

Consolidated Financial Statements

PRIMROSE CENTER, INC AND AFFILIATE

June 30, 2025

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June 30, 2025

(With Independent Auditor's Report Thereon)

PRIMROSE CENTER, INC AND AFFILIATE

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SCHAFER, TSCHOPP & MITCHELL, LLLP

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Independent Auditor's Report

The Board of Directors
Primrose Center, Inc. and Affiliate:

Opinion

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

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the financial position of Primrose Center, Inc. and its affiliate as of June 30, 2025, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Primrose Center, Inc. and its affiliate, 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 Consolidated Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental consolidating information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Schafer, Tschopp & Mitchell, LLP

March 4, 2026
Maitland, Florida

PRIMROSE CENTER, INC. AND AFFILIATE

Consolidated Statement of Financial Position

June 30, 2025

Assets

Assets:

Cash and cash equivalents	\$ 28,199
Investments (note 2)	619,568
Accounts receivable, net of allowance for doubtful accounts of \$3,185	591,955
Grants and contracts receivable	34,334
Prepaid expenses	36,984
Right of use asset (note 6)	42,449
Property and equipment, net (note 4)	<u>2,191,774</u>
Total assets	<u><u>\$ 3,545,263</u></u>

Liabilities and Net Assets

Liabilities:

Accounts payable	\$ 116,916
Accrued expenses	371,107
Deferred revenue	134,697
Operating leases (note 6)	42,449
Long-term debt, less unamortized costs (note 5)	<u>402,802</u>
Total liabilities	<u>1,067,971</u>

Net Assets:

Net assets without donor restrictions:

Investment in property and equipment	1,788,972
Designated for group homes endowment	328,629
Undesignated	<u>359,691</u>
Total net assets without donor restrictions	<u>2,477,292</u>
Total liabilities and net assets	<u><u>\$ 3,545,263</u></u>

See accompanying notes to consolidated financial statements.

PRIMROSE CENTER, INC. AND AFFILIATE

Consolidated Statement of Activities

Year ended June 30, 2025

Revenue and other support:	
Fees and grants from government agencies	\$ 3,690,250
Contributions	35,452
Program service fees	306,753
Investment income	59,839
In-kind contributions	17,027
Gain on disposal of property	387,713
Miscellaneous	1,074
Total revenue and other support	<u>4,498,108</u>
Expenses:	
Program services:	
Center	2,204,440
Supported employment	86,543
Supported living	1,655
Group homes	1,851,567
Total program services	<u>4,144,205</u>
Support services:	
Management and general	416,600
Development	5,543
Total expenses	<u>4,566,348</u>
Change in net assets	(68,240)
Net assets at beginning of year	<u>2,545,532</u>
Net assets at end of year	<u><u>\$ 2,477,292</u></u>

See accompanying notes to consolidated financial statements.

PRIMROSE CENTER, INC. AND AFFILIATE

Consolidated Statement of Functional Expenses

Year ended June 30, 2025

	Program Services				Supporting Services			
	Center	Supported Employment	Supported Living	Group Homes	Total Program	Management and General	Development	Total
Salaries and wages	\$ 1,457,244	76,694	-	1,260,805	2,794,743	146,926	-	2,941,669
Payroll taxes	144,098	7,625	-	120,393	272,116	14,107	-	286,223
Benefits	72,365	1,040	-	54,631	128,036	40,608	-	168,644
Total salaries and related expenses	1,673,707	85,359	-	1,435,829	3,194,895	201,641	-	3,396,536
Professional fees	8,686	-	-	15,558	24,244	109,184	240	133,668
Depreciation	94,839	-	-	88,647	183,486	-	-	183,486
Utilities	63,818	-	1,655	54,498	119,971	2,782	-	122,753
Transportation	122,385	-	-	1,300	123,685	-	-	123,685
Insurance	100,322	-	-	61,841	162,163	9,870	-	172,033
Food	651	-	-	83,103	83,754	3,701	532	87,987
Supplies	26,976	304	-	18,239	45,519	4,201	2,089	51,809
Repairs and maintenance	52,684	-	-	61,459	114,143	5,386	-	119,529
Office expenses	11,845	-	-	22,481	34,326	53,110	2,682	90,118
Miscellaneous	5,147	-	-	-	5,147	834	-	5,981
Interest expense	20,134	545	-	8,542	29,221	21,657	-	50,878
Bad debt expense	724	-	-	-	724	-	-	724
In-kind expense	17,027	-	-	-	17,027	-	-	17,027
Staff training and travel	5,495	335	-	70	5,900	4,234	-	10,134
Total expenses	\$ 2,204,440	86,543	1,655	1,851,567	4,144,205	416,600	5,543	4,566,348

See accompanying notes to consolidated financial statements.

PRIMROSE CENTER, INC. AND AFFILIATE

Consolidated Statement of Cash Flows

Year ended June 30, 2025

Cash flows from operating activities:	
Change in net assets	\$ (68,240)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	183,486
Gain on disposal of property	(387,713)
Net change in cash flows from changes in:	
Accounts receivable	(186,808)
Grants and contracts receivable	43,783
Prepaid expenses	(3,195)
Accounts payable	(108,048)
Accrued expenses	(6,168)
Deferred revenue	(5,281)
Net cash used in operating activities	<u>(538,184)</u>
Cash flows from investing activities:	
(Purchase) sale of investments, net	65,642
Purchase of property and equipment	(108,126)
Proceeds from sale of property and equipment	420,815
Net cash provided by investing activities	<u>378,331</u>
Cash flows from financing activities:	
Payments on line of credit	(120,000)
Payments on long-term debt	(6,947)
Net cash used in financing activities	<u>(126,947)</u>
Net decrease in cash and cash equivalents	(286,800)
Cash and cash equivalents at beginning of year	<u>314,999</u>
Cash and cash equivalents at end of year	<u><u>\$ 28,199</u></u>
Supplemental disclosure of cash flow information:	
Cash paid during the year for interest	<u><u>\$ 50,878</u></u>

See accompanying notes to consolidated financial statements.

PRIMROSE CENTER, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

June 30, 2025

(1) Organization and Summary of Significant Accounting Policies

(a) Organization and Purpose

Primrose Center, Inc. (the “Center”) is a not-for-profit corporation established for developmentally disabled adults who can benefit from prevocational training programs. The Center is supported primarily through fees and grants from government agencies, and program service fees. The adult day training centers, group homes and administrative offices are located in Orlando, Florida.

(b) Basis of Accounting

The accompanying consolidated financial statements are presented on the accrual basis and represent the financial position and results of operations of the Center.

The accompanying consolidated financial statements include the accounts of the Center and Primrose Properties, Inc. (the “Properties”), an affiliated organization, (collectively the “Organization”). Consolidation is required since the organizations are financially interrelated through economic interest and control. Intercompany transactions and balances have been eliminated in consolidation. Consolidating schedules are included as additional information.

The Organization prepares its consolidated financial statements on an entity wide basis, focusing on the organization as a whole. Net assets and revenue, 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:

- Net assets without donor restrictions---Net assets that are not subject to donor-imposed stipulations and, therefore, available for use in general operations.
- Net assets with donor restrictions---Some donors impose restrictions that are temporary in nature, for example, stipulating that resources be used after a specified date, for particular programs or services, or to acquire buildings or equipment. Other donor-imposed restrictions that are perpetual in nature, for example, stipulating that resources be maintained in perpetuity. Laws may extend those limits to investment returns from those resources and to other enhancements (diminishments) of those resources. Thus, those laws extend donor-imposed restrictions.

PRIMROSE CENTER, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

June 30, 2025

(1) Organization and Summary of Significant Accounting Policies (Continued)

(c) Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

(d) Accounts Receivable

Accounts receivable are carried at their estimated collectible amounts and are recorded net of contractual adjustments and an allowance for doubtful accounts. The allowance for doubtful accounts is estimated by management based on the Organization's prior years' experience and a review of the current status of the existing receivables. Adjustments to the allowance for doubtful accounts are recorded to an expense account. When management determines that a receivable is uncollectible, it is removed from accounts receivable and is charged to the allowance for doubtful accounts.

(e) Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and right of return - are not recognized until the conditions on which they depend have been met.

The Organization recognizes revenue from program activities when the services are provided.

The Organization has adopted Accounting Standards Update (ASU) No. 2018-08 Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605) as management believes the standard improves the usefulness and understandability of the Organization's financial reporting

For the year ended June 30, 2025, the Organization did not have any conditional promises to give.

PRIMROSE CENTER, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

June 30, 2025

(1) Organization and Summary of Significant Accounting Policies (Continued)

(f) Unconditional Promises to Give

Unconditional promises to give, less an allowance for uncollectible accounts, are recognized as revenues in the period received. Pledges are discounted, using a market discount rate, to present value for collections expected in future years. Accretion of the discount in subsequent years is also recorded as contribution revenue.

(g) Property and Equipment

Property and equipment are recorded at cost or estimated value at the date of purchase or contribution. Expenditures for repairs and maintenance are expensed as incurred. Assets are being depreciated using the straight-line method over various estimated useful lives ranging from three to thirty-six years. The Organization has a capitalization threshold of \$1,000.

(h) Income Taxes

The Center is exempt from federal income tax under provision of Section 501(c)(3) of the Internal Revenue Code. Properties is exempt from federal income tax under provision of Section 501(c)(2) of the Internal Revenue Code. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code. Consequently, no provision for income taxes has been included in the accompanying Consolidated Financial Statements.

In accordance with “Income Taxes” FASB Accounting Standards Codification Topic 740 (Topic 740), all entities are required to evaluate and disclose income tax risks.

Topic 740 clarifies the accounting for uncertainty in tax positions and prescribes guidance related to the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The tax benefit from an uncertain tax position is only recognized in the statement of financial position if the tax position is more likely than not to be sustained upon an examination, based on the technical merits of the position. Interest and penalties, if any, are included in expenses in the statement of activities. As of June 30, 2025, the Organization had no uncertain tax positions that qualify for recognition or disclosure in the Consolidated Financial Statements.

PRIMROSE CENTER, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

June 30, 2025

(1) Organization and Summary of Significant Accounting Policies (Continued)

(h) Income Taxes (Continued)

The Organization's income tax returns are subject to review and examination by federal authorities. The Organization is not aware of any activities that would jeopardize its tax-exempt status. The Organization is not aware of any activities that are subject to tax on unrelated business income, excise or other taxes.

(i) Investments

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

(j) Donated Services and Materials

Donated services and materials are recorded at fair value. Donated materials retained by the Organization for use in programs or administration are recorded at fair values, as increases in unrestricted net assets.

(k) Concentration of Credit Risks

The Organization places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation (FDIC) provides for insurance on deposits in the amount of \$250,000 per depositor and fully insures deposits held in non-interest-bearing transaction accounts regardless of amount. During the year, the Organization from time to time may have had amounts on deposit in excess of the insured limits. Management believes the associated risk is minimized by placing such assets with quality financial institutions. The Organization has not experienced any losses on such accounts.

(l) Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

PRIMROSE CENTER, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

June 30, 2025

(1) **Organization and Summary of Significant Accounting Policies (Continued)**

(m) **Deferred Revenue**

Deferred revenue represents cash receipts for grants received for the following year. Amounts are removed from deferred revenue when the criteria for recognition have been met.

(n) **Functional Allocation of Expenses**

The costs of providing the program and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the program and supporting services benefited.

(o) **Subsequent Events**

In preparing these consolidated financial statements, the Organization has evaluated subsequent events and transactions for potential recognition and disclosure through March 4, 2026 which is the date the consolidated financial statements were available to be issued.

(2) **Liquidity and Availability**

As of June 30, 2025, the Organization has \$911,093 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The following table reflects the Organization's financial assets as of June 30, 2025 to meet general expenditures within one year of the statement of financial position date.

Cash and cash equivalents	\$ 28,199
Investments	619,568
Accounts receivable	<u>591,955</u>
Total	1,239,722
Less: board designated net assets	<u>(328,629)</u>
Financial assets available to meet cash needs	<u>\$ 911,093</u>

PRIMROSE CENTER, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

June 30, 2025

(3) **Investments and Fair Value Measurements**

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820 *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are summarized as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices in active markets.

Level 2 - Inputs to the valuation methodology include:

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

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

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

The Organization did not change its valuation techniques during the year and continues to use Level 1 inputs to measure the fair value of its investments.

The following table summarizes the valuation of the Organization's financial assets measured at fair value on a recurring basis as of June 30, 2025, based on the level of input utilized to measure fair value:

Investments:	Fair Value	Cost
Marketable equity securities	\$ 128,100	124,523
Mutual funds	369,503	354,563
Fixed Income	121,965	118,910
Total Investments	<u>\$ 619,568</u>	<u>597,996</u>

PRIMROSE CENTER, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

June 30, 2025

(4) **Property and Equipment**

Property and equipment at June 30, 2025 consist of the following:

	<u>Center</u>	<u>Properties</u>	<u>Total</u>
Land	\$ -	226,461	226,461
Land Improvements	-	179,343	179,343
Building and improvements	-	3,491,059	3,491,059
Furniture and equipment	330,184	-	330,184
Vehicles	11,645	-	11,645
	<u>341,829</u>	<u>3,896,863</u>	<u>4,238,692</u>
Less: accumulated depreciation	<u>(306,506)</u>	<u>(1,740,412)</u>	<u>(2,046,918)</u>
Property and equipment, net	<u>\$ 35,323</u>	<u>2,156,451</u>	<u>2,191,774</u>

(5) **Long-Term Debt**

Long-term debt consisted of the following as of June 30, 2025:

Primrose Properties, Inc:

Note payable to a bank, in monthly installments of \$1,122 including principal and interest at 5.67% through March 29, 2027 when final balloon payment is due. Secured by real property.	\$ 102,802
Promissory note to City of Orlando under the terms and conditions of SHIP agreement due on June 30, 2034. If the Organization is in full compliance with the terms of the SHIP Program Agreement, the debt evidencing this note shall be marked cancelled by the City. During the deferment, this note will not accrue interest.	<u>300,000</u>
Total long-term debt	<u>\$ 402,802</u>

Annual maturities of the notes payable at June 30, 2025 are as follows:

Year ending June 30:

2026	\$ 7,892
2027	94,910
2028	-
2029	-
2030	-
Thereafter	<u>300,000</u>
Total	<u>\$ 402,802</u>

PRIMROSE CENTER, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

June 30, 2025

(6) **Leases**

Effective July 1, 2022, the Organization adopted FASB ASC 842, Leases. The new standard establishes a right of use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. Leases with a term of less than 12 months will not record a right of use asset and lease liability and the payments will be recognized into profit or loss on a straight-line basis over the lease term.

The Organization elected to adopt the package of practical expedients available under the transition guidance with the new standard. This package includes the following: relief from determination of lease contracts included in existing or expiring leases at the point of adoption, relief from having to reevaluate the classification of leases in effect at the point of adoption, and relief from reevaluation of existing leases that have initial direct costs associated with the execution of the lease contract. The Company also elected to adopt the practical expedient to use hindsight to determine the lease term and assess the impairment of the right of use assets.

Lease-Related Assets and Liabilities

Right-of-use assets:	
Operating leases	<u>\$ 42,449</u>
Lease liabilities:	
Operating lease	<u>\$ 42,449</u>

Lease liability maturities as of June 30, 2025, are as follows:

	<u>Operating</u>
	<u>Leases</u>
2026	\$ 11,382
2027	11,964
2028	12,576
2029	<u>6,527</u>
Total lease liabilities	<u>\$ 42,449</u>

PRIMROSE CENTER, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

June 30, 2025

(7) Profit Sharing Plan

The Organization has a profit-sharing plan for the benefit of substantially all employees. This is a defined contribution pension plan whereby the Organization contributes a specified percentage of eligible employees' compensation to the plan; the percentage being set annually by the Board of Directors. The Organization did not make any contributions to this plan for the year ended June 30, 2025.

(8) Grants From Government Agencies

The Organization received approximately 60% of its support in 2025 from federal and state of Florida governments under the Florida Medicaid Waiver Program administered by the State of Florida, Department of Children and Families. Under this program, the participant signs a contract with the state for a specified amount of money per day per client. A significant reduction in the level of this government support, if this were to occur, could have an effect on the Organizations' programs and activities.

The Organization also received support from the federal and state of Florida governments under the Vocational Rehabilitation, Supported Employment Program administered by the State of Florida, Department of Labor and Employment Security.

(9) Concentrations of Credit Risks

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of temporary cash investments and receivables from governmental agencies. Credit risk with respect to concentrations of accounts receivable are limited due to the fact that the entire balance is due from government agencies. The Organization has no cash deposits in excess of federally insured limits at June 30, 2025.

(10) Contingencies

The Organization receives a significant amount of revenue under several federal and state grant programs as described in Note 8. These programs are subject to compliance audits as required by the federal government and the state of Florida. The amount, if any, of expenditures, which may be disallowed, is not determinable at this time.

PRIMROSE CENTER, INC. AND AFFILIATE

Consolidating Statement of Financial Position

June 30, 2025

	<u>Assets</u>			
	<u>Center</u>	<u>Properties</u>	<u>Eliminations</u>	<u>Total</u>
Assets:				
Cash and cash equivalents	\$ 13,021	15,178	-	28,199
Investments	2	619,566	-	619,568
Investment in affiliate	4,632,771	-	(4,632,771)	-
Advance from affiliate	(1,901,588)	1,901,588	-	-
Accounts receivable, net of allowance for doubtful accounts \$3,185	591,955	359,696	(359,696)	591,955
Grants and contracts receivable	34,334	-	-	34,334
Prepaid expenses	36,984	-	-	36,984
Right of use asset (note 6)	42,449	-	-	42,449
Property and equipment, net (note 4)	35,323	2,156,451	-	2,191,774
Total assets	<u>\$ 3,485,251</u>	<u>5,052,479</u>	<u>(4,992,467)</u>	<u>3,545,263</u>

Liabilities and Net Assets

Liabilities:				
Accounts payable	\$ 476,612	-	(359,696)	116,916
Accrued expenses	371,107	-	-	371,107
Deferred revenue	117,791	16,906	-	134,697
Line of credit	-	-	-	-
Operating leases (note 6)	42,449	-	-	42,449
Long-term debt, less unamortized costs	-	402,802	-	402,802
Total liabilities	<u>1,007,959</u>	<u>419,708</u>	<u>(359,696)</u>	<u>1,067,971</u>

Net Assets:

Net assets without donor restrictions:				
Investment in property and equipment	35,323	1,753,649	-	1,788,972
Designated for group homes endowment	328,629	-	-	328,629
Undesignated	2,113,340	2,879,122	(4,632,771)	359,691
Total net assets without donor restrictions	<u>2,477,292</u>	<u>4,632,771</u>	<u>(4,632,771)</u>	<u>2,477,292</u>
Total liabilities and net assets	<u>\$ 3,485,251</u>	<u>5,052,479</u>	<u>(4,992,467)</u>	<u>3,545,263</u>

PRIMROSE CENTER, INC. AND AFFILIATE

Consolidating Statement of Activities

Year ended June 30, 2025

	<u>Center</u>	<u>Properties</u>	<u>Eliminations</u>	<u>Total</u>
Revenue and other support:				
Fees and grants from government agencies	\$ 3,651,156	39,094	-	3,690,250
Contributions	35,452	-	-	35,452
Investment in affiliate income	505,700	-	(505,700)	-
Program service fees	306,753	-	-	306,753
Rental income	-	218,342	(218,342)	-
Investment income	3,872	55,967	-	59,839
In-kind contributions	17,027	-	-	17,027
Gain (loss) on disposal of property	(9,288)	397,001	-	387,713
Miscellaneous	1,074	-	-	1,074
Total revenue and other support	<u>4,511,746</u>	<u>710,404</u>	<u>(724,042)</u>	<u>4,498,108</u>
Expenses:				
Program services:				
Center	2,181,810	109,167	(86,537)	2,204,440
Supported employment	96,543	-	(10,000)	86,543
Supported living	1,655	-	-	1,655
Group homes	1,868,669	94,703	(111,805)	1,851,567
Total program services	<u>4,148,677</u>	<u>203,870</u>	<u>(208,342)</u>	<u>4,144,205</u>
Supporting services:				
Management and general	425,766	834	(10,000)	416,600
Development	5,543	-	-	5,543
Total expenses	<u>4,579,986</u>	<u>204,704</u>	<u>(218,342)</u>	<u>4,566,348</u>
Change in net assets	(68,240)	505,700	(505,700)	(68,240)
Net assets at beginning of year	<u>2,545,532</u>	<u>4,127,071</u>	<u>(4,127,071)</u>	<u>2,545,532</u>
Net assets at end of year	<u>\$ 2,477,292</u>	<u>4,632,771</u>	<u>(4,632,771)</u>	<u>2,477,292</u>