

COMBINED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

MACDONALD TRAINING CENTER, INC. AND AFFILIATES

September 30, 2024 and 2023

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INDEPENDENT AUDITORS' REPORT

Board of Directors
MacDonald Training Center, Inc. and Affiliates

Opinion

We have audited the accompanying combined financial statements of MacDonald Training Center, Inc. and Affiliates (collectively, the "Organization"), which comprise the combined statement of financial position as of September 30, 2024, and the related combined statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, the related combined statement of functional expenses for the year ended September 30, 2024, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of MacDonald Training Center, Inc. and Affiliates as of September 30, 2024 and the changes in their net assets and their 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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Combined 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The combined financial statements of MacDonald Training Center, Inc., and Affiliates as of September 30, 2023 were audited by other auditors whose report dated February 12, 2024 expressed an unmodified opinion on those combined statements.

Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined 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 for one year after the date that the combined financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS 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 combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 combined 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements of MacDonald Training Center, Inc. and Affiliates taken as a whole. The supplementary financial information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements taken as a whole.

Tampa, Florida
April 14, 2025

Bureau, Gordinier & Company, P.A.

MacDonald Training Center, Inc. and Affiliates

COMBINED STATEMENTS OF FINANCIAL POSITION

September 30,

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,884,093	\$ 1,516,218
Accounts receivable:		
Funding sources	47,833	18,986
Grants	42,337	223,803
Medwaiver and private pay, net	174,429	298,714
Commercial, net	706,692	558,085
Employee Retention Tax Credit	665,780	665,780
Other	20,131	18,964
Contribution receivables, current portion	35,923	32,992
Inventories	101,678	151,332
Prepaid and other current assets	185,133	102,228
Total current assets	3,864,029	3,587,102
Investments	4,059,779	3,402,448
Contributions receivable, less current portion	43,700	71,061
Right-of-use assets under operating leases	527,570	608,450
Property and equipment, net	2,569,437	2,525,222
Other assets	39,492	39,562
TOTAL ASSETS	\$ 11,104,007	\$ 10,233,845
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 1,264,047	\$ 1,131,668
Deferred revenue	59,590	425,781
Operating lease liabilities, current portion	80,107	73,623
Financing lease liabilities, current portion	6,774	2,656
Total current liabilities	1,410,518	1,633,728
LONG-TERM LIABILITIES		
Deposit liability	228,000	255,744
Operating lease liabilities, less current portion	497,919	582,774
Finance lease liabilities, less current portion	21,124	351
Total liabilities	2,157,561	2,472,597
NET ASSETS		
Without donor restrictions:		
Undesignated	3,511,447	2,734,256
Designated for long-term purpose	3,525,779	2,952,169
	7,037,226	5,686,425
With donor restrictions	1,909,220	2,074,823
TOTAL NET ASSETS	8,946,446	7,761,248
TOTAL LIABILITIES AND NET ASSETS	\$ 11,104,007	\$ 10,233,845

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

MacDonald Training Center, Inc. and Affiliates

COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended September 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Public support			
Contributions and grants	\$ 520,314	\$ 126,263	\$ 646,577
Special events, net of direct expenses of \$122,788	42,779	-	42,779
Total public support	563,093	126,263	689,356
Revenue			
Logistic services	10,644,187	-	10,644,187
Costs of services	(7,601,523)	-	(7,601,523)
Net logistic services	3,042,664	-	3,042,664
Medwaiver and private pay	2,084,426	-	2,084,426
Funding contracts	400,807	-	400,807
Investment return, net	746,416	-	746,416
Other revenue	247,214	-	247,214
Total revenue	6,521,527	-	6,521,527
Net assets released from restrictions	291,866	(291,866)	-
Total public support and revenue	7,376,486	(165,603)	7,210,883
EXPENSES			
Program services	4,744,685	-	4,744,685
Supporting services:			
Management and general	1,032,119	-	1,032,119
Development	286,263	-	286,263
Total expenses	6,063,067	-	6,063,067
Change in net assets before other changes	1,313,419	(165,603)	1,147,816
Other changes			
Gain on sale of asset	37,382	-	37,382
CHANGE IN NET ASSETS	1,350,801	(165,603)	1,185,198
Net assets at beginning of year	5,686,425	2,074,823	7,761,248
Net assets at end of year	\$ 7,037,226	\$ 1,909,220	\$ 8,946,446

The accompanying notes are an integral part of this combined financial statement.

MacDonald Training Center, Inc. and Affiliates

COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended September 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Public support			
Contributions and grants	\$ 760,260	\$ 62,500	\$ 822,760
Special events, net of direct expenses of \$27,183	38,509	-	38,509
Total public support	798,769	62,500	861,269
Revenue			
Logistic services	5,796,063	-	5,796,063
Costs of services	(3,906,346)	-	(3,906,346)
Net logistic services	1,889,717	-	1,889,717
Medwaiver and private pay	1,980,590	-	1,980,590
Funding contracts	316,622	-	316,622
Rental income	5,537	-	5,537
Investment return, net	415,354	-	415,354
Other revenue	508,037	-	508,037
Total revenue	5,914,626	62,500	5,977,126
Net assets released from restrictions	182,126	(182,126)	-
Total public support and revenue	6,096,752	(119,626)	5,977,126
EXPENSES			
Program services	4,593,620	-	4,593,620
Supporting services:			
Management and general	876,614	-	876,614
Development	327,172	-	327,172
Total expenses	5,797,406	-	5,797,406
Change in net assets before other changes	299,346	(119,626)	179,720
Other changes			
Gain on sale of asset	28,287	-	28,287
Employee retention tax credit	495,198	-	495,198
CHANGE IN NET ASSETS	822,831	(119,626)	703,205
Net assets at beginning of year	4,863,594	2,194,449	7,058,043
Net assets at end of year	\$ 5,686,425	\$ 2,074,823	\$ 7,761,248

The accompanying notes are an integral part of this combined financial statement.

MacDonald Training Center, Inc. and Affiliates

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended September 30, 2024

	Program Services						Supporting Services			
	Day Services	Education	Employment	Community Living	Business Enterprise	Total	Management and General	Development	Total Supporting Services	Total
Salaries and wages	\$ 1,019,132	\$ 330,818	\$ 501,936	\$ 564,097	\$ 499,825	\$ 2,915,808	\$ 704,687	\$ 229,450	\$ 934,137	\$ 3,849,945
Payroll taxes and benefits	166,210	56,509	86,731	84,139	84,321	477,910	148,810	25,226	174,036	651,946
Total personnel expenses	<u>1,185,342</u>	<u>387,327</u>	<u>588,667</u>	<u>648,236</u>	<u>584,146</u>	<u>3,393,718</u>	<u>853,497</u>	<u>254,676</u>	<u>1,108,173</u>	<u>4,501,891</u>
Program expenses	40,848	25,211	6,831	22,048	4,789	99,727	-	-	-	99,727
Fleet expenses	178,413	-	-	-	-	178,413	-	-	-	178,413
Cypress occupancy	108,623	43,921	5,984	5,586	95,121	259,235	20,512	5,496	26,008	285,243
Sabal occupancy	180,020	-	-	-	-	180,020	-	-	-	180,020
Business enterprise	-	-	-	-	54,884	54,884	-	-	-	54,884
Professional services	38,678	12,390	12,654	27,141	38,925	129,788	61,533	5,069	66,602	196,390
Technology expenses	42,566	18,979	15,865	23,903	21,544	122,857	26,229	7,206	33,435	156,292
Bad debt expense	78,985	-	-	-	-	78,985	-	-	-	78,985
Other	48,084	14,499	8,963	32,333	18,924	122,803	61,808	11,528	73,336	196,139
	<u>1,901,559</u>	<u>502,327</u>	<u>638,964</u>	<u>759,247</u>	<u>818,333</u>	<u>4,620,430</u>	<u>1,023,579</u>	<u>283,975</u>	<u>1,307,554</u>	<u>5,927,984</u>
Depreciation	61,552	18,285	2,491	2,326	39,601	124,255	8,540	2,288	10,828	135,083
Total expenses	<u>\$ 1,963,111</u>	<u>\$ 520,612</u>	<u>\$ 641,455</u>	<u>\$ 761,573</u>	<u>\$ 857,934</u>	<u>\$ 4,744,685</u>	<u>\$ 1,032,119</u>	<u>\$ 286,263</u>	<u>\$ 1,318,382</u>	<u>\$ 6,063,067</u>

The accompanying notes are an integral part of this combined financial statement.

MacDonald Training Center, Inc. and Affiliates

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended September 30, 2023

	Program Services						Supporting Services			
	Day Services	Education	Employment	Community Living	Business Enterprise	Total	Management and General	Development	Total Supporting Services	Total
Salaries and wages	\$ 964,805	\$ 294,922	\$ 484,450	\$ 718,802	\$ 342,505	\$ 2,805,484	\$ 629,489	\$ 277,356	\$ 906,845	\$ 3,712,329
Payroll taxes and benefits	162,367	62,784	66,979	136,576	55,813	484,519	170,209	25,327	195,536	680,055
Total personnel expenses	1,127,172	357,706	551,429	855,378	398,318	3,290,003	799,698	302,683	1,102,381	4,392,384
										-
Program expenses	22,159	40,190	15,932	32,832	-	111,113	-	-	-	111,113
Fleet expenses	173,164	2,467	-	-	-	175,631	-	-	-	175,631
Cypress occupancy	94,175	38,079	5,188	4,843	82,469	224,754	17,784	4,765	22,549	247,303
Sabal occupancy	172,666	-	-	-	-	172,666	-	-	-	172,666
Business enterprise	-	267	-	-	62,792	63,059	-	-	-	63,059
Professional services	63,889	20,413	20,673	50,072	45,027	200,074	21,459	4,415	25,874	225,948
Technology expenses	40,400	20,066	18,779	27,172	19,704	126,121	17,145	8,396	25,541	151,662
Other	32,929	13,004	5,852	11,948	44,330	108,063	10,862	4,323	15,185	123,248
	1,726,554	492,192	617,853	982,245	652,640	4,471,484	866,948	324,582	1,191,530	5,663,014
Depreciation	51,177	20,693	2,819	2,632	44,815	122,136	9,666	2,590	12,256	134,392
Total expenses	<u>\$ 1,777,731</u>	<u>\$ 512,885</u>	<u>\$ 620,672</u>	<u>\$ 984,877</u>	<u>\$ 697,455</u>	<u>\$ 4,593,620</u>	<u>\$ 876,614</u>	<u>\$ 327,172</u>	<u>\$ 1,203,786</u>	<u>\$ 5,797,406</u>

The accompanying notes are an integral part of this combined financial statement.

MacDonald Training Center, Inc. and Affiliates

COMBINED STATEMENTS OF CASH FLOWS

For the years ended September 30,

	2024	2023
Cash flows from operating activities		
Change in net assets	\$ 1,185,198	\$ 703,205
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	135,083	134,392
Non-cash lease expense	80,880	73,666
Gain on property disposals	(37,382)	(28,287)
Realized and unrealized gains on investments	(658,556)	(354,206)
Decrease (increase) in accounts receivable	151,560	(244,882)
Decrease (increase) in inventories	49,654	(40,560)
Increase in prepaid expenses and other assets	(82,835)	(39,211)
Increase in accounts payable and accrued expenses	132,379	538,223
Decrease in operating lease liabilities	(78,371)	(25,719)
Decrease in refundable advances	(366,191)	(322,453)
Total adjustments	(673,779)	(309,037)
Net cash provided by operating activities	511,419	394,168
Cash flows from investing activities		
Proceeds from property disposals	37,382	-
Purchases of property and equipment	(147,340)	(145,246)
Purchases of investments	(166,626)	(389,587)
Proceeds from sale of investments	167,851	388,029
Net cash used by investing activities	(108,733)	(146,804)
Cash flows from financing activities		
Increase in deposit liability	(27,744)	(29,729)
Principal payments on finance lease obligations	(7,067)	(7,330)
Net cash used by financing activities	(34,811)	(37,059)
Net increase in cash, cash equivalents and restricted cash	367,875	210,305
Cash, cash equivalents and restricted cash at beginning of year	1,516,218	1,305,913
Cash, cash equivalents and restricted cash at end of year	\$ 1,884,093	\$ 1,516,218
<u>Supplemental disclosure of cash flow information</u>		
Interest	\$ 803	\$ 311
Taxes	\$ -	\$ -
<u>Non-cash investing transactions</u>		
Equipment acquired through finance lease	\$ 29,013	\$ -
Initial recognition of operating lease right of use asset and liability	\$ -	\$ 682,116
Deposit liability reduction resulting from sale of property	\$ -	\$ 73,543

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

MacDonald Training Center, Inc. and Affiliates

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2024 and 2023

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Nature of Organization

MacDonald Training Center, Inc., MacDonald Training Center Foundation, Inc. and MacDonald Training Center Properties, Inc. (collectively referred to as the "Organization") were organized to support the shared mission of "empowering people with disabilities to lead the lives *they* choose."

The Organization has diligently offered innovative educational and vocational training, employment placement services, life- enrichment and residential supports for people with disabilities throughout Hillsborough County for over six decades. Individuals with a wide range of disabilities rely on MTC for direct, and comprehensive services. Direct services are as varied as residential support for seniors with Down Syndrome aging in place, to Deaf job seekers looking for career advancement to autistic high school graduates eager for assistance to find their first job or apartment. The Organization has placed thousands of people with disabilities into the workforce and assisted hundreds of employers to welcome differently abled job seekers into their workplaces.

The Organization provides Adult Day Training Life Enrichment Services, Vocational and Educational programming including a post-secondary school licensed by the Florida Department of Education and customized community based residential services. Program services are paid for by clients or certain third-party payers (including government reimbursement programs). To support needed programmatic expansion, mission-based enterprises was established as an alternative revenue stream in response to community demand for advancements in educational, vocational, employment and residential support services.

2. Principles of Combination

The combined financial statements include the financial statements of MacDonald Training Center, Inc. and its affiliates, MacDonald Training Center Properties, Inc. and MacDonald Training Center Foundation, Inc. All significant inter-organization balances and transactions have been eliminated in the combination.

3. Basis of Accounting

The accompanying combined financial statements have been prepared on the accrual basis of accounting. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

MacDonald Training Center, Inc. and Affiliates

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2024 and 2023

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Net assets without donor restrictions - Contributions and other inflows of assets that are neither restricted by donor-imposed stipulations or time restrictions. Net assets without donor restrictions include expendable funds available to support operations, as well as net assets invested in property and equipment.

Net assets with donor restrictions - Contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that require that they be held in perpetuity or whose use may expire by the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those donor stipulations. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are released to net assets without donor restrictions and reported in the combined statements of activities as a satisfaction of program and time restrictions.

4. Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

5. Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current and historical status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

6. Inventories

Inventories consist of raw materials and finished goods which are stated at the lower of cost or net realizable value using the first-in, first-out costing method. The majority of the inventory on hand consists of SunPass packaging supplies in addition to sewing and safety vests produced by the Organization's clientele.

7. Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are carried at their fair values in the Organization's combined statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying combined financial statements. Restrictions on investment earnings are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the earnings are recognized.

MacDonald Training Center, Inc. and Affiliates

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2024 and 2023

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

8. Property and Equipment

Depreciation of property and equipment is computed principally by the straight-line method over the estimated useful lives of the related assets. Expenditures for property and equipment are stated at cost, and those in excess of \$1,000 are capitalized. Contributed property and equipment is recorded at fair value at the date of donation. The estimated useful lives of related asset classes are as follows:

Buildings and improvements	5 - 30 Years
Furniture and equipment	3 - 15 Years
Transportation equipment	5 Years

9. Contributions

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statements of support and revenue, expenses and other changes in net assets without donor restrictions as net assets released from restrictions.

Conditional contributions are recorded as revenue when such amounts become unconditional which generally involves the meeting of a barrier to entitlement. This can include items like meeting a matching provision, incurring specified allowable expenses in accordance with an applicable framework, allowable costs under a government grant or other barriers.

Contributions receivable which are due in more than one year are recorded at estimated fair value by discounting future cash flows using current risk-free rates of return based on yields of U.S. Treasury securities with maturity dates similar to the expected collection period.

A portion of the Organization's revenue is derived from cost-reimbursable contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenditures. Amounts received are recognized as revenue when the Organization has provided certain services and incurred expenditures in compliance with specific contract or grant provisions. Cash received in excess of revenue recognized is recorded as refundable advances. Refundable advances at September 30, 2024 and 2023 were \$0 and \$385,931, respectively.

MacDonald Training Center, Inc. and Affiliates

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2024 and 2023

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

10. Revenue Recognition

The Organization's performance obligations related to program services consist of the time spent by staff and administration providing the high-quality services to clients. Revenue is reported in the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing these multiple program services. Fees for program services are recognized over time as the services are provided based on standard charges, net of any contractual adjustment under insurance contracts. Program services are billed monthly, and amounts collected in advance are recorded as contract liabilities.

The Organization's performance obligations related to logistic services consist of the promise to package and fulfill orders on behalf of customers. Services are provided for cash or on credit terms. Revenue is recognized at the amount of the transaction price when the performance obligation is satisfied. The performance obligation is satisfied upon the packaging of the product or upon shipment of the product when ownership, risks and rewards transfer as defined in the contract. Contract assets from contracts with customers consist of accounts receivable included in current assets in the accompanying combined statement of financial position, and primarily stem from revenue being recognized when a product is packaged or shipped with respect to customer payments that have not been made at the combined statement of financial position date.

11. Income Taxes

The Organization has been recognized by the Internal Revenue Service as a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986. Income earned in furtherance of the Organization's tax-exempt purpose is exempt from Federal and State income taxes. The Organization is treated as a publicly supported organization, and not as a private foundation.

ASC Topic 740, *Income Taxes*, clarifies the accounting and recognition for income tax positions taken or expected to be taken in the Organization's income tax returns. The Organization's income tax filings are subject to audit by taxing authorities and filings for periods after fiscal 2020 are open for examination. The Organization does not believe it has any unrecognized exposure relating to uncertain tax positions at September 30, 2024.

12. Fair Value Measurements

The Organization has adopted the provisions of ASC Topic 820, *Fair Value Measurement*. ASC Topic 820 requires use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels: quoted market prices that are observable for the assets or liabilities (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for the asset or liability (Level 3).

MacDonald Training Center, Inc. and Affiliates

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2024 and 2023

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The carrying amount reported in the combined statement of financial position for cash and cash equivalents, accounts receivable, and accounts payable approximate fair value because of the immediate or short-term maturities of these financial instruments.

13. Use of Estimates

The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of increases or decreases in net assets during the period. Actual results could differ from those estimates.

14. Functional Allocation of Expenses

The costs of providing the various programs and activities and supporting services have been summarized on a functional basis in the Combined Statements of Activities and Changes in Net Assets. The Combined Statement of Functional Expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Personnel costs have been allocated to functional classifications based on the reporting of time spent on each by the employees. Depreciation of property and related operation and maintenance expenses have been allocated to functional classifications based on square footage of facilities.

15. Leases

The Organization leases office space and certain office equipment. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use ("ROU") assets and operating lease liabilities on the accompanying combined statements of financial position. Finance leases are included in property and equipment, net and financing lease liabilities on the accompanying combined statements of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the Organization's leases do not provide an implicit rate, the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. Operating lease ROU assets also includes any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain the Organization will exercise the option.

MacDonald Training Center, Inc. and Affiliates

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2024 and 2023

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

16. Recently Adopted Accounting Pronouncement

In June 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurements of Credit Losses on Financial Instruments* ("ASU 2016-13" or "ASC 326"). ASU 2016-13 revises the accounting requirements related to the measurements of credit losses and requires organizations to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. Assets must be presented in the financial statements at the net amount expected to be collected. The adoption of this accounting standard did not have a material impact on the financial statements.

The Organization adopted ASU 2016-02, *Leases* (Topic 842) effective October 1, 2022. Under Topic 842, a lessor records a lease as sales-type, direct-financing, or operating. A lease is a sales-type lease if any one of five criteria are met indicating that the lease effectively transfers control of the underlying asset to the lessee. If those five criteria are not met, but two additional criteria are both met, indicating that the lessor has transferred substantially all the risks and benefits of the underlying asset to the lessee, the lease is a direct-financing lease. All leases that are not sales-type or direct-financing leases are operating leases. The Organization used a modified retrospective transition method with the effective date as the date of initial application. The Organization elected the practical expedient and Topic 842 had no effect to beginning net assets or statement of financial position accounts related to lessor accounting.

17. Reclassification

Certain amounts in the 2023 combined financial statements have been reclassified to conform to the 2024 presentation.

NOTE B - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities as well as the conduct of services undertaken to support those activities to be general expenditures.

MacDonald Training Center, Inc. and Affiliates

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2024 and 2023

NOTE B - LIQUIDITY AND AVAILABILITY OF RESOURCES - Continued

The following represents the Organization's financial assets as of September 30, 2024 and 2023, reduced by amounts not available for general use because of contractual, donor imposed, or board designations within one year of the combined statement of financial position date. Those amounts not available include amounts set aside for longer-term investing in the endowment.

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,884,093	\$ 1,516,218
Accounts receivable, net	991,422	1,118,552
Contribution receivable, net	79,623	104,053
Investments	<u>4,059,779</u>	<u>3,402,448</u>
 Total financial assets available	 7,014,917	 6,141,271
 Less:		
Amounts unavailable for general expenditures within one year, due to:		
Board-designated endowment	(3,525,779)	(2,952,169)
Donor-imposed restrictions	<u>(499,414)</u>	<u>(649,726)</u>
 Total financial assets available to management for expenditure within one year	 <u>\$ 2,989,724</u>	 <u>\$ 2,539,376</u>

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

The Organization's board has designated a portion of its unrestricted resources for endowment purposes. Those amounts are identified as board-designated in the table above. These funds are invested for long-term appreciation and current income but remain available and may be spent at the discretion of the Board.

The Organization also has lines of credit available to meet short-term liquidity needs.

MacDonald Training Center, Inc. and Affiliates

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2024 and 2023

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment at September 30, 2024 and 2023 consist of the following:

	2024	2023
Land and improvements	\$ 1,385,463	\$ 1,385,463
Building and improvements	3,935,526	3,935,526
Furniture and equipment	521,069	476,727
Computers and software	121,984	35,666
Transportation equipment	577,426	605,491
Total	6,541,468	6,438,873
Less accumulated depreciation	(4,058,469)	(3,984,671)
	2,482,999	2,454,202
Construction in progress	86,438	71,020
Net property and equipment	<u>\$ 2,569,437</u>	<u>\$ 2,525,222</u>

Depreciation expense for the years ended September 30, 2024 and 2023 was \$135,083 and \$134,392, respectively.

In 2006, the Organization sold eleven of its residential facilities for \$2,632,000 and entered into a five-year lease for a portion of each facility with the buyer. Under the terms of the sale-leaseback agreement, the Organization is required to guarantee all rent payments due from the other tenants occupying each facility during the lease term. The Organization has also guaranteed rent due on all facilities for a period of up to six months after the homes have been vacated upon termination of the lease. The Organization is required to reimburse the buyer for increases in property taxes and/or property insurance which exceed 10% in any one year. Lastly, the Organization is required to pay all of the closing costs of the buyer upon resale of the homes. Because the terms of the sale- leaseback agreement require continuing involvement by the Organization, the net proceeds received from the sale have been accounted for as a deposit liability in the accompanying combined statements of financial position as of September 30, 2024 and 2023. In December 2022, one of the facilities was sold which reduced the net book value of property and equipment by \$43,256 and also reduced the related deposit liability by \$73,543. The Organization's lease commitment under the terms of the sale-leaseback agreement is more fully described in Note H.

As more fully explained in Note J, the City of Tampa and Hillsborough County conveyed their remainder interests in the Organization's property through a quit claim deed and issued deferred payment mortgages in the total amount of \$2,673,000. At September 30, 2024 and 2023, the net book value of the property subject to these liens was \$1,350,476 and \$1,369,131, respectively.

MacDonald Training Center, Inc. and Affiliates

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2024 and 2023

NOTE D - CONTRIBUTIONS RECEIVABLE

Contributions receivable as of September 30, 2024 and 2023 consists of the following:

	2024	2023
Foundation contributions	\$ 76,200	\$ 100,800
Other pledges	10,523	14,475
	86,723	115,275
Less unamortized discount	(7,100)	(11,222)
Net contributions receivable	<u>\$ 79,623</u>	<u>\$ 104,053</u>
Amounts due in:		
Less than one year	\$ 35,923	\$ 32,992
One to five years	50,800	82,283
Total contributions receivable	86,723	115,275
Less unamortized discount	(7,100)	(11,222)
Net contributions receivable	<u>\$ 79,623</u>	<u>\$ 104,053</u>

Contributions receivable due in more than one year are reflected at the present value of estimated future cash flows using a discount rate of approximately 4%.

NOTE E - CONCENTRATIONS

The Organization relies to a significant extent on the State of Florida as a source of funding. Funding from the State of Florida represented approximately 15% and 20% of total operating support and revenue for each of the years ended September 30, 2024 and 2023, respectively.

Additionally, the Organization receives a significant amount of net logic services revenue from two major customers. Approximately 46% and 34% of total operating support for each of the years ended September 30, 2024 and 2023, respectively are from those two major customers. At September 30, 2024 and 2023, approximately 72% and 60%, respectively, of net operating receivables are due from the two same major customers.

The Organization maintains certain operating accounts with a commercial bank. The balances in these accounts may exceed the federal deposit insurance limit at times throughout the year. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant risk of loss. There were no uninsured cash and cash equivalent balances at September 30, 2024.

MacDonald Training Center, Inc. and Affiliates

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2024 and 2023

NOTE F - LINES OF CREDIT

The Organization has obtained two revolving lines of credit from a commercial bank that allow the Organization to borrow up to \$250,000 under each line of credit. The loans are unsecured and bear interest at the higher of the Wall Street Journal prime rate (8% at September 30, 2024) or a minimum interest rate of 6.25%. At September 30, 2024 and 2023, there were no outstanding balances on the lines of credit.

NOTE G - EMPLOYEE RETENTION TAX CREDIT

The Organization applied for Employee Retention Credits ("ERC"), which was established by the Coronavirus Aid, Relief, and Economic Security ("CARES") Act and further amended by the Consolidated Appropriations Act ("CAA") and the American Rescue Plan ("ARP"), which is a refundable credit allowed to an eligible employer for qualifying wages. During the fiscal year ended September 30, 2023 the Organization recognized approximately \$495,000 related to the ERC in the statement of activities and changes in net assets. The amount reported in fiscal 2023 is net of the return of ERC funds of approximately \$171,000 previously collected and recognized as revenue by the Organization. As of September 30, 2024, the Organization's combined statement of financial position reflects an ERC receivable of approximately \$666,000.

NOTE H - LEASES

The Organization has operating and finance leases of office space and equipment. The leases have remaining lease terms ranging from 1 to 7 years. Leases with initial terms of 12 months or less are not recorded on the combined statement of financial position. Expense under these short-term leases is recognized on a straight-line basis over the lease term.

The following summarizes the line items in the accompanying consolidated statements of financial position as of September 30,:

	2024	2023
<u>Operating lease:</u>		
Right of use operating lease assets	\$ 682,116	\$ 682,116
Less accumulated amortization	<u>(154,546)</u>	<u>(73,666)</u>
	<u>\$ 527,570</u>	<u>\$ 608,450</u>
<u>Finance lease:</u>		
Right of use finance lease asset	\$ 29,013	\$ 35,772
Less accumulated amortization	<u>(4,352)</u>	<u>(31,724)</u>
	<u>\$ 24,661</u>	<u>\$ 4,048</u>

MacDonald Training Center, Inc. and Affiliates

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2024 and 2023

NOTE H - LEASES - Continued

The weighted average lease terms and discount rates as of September 30, 2024 are as follows:

Weighted average remaining lease terms:

Operating leases	6 years
Finance lease	4.25 years

Weighted average discount rates:

Operating leases	3.75%
Finance lease	4.08%

The components of lease cost under operating and finance leases for the year ended September 30, 2024 and 2023 include the following:

	2024	2023
Operating lease cost	\$ 99,149	\$ 99,149
Variable lease cost	56,829	51,066
	<u>\$ 155,978</u>	<u>\$ 150,215</u>
Finance lease costs:		
Amortization of lease assets included in depreciation and amortization expense	\$ 8,842	\$ 7,495
Interest on lease liabilities included in interest expense	803	311
	<u>\$ 9,645</u>	<u>\$ 7,806</u>

The following summarizes cash flow information related to leases for the year ended September 30,:

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating lease	\$ 96,876	\$ 93,827
Operating cash flows from finance lease	803	311
Financing cash flows from finance lease	(7,067)	7,330
Lease assets obtained in exchange for lease obligations:		
Operating leases	\$ -	\$ 682,116
Finance leases	\$ 29,013	\$ -

MacDonald Training Center, Inc. and Affiliates

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2024 and 2023

NOTE H - LEASES - Continued

The maturities of lease liabilities as of September 30, 2024 were as follows:

<u>Year ending September 30,</u>	<u>Operating</u>	<u>Finance</u>
2025	\$ 99,777	\$ 7,068
2026	102,759	7,068
2027	105,837	7,068
2028	109,041	7,068
2029	112,284	1,768
Thereafter	115,662	-
Total future minimum payments	645,360	30,040
Unamortized discount	(67,334)	(2,142)
Lease liability	<u>\$ 578,026</u>	<u>\$ 27,898</u>

Additionally, the Organization also leases a portion of three residential facilities under a sale-leaseback agreement which is considered to be a noncancellable operating lease. The operating lease has a one-year lease term with a 120-day non-renewal notice. Rent paid under the lease for fiscal years 2024 and 2023 was \$27,744 and \$29,729, respectively, and was recorded as a reduction of the related deposit liability. At September 30, 2024 and 2023, the gross amount of assets held under the sale-leaseback agreement was \$404,184, respectively, and the related accumulated depreciation was \$319,637 and \$315,720, respectively.

NOTE I - RETIREMENT PLAN

The Organization has a defined contribution retirement plan which covers all employees with six months of service who have attained the age of 21. After completion of six months of service, employees are eligible to receive matching contributions to the plan. Effective fiscal 2010, the Organization suspended its discretionary matching contribution to the plan. Effective fiscal 2018, the plan was modified to allow for automatic enrollment with contributions in the amount of 3% of a participant's gross wages. Employees may opt out of the automatic enrollment at any time. No expense was incurred relating to the retirement plan for either of the years ended September 30, 2024 and 2023.

MacDonald Training Center, Inc. and Affiliates

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2024 and 2023

NOTE J - NET ASSETS WITH DONOR RESTRICTIONS

Donor restrictions on net assets as of September 30, 2024 and 2023 relate to the following:

	2024	2023
Contributions restricted for staff recruitment and retention and client social opportunities	\$ 272,533	\$ 297,283
Contributions restricted for outside picnic area	8,082	8,082
Contributions restricted for Sabal Park	1,554	1,868
Contributions restricted to support disabled activities	112,055	151,366
Lien on contributed vehicles	8,530	8,530
Liens on operating facility	1,350,476	1,369,131
Grants restricted for acquisition of vehicles	-	78,985
Contributions restricted for future periods	155,990	159,578
Net assets with donor restrictions	<u>\$ 1,909,220</u>	<u>\$ 2,074,823</u>

In 1999, the Organization sold property originally contributed to the Organization by the City of Tampa ("City") and by Hillsborough County ("County"). The property sold was subject to an 80% reversionary interest in favor of the City and a 10% reversionary interest in favor of the County. The sales proceeds were used to purchase property totaling \$2,982,759 and the reversionary interests held by the City and the County were transferred to the new property.

Effective October 16, 2009, the City agreed to convey its remainder interest in the property through a quit claim deed and issued a deferred payment purchase money mortgage in the amount of \$2,376,000. Effective November 24, 2009, the County also agreed to convey its remainder interest in the property through a quit claim deed and issued a deferred payment purchase money mortgage in the amount of \$297,000. Both of the deferred payment purchase money mortgages are non- interest bearing. Payment under both of these mortgages is due only upon the sale of the property without prior approval of each governmental agency or if the property is no longer used to provide services to persons with disabilities.

Since the Organization has no plans or intentions to sell the property or otherwise default under the terms of the deferred payment purchase money mortgages, the liens are recorded in the accompanying combined statements of financial position as a component of net assets with donor restrictions equal to 90% of the remaining net book value of the property totaling \$1,350,476 (including land with a net book value of \$1,185,529) and \$1,369,131 (including land with a net book value of \$1,185,529) as of September 30, 2024 and 2023, respectively. For each of the years ended September 30, 2024 and 2023, the Organization recorded a release of restriction equal to 90% of depreciation expense on the property totaling \$18,655 and \$15,404 respectively.

MacDonald Training Center, Inc. and Affiliates

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2024 and 2023

NOTE J - NET ASSETS WITH DONOR RESTRICTIONS - Continued

Net assets released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors totaled \$291,866 and \$182,126 for the years ended September 30, 2024 and 2023, respectively.

NOTE K - BOARD-DESIGNATED ENDOWMENT

The Board of Directors of MacDonald Training Center Foundation, Inc. has designated a portion of net assets without donor restrictions as a general endowment fund to support the mission of the Organization. Since that amount resulted from an internal designation and is not donor restricted, it is classified and reported as net assets without donor restrictions.

Investment Return Objectives, Risk Parameters, and Strategies: The Organization has adopted an investment policy statement approved by the Board of Directors. The policy statement stipulates that the endowment investments should be managed as a long-term goal designed to maximize the returns without exposure to undue risk. Whereas it is understood that fluctuating rates of return are characteristic of the securities market, the greatest concern should be long-term appreciation of the assets and consistency of total portfolio returns. Recognizing that short-term market fluctuations may cause variations in the account performance, the Organization will pursue a strategy seeking to exceed a benchmark return of a target portfolio ranging from 65% - 70% equities and 35% - 30% fixed income securities.

Spending Policy: The Organization's spending policy allows for an annual distribution equal to 6% of the fair value of endowment funds as of the prior June 30th of each year. If extraordinary circumstances warrant an additional distribution, the Organization's spending policy allows for a maximum distribution up to 10% of the fair value of endowment funds as of the prior June 30th each year.

MacDonald Training Center, Inc. and Affiliates

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2024 and 2023

NOTE K - BOARD-DESIGNATED ENDOWMENT- Continued

Changes in endowment fund net assets for the years ended September 30, 2024 and 2023 were as follows:

Endowment balance at September 30, 2022	\$ 2,687,668
Investment Income	60,106
Realized and unrealized gains	359,685
Reclassifications	103,272
Contributions	1,000
Withdrawals	<u>(259,562)</u>
Endowment balance at September 30, 2023	2,952,169
Investment Income	54,872
Realized and unrealized gains	663,310
Reclassifications	27,744
Contributions	1,000
Withdrawals	<u>(173,316)</u>
Endowment balance at September 30, 2024	<u>\$ 3,525,779</u>

NOTE L - CONTINGENCIES

The Organization routinely enters into grant agreements and contracts with governmental agencies that provide for reimbursement of the eligible direct and indirect costs of providing certain of the Organization's program services. The grants and contracts are subject to audit or review and retroactive adjustment based on a final determination by the grantor of eligible reimbursable expenditures. The effect of such adjustments, if any, on the Organization's combined financial statements cannot be determined at this time and no provision has been made for any such adjustment in the accompanying combined financial statements.

The Organization is involved in various claims and legal actions arising in the ordinary course of operations. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the combined financial position of the Organization.

NOTE M - FAIR VALUE MEASUREMENTS

Financial instruments measured at fair value are classified and disclosed in the following categories:

Level 1: Quoted prices are available in active markets for identical investments as of the reporting date. The types of investments included in Level 1 are governmental bonds, equities, and mutual funds.

MacDonald Training Center, Inc. and Affiliates

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2024 and 2023

NOTE M - FAIR VALUE MEASUREMENTS - Continued

Level 2: Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include money market funds, government bonds, certificates of deposit and Community Foundation investments.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, a financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Fair value of assets measured on a recurring basis at September 30, 2024 is as follows:

	Level 1	Level 2	Level 3	Fair Value
Money market funds	\$ 166,970	\$ -	\$ -	\$ 166,970
Certificate of deposit	306,000	-	-	306,000
Common stocks	789,331	-	-	789,331
Mutual funds and exchange traded funds	2,728,288	-	-	2,728,288
Community Foundation	-	-	69,190	69,190
Total	<u>\$ 3,990,589</u>	<u>\$ -</u>	<u>\$ 69,190</u>	<u>\$ 4,059,779</u>

Fair value of assets measured on a recurring basis at September 30, 2023 is as follows:

	Level 1	Level 2	Level 3	Fair Value
Money market funds	\$ 25,713	\$ -	\$ -	\$ 25,713
Certificate of deposit	213,000	-	-	213,000
Common stocks	939,246	-	-	939,246
Mutual funds and exchange traded funds	2,166,851	-	-	2,166,851
Community Foundation	-	-	57,638	57,638
Total	<u>\$ 3,344,810</u>	<u>\$ -</u>	<u>\$ 57,638</u>	<u>\$ 3,402,448</u>

At September 30, 2024 and 2023, the Organization's investments in common stocks and fixed income securities are not concentrated in a single entity or in a few entities nor are there any specific industry concentrations.

MacDonald Training Center, Inc. and Affiliates

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2024 and 2023

NOTE M - FAIR VALUE MEASUREMENTS - Continued

The amount designated for current operations is the amount approved for withdrawal from the board-designated endowment during the year to be used for operations. The Organization's board-designated endowment is more fully described in Note K.

The following schedule summarizes investment return for the years ended September 30:

	<u>2024</u>	<u>2023</u>
Interest and dividend income	\$ 116,138	\$ 82,425
Realized and unrealized gains	658,556	354,206
Investment fees	<u>(28,278)</u>	<u>(21,277)</u>
Total investment return	<u>\$ 746,416</u>	<u>\$ 415,354</u>

NOTE O - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through April 14, 2025, the date the combined financial statements were available for issuance.

SUPPLEMENTARY INFORMATION

MacDonald Training Center, Inc. and Affiliates
COMBINED STATEMENT OF FINANCIAL POSITION

September 30, 2024

	MacDonald Training Center, Inc.	MacDonald Training Center Properties, Inc.	MacDonald Training Center Foundation Inc.	Eliminations	Combined Totals
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 1,660,121	\$ 162,981	\$ 60,991	\$ -	\$ 1,884,093
Accounts receivable:					
Funding sources	47,833	-	-	-	47,833
Grants	42,337	-	-	-	42,337
Medwaiver and private pay, net	174,429	-	-	-	174,429
Commercial, net	706,692	-	-	-	706,692
Employee Retention Tax Credit	665,780	-	-	-	665,780
Other	20,131	-	-	-	20,131
Intercompany, net	812,863	-	-	(812,863)	-
Contribution receivables, current portion	35,923	-	-	-	35,923
Inventories	101,678	-	-	-	101,678
Prepaid and other assets	161,728	23,405	-	-	185,133
Total current assets	4,429,515	186,386	60,991	(812,863)	3,864,029
Investments	306,000	-	3,753,779	-	4,059,779
Contributions receivable, less current portion	43,700	-	-	-	43,700
Right-of-use assets under operating leases	527,570	-	-	-	527,570
Property and equipment, net	393,969	2,175,468	-	-	2,569,437
Other assets	23,428	9,355	6,709	-	39,492
TOTAL ASSETS	\$ 5,724,182	\$ 2,371,209	\$ 3,821,479	\$ (812,863)	\$ 11,104,007

MacDonald Training Center, Inc. and Affiliates

COMBINED STATEMENT OF FINANCIAL POSITION - CONTINUED

September 30, 2024

	MacDonald Training Center, Inc.	MacDonald Training Center Properties, Inc.	MacDonald Training Center Foundation Inc.	Eliminations	Combined Totals
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable and accrued expenses	\$ 1,251,242	\$ 11,980	\$ 825	\$ -	\$ 1,264,047
Deferred revenue	59,590	-	-	-	59,590
Intercompany payables	-	372,374	440,489	(812,863)	-
Operating lease liabilities, current portion	80,107	-	-	-	80,107
Financing lease liabilities, current portion	6,774	-	-	-	6,774
Total current liabilities	1,397,713	384,354	441,314	(812,863)	1,410,518
Deposit liability	-	228,000	-	-	228,000
Operating lease liabilities, less current portion	497,919	-	-	-	497,919
Finance lease liabilities, less current portion	21,124	-	-	-	21,124
Total liabilities	1,916,756	612,354	441,314	(812,863)	2,157,561
NET ASSETS	3,807,426	1,758,855	3,380,165	-	8,946,446
TOTAL LIABILITIES AND NET ASSETS	\$ 5,724,182	\$ 2,371,209	\$ 3,821,479	\$ (812,863)	\$ 11,104,007

MacDonald Training Center, Inc. and Affiliates

COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year ended September 30, 2024

	MacDonald Training Center, Inc.	MacDonald Training Center Properties, Inc.	MacDonald Training Center Foundation Inc.	Eliminations	Combined Totals
PUBLIC SUPPORT AND REVENUE					
Public support					
Contributions and grants	\$ 630,242	\$ -	\$ 16,335	\$ -	\$ 646,577
Special events, net of direct expenses of \$122,788	42,779	-	-	-	42,779
Total public support	<u>673,021</u>	<u>-</u>	<u>16,335</u>	<u>-</u>	<u>689,356</u>
Revenue					
Logistic services	10,644,187	-	-	-	10,644,187
Costs of services	<u>(7,601,523)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,601,523)</u>
Net logistic services	3,042,664	-	-	-	3,042,664
Medwaiver and private pay	2,084,426	-	-	-	2,084,426
Funding contracts	400,807	-	-	-	400,807
Investment return, net	28,999	-	717,417	-	746,416
Other revenue	71,856	175,358	-	-	247,214
Intercompany revenue	<u>286,044</u>	<u>207,744</u>	<u>-</u>	<u>(493,788)</u>	<u>-</u>
Total revenue	<u>5,914,796</u>	<u>383,102</u>	<u>717,417</u>	<u>(493,788)</u>	<u>6,521,527</u>
Total public support and revenue	<u>6,587,817</u>	<u>383,102</u>	<u>733,752</u>	<u>(493,788)</u>	<u>7,210,883</u>

MacDonald Training Center, Inc. and Affiliates

COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS - CONTINUED

Year ended September 30, 2024

	MacDonald Training Center, Inc.	MacDonald Training Center Properties, Inc.	MacDonald Training Center Foundation Inc.	Eliminations	Combined Totals
EXPENSES					
Program services	4,569,306	383,123	-	(207,744)	4,744,685
Supporting services					
Management and general	1,017,765	60,000	240,398	(286,044)	1,032,119
Development	286,263	-	-	-	286,263
Total expenses	<u>5,873,334</u>	<u>443,123</u>	<u>240,398</u>	<u>(493,788)</u>	<u>6,063,067</u>
Change in net assets before other changes	714,483	(60,021)	493,354	-	1,147,816
Other changes					
Gain on sale of asset	<u>37,382</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,382</u>
Change in net assets	751,865	(60,021)	493,354	-	1,185,198
Net assets at beginning of year	<u>3,055,561</u>	<u>1,818,876</u>	<u>2,886,811</u>	<u>-</u>	<u>7,761,248</u>
Net assets at end of year	<u>\$ 3,807,426</u>	<u>\$ 1,758,855</u>	<u>\$ 3,380,165</u>	<u>\$ -</u>	<u>\$ 8,946,446</u>