

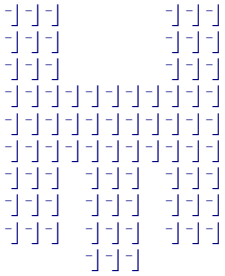
CARIDAD CENTER, INC.

**REPORT ON AUDIT OF
CONSOLIDATED FINANCIAL STATEMENTS**

For The Year Ended September 30, 2023
(with comparable totals for 2022)

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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 statement of financial position as of September 30, 2023, 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, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 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 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 June 30, 2024, 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 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 17, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Holyfield & Thomas, LLC

West Palm Beach, Florida
June 30, 2024

CARIDAD CENTER, INC.

**CONSOLIDATED STATEMENT OF
FINANCIAL POSITION**

As of September 30, 2023

(with comparable totals for 2022)

	Without Donor Restrictions	With Donor Restrictions	2023	2022
ASSETS				
Cash and cash equivalents	\$ 711,662	\$ 154,147	\$ 865,809	\$ 2,015,752
Investments	2,818,115	-	2,818,115	1,927,025
Grants receivable	305,234	252,500	557,734	692,608
Inventory	61,012	-	61,012	61,392
Other current assets	127,201	-	127,201	48,181
Total current assets	4,023,224	406,647	4,429,871	4,744,958
Property and equipment, net	5,404,005	-	5,404,005	4,835,216
Total assets	<u>\$ 9,427,229</u>	<u>\$ 406,647</u>	<u>\$ 9,833,876</u>	<u>\$ 9,580,174</u>
LIABILITIES AND NET ASSETS				
Accounts payable	\$ 147,171	\$ -	\$ 147,171	\$ 130,251
Accrued compensation and related expenses	334,240	-	334,240	208,431
Deferred revenue	36,869	-	36,869	37,374
Note payable	49,912	-	49,912	-
Total liabilities	568,192	-	568,192	376,056
Net assets:				
Without donor restrictions:				
Board designated quasi-endowment fund	315,000	-	315,000	315,000
Undesignated	8,544,037	-	8,544,037	7,827,990
Total without donor restrictions	8,859,037	-	8,859,037	8,142,990
With donor restrictions	-	406,647	406,647	1,061,128
Total net assets	8,859,037	406,647	9,265,684	9,204,118
Total liabilities and net assets	<u>\$ 9,427,229</u>	<u>\$ 406,647</u>	<u>\$ 9,833,876</u>	<u>\$ 9,580,174</u>

See accompanying notes to consolidated financial statements.

CARIDAD CENTER, INC.

**CONSOLIDATED STATEMENT OF
ACTIVITIES**

For the Year Ended September 30, 2023

(with comparable totals for 2022)

	Without Donor Restrictions	With Donor Restrictions	2023	2022
Support and revenues:				
Contributions and bequests	\$ 887,162	\$ 51,560	\$ 938,722	\$ 1,239,588
Federal grants	975,110	57,259	1,032,369	113,815
State, county, and other local grants	2,828,777	865,611	3,694,388	3,012,896
In-kind contributions				
Pharmacy and laboratory supplies	699,850	-	699,850	1,003,142
Professional services	10,200,642	-	10,200,642	8,833,098
Property and equipment	58,655	-	58,655	-
Special event auction items	30,539	-	30,539	-
Special events	146,615	-	146,615	-
Training fees	322	-	322	8,732
Rental income	505	-	505	505
Miscellaneous income	-	-	-	5,594
Interest and dividend income	76,481	-	76,481	31,535
Net realized and unrealized gains (losses) on investments	158,652	-	158,652	(287,261)
Total support and revenues	16,063,310	974,430	17,037,740	13,961,644
Net assets released from restriction	1,628,911	(1,628,911)	-	-
Expenses:				
Program	15,830,828	-	15,830,828	13,897,057
Management and general	559,651	-	559,651	555,322
Fundraising	585,695	-	585,695	460,604
Total expenses	16,976,174	-	16,976,174	14,912,983
Change in net assets	716,047	(654,481)	61,566	(951,339)
Net assets, beginning of year	8,142,990	1,061,128	9,204,118	10,155,457
Net assets, end of year	<u>\$ 8,859,037</u>	<u>\$ 406,647</u>	<u>\$ 9,265,684</u>	<u>\$ 9,204,118</u>

See accompanying notes to consolidated financial statements.

*For the Year Ended September 30, 2023**(with comparable totals for 2022)*

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Cash received from contributors and grantors	\$ 5,800,353	\$ 4,667,610
Cash received for special events	146,615	-
Cash received for training	322	8,732
Cash received from miscellaneous activities	-	5,594
Cash received from investment income	76,481	31,535
Cash paid for special events	(107,109)	(20,929)
Cash paid to employees	(2,983,304)	(2,470,936)
Cash paid for goods and services	<u>(2,627,618)</u>	<u>(2,287,139)</u>
Net cash provided by (used in) operating activities	<u>305,740</u>	<u>(65,533)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(773,157)	(78,805)
Purchase of investments	(1,703,831)	(976,501)
Proceeds from the sale of investments	<u>971,393</u>	<u>730,545</u>
Net cash used in investing activities	<u>(1,505,595)</u>	<u>(324,761)</u>
Cash flows from financing activities:		
Advances from note payable	61,004	-
Repayment of note payable	<u>(11,092)</u>	<u>-</u>
Net cash provided by financing activities	<u>49,912</u>	<u>-</u>
Change in cash and cash equivalents	(1,149,943)	(390,294)
Cash and cash equivalents, beginning of year	<u>2,015,752</u>	<u>2,406,046</u>
Cash and cash equivalents, end of year	<u>\$ 865,809</u>	<u>\$ 2,015,752</u>

See accompanying notes to consolidated financial statements.

CARIDAD CENTER, INC.

**CONSOLIDATED STATEMENT OF
CASH FLOWS**

For the Year Ended September 30, 2023

(with comparable totals for 2022)

	<u>2023</u>	<u>2022</u>
Reconciliation of change in net assets to net cash provided by (used in) operating activities:		
Change in net assets	\$ 61,566	\$ (951,339)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	263,023	242,377
Donated assets	(58,655)	-
Net realized and change in unrealized gains (losses) on investments	(158,652)	287,261
(Increase) decrease in operating assets:		
Grants receivable	134,874	350,314
Inventory	380	(1,235)
Other current assets	(79,020)	23,205
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	142,729	33,392
Deferred revenue	<u>(505)</u>	<u>(49,508)</u>
Net cash provided by (used in) operating activities	<u>\$ 305,740</u>	<u>\$ (65,533)</u>

See accompanying notes to consolidated financial statements.

CARIDAD CENTER, INC.

For the Year Ended September 30, 2023

	Program Services			
	Outreach	Education	Clinic	Totals
Salaries and wages	\$ 219,298	\$ 570,033	\$ 1,570,931	\$ 2,360,262
Payroll taxes and employee benefits	35,964	123,179	324,308	483,451
Total salaries and related expenses	255,262	693,212	1,895,239	2,843,713
Advertising and promotion	-	-	-	-
Contract labor	101,061	240,712	175,542	517,315
Donated services and supplies				
Pharmacy and laboratory supplies	-	-	699,850	699,850
Professional services	253,474	-	9,947,168	10,200,642
Special event auction items	-	-	-	-
Dues and subscriptions	374	-	15,705	16,079
Emergency aid	102,178	4,832	46,014	153,024
Financial fees	-	-	69	69
Holiday	6,700	5,325	-	12,025
Information technology	10,382	952	56,535	67,869
Insurance	18,549	8,932	98,425	125,906
Janitorial and biohazard waste	1,581	-	49,340	50,921
Laboratory	-	-	192,165	192,165
Office expenses	20,360	38,000	81,852	140,212
Printing and postage	326	3,774	4,792	8,892
Professional fees	-	-	-	-
Program supplies	7,294	8,976	222,686	238,956
Repairs and maintenance	6,251	978	50,978	58,207
Scholarships	43,853	-	-	43,853
School supplies	-	-	-	-
Special events	-	-	-	-
Storage	-	9,906	5,172	15,078
Summer program	38,587	-	-	38,587
Property taxes	297	-	6,094	6,391
Telephone and utilities	3,229	2,100	64,832	70,161
Training and education	910	7,314	9,186	17,410
Travel and related expenses	4,231	18,568	32,937	55,736
Depreciation	10,495	1,118	246,154	257,767
Total expenses	\$ 885,394	\$ 1,044,699	\$13,900,735	\$15,830,828

See accompanying notes to consolidated financial statements.

**CONSOLIDATED STATEMENT OF
FUNCTIONAL EXPENSES**

(with comparable totals for 2022)

Supporting Services				
Management and General	Fundraising	Total Supporting Services	2023 Totals	2022 Totals
\$ 371,068	\$ 251,974	\$ 623,042	\$ 2,983,304	\$ 2,470,936
61,659	42,363	104,022	587,473	479,207
<u>432,727</u>	<u>294,337</u>	<u>727,064</u>	<u>3,570,777</u>	<u>2,950,143</u>
-	1,872	1,872	1,872	27,159
-	300	300	517,615	450,022
-	-	-	699,850	1,003,142
-	-	-	10,200,642	8,833,098
-	30,539	30,539	30,539	-
8,219	232	8,451	24,530	20,139
-	-	-	153,024	140,620
12,735	737	13,472	13,541	21,302
-	-	-	12,025	17,836
14,955	5,333	20,288	88,157	83,611
4,677	5,656	10,333	136,239	134,461
4,743	791	5,534	56,455	61,210
-	-	-	192,165	133,453
19,639	18,920	38,559	178,771	129,008
1,225	14,373	15,598	24,490	13,204
34,955	97,171	132,126	132,126	131,115
-	-	-	238,956	189,721
5,775	952	6,727	64,934	63,451
-	-	-	43,853	36,500
-	-	-	-	2,160
-	107,109	107,109	107,109	20,929
-	-	-	15,078	12,490
-	-	-	38,587	35,519
892	149	1,041	7,432	7,995
9,412	2,162	11,574	81,735	91,363
2,750	-	2,750	20,160	40,444
2,037	4,716	6,753	62,489	20,511
4,910	346	5,256	263,023	242,377
<u>\$ 559,651</u>	<u>\$ 585,695</u>	<u>\$ 1,145,346</u>	<u>\$16,976,174</u>	<u>\$14,912,983</u>

See accompanying notes to consolidated financial statements.

For the Year Ended September 30, 2023

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. Caridad Center Foundation, Inc. (Foundation) was formed in March 2022 to support the Organization's mission. Therefore, the financial information for both entities (collectively the "Organization") is consolidated in these financial statements and all inter-company transactions have been eliminated.

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.

Consolidated Financial Statement Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting 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: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

For the Year Ended September 30, 2023

1. Organization and Summary of Significant Accounting Policies, continued

Cash and Cash Equivalents

For purposes of reporting cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three (3) months or less to be cash equivalents. The Organization's cash deposits exceeded Federal Deposit Insurance Corporation ("FDIC") limits at various times during the year ended September 30, 2023. The Organization has not experienced any loss in such accounts and believes it is not exposed to any significant credit risk on its cash balances.

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 "Net realized and unrealized gains (losses) 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 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, 2023, 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.

For the Year Ended September 30, 2023

1. Organization and Summary of Significant Accounting Policies, continued

Deferred Revenue

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

Donated Services, Supplies, and In-Kind Contributions

Donated services and in-kind support are recognized as contributions in accordance with FASB ASC Topic 958-605-30, *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 the receipts and on the consolidated statement of functional expense under professional services.

Advertising

The Organization expenses advertising costs as incurred. Total expenditures for advertising costs for the year ended September 30, 2023, were \$1,872.

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 the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("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, 2023 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 (12) months that will have a material impact on the consolidated financial statements.

*For the Year Ended September 30, 2023***2. Liquidity and Availability of Resources**

Financial assets available for general expenditure within one year, that is, without donor restrictions or other restrictions limiting their use beyond planned operating expenditures were comprised of the following:

Cash and cash equivalents	\$ 865,809
Investments	2,818,115
Grants receivable	<u>557,734</u>
Total financial assets available within one year	4,241,658
Amounts unavailable for general expenditures within one year due to:	
Restricted by donors with purpose or time restrictions	<u>(406,647)</u>
Total financial assets available to meet general expenditures within one year	<u>\$ 3,835,011</u>

The Organization receives significant revenue from Government and foundation grants, which typically cover over 75% of its operating expenditures. The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. The related resources have been included in the quantitative information detailing the financial assets available to meet general expenditures within one year.

3. Grants Receivable

Grants receivable as of September 30, 2023, consisted of the following amounts:

Government grants	\$ 113,811
Promises to give from donors and other agencies	<u>443,923</u>
Total grants receivable	<u>\$ 557,734</u>

4. 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.

For the Year Ended September 30, 2023

4. Fair Value Measurement, continued

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

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, 2023.

Investments:

- *Corporate bonds, foreign bonds, and equity funds* – Valued at quoted market price of securities by the custodian as of the close of business as of September 30, 2023.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of September 30, 2023:

	<u>Assets at Fair Value as of September 30, 2023</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Corporate bonds	\$ 880,103	\$ -	\$ -	\$ 880,103
Foreign bonds	96,003	-	-	96,003
Equity funds	<u>1,842,009</u>	<u>-</u>	<u>-</u>	<u>1,842,009</u>
Total assets at fair value	<u>\$ 2,818,115</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,818,115</u>

5. Concentration of Credit Risk

Financial instruments that are exposed to concentrations of credit risk consist of cash, grants receivable, and investments. The cash and investments in U.S. government and agency notes are in high quality institutions and companies with high credit ratings. Grants receivable are principally from government agencies and foundations. Realization of these items is dependent on various individual economic conditions. Investments are based on quoted market prices. Grants receivable are carried at estimated net realizable values. As of September 30, 2023, management believes the Organization had no significant concentrations of credit risk in its grants receivable. As of September 30, 2023, cash in excess of the FDIC limits was approximately \$317,000. Management believes the Organization is not exposed to any significant credit risk on its cash and cash equivalents.

*For the Year Ended September 30, 2023***6. Property and Equipment**

Property and equipment as of September 30, 2023, consisted of the following:

Building	\$ 6,330,745
Equipment and vehicles	1,972,457
Land	159,146
Computer software	<u>29,684</u>
Total	8,492,032
Less accumulated depreciation	<u>(3,088,027)</u>
Property and equipment, net	<u>\$ 5,404,005</u>

7. 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.

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, 2023:

<u>Year ended</u> <u>September 30</u>	
2024	\$ 505
2025	505
2026	505
2027	505
2028	505
Thereafter	<u>34,344</u>
Total	<u>\$ 36,869</u>

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 \$5,546, including principal and interest at a rate of 10.85%. The note matures on July 21, 2024.

*For the Year Ended September 30, 2023***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, 2023, the Organization's classification of net assets was as follows:

Net assets with donor restrictions:

Subject to expenditures for a specific purpose:

Dermatology	\$ 33,607
Mobile van program	50,000
Social services	53,330
Vision	<u>17,210</u>
Total purpose restricted	<u>154,147</u>

Subject to the passage of time:

Grants receivable	<u>252,500</u>
Total time restriction	<u>252,500</u>
Total net assets with donor restrictions	<u>\$ 406,647</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, pharmacy and laboratory supplies, property and equipment, and special event auction items and are recorded as support and expenses on the consolidated statement of activity and consolidated statement of functional expenses as in-kind contributions. 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 Medicaid 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, property and equipment, and auction items are valued at market price as of the date of receipt.

The value of donated services, supplies, and other items were as follows for the year ended September 30, 2023:

Professional services:	
Dental	\$ 4,282,298
Medical	3,236,761
Vision	2,428,109
Other	<u>253,474</u>
Total professional services	10,200,642
Pharmacy and laboratory supplies	699,850
Property and equipment	58,655
Special event auction items	<u>30,539</u>
Total	<u>\$ 10,989,686</u>

For the Year Ended September 30, 2023

12. Retirement Plan

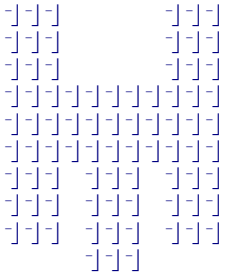
The Organization maintains the Caridad Center, Inc. 401(k) Plan (the "Plan") a 401(k) defined contribution plan covering all eligible employees of the Organization. An employee may elect to defer up to 90% of compensation as a contribution to the Plan as per the Plan agreement. The Organization may, at its discretion, make contributions to the plan. The Organization's contribution to the plan for the year ended September 30, 2023 was \$95,541 and is included in employee benefits in the consolidated statement of functional expenses.

13. 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 items to the extent that the losses are deemed both probable and reasonably estimable. No provisions were required for the year ended September 30, 2023.

14. Subsequent Events

Management has evaluated subsequent events through June 30, 2024, 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, 2023, 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, 2024.

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 to determine the 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 may exist that have not been identified.

Report on Compliance and Other Matters

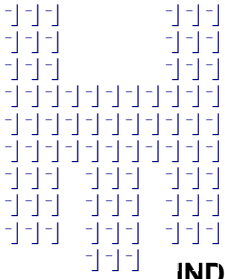
As part of obtaining reasonable assurance about whether Caridad Center, Inc.'s consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a 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
June 30, 2024



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Caridad Center, 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 Caridad Center, Inc.'s major federal programs for the year ended September 30, 2023. Caridad Center, 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, 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 federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the 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 federal program. 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 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 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*, 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 Caridad Center, 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 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 Uniform 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 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, 2024

For The Year Ended September 30, 2023

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

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 reported
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 200.516(a)?	No

Major programs:

Federal Grantor	U.S. Department of Health and Human Services
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ALN Number	93.493
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Name of Federal Program or Cluster:	Congressional Directives
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Dollar Threshold used to distinguish between type A and type B programs:	\$ 750,000
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Auditee qualified as a low-risk auditee?	No
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For The Year Ended September 30, 2023

SECTION II – CONSOLIDATED FINANCIAL STATEMENT FINDINGS

There are no findings or questioned costs reported for the year ended September 30, 2023, relative to financial reporting for Caridad Center, Inc.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no findings or questioned costs reported for the year ended September 30, 2023, relative to federal awards for the major federal program for Caridad Center, Inc.

CORRECTIVE ACTION PLAN

There is no corrective action plan required, as there are no findings or question costs reported for the year ended September 30, 2023, with respect to federal awards.

PRIOR YEAR FINDINGS AND QUESTIONED COSTS

There were no prior audit findings or questioned costs for the year ended September 30, 2023, relative to federal awards for the major federal program requiring action on the part of the auditee for that fiscal year.

SUPPLEMENTARY INFORMATION

CARIDAD CENTER, INC.

**SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS**

For the Year Ended September 30, 2023

Federal Grantor Pass-through Entity Federal Program Title	ALN / Award Number	Federal Expenditures
U.S. Department of Health and Human Services		
Congressional Directives	93.493	\$ 717,189
Passed through from Treasure Coast Health Council Inc:		
National Organizations of State and Local Officials	93.011	166,713
HIV Prevention Activities Non-Governmental Organization Based	93.939	91,208
Passed through from Nova Southeastern University Inc:		
Training in General, Pediatric, and Public Health Dentistry	93.059	<u>57,259</u>
Total Department of Health and Human Services		<u>1,032,369</u>
Total federal expenditures		<u><u>\$ 1,032,369</u></u>

*See independent auditor's report and accompanying notes to
schedule of expenditures of federal awards.*

For The Year Ended September 30, 2023

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Caridad Center, Inc. under programs of the federal government for the year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of 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.

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.

See independent auditor's report.

For the Year Ended September 30, 2023

	Caridad Center	Foundation	Eliminations	Consolidated
ASSETS				
Cash and cash equivalents	\$ 409,414	\$ 456,395	\$ -	\$ 865,809
Investments	-	2,818,115	-	2,818,115
Grants receivable	557,734	-	-	557,734
Inventory	61,012	-	-	61,012
Other current assets	127,201	-	-	127,201
Total current assets	1,155,361	3,274,510	-	4,429,871
Property & equipment, net	5,404,005	-	-	5,404,005
Total assets	<u>\$ 6,559,366</u>	<u>\$ 3,274,510</u>	<u>\$ -</u>	<u>\$ 9,833,876</u>
LIABILITIES AND NET ASSETS				
Accounts payable	\$ 147,171	\$ -	\$ -	\$ 147,171
Accrued compensation and related expenses	334,240	-	-	334,240
Deferred revenue	36,869	-	-	36,869
Note payable	49,912	-	-	49,912
Total liabilities	568,192	-	-	568,192
Net assets:				
Without donor restrictions:				
Board designated quasi-endowment fund	315,000	-	-	315,000
Undesignated	5,269,527	3,274,510	-	8,544,037
Total without donor restrictions	5,584,527	3,274,510	-	8,859,037
With donor restrictions	406,647	-	-	406,647
Total net assets	5,991,174	3,274,510	-	9,265,684
Total liabilities and net assets	<u>\$ 6,559,366</u>	<u>\$ 3,274,510</u>	<u>\$ -</u>	<u>\$ 9,833,876</u>

See independent auditor's report.

For the Year Ended September 30, 2023

	Caridad Center	Foundation	Eliminations	Consolidated
Support and revenues:				
Contributions and bequests	\$ 938,722	3,252,659	(3,252,659)	\$ 938,722
Federal grants	1,032,369	-	-	1,032,369
State, county, and other local grants	3,694,388	-	-	3,694,388
In-kind contributions				
Pharmacy and laboratory supplies	699,850	-	-	699,850
Professional services	10,200,642	-	-	10,200,642
Property and equipment	58,655	-	-	58,655
Special event auction items	30,539	-	-	30,539
Special events	146,615	-	-	146,615
Training fees	322	-	-	322
Rental Income	505	-	-	505
Interest and dividend income	12,237	64,244	-	76,481
Net realized and unrealized gains (losses) on investments	201,045	(42,393)	-	158,652
Total support and revenues	17,015,889	3,274,510	(3,252,659)	17,037,740
Expenses:				
Program	15,830,828	-	-	15,830,828
Management and general	559,651	-	-	559,651
Fundraising	585,695	-	-	585,695
Other	3,252,659	-	(3,252,659)	-
Total expenses	20,228,833	-	(3,252,659)	16,976,174
Change in net assets	(3,212,944)	3,274,510	-	61,566
Net assets, beginning of year	9,204,118	-	-	9,204,118
Net assets, end of year	\$ 5,991,174	\$ 3,274,510	\$ -	\$ 9,265,684

See independent auditor's report.