grantor and, therefore, the conditions of retaining the grants.

**13. Concentration of Credit Risk**

Financial instruments that are exposed to concentrations of credit risk consist of cash and cash equivalents, grants receivable, and investments.

The Organization maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. The Organization has not experienced any loss on its accounts and management believes the Organization is not exposed to any significant credit risk arising from such balances. As of September 30, 2025, the cash balances exceeded the FDIC insurance limit by approximately \$197,600.

Grants receivable are principally from government agencies and foundations. Realization of these receivables is dependent on various individual economic conditions. Grants receivable are carried at estimated net realizable values. As of September 30, 2025, management believes the Organization had no significant concentrations of credit risk in its grants receivable.

Investments in U.S. government and agency notes are in high quality institutions and companies with high credit ratings and investments in other securities are based on quoted market prices. Balances in the brokerage account are guaranteed by the Securities Investor Protection Corporation (SIPC) up to \$500,000, which includes a \$250,000 limit on cash. As of September 30, 2025, cash and cash equivalents and investments exceeded the SIPC insurance limit by approximately \$1,212,000.

*For the Year Ended September 30, 2025*

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**14. Retirement Plan**

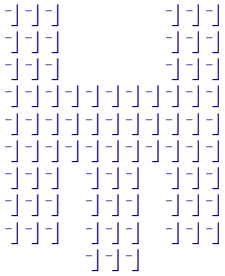
The Organization maintains the Caridad Center, Inc. 401(k) Plan (the "Plan"), a defined contribution 401(k) plan covering all eligible employees of the Organization. An employee may elect to defer up to 90% of compensation as a contribution to the Plan as per the Plan agreement. The Organization may, at its discretion, make contributions to the plan. The Organization's contribution to the plan for the year ended September 30, 2025 was \$82,457 and is included in employee benefits in the consolidated statement of functional expenses.

**15. Commitments and Contingencies**

From time to time, the Organization may be involved in various asserted claims and legal proceedings arising in the ordinary course of business, some of which may involve claims for substantial amounts. Management provides provisions for these matters to the extent that the losses are deemed both probable and reasonably estimable. No provisions were deemed necessary for the year ended September 30, 2025.

**16. Subsequent Events**

Management has evaluated subsequent events through May 20, 2026, the date on which these consolidated financial statements were available to be issued, and determined no further disclosures were required to be presented in these consolidated financial statements.



# Holyfield & Thomas, LLC

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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of  
Caridad Center, Inc.  
Boynton Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Caridad Center, Inc. (a non-profit organization), which comprise the consolidated statement of financial position as of September 30, 2025, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated May 20, 2026.

### ***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the consolidated financial statements, we considered Caridad Center, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Caridad Center, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Caridad Center, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not been identified.

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

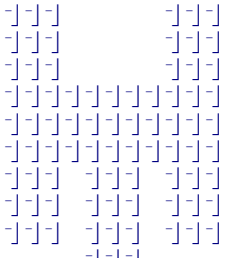
As part of obtaining reasonable assurance about whether Caridad Center, Inc.'s consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Caridad Center, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Caridad Center, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Holyfield & Thomas, LLC*

West Palm Beach, Florida  
May 20, 2026



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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.650, RULES OF THE AUDITOR GENERAL**

To the Board of Directors of  
Caridad Center, Inc.  
Boynton Beach, Florida

### ***Opinion on Each Major State Project***

We have audited Caridad Center, Inc.'s (a non-profit organization), compliance with the types of compliance requirements identified as subject to audit in the Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of Caridad Center, Inc.'s major state projects for the year ended September 30, 2025. Caridad Center, Inc.'s major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Caridad Center, 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 state projects for the year ended September 30, 2025.

### ***Basis for Opinion on Each Major State Project***

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; the audit requirements of Chapter 10.650, *Rules of the Auditor General* (Rules of the Auditor General); and the special audit guidance provided by the Florida Department of Health (special DOH guidance). Our responsibilities under those standards, the Rules of the Auditor General, and the special DOH guidance, are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Caridad Center, 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 state project. Our audit does not provide a legal determination of Caridad Center, Inc.'s compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Caridad Center, 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*, the Rules of the Auditor General, and the special DOH 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 Caridad Center, Inc.'s compliance with the requirements of each major state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Rules of the Auditor General, and the special DOH 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 Caridad Center, 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 Caridad Center, 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 Rules of the Auditor General, and the special DOH guidance, but not for the purpose of expressing an opinion on the effectiveness of Caridad Center, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

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

### ***Report on Internal Control Over Compliance***

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Rules of the Auditor General, and the special DOH guidance. Accordingly, this report is not suitable for any other purpose.

*Holyfield & Thomas, LLC*

West Palm Beach, Florida  
May 20, 2026

*For the Year Ended September 30, 2025*

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**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

*Consolidated Financial Statements*

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to consolidated financial statements noted?	No

*State Financial Assistance*

Internal control over major projects:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor’s report issued on compliance on major projects:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650, <i>Rules of the Auditor General</i> or the special audit guidance provided by the Florida Department of Health	No

Major projects:

CFSA Number	64.129
Name of State Project:	Florida Department of Health – Dr. and Mrs. Alfonso and Kathleen Cinotti Health Care Screening and Services Grant Program

Dollar Threshold used to distinguish between type A and type B programs:	\$ 320,179
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*For the Year Ended September 30, 2025*

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**SECTION II – CONSOLIDATED FINANCIAL STATEMENT FINDINGS**

There are no findings or questioned costs reported for the year ended September 30, 2025, relative to financial reporting for Caridad Center, Inc.

**SECTION III – STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS**

There are no findings or questioned costs reported for the year ended September 30, 2025, relative to state financial assistance for Caridad Center, Inc.

**CORRECTIVE ACTION PLAN**

There is no corrective action plan required, as there are no findings or questioned costs reported for the year ended September 30, 2025.

**PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

There were no prior audit findings or questioned costs for the year ended September 30, 2024, relative to state financial assistance requiring action on the part of the auditee for that fiscal year.

*For the Year Ended September 30, 2025*

State Grantor Pass-through Entity State Project	CSFA Number	Contract / Grant Number	State Expenditures
Florida Department of Health			
Minority Health Initiatives	64.052	CMO91	\$ 281,328
Dr. and Mrs. Alfonso and Kathleen Cinotti Health Care Screening and Services Grant Program	64.129	CORJC	636,334
Passed through from Florida Association of Free and Charitable Clinics, Inc:			
Florida Association of Free and Charitable Clinics	64.136	2024-07a / 2025-07a	149,601
Total expenditures of state financial assistance			\$ 1,067,263

*See independent auditor's report and accompanying notes to  
schedule of expenditures of state financial assistance.*

*For the Year Ended September 30, 2025*

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**1. Basis of Presentation**

The accompanying schedule of expenditures of state financial assistance (the "Schedule") includes the state award activity of Caridad Center, Inc. under projects of the state government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Chapter 10.650, Rules of the Auditor General, and the special audit guidance provided by the Florida Department of Health. Because the Schedule presents only a selected portion of the operations of Caridad Center, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Caridad Center, Inc.

For purposes of the Schedule, state financial assistance includes all grants, contracts, and similar agreements entered into directly with the state government. Caridad Center, Inc. has obtained Catalog of State Financial Assistance (CFSA) numbers to ensure that all projects have been identified in the Schedule.

**2. Basis of Accounting**

Expenditures reported on the Schedule are reported on the accrual basis of accounting.

**3. Contingencies**

Grant monies received and disbursed by Caridad Center, Inc. are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, Caridad Center, Inc. does not believe that such disallowance, if any, would have a material effect on the financial position of Caridad Center, Inc. As of September 30, 2025, there were no material questioned or disallowed costs as a result of grant audits in process or completed.

**4. Noncash Assistance**

Caridad Center, Inc. did not receive any state noncash assistance for the year ended September 30, 2025.

**SUPPLEMENTARY INFORMATION**

*As of September 30, 2025*

	<u>Caridad Center</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Consolidated</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 505,075	\$ 20,603	\$ -	\$ 525,678
Investments	-	1,592,923	-	1,592,923
Grants receivable	821,136	-	-	821,136
Intercompany receivable	16,744	-	(16,744)	-
Inventory	188,450	-	-	188,450
Other current assets	36,438	-	-	36,438
	<u>1,567,843</u>	<u>1,613,526</u>	<u>(16,744)</u>	<u>3,164,625</u>
Total current assets	1,567,843	1,613,526	(16,744)	3,164,625
Property & equipment, net	5,929,521	-	-	5,929,521
Operating right-of-use asset, net	62,940	-	-	62,940
	<u>5,992,461</u>	<u>-</u>	<u>-</u>	<u>5,992,461</u>
Total assets	<u>\$ 7,560,304</u>	<u>\$ 1,613,526</u>	<u>\$ (16,744)</u>	<u>\$ 9,157,086</u>
<b>LIABILITIES AND NET ASSETS</b>				
Accounts payable	\$ 47,108	\$ -	\$ -	\$ 47,108
Intercompany payable	-	16,744	(16,744)	-
Accrued compensation and related expenses	119,381	-	-	119,381
Deferred revenue	35,859	-	-	35,859
Refundable advances	168,002	-	-	168,002
Note payable	37,534	-	-	37,534
Operating lease obligation, current portion	15,689	-	-	15,689
	<u>423,573</u>	<u>16,744</u>	<u>(16,744)</u>	<u>423,573</u>
Total current liabilities	423,573	16,744	(16,744)	423,573
Operating lease obligation	47,251	-	-	47,251
	<u>47,251</u>	<u>-</u>	<u>-</u>	<u>47,251</u>
Total liabilities	<u>470,824</u>	<u>16,744</u>	<u>(16,744)</u>	<u>470,824</u>
Net assets:				
Without donor restrictions:				
Board designated quasi-endowment fund	315,000	-	-	315,000
Undesignated	6,260,573	1,596,782	-	7,857,355
	<u>6,575,573</u>	<u>1,596,782</u>	<u>-</u>	<u>8,172,355</u>
Total without donor restrictions	6,575,573	1,596,782	-	8,172,355
With donor restrictions	513,907	-	-	513,907
	<u>513,907</u>	<u>-</u>	<u>-</u>	<u>513,907</u>
Total net assets	<u>7,089,480</u>	<u>1,596,782</u>	<u>-</u>	<u>8,686,262</u>
Total liabilities and net assets	<u>\$ 7,560,304</u>	<u>\$ 1,613,526</u>	<u>\$ (16,744)</u>	<u>\$ 9,157,086</u>

*See independent auditor's report.*

***For the Year Ended September 30, 2025***

	<u>Caridad Center</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Consolidated</u>
Support and revenues:				
Contributions and bequests	\$ 800,058	\$ -	\$ -	\$ 800,058
Federal grants	618,790	-	-	618,790
State grants	1,067,263	-	-	1,067,263
County, and other local grants	3,631,869	-	(1,177,550)	2,454,319
In-kind contributions:				
Pharmacy and laboratory supplies	2,523,652	-	-	2,523,652
Professional services	8,703,934	-	-	8,703,934
Special events	257,235	-	-	257,235
Program services fees	3,219	-	-	3,219
Rental Income	505	-	-	505
Interest and dividend income, net	10,005	45,787	-	55,792
Realized and change in unrealized gains on investments	474	84,961	-	85,435
Total support and revenues	<u>17,617,004</u>	<u>130,748</u>	<u>(1,177,550)</u>	<u>16,570,202</u>
Expenses:				
Program	15,486,593	-	-	15,486,593
Management and general	620,803	26,474	-	647,277
Fundraising	609,226	7,433	-	616,659
Other	-	1,177,550	(1,177,550)	-
Total expenses	<u>16,716,622</u>	<u>1,211,457</u>	<u>(1,177,550)</u>	<u>16,750,529</u>
Change in net assets	900,382	(1,080,709)	-	(180,327)
Net assets, beginning of year	<u>6,189,098</u>	<u>2,677,491</u>	<u>-</u>	<u>8,866,589</u>
Net assets, end of year	<u>\$ 7,089,480</u>	<u>\$ 1,596,782</u>	<u>\$ -</u>	<u>\$ 8,686,262</u>

*See independent auditor's report.*