VITA NOVA, 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

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Vita Nova, Inc. (a not-for-profit corporation), which comprise the consolidated statement of financial position as of September 30, 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.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Vita Nova, Inc. as of September 30, 2025, and the consolidated changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2026, on our consideration of Vita Nova, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Vita Nova, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Vita Nova, Inc.'s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited Vita Nova, Inc.'s 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those consolidated financial statements in our report dated April 29, 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 consolidated audited financial statements from which it has been derived.

Holyfield & Thomas, LLC

West Palm Beach, Florida
June 30, 2026

	Without Donor Restictions	With Donor Restrictions	2025 Total	2024 Total
ASSETS				
Cash and cash equivalents	$ 223,931	$ -	$ 223,931	$ 144,814
Investments	342,223	452,511	794,734	955,538
Grants receivable	156,308		156,308	297,513
Pledges receivable	11,750		11,750	106,750
Prepaid expenses	62,224	-	62,224	47,444
Total current assets	796,436	452,511	1,248,947	1,552,059
Investments, in endowments	6,467,511	-	6,467,511	6,131,424
Pledges receivable, net	-	-	-	674,750
Deposits	59,112	-	59,112	49,024
Property and equipment, net	3,181,234	-	3,181,234	2,979,541
Operating right-of-use lease assets, net	443,987	-	443,987	627,384
Total assets	$ 10,948,280	$ 452,511	$ 11,400,791	$ 12,014,182
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable	$ 63,864	$ -	$ 63,864	$ 66,529
Accrued wages and payroll related	118,448	-	118,448	78,593
Other accruals and liabilities	16,470	-	16,470	5,720
Refundable advance	14,727	-	14,727	8,000
Note payable, current portion	7,052	-	7,052	6,380
Operating lease obligations, current portion	193,973	-	193,973	184,875
Total current liabilities	414,534	-	414,534	350,097
Note payable	6,928	-	6,928	14,032
Line of credit	35,208	-	35,208	-
Operating lease obligations, net of current portion	284,543	-	284,543	478,517
Total liabilities	741,213	-	741,213	842,646
Net assets:				
Without donor restrictions	10,207,067	-	10,207,067	10,102,902
With donor restrictions	-	452,511	452,511	1,068,634
Total net assets	10,207,067	452,511	10,659,578	11,171,536
Total liabilities and net assets	$ 10,948,280	$ 452,511	$ 11,400,791	$ 12,014,182

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 Total	2024 Total
Revenues and support:				
Governmental grants	$ 2,890,213	$ -	$ 2,890,213	$ 2,117,498
Foundations	695,460	450,000	1,145,460	1,100,280
Contributions	35,377	114,072	149,449	207,177
Special events	276,930	-	276,930	229,981
Client service fees	78,114	-	78,114	59,139
In-kind support	12,300	-	12,300	15,595
Realized and change in unrealized gain (loss)	408,420	-	408,420	1,149,261
Interest & dividend income, net	205,819	-	205,819	169,669
Total revenues and support	4,602,633	564,072	5,166,705	5,048,600
Net assets released from restriction	1,180,195	(1,180,195)	-	-
Expenses:				
Program services:				
the Spot	1,094,264	-	1,094,264	1,911,559
Village	2,992,991	-	2,992,991	837,511
Independent Living	491,397	-	491,397	509,561
Total program services	4,578,652	-	4,578,652	3,258,631
Supporting services:				
Management and general	760,351	-	760,351	525,425
Fundraising	339,660	-	339,660	373,514
Total expenses	5,678,663	-	5,678,663	4,157,570
Change in net assets	104,165	(616,123)	(511,958)	891,030
Net assets, beginning of year	10,102,902	1,068,634	11,171,536	10,280,506
Net assets, end of year	$ 10,207,067	$ 452,511	$ 10,659,578	$ 11,171,536

See accompanying notes to consolidated financial statements.

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

	2025	2024
Cash flows from operating activities:		
Cash received from grants	$ 4,058,355	$ 3,112,491
Cash received from client service fees	78,114	59,139
Cash received from contributions	421,379	431,158
Cash paid to vendors and employees	(4,326,956)	(3,755,335)
Cash paid on operating leases	(220,010)	(212,221)
Investment income, net	205,819	169,669
Interest paid	(1,720)	(2,332)
Net cash provided by (used in) operating activities	214,981	(197,431)
Cash flows from investing activities:		
Purchase of investments	(496,012)	(610,186)
Sales/maturities of investments	504,149	674,416
Transfer from investment account	225,000	100,000
Purchase of property and equipment	(397,777)	(178,458)
Net cash used in investing activities	(164,640)	(14,228)
Cash flows from financing activities:		
Proceeds from line of credit	246,365	-
Payments on line of credit	(211,157)	-
Payments on vehicle loan	(6,432)	(5,820)
Net cash used in financing activities	28,776	(5,820)
Change in cash and cash equivalents	79,117	(217,479)
Cash and cash equivalents, beginning of year	144,814	362,293
Cash and cash equivalents, end of year	$ 223,931	$ 144,814

See accompanying notes to consolidated financial statements.

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

	2025	2024
Reconciliation of change in net assets to net cash provided by (used in) operating activities:		
Change in net assets	$ (511,958)	$ 891,030
Adjustment to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	196,084	204,069
Realized and change in unrealized (gain) loss	(408,420)	(1,149,261)
Lease expense	183,397	172,443
Bad debt expense	900,000	-
(Increase) decrease in certain assets:		
Grants receivable	141,205	(160,887)
Pledges receivable	(130,250)	55,600
Prepaid expenses	(14,780)	(17,079)
Deposits	(10,088)	(12,352)
Increase (decrease) in certain liabilities:		
Accounts payable	(2,665)	9,772
Accrued expenses	39,855	(4,961)
Other current liabilities	10,750	(13,672)
Refundable advance	6,727	(6,000)
Operating lease obligations	(184,876)	(166,133)
Net cash provided by (used in) operating activities	$ 214,981	$ (197,431)

See accompanying notes to consolidated financial statements.

For the Year Ended September 30, 2025

	Program Services			
			Independent	
	the Spot	Housing	Living	Total
Salary and related costs	$ 502,339	$ 579,966	$ 275,925	$ 1,358,230
Payroll taxes	35,456	42,851	21,077	99,384
Other employment benefits	85,670	95,647	33,007	214,324
	623,465	718,464	330,009	1,671,938
Advertising	1,647	1,948	842	4,437
Bad debt	-	900,000	-	900,000
Bank charges and merchant fees	3	1,560	-	1,563
Computer services	12,632	17,487	7,880	37,999
Conferences, conventions, & meetings	(170)	(13)	11,468	11,285
Contract labor	4,976	6,940	3,141	15,057
Copying and printing	1,065	463	316	1,844
Dues, books, and subscriptions	2,593	869	431	3,893
Equipment rental	6,563	8,490	6,559	21,612
Gifts and volunteer appreciation	501	139	655	1,295
Insurance	39,164	73,439	9,316	121,919
Interest	1,720	-	-	1,720
Miscellaneous	6,729	1,140	424	8,293
Office supplies	8,539	12,894	2,273	23,706
Postage and shipping	389	433	258	1,080
Professional fees	35,176	27,353	25,191	87,720
Rent	166,497	632,781	57,003	856,281
Repairs and maintenance	33,331	65,632	7,353	106,316
Resident assistance	83,223	241,105	7,974	332,302
Special event supplies	-	-	-	-
Staff development	1,015	15	622	1,652
Storage	4,733	1,337	4,091	10,161
Taxes and licenses	117	2,722	153	2,992
Telephone, internet, and television	11,422	27,632	4,954	44,008
Travel	4,517	13,496	3,770	21,783
Utilities	14,098	73,142	6,360	93,600
Total expenses before depreciation	1,063,945	2,829,468	491,043	4,384,456
Depreciation	30,319	163,523	354	194,196
Total expenses	$ 1,094,264	$ 2,992,991	$ 491,397	$ 4,578,652

See accompanying notes to consolidated financial statements.

Supporting Services			
Management and General	Fundraising	2025 Total	2024 Total
$ 526,135	$ 133,506	$ 2,017,871	$ 1,846,894
40,656	10,168	150,208	124,292
64,888	15,144	294,356	267,677
631,679	158,818	2,462,435	2,238,863
295	2,895	7,627	15,480
-	-	900,000	-
8,239	7,439	17,241	12,094
1,974	2,974	42,947	53,700
3,831	16,492	31,608	24,265
747	1,186	16,990	32,073
130	4,379	6,353	7,643
4,125	1,021	9,039	8,850
6,943	572	29,127	29,139
3,098	2,695	7,088	6,487
1,171	1,590	124,680	102,710
-	-	1,720	2,332
4	1,744	10,041	6,887
2,736	765	27,207	23,437
64	194	1,338	959
57,220	3,424	148,364	167,181
11,537	21,620	889,438	493,931
4,137	2,059	112,512	101,463
-	-	332,302	352,621
-	101,779	101,779	93,302
499	-	2,151	3,199
680	1,079	11,920	10,124
145	5	3,142	3,251
5,272	1,754	51,034	46,641
12,671	2,475	36,929	23,459
1,568	2,399	97,567	93,410
758,765	339,358	5,482,579	3,953,501
1,586	302	196,084	204,069
$ 760,351	$ 339,660	$ 5,678,663	$ 4,157,570

See accompanying notes to consolidated financial statements.

1. Summary of Significant Accounting Policies

Organization and Purpose

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

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

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

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

- *the Spot* is a drop-in center program for homeless youth, or those at risk of homelessness. It is the first drop-in center of its kind in Palm Beach County, and provides education, employment, vocational and health related resources, as well as access to stable housing for young adults, ages 18-25 years old either formerly from foster care or community youth. Also included under the Spot umbrella is:
    - *RHY Street Outreach Program* to provide services to Runaway and Homeless Youth (RHY) ages 18–22 who are experiencing homelessness or are at risk of abuse, exploitation, or human trafficking. Funded by the U.S. Department of Health and Human Services (HHS), the RHY program conducts outreach and assessments and connects youth to safe shelter, housing, education, employment, healthcare, mental health services, substance use treatment, life skills training, and other supportive resources. Transportation assistance is provided as needed to access shelter and services, including the agency's drop-in center, which offers food, showers, laundry facilities, computer access, and case management.
- *The Vita Nova Village* is a program to fill many gaps in services related to youth who age out of their foster homes, group homes or adoptive placements and have nowhere to turn. This residential program has capacity for 31 young adults ages 18-25 years old; often these youth need a great deal of help becoming stable with the most common tasks and Vita Nova provides a supportive and caring environment for young adults to thrive.

1. Summary of Significant Accounting Policies, continued

- Since opening the doors, the Vita Nova Village has served over 300 young adults with a goal of fostering a successful independent lifestyle for each participant. Also, included with the Villages in the *Housing* umbrella are the following programs:
    - *YHDP TH-RR* is the Youth Homeless Demonstration Program (YHDP) to provide Transitional Housing and Rapid Rehousing (TH-RR) to homeless youth ages 18-24 funded by U.S. Department of Housing and Urban Development (HUD). The program provides youth with transitional housing for up to 90 days to stabilize the youth and work with them to assist in identifying their own apartments, negotiating with landlords, and moving into their own apartments that provide rental and utility assistance up to 18 months.
    - *YHDP PSH* is the YHDP to provide Permanent Supportive Housing (PSH) to young adults ages 18–25 who are referred through the Coordinated Entry System and have a documented disability, including mental illness, physical disability, chronic illness, and/or substance use disorder. Also funded by HUD, the program provides permanent housing and individualized, person-centered supportive services designed to promote housing stability, educational and employment attainment, social and emotional well-being, and connections to family, community, and positive support networks.
- *Vita Nova Independent Living Services* is a program helping older foster youth, ages 18-25, learn living skills that lead to independence according to a Florida Statute protecting the rights of older foster youth in Palm Beach County.

Presentation

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

Method of Accounting

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

Use of Estimates

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

Comparable Financial Information

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

1. Summary of Significant Accounting Policies, continued

Comparable Financial Information, continued

Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended September 30, 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.

Consolidated Financial Statement Presentation

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

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

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents, except those balances that are part of the investment portfolios.

Investments

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

Grants Receivable

Grants receivable consist primarily of receivables from various granting organizations, primarily governmental agencies. These receivables are carried at their original charged amounts, net of allowance for credit losses. Vita Nova evaluates the collectability of grants receivable in accordance with FASB ASC 326, *Financial Instruments – Credit Losses*. The evaluation includes a review of historical loss experience, the aging of receivables, customer creditworthiness, and current and forecasted economic conditions. Based on this assessment, Vita Nova has concluded that the risk of credit loss is insignificant, and no allowance for credit losses is deemed necessary as of September 30, 2025. Historically, Vita Nova has not experienced significant write-offs and expects all outstanding receivables to be fully collected. Vita Nova continues to monitor credit risk and may adjust its estimates and recognition of credit losses in future periods if conditions change. Note that FASB ASC 326 does not apply to pledges receivable.

1. Summary of Significant Accounting Policies, continued

Property and Equipment

Property and equipment are recorded at cost, if purchased, or fair value, if donated, less accumulated depreciation. Depreciation is computed using the straight-line method over useful lives of 5-39 years. Costs of major renewals and improvements, in excess of $1,000, that extend useful lives are capitalized. Expenditures for routine maintenance and repairs are charged to expense as incurred.

Revenue Recognition

- *Contributions* - The Organization accounts for contributed goods and services, which meet certain criteria, as contributions at their estimated fair value at date of receipt. The Organization reports contributions, including unconditional promises to give, as support without donor restrictions unless they are received with donor stipulations that limit the use of the gift. When a donor restriction expires, that is, a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. However, if the restriction is met in the same period as the restricted income is received, the Organization classifies such income as support without donor restrictions.

- *Governmental grants* – Revenue arising from governmental grants under various federal, state, and county programs is recognized when expenditures are made for the purpose specified. These grants generally are on a cost reimbursement basis or fee for service, including recoverable overhead. Grant funds received in advance for program cost reimbursements of the purpose specified are classified as refundable advances.

- *Foundations* – Revenue arising from foundation organizations is generally considered to be contributions and recognized in accordance with the provisions of FASB ASC 958-605, *Not-for-Profit Entities – Revenue Recognition*.

- *Contributed Services and In-Kind Support* - Unpaid volunteers have made significant contributions of their time to develop and maintain the Organization's programs, and while deemed important to the Organization, these volunteer services do not formally meet the criteria for recognition.

  Donated services are recognized as contributions in accordance with FASB ASC 958-605, Revenue Recognition, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased. The Organization also follows the provisions of FASB ASU Accounting Standards Update 2020-07—Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The standard clarifies the presentation and disclosure of contributed non-financial assets with an intention to provide the reader of the financial statements a clearer understanding of what type of non-financial assets were received and how they are used and recognized by the not-for-profit. In-kind support of $12,300 is reflected in the consolidated statement of activities as a separate line item. The offsetting expense for this in-kind support is included in the consolidated statement of functional expenses as special event supplies under the fundraising column as the in-kind contributions were provided to the Mallets and Martinis special event. Advertising and promotion are valued based on prices of advertising time and/or space. Goods and supplies are based on the estimated price of identical or similar products if purchased in the region, for such items as food, beverages, decorations, etc.

1. *Summary of Significant Accounting Policies, continued*

Functional Expenses

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

Advertising Costs

The Organization expenses the cost of advertising as incurred. Advertising expense was $7,627 for the year ended September 30, 2025, and is reported in the consolidated statement of functional expenses.

Leases

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

Income Taxes

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

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

2. Liquidity and Availability of Resources

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

Cash and cash equivalents	$ 223,931
Investments – Vita Nova	794,734
Grants receivable	156,308
Pledges receivable	11,750
Financial assets available to meet general expenditures over the next 12 months	$ 1,186,723

2. <u>Liquidity and Availability of Resources</u>, continued

The Organization is substantially supported by grants from governmental agencies and foundations, as well as other contributions without and with donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Some of the Organization's net assets with donor restrictions are available for general expenditure within one year of September 30, 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.

Furthermore, as explained earlier in these notes, these financial statements are consolidated with the Vita Nova Foundation, which is a supporting organization of Vita Nova, Inc. The Foundation typically provides an annual contribution to Vita Nova on an as needed basis and as approved by the Foundation's Board. This year there was a contribution of $213,956 from the Foundation to Vita Nova. The contribution is eliminated in the consolidating statement of activities included in the supplementary information section of these financial statements. Also, the Foundation holds a significant amount of investments to provide continued support to Vita Nova. As of September 30, 2025, the Foundation's investment balance is $6,467,511 as noted on the consolidating statement of financial position.

3. <u>Fair Value Measurements - Investments</u>

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

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

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

Level 2 – Inputs to the valuation methodology include:

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

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

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

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

3. Fair Value Measurements - Investments, *continued*

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

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

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

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

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

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

Items Measured at Fair Value on a Recurring Basis: The following methods and assumptions were used by the Organization in estimating fair value of financial instruments that are measured at fair value on a recurring basis under ASC 820. There has been no change in the methodologies used as of September 30, 2025.

Investments – Cash equivalents held in investment accounts, exchange traded product funds, equity securities, fixed income securities, and mutual funds – Valued by the custodian as determined from the quoted market prices, if available, of a national securities exchange on the last business day of the fiscal year.

As of September 30, 2025, major categories of investments, all measured at Level 1, consisted of the following:

Description	Fair Value	Historical Cost	Unrealized Gain (Loss)
Investments:			
Cash equivalents	$ 472,573	$ 472,573	$ -
Fixed income securities	390,917	388,914	2,003
Mutual funds	2,242,045	1,477,988	764,057
Exchange traded funds	2,187,645	1,321,941	865,704
Equity securities	1,969,065	1,514,440	454,625
Total investments	$ 7,262,245	$ 5,175,856	$ 2,086,389

Investment management fees of approximately $36,610 were paid during the year and directly reduce investment income. These fees are part of interest & dividend income, net, in the consolidated statement of activities.

Investments:	
Vita Nova	$ 794,734
Foundation	6,467,511
Total investments	$ 7,262,245

4. Pledges Receivable

During the 2023 fiscal year, Vita Nova received a one-million-dollar pledge receivable from a foundation for the construction of its Omega Housing Project (the “Project”) for a new youth housing complex as described in Note 5. Vita Nova was to receive $100,000 each year over the next 10 years. The long-term portion of the pledges receivable was discounted to present value using the Mid-term Applicable Federal Rate (AFR) of 4.19%. Management believed that the pledge receivable was fully collectible and, therefore, no allowance for uncollectible receivable was considered necessary. Unfortunately, after collecting one year or $100,000, the Foundation felt that the Project was taking too long and cancelled the remainder of the pledge, resulting in the $900,000 bad debt expense in the consolidated statement of functional expenses. The remaining offsetting discount of $125,250 was recognized as income in the foundation line item on the consolidated statement of activities.

Subsequent to year-end, Vita Nova received a commitment of one million dollars from a different foundation to replace the lost pledge described above. As of the date of these financial statements, the details of this pledge agreement were still pending and have not been finalized.

During the 2024 fiscal year, an agreement with HUD was signed to fund $750,000 of the Project. Much of the funding has been received or committed for this project and a capital campaign will be held to raise the approximately $250,000 unfunded portion.

5. Property and Equipment

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

Building and improvements	$ 3,547,216
Furniture, fixtures, and equipment	456,853
Vehicles	178,785
	4,182,854
Accumulated depreciation	(1,916,838)
Land (not depreciated)	388,624
Construction in process (not depreciated)	526,594
	$ 3,181,234

Depreciation expense for the year ended September 30, 2025 was $196,084. Construction in process includes pre-construction costs incurred over the past three years for the Omega Housing Project. The Project will be an affordable housing complex for its clients. Construction had not commenced as of year-end, and was still in the process of permitting. Construction began after year-end and is approximately 50% complete as of the date of these financial statements and is on target to be completed in January 2027. Once the Project is placed in service, depreciation expense on this facility will commence.

6. Note Payable

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

6. Note Payable, continued

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

2026	$ 7,052
2027	6,928
	13,980
Current portion	(7,052)
Note payable	$ 6,928

7. Leases

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

Operating right-of-use assets as of September 30, 2025, consisted of the following:

Operating right-of-use assets	$ 962,565
Accumulated amortization	(518,578)
Net operating right-of-use assets	$ 443,987

Operating lease obligations as of September 30, 2025, consisted of the following:

Right-of-use liability	$ 478,516
Current portion	(193,973)
Non-current portion	$ 284,543

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

	Amortization	Finance Charges	Total
Operating leases	$ 183,396	$ 35,135	$ 218,531

Total rent expense under all operating leases was $918,565 for the year ended September 30, 2025, as reported in line items shown for rent and equipment rental on the consolidated statement of functional expenses of $889,438 and $29,127, respectively. The difference between total lease expense of $918,565 and operating lease expense as noted above of $218,531 is $700,034, which includes short-term lease payments for the apartment locations, houses, and variable copier charges.

7. Leases, continued

Undiscounted future lease payments under operating leases as of September 30, 2025, for each of the next five years and thereafter, include:

2026	$ 217,312
2027	221,818
2028	73,955
Total	513,085
Discount to present value	(34,569)
Present value of future lease payments	478,516
Current portion	(193,973)
Non-current portion	$ 284,543

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

The weighted average lease term for the operating leases is 2.32 years. The weighted average discount rate for the operating leases is 6.25%.

8. Line of Credit

On March 27, 2025, Vita Nova opened a line of credit with a financial institution for $750,000 for its construction endeavor, Omega Housing Project. The line of credit matures in two years on March 27, 2027, and carries a variable interest rate at inception of 7.50% based on an independent index, which is the Wall Street Journal Prime Rate. As of September 30, 2025, the interest rate was 7.25%. The entire balance of $35,208 was used for the construction Project. Therefore, all interest on the line totaling $2,750 was capitalized to the Project. The amount of unused line of credit at September 30, 2025 is $714,792.

9. Net Assets

The assets with donor restrictions are restricted for the following purposes, and/or time restrictions as of September 30, 2025:

Omega Housing Project	$ 51,638
the Spot	200,834
The Vita Nova Village	200,039
	$ 452,511

10. Concentrations

Cash

The Organization maintains accounts at institutions insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. As of September 30, 2025, cash was completely covered by the federal insurance limits, leaving no exposure.

10. Concentrations, continued

Investments

Balances at brokerage accounts are guaranteed by the Securities Investor Protection Corporation (SIPC) up to $500,000, which includes a $250,000 limit for cash. As of September 30, 2025, the security balances exceeded the SIPC insurance limit.

Revenue Support and Grants Receivable

During the year ended September 30, 2025, approximately $522,000 (10%), and $1,566,000 (33%) of the Organization's support was from ChildNet, and the U.S. Dept. of Housing and Urban Development (HUD), respectively. The balance due from ChildNet and HUD was approximately $58,000 (36%), and $50,000 (31%) of grants receivable as of September 30, 2025, respectively.

11. Contingencies

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

12. Retirement Plan

The Organization maintains the Vita Nova, Inc. 401(k) Plan (the “Plan”), a 401(k) defined contribution plan covering all eligible employees of the Organization. An employee may elect to defer up to 90% of compensation as a contribution to the Plan as per the Plan agreement. As of February 1, 2021, the Plan was amended to institute a match of 50% of deferrals up to the first 6% of the participant’s compensation. For the year ended September 30, 2025 there were $14,592 of employer matching contributions, which are included in other employment benefits in the consolidated statement of functional expenses.

13. Related Party Transactions

Contribution receipts for the year ended September 30, 2025 included approximately $42,338 from Vita Nova directors and their related entities. Last fiscal year $9,300 was received for this program and no portion of the match was recorded given it was conditional. A board member offered to contribute a matching donation up to $25,000 if the entire board committed to a donation that would be matched. As of September 30, 2025, all board members have committed over and above $25,000, therefore the match of $25,000 was donated to Vita Nova and recorded. The donor has restricted these donations for air conditioning units and appliances for the Omega Housing Project and therefore the total balance of these donations of $51,638 is included in net assets with donor restrictions.

In addition, Vita Nova conducted business with Macri Associates Consulting, a company of a Foundation board member, to perform an efficiency study for operations and process improvement. The total paid for this work was $55,250 of which $16,250 was paid for year ended September 30, 2025 while $39,000 was paid in the prior fiscal year.

14. Endowment

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

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

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

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

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

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

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

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

14. Endowment, continued

The changes in endowment net assets for the year ended September 30, 2025 are as follows:

Endowment assets, net of $779 in associated payables, beginning	$ 6,130,645
Contributions to Vita Nova	(213,956)
Investment return:	
Investment income	207,979
Investment expenses	(28,894)
Other administration expenses	(6,983)
Net unrealized/realized gains	370,958
Endowment net assets, ending	$ 6,459,749
Investments, in endowments	$ 6,467,511
Less accounts payable associated with endowment assets	(7,762)
Endowment net assets, ending	$ 6,459,749

15. Subsequent Events

Vita Nova's management has evaluated subsequent events through June 30, 2026, the date on which the consolidated financial statements were available to be issued, and determined there were no subsequent events required to be disclosed in these financial statements.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Vita Nova, Inc., which comprise the consolidated statement of financial position as of September 30, 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 June 30, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Holyfield & Thomas, LLC

West Palm Beach, Florida
June 30, 2026

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Vita Nova, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Vita Nova, Inc.'s major federal programs for the year ended September 30, 2025. Vita Nova, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Vita Nova, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Vita Nova, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Vita Nova, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Vita Nova, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Vita Nova, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Vita Nova, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Holyfield & Thomas, LLC

West Palm Beach, Florida
June 30, 2026

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None noted
Type of auditor's report issued on compliance on major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No
Major programs:	
Federal Grantor	U.S. Department of Housing and Urban Development
Assistance Listing Number	14.267
Name of Federal Program or Cluster	Continuum of Care Program, YHDP
Dollar Threshold used to distinguish between type A and type B programs:	$ 1,000,000
Auditee qualified as a low-risk auditee?	Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

No financial statement findings are reported.

SECTION III – FINDINGS AND QUESTIONED COSTS

No federal awards findings or questioned costs are reported.

PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS

No prior year federal awards findings or questioned costs were reported.

SUPPLEMENTARY INFORMATION

For the Year Ended September 30, 2025

Federal Grantor Pass-through Entity Federal Program Title	Assistance Listing No. / Award Number	Federal Expenditures
U.S. Department of Health and Human Services		
Passed through from the Florida Department of Children and Families, via ChildNet, Inc.:		
	93.674	
John H. Chafee Foster Care Program for	VIT25EFC	$ 148,200
Successful Transition to Adulthood	VIT24EFC	373,500
Education and Prevention Grants to Reduce Sexual	93.557	
Abuse of Runaway, Homeless and Street Youth	90YO2592	149,874
Total Department of Health and Human Services		671,574
U.S. Department of Housing and Urban Development:		
	14.267	
Continuum of Care Program, YHDP TH RRH	FL0841Y4D052303	572,099
Continuum of Care Program, YHDP Home Run Housing Plus	FL0842Y4D052303	597,014
Continuum of Care Program, YHDP PSH-7	FL1047Y4D052300	186,139
	14.251	
Economic Development Initiative, Community Project Funding	B-23-CP-FL-0402	211,157
	14.218	
Passed through from State of Florida, via Palm Beach County:	R2024-1418	45,042
Community Development Block Grants/Entitlements Grants		
	14.231	
Emergency Solutions Grant Program	R2023-1433	84,035
Total Department of Housing and Urban Development		1,695,486
Total expenditures of federal awards		2,367,060
Other government grants		523,153
Total governmental grants		$ 2,890,213

See independent auditor's report.

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of Vita Nova, Inc. under programs of the federal government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Vita Nova, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Vita Nova, Inc.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

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

As of September 30, 2025

	Vita Nova	Foundation	Eliminations	Consolidated
ASSETS				
Cash and cash equivalents	$ 223,931	$ -	$ -	$ 223,931
Investments	794,734	-	-	794,734
Grants receivable	164,070	-	(7,762)	156,308
Pledges receivable	11,750	-	-	11,750
Prepaid expenses	62,224	-	-	62,224
Total current assets	1,256,709	-	(7,762)	1,248,947
Investments, in endowments	-	6,467,511	-	6,467,511
Deposits	59,112	-	-	59,112
Property and equipment, net	3,181,234	-	-	3,181,234
Operating right-of-use lease assets, net	443,987	-	-	443,987
Total assets	$ 4,941,042	$ 6,467,511	$ (7,762)	$ 11,400,791
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable	$ 63,864	$ 7,762	$ (7,762)	$ 63,864
Accrued wages and payroll related	118,448	-	-	118,448
Other accruals and liabilities	16,470	-	-	16,470
Refundable advance	14,727	-	-	14,727
Current portion of note payable	7,052	-	-	7,052
Operating lease obligations, current portion	193,973	-	-	193,973
Total current liabilities	414,534	7,762	(7,762)	414,534
Note payable	6,928	-	-	6,928
Line of credit	35,208	-	-	35,208
Operating lease obligations, net of current portion	284,543	-	-	284,543
Total liabilities	741,213	7,762	(7,762)	741,213
Net assets:				
Without donor restrictions	3,747,318	6,459,749	-	10,207,067
With donor restrictions	452,511	-	-	452,511
Total net assets	4,199,829	6,459,749	-	10,659,578
Total liabilities and net assets	$ 4,941,042	$ 6,467,511	$ (7,762)	$ 11,400,791

See independent auditor's report.

For the Year Ended September 30, 2025

	Vita Nova	Foundation	Eliminations	Consolidated
Revenues and support:				
Grants:				
Governmental	$ 2,890,213	$ -	$ -	$ 2,890,213
Foundation	1,145,460	-	-	1,145,460
Contributions	149,449	-	-	149,449
Special events	276,930	-	-	276,930
Client service fees	78,114	-	-	78,114
In-kind support	12,300	-	-	12,300
Income from supporting organization	213,956	-	(213,956)	-
Realized and change in unrealized gain	37,462	370,958	-	408,420
Interest & dividend income, net	26,734	179,085	-	205,819
Total revenues and support	4,830,618	550,043	(213,956)	5,166,705
Expenses:				
Program services:				
the Spot	1,094,264	-	-	1,094,264
Village	2,992,991	-	-	2,992,991
Independent Living	491,397	-	-	491,397
Other	-	213,956	(213,956)	-
Total program services	4,578,652	213,956	(213,956)	4,578,652
Supporting services:				
Management and general	753,368	6,983	-	760,351
Fundraising	339,660	-	-	339,660
Total expenses	5,671,680	220,939	(213,956)	5,678,663
Change in net assets	(841,062)	329,104	-	(511,958)
Net assets, beginning of year	5,040,891	6,130,645	-	11,171,536
Net assets, end of year	$ 4,199,829	$ 6,459,749	$ -	$ 10,659,578

See independent auditor's report.