PEDIATRIC ALTERNATIVE TREATMENT, CARE, HOUSING AND EVALUATION SERVICES, INC.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2024 AND 2023

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GUTIERREZ MADARIAGA
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Pediatric Alternative Treatment, Care, Housing and Evaluation Services, Inc.
Miami, Florida

Opinion

We have audited the accompanying financial statements of Pediatric Alternative Treatment, Care, Housing and Evaluation Services, Inc. (the "Organization") (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2024 and 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. 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 the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the 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 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the 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 the Organization'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 the Organization'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.

Gutierrez Madariaga, CPA P.A.

GUTIERREZ MADARIAGA, CPA P.A.
Miami, Florida
January 17, 2025

PEDIATRIC ALTERNATIVE TREATMENT, CARE, HOUSING AND EVALUATION SERVICES, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

ASSETS

	2024	2023
CURRENT ASSETS		
Cash and cash equivalents	$ 560,599	$ 1,675,629
Certificate of deposits	318,970	68,970
Investments	563,545	-
Accounts receivable, net of allowance for credit loss $38,850 and $41,292, respectively	300,542	281,070
Contributions receivable - short term	173,140	125,000
Bequest receivable - short term	217,767	-
Other assets	1,799	3,119
TOTAL CURRENT ASSETS	2,136,362	2,153,788
Contributions receivable - long term, net	308,473	322,157
Opearing leases, right of use asset	765,861	1,057,092
Property and equipment, net	553,605	441,351
TOTAL ASSETS	$ 3,764,301	$ 3,974,388

LIABILITIES AND NET ASSETS

	2024	2023
CURRENT LIABILITIES		
Accounts payable and accrued expenses	134,003	132,193
Operating lease liabilities, current portion	325,794	318,497
TOTAL CURRENT LIABILITIES	459,797	450,690
LONG-TERM LIABILITIES		
Operating lease liabilities, non-current portion	457,728	757,232
Mortgage payable	-	318,575
Note payable - SBA Economic Injury Disaster Loan	150,000	150,000
TOTAL LONG TERM LIABILITIES	607,728	1,225,807
TOTAL LIABILITIES	1,067,525	1,676,497
NET ASSETS		
Without donor restrictions	1,897,033	1,765,734
With donor restrictions	799,743	532,157
TOTAL NET ASSETS	2,696,776	2,297,891
TOTAL LIABILITIES AND NET ASSETS	$ 3,764,301	$ 3,974,388

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

PEDIATRIC ALTERNATIVE TREATMENT, CARE, HOUSING AND EVALUATION SERVICES, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	2024 Total	Without Donor Restrictions	With Donor Restrictions	2023 Total
REVENUES AND OTHER SUPPORT						
Nursing and therapy	$ 6,096,744	$ -	$ 6,096,744	$ 5,919,669	$ -	$ 5,919,669
Contributions	539,030	352,586	891,616	503,251	532,157	1,035,408
Non-cash donated facilities	27,000	-	27,000	-	-	-
Grant revenues	86,878	-	86,878	82,042	-	82,042
Special events, net of direct costs of $9,235	57,664	-	57,664	-	-	-
Interest income	9,048	-	9,048	4,605	-	4,605
Gain on sale of asset	20,000	-	20,000	-	-	-
Other income	15,085	-	15,085	11,791	-	11,791
Net assets released from restrictions	85,000	(85,000)	-	-	-	-
TOTAL REVENUES AND OTHER SUPPORT	6,936,449	267,586	7,204,035	6,521,358	532,157	7,053,515
EXPENSES						
Program services	6,087,593	-	6,087,593	5,652,206	-	5,652,206
	6,087,593	-	6,087,593	5,652,206	-	5,652,206
Supporting services:						
General and administrative	540,611	-	540,611	534,274	-	534,274
Fundraising	176,946	-	176,946	187,020	-	187,020
TOTAL EXPENSES	6,805,150	-	6,805,150	6,373,500	-	6,373,500
CHANGE IN NET ASSETS	131,299	267,586	398,885	147,858	532,157	680,015
NET ASSETS, at beginning of year	$ 1,765,734	$ 532,157	$ 2,297,891	$ 1,617,876	$ -	$ 1,617,876
NET ASSETS, at end of year	$ 1,897,033	$ 799,743	$ 2,696,776	$ 1,765,734	$ 532,157	$ 2,297,891

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

PEDIATRIC ALTERNATIVE TREATMENT, CARE, HOUSING AND EVALUATION SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

		Supporting Services		
	Program Services	Management & General	Fundraising	Total
Advertising	$ 8,461	$ -	$ 2,115	$ 10,576
Automobile	65	516	65	646
Bank charges	946	946	946	2,838
Credit loss expense	25,637	-	-	25,637
Catered foods	84,720	-	-	84,720
Charity care	397,922	-	-	397,922
Cleaning services	34,396	1,810	-	36,206
Depreciation	24,302	1,279	-	25,581
Dues and subscriptions	3,035	200	100	3,335
Employee welfare	6,886	454	227	7,567
Fundraising	-	10,800	61,200	72,000
Fuel	-	-	-	-
Insurance	203,157	13,395	6,697	223,249
Interest	19,663	-	-	19,663
Legal services	-	-	-	-
Leased equipment	8,081	-	-	8,081
Meals	4,269	4,269	-	8,538
Miscellaneous	-	-	-	-
Med transportation	107,020	-	-	107,020
Payroll taxes and licenses	327,781	30,792	3,578	362,151
Payroll processing fees	59,467	3,921	1,960	65,348
Postage and shipping	618	371	247	1,236
Professional fees	-	35,176	35,176	70,352
Lease expense	299,808	17,713	-	317,521
Non-cash donated facilities	27,000	-	-	27,000
Repairs and maintenance	23,304	-	-	23,304
Salaries	4,153,580	357,193	44,649	4,555,422
Security	2,785	-	-	2,785
Software expenses	65,714	16,429	-	82,143
Staff development	2,353	-	-	2,353
Supplies	80,408	14,190	-	94,598
Telephone	23,782	19,026	4,756	47,564
Travel	82	535	206	823
Utilities	65,878	2,955	-	68,833
Village Development	-	6,314	14,733	21,047
Workers compensation	26,473	2,327	291	29,091
	$ 6,087,593	$ 540,611	$ 176,946	$ 6,805,150

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

PEDIATRIC ALTERNATIVE TREATMENT, CARE, HOUSING AND EVALUATION SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

		Supporting Services		
	Program Services	Management & General	Fundraising	Total
Advertising	$ 4,637	$ -	$ 1,159	$ 5,796
Automobile	127	1,016	127	1,270
Bank charges	441	441	441	1,323
Bad debt	6,372	-	-	6,372
Catered foods	83,122	-	-	83,122
Charity care	166,755	-	-	166,755
Cleaning services	30,159	1,587	-	31,746
Depreciation	43,667	2,298	-	45,965
Dues and subscriptions	3,288	217	108	3,613
Employee welfare	1,831	120	60	2,011
Fundraising	-	10,373	58,778	69,151
Fuel	40,072	-	-	40,072
Insurance	161,031	9,868	3,452	174,351
Interest	13,091	-	-	13,091
Legal services	-	1,300	-	1,300
Leased equipment	8,884	-	-	8,884
Licenses	-	-	-	-
Meals	5,208	5,173	-	10,381
Miscellaneous	5,737	2,845	-	8,582
NEM transportation	88,246	-	-	88,246
Payroll taxes	340,464	27,528	4,591	372,583
Payroll processing fees	46,996	3,099	1,549	51,644
Postage and shipping	-	811	-	811
Professional fees	-	39,193	39,193	78,386
Rent	302,538	14,982	-	317,520
Repairs and maintenance	48,863	-	-	48,863
Salaries	3,962,723	359,848	65,825	4,388,396
Security	1,670	-	-	1,670
Software expenses	64,249	16,062	-	80,311
Staff development	5,606	-	-	5,606
Supplies	77,562	13,785	-	91,347
Telephone	22,516	11,412	2,769	36,697
Travel	604	3,928	1,510	6,042
Utilities	53,371	930	-	54,301
Village Development	-	7,458	7,458	14,916
Workers compensation	62,376	-	-	62,376
	$ 5,652,206	$ 534,274	$ 187,020	$ 6,373,500

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

PEDIATRIC ALTERNATIVE TREATMENT, CARE, HOUSING AND EVALUATION SERVICES, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 398,885	$ 680,015
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Non-cash lease expense	317,521	317,521
Change in allowance for credit loss	(2,442)	10,856
Gain on sale of asset	(20,000)	-
Change in discount	9,819	27,843
Forgiveness of mortgage payable	(70,000)	-
Depreciation	25,581	45,965
(Increase) Decrease in operating assets		
Accounts receivable	(17,030)	(106,986)
Contributions receivable	(44,275)	(475,000)
Bequest receivable	(217,767)	-
Other assets	1,321	(4,926)
Increase (Decrease) in operating liabilities		
Accounts payable and accrued expenses	1,809	(128,939)
Operating lease liabilities	(318,497)	(298,884)
NET CASH PROVIDED BY OPERATING ACTIVITIES	64,925	67,465
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(137,835)	(19,400)
Proceeds from sale of asset	20,000	-
Purchases of investments	(813,545)	-
NET CASH (USED IN) INVESTING ACTIVITIES	(931,380)	(19,400)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on note	-	(1,694)
Payment on mortgage payable	(248,575)	(100,000)
NET CASH (USED IN) FINANCING ACTIVITIES	(248,575)	(101,694)
NET (DECREASE) IN CASH AND EQUIVALENTS	(1,115,030)	(53,629)
CASH AND CASH EQUIVALENTS		
Beginning of year	1,675,629	1,729,258
End of year	$ 560,599	$ 1,675,629
SUPPLEMENTAL DISCLOSURE		
Cash paid for interest	$ 19,663	$ 13,091

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

NOTE 1 – NATURE OF ORGANIZATION

Pediatric Alternative Treatment, Care, Housing and Evaluation Services, Inc. (the "Organization") is a non-profit organization incorporated in the state of Florida on May 17, 2000. The Organization provides prescribed extended nursing care and therapy for children with sub-acute and chronic illnesses who no longer need hospital care. The Organization also provides services and programs to educate parents and caregivers about their child's condition or illness and the interventions that will increase their child's wellness.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The financial statement presentation follows the recommendations of accounting standards codification (ASC) 958-205 "Not-for-Profit Entities". Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets.

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expensed for any purpose in performing the primary objectives of the Organization. The Organization's board of directors may designate assets without restrictions for specific operational purposes from time to time.

Net Assets With Donor Restrictions

Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Net assets with donor restrictions as of June 30, 2024 and 2023 were $799,743 and $532,127, respectively.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with a maturity date of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Investments

The Organization carries investments at their fair values in the statement of financial position. Quoted market prices in active markets are used as the basis of measurement. Net investment income (loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Investments are generally recorded at fair value based upon quoted market prices, when available, or estimates of fair value. Donated assets are recorded at fair value at the date of donation, or, if sold immediately after receipt, at the amount of sales proceeds received (which are considered a fair measure of the value at the date of donation). Those investments for which fair value is not readily determinable are carried at cost or, if donated, at fair value at the date of donation, or if no value can be estimated, at a nominal value. Investment income or loss and unrealized gains or losses are included in the statement of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law. Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Accounts and Grants Receivable

Accounts and grants receivable represent amounts due, resulting from the performance of services provided to patients and to other organizations. At each financial position date, the Organization recognizes and expected allowance for credit losses. In addition, at the financial position date, the estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. The estimate is calculated on a pooled basis where similar characteristics exist. Management has determined that the allowance for credit loss as of June 30, 2024 and June 30, 2023 were $38,850 and $41,292, respectively.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)

Property and Equipment

Property and equipment are carried at cost. It is the Organization's policy to capitalize property and equipment over $1,000. Depreciation and amortization are computed on the estimated useful lives of the various assets, applied on the straight-line method. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation or amortization are removed from the accounts, and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is expensed as incurred; Significant renewals and betterments are capitalized. Deductions are made for retirements resulting from renewals or betterments. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without restrictions 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 contributions with restrictions.

Impairment of Long-Lived Assets

Management reviews long lived assets for impairment when circumstances indicate the carrying amount of an asset group may not be recoverable based on the undiscounted future cash flows of the asset group. If the carrying amount of an asset group may not be recoverable, a write-down to fair value is recorded. Fair values are determined based on the discounted cash flows, active market prices, or external appraisals, as applicable. Long lived assets are reviewed for impairment at the lowest level independent cash flows can be identified. There was no such impairment for the years ended June 30, 2024 and 2023.

Leases

The Organization determines if an arrangement is a lease at the inception of the contract. At the lease commencement date, each lease is evaluated to determine whether it will be classified as an operating or finance lease. For leases with a lease term of 12 months or less (a "Short-term" lease), any fixed lease payments are recognized on a straight-line basis over such term and are not recognized on the statement of financial position. Lease terms include the noncancellable portion of the underlying leases along with any reasonably certain lease periods associated with available renewal periods, termination options and purchase options. Operating lease right-of-use assets also include any lease incentives. The lease agreements generally contain lease and non-lease components. Non-lease components, which primarily include payments for maintenance and utilities, are combined with lease payments and accounted for as a single lease component. The Organization includes the fixed non-lease components in the determination of the right-of-use assets and operating lease liabilities. The Organization records the amortization of the right of use asset and the accretion of lease liability as a component of rent expense in the statement of activities. The Organization uses the risk-free discount rate when the rate implicit in the lease is not readily determinable at the commencement date in determining the present value of lease payments.

Revenue Recognition

Contributions and Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions with donor restrictions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. Contributions with donor restrictions that are met in the same reporting period are reported as increases in net assets without donor restrictions. Otherwise, when a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Conditional promises to give—that is, those with a measurable performance or other barrier and a right of return—are not recognized until the conditions on which they depend have been met. Contributions received with both donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

Revenue from bequests is recognized as receivables and contributions if they are irrevocable, unconditional, and measurable. If a gift does not meet these criteria, it is not recognized as contribution revenue until the bequest is declared valid and subject to final distribution. Bequest amounts estimated to be received in excess of one year are subject to discounting.

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. Amortization of the discount is included in contribution revenue. Management uses the allowance method to account for uncollectible unconditional promises to give.

Grant Revenues

Grant revenues are recognized in the period expenditures are incurred and paid in compliance with terms of the grant.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)

Nursing and Therapy

Nursing and Therapy Revenue contain a single delivery element and revenue is recognized at a single point in time when ownership, risks and rewards transfer with respect to the service provided. The Organization identifies all performance obligations in connection with the services and only recognizes revenue once the performance obligations have been met and does not believe that it is required to provide additional services or obligations to the client. For nursing and therapy, revenue is recognized after the client has received the services and the funds are billed to the Medicaid agency (AHCA). The transaction price is allocated based on the service provided. Revenue is recognized at a specific point in time once the performance obligation relating to the program is met.

Contract balances

The timing of revenue recognition, billings, and cash collections results in billed accounts receivable, unbilled receivables (contract assets), and customer advances and deposits (contract liabilities) on the Statement of Financial Position. Amounts are billed when services are rendered.

Patient service fees

Fees for patient services are recorded at standard rates which are fixed by AHCA. Charges for these services are included in the accompanying Statement of Activities. Retroactive adjustments if needed are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Performance obligations are determined based on the nature of the goods or services provided by the Organization in accordance with a contract. Revenue for performance obligations satisfied over time is recognized over the period based on time elapsed. Revenue for performance obligations satisfied at a point in time is generally recognized when goods or services are provided at a single point in time.

Functional Allocation of Expenses

The costs of providing the various programs and supporting activities have been summarized on a functional basis in the statement of activities. Accordingly, costs have been allocated among the program and supporting services benefited. The expenses that are allocated are personnel expenses, which are allocated on the basis of estimates of time and effort; facilities and depreciation, which are allocated on a weighted-average square footage basis; and supplies and contracted services, which are allocated based on actual expenses incurred for each function.

Income Tax Status

The Organization is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code and is classified as a public charity.

Uncertainty in Income Taxes

The Organization follows the provisions of ASC 740, "Accounting for Uncertainty in Income Taxes", which clarifies the accounting for uncertainty and income taxes recognized in an enterprises financial statement and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. It also provides guidance on due recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

Based on its evaluation, the Organization has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements. The evaluation was performed for the tax years ended June 30, 2021, 2022 in 2023, the taxpayers which remain subject to examination by major jurisdictions as of June 30, 2024.

Use of Estimates

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

Concentration of Credit Risk

The Organization maintains its cash deposits in accounts at a financial institution, which may exceed the federally insured limits. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per account category per financial institution. At June 30, 2024 and 2023 $28,559 and $998,311, respectively of the cash and cash equivalents are uninsured.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)

Recently Adopted Accounting Standards

Effective July 1, 2023, the Organization adopted Accounting Standards Update ("ASU") 2016-13, *Financial Instruments – Credit Losses*. This ASU introduces a "current expected credit loss" ("CECL") model which requires all expected credit losses for financial instruments held at the reporting date to be based on historical experience, current conditions, and reasonable supportable forecasts. The CECL model replaces the existing incurred loss method and is applicable to the measurement of credit losses of financial assets. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. The impact of this ASU adoption was not material to the financial statements, resulted in no additional allowance and primarily resulted in enhanced financial statement disclosures.

Fair Value Measurements

Fair value measurements establish a hierarchy to prioritize the computation of fair value. Such hierarchy consist of a) - valuations based on unadjusted quoted prices in active markets for identical assets or liabilities (Level 1), b) - valuations based on observable unadjusted quoted prices for similar assets and liabilities in active markets (Level 2), and c) - valuations based on inputs that are unobservable and are supported by little or no market activity, therefore, requiring management's best estimate of what market participants would use as fair value (Level 3). A description of the Organization's accounting principles and basis of presentation with regards to the fair market value of its assets and liabilities follows:

Financial Assets and Liabilities

The Organization reflects certain financial assets and liabilities such as accounts receivable, payables, prepaid expense and deferred revenue at their carrying values in accordance with generally accepted accounting principles in the United States.

Non-financial assets

The Organization's non-financial assets comprise of assets which are measured ta fair value on a nonrecurring basis such as contribution receivable (Note 5). The Organization's contribution receivable as further explained in Note 5 is discounted using present value techniques and adjusted to fair market value based on a Level 2 or 3 type of valuation when circumstances indicate that the carrying value of an asset may not be recoverable.

Risks and Uncertainties

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Reclassifications

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation. These reclassifications had no effect on the previously reported changes in net assets.

Subsequent Events

The Organization has evaluated subsequent events through January 17, 2025, which is the date the financial statements were available to be issued.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations. The Organization's main source of revenue is Nursing and Therapy Revenue. Medical transport and the services provided is what funds the Organization's operations. Additionally, the entity receives contributions without donor restrictions; the remainder of the revenue is from program income. The Organization considers grant income, contributions and other miscellaneous income for use in programs that are ongoing, major, and central to its annual operations as available to meet cash needs for general expenditures. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. In addition, the Organization obtained an SBA EIDL loan in the amount of $150,000 for operational purposes.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)
The Organization's liquidity and available resources as of June 30, 2024 and 2023, respectfully, are as follows:

Financial assets at year-end:	2024	2023
Cash and cash equivalents	$ 560,599	$ 1,675,629
Certificate of deposits	318,970	68,970
Investments	563,545	-
Accounts receivable, net	300,542	281,070
Contributions receivable	481,613	447,157
Bequest receivable	217,767	-
Less those unavailable for general expenditures within one year due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with purpose and timing restrictions	(799,743)	(532,157)
Financial assets available to meet cash needs for general expenditures within one year	$ 1,643,293	$ 1,940,669

NOTE 4 –INVESTMENTS
Investments at fair value are comprised of the following as of June 30, 2024 and 2023:

	2024	2023
Savings and time deposits	$ 563,545	$ -
Certificate of deposit	318,970	68,970
Total	$ 882,515	$ 68,970

Investment income and returns are summarized as follows for the years ended June 30, 2024 and 2023:

	2024	2023
Interest and dividends	$ 9,048	$ 4,605
Total	$ 9,048	$ 4,605

NOTE 5 – CONTRIBUTIONS RECEIVABLE, NET AND BEQUEST RECEIVABLE
The Organization launched a capital campaign to raise funds for the construction of a facility. The Organization's unconditional promises to give include the balances due related to the capital campaign and are scheduled to be repaid in future years as follows:

2025	$ 173,140
2026	161,000
2027	136,000
2028	29,497
Total contributions receivable	499,637
Less: present value discount (2.88%)	(18,024)
Total contributions receivable, net	481,613
Less: current portion	(173,140)
long-term portion	$ 308,473

During the year ended June 30, 2024, the Organization received notice of being named a beneficiary of an estate. The Organization reflected the bequest as revenues in the amount of $217,767 as revenues in fiscal year June 30, 2024 and were collected in July 2024.

NOTE 6 – PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following as of June 30, 2024 and 2023:

	2024	2023
Furnitures, fixtures and equipment	$ 331,836	$ 284,717
Leasehold improvements	56,076	56,076
Vehicles	272,779	241,980
Land and building	419,574	419,575
Total	1,080,265	1,002,348
Less: Accumulated depreciation	(526,660)	(560,997)
Property and equipment, net	$ 553,605	$ 441,351

Depreciation and amortization expense for the years ended June 30, 2024 and 2023 was $25,581 and $45,965, respectively. During the fiscal year 2024, the Organization sold one of their vehicles which generated proceeds of $20,000.

NOTE 7 –OPERATING LEASES

The Organization has several non-cancellable leases for facilities that expire in 2028. The following summarizes the line items in the statement of financial position for operating leases as of June 30, 2024.

Operating leases:	
Operating lease right-of-use-asset	$ 765,861
Operating lease liabilities, current portion	$ 325,794
Operating lease liabilities, non-current portion	457,728
Total operating lease liabilities	$ 783,522

The following summarizes the line items in the statement of activities for operating leases for the year ended June 30, 2024.

Operating lease expense	$ 317,521
Total	$ 317,521

Supplemental cash flow information related to leases is as follows:

Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	$ 318,497
Weighted-average remaining lease term in years for operating leases	2.61
Weighted-average discount rate for operating leases	2.86%

Future minimum annual lease payments are as follows:

	Operating
2025	$ 325,794
2026	307,708
2027	160,056
2028	18,676
Total undiscounted cash flows	812,234
Less: present value discount	(28,712)
Total lease liabilities	$ 783,522

NOTE 8 –FAIR VALUE MEASUREMENT

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 Inputs—Quoted prices (unadjusted) in active markets for identical assets and liabilities. Valuations of these instruments do not require a high degree of judgment since the valuations are based on readily available quoted prices in active markets.

Level 2 Inputs—Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities that are not active; and inputs other than quoted prices that are observable, such as models or other valuation methodologies. Valuations in this category are inherently less reliable than quoted market prices due to the degree of subjectivity involved in determining appropriate methodologies and the applicable underlying assumptions.

Level 3 Inputs—Unobservable inputs for the valuation of the asset or liability. Level 3 assets include investments for which there is little, if any, market activity. These inputs require significant management judgment or estimation. These financial instruments have inputs that cannot be validated by readily determinable market data and generally involve considerable judgment by management.

Accordingly, the degree of judgment exercised by the Organization in determining fair value is greatest for any measurements categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement. The Foundation's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument.

Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period. For the years ended June 30, 2024 and 2023, there were no transfers in or out of levels 1, 2 or 3.

Following is a description of the valuation methodologies used for investments measured at fair value.

Cash equivalents: Cash equivalents with an original maturity of three months or less are valued at their face amount because of the short length of time to maturity.

U.S. Treasury notes, marketable equity securities and U.S. government agency obligations—Valued using quoted market prices for those of similar investments.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Fair value measurements at June 30, 2024, are as follows:

		Fair Value Measurements Using:		
Assets (Liabilities)	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificate of deposit	$ 318,970	$ 318,970	$ -	$ -
Savings and time deposits	563,545	563,545	-	-
	$ 882,515	$ 882,515	$ -	$ -

NOTE 8 –FAIR VALUE MEASUREMENT (Continued)
Fair value measurements at June 30, 2023, are as follows:

		Fair Value Measurements Using:		
Description		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificate of deposit	$ 68,970	$ 68,970	$ -	$ -
	$ 68,970	$ 68,970	$ -	$ -

NOTE 9 –CONCENTRATION OF REVENUES
The Organization provides a variety of nursing and therapy services to its patients. Each unit of service provided is billed to Medicaid at a specific rate. Revenues from nursing and therapy represent 85% and 84% of the Organization's revenue for the years ended June 30, 2024 and 2023, respectively. Although the Organization does not expect any decrease in revenues in the future, a significant reduction in the level of this funding, if this were to occur, may have an effect on the Organization's programs and activities.

NOTE 10 –MORTGAGE PAYABLE
On December 16, 2016, the Organization entered into a mortgage payable agreement with a Florida corporation in the amount of $418,575 to purchase property. The mortgage bears an interest rate of 2% per annum. The interest is payable monthly, and all interest and principal is due on November 30, 2023. The note was paid down during the year ended June 30, 2024 and $70,000 of the mortgage payable was forgiven. As of June 30, 2024 and 2023 the outstanding balance on the mortgage payable was $0 and $318,575, respectively.

NOTE 11 – NOTE PAYABLE - SBA ECONOMIC INJURY DISASTER LOAN ("EIDL")
In 2020, the Organization issued a promissory note (the "EIDL Loan") for $150,000 through the Small Business Administration established under the Small Business Act and administered by the U.S. Small Business Administration ("SBA"). The EIDL Loan is collateralized by a secured interest in property owned by the Organization. The EIDL Loan was made through the SBA (the "Lender"), has a thirty-year term, bears interest at 2.75% per annum. The EIDL Loan may be prepaid at any time prior to maturity with no prepayment penalties. The outstanding balance as of June 30, 2024 and 2023, were $150,000.

Future payments of the EIDL are as follows:

2025	$ -
2026	3,090
2027	3,697
2028	3,801
Thereafter	139,412
Total	$ 150,000

NOTE 12 – NET ASSETS WITH DONOR RESTRICTIONS
Net assets with donor restrictions as of June 30, 2024 consist of the following:

Beginning balance	$ 532,157
Subject to purpose - Campaign	134,819
Subject to timing	217,767
Release from restrictions	(85,000)
Ending balance	$ 799,743

NOTE 13 – NON CASH DONATED FACILITIES

The Organization's in-kind contributions consisted of the following as of June 30:

	2024	Usage
Facilities	$ 27,000	Programs and operations
Total	$ 27,000	

Contributed facilities were valued using like-kind methodology for similar size facilities in the Miami-Dade County region. No in-kind contributions were restricted. The Organization does not sell donated gifts in kind and only uses the facilities for its own program or supporting service activities.