Special Abilities of North Texas, Inc.

1511 Justin Road, Suite B, Lewisville, Texas 75077

Financial Statements
December 31, 2024

John W. Jones, CPA
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972-231-5245 / 214-695-1190

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John W. Jones

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Independent Auditor's Report

To the Board of Directors of
Special Abilities of North Texas, Inc.
1511 Justin Road, Suite B
Lewisville, Texas 75077

I have audited the accompanying statement of financial position of Special Abilities of North Texas, Inc. (a nonprofit organization) as of December 31, 2024, and the related statement of equity, statement of activities, statement of functional expenses, statement of cash flows, and statement of liquidity for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted the audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Special Abilities of North Texas, Inc. as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

John W. Jones, CPA
Richardson, Texas
June 11, 2025

Special Abilities of North Texas, Inc.
Statement of Financial Position
December 31, 2024

Assets

Current Assets:		
Cash		$584,141
Program Receivables	83,792	
Less: Program AR Bad Debt Reserve	(5,505)	
Net Program Receivables		78,287
Other Receivables		32,506
Prepaid Expenses		18,479
Total Current Assets		713,413
Property & Equipment:		
Furniture and Fixtures	-	113,096
Building and Land		1,228,778
Less Accumulated Depreciation	-	(303,513)
Net Property & Equipment		1,038,361
Total Assets		$1,751,774

Liabilities and Net Assets

Current Liabilities:		
Accounts Payables		$7,234
Accrued Payables		8,508
Accrued Payroll		38,476
Notes Payable - Bank - Current Portion		699
Total Current Liabilities		54,916
Long Term Liabilities:		
Notes Payable - SBA EIDL	152,868	
Less Current Portion	(699)	
Net Notes Payable - SBA EIDL		152,169
Total Long Term Liabilities		152,169
Total Liabilities		$207,085
Net Assets		
Without Donor Restrictions		$1,544,689
With Donor Restrictions		-
Total Liabilities and Net Assets		$1,751,774

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

Special Abilities of North Texas, Inc.
Statement of Equity Without Donor Restrictions
December 31, 2024

Net Assets - Beginning of Year	$67,923
Calendar 2024 Increase in Net Assets	492,393
Special Abilities Foundation	
Asset Contributions -	
Building	753,103
Land	475,675
Accumulated Depreciation	(197,246)
Waived SAF Debt to SANT	(47,159)
Net SAF Contributions	984,373
Net Assets - End of Year	$1,544,689

Special Abilities of North Texas, Inc.
Statement of Activities
For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	2024 Totals
Mission Operation:			
Mission Operations Revenue:			
Program Revenue	$689,936	$0	$689,936
Total Mission Operating Revenue	689,936	-	689,936
Mission Operations Expenses:			
Program Expenses	900,832	0	900,832
Supporting Expenses	74,204	0	74,204
Total Mission Operating Expense	975,037	0	975,037
Mission Operating Funds Deficiency	(285,101)	-	(285,101)
Grants, Donations & Fundraising Revenue:			
Grants - Corporations & Governments	27,120	0	27,120
Contributions - Non-Profits	49,065	(14,349)	34,716
Contributions - Individuals	483,285	0	483,285
Restricted Funds Release - Non-Profits	-	14,349	14,349
Special Event Revenue - Net of Costs	160,313	0	160,313
Total Grants, Donations, & Fundraising Revenue	719,783	0	719,783
Investment / Other Income:			
Interest Income	2,119	0	2,119
Interest Expense	(7,097)		(7,097)
Refunded ERL & PPP Covid Programs	62,690		62,690
Increase in Net Assets	$492,393	$0	$492,393
Net Assets, Beginning of Year	67,923		67,923
Special Abilities Foundation -			
Dissolution / Merger with SANT	984,373	-	984,373
Net Assets, End of Year	$1,544,689	$0	$1,544,689

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

Special Abilities of North Texas, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2024

	Program Totals	Management & General	Fundraising	Supporting Totals	Expense Totals
Advertising	$0	$0	$1,219	$1,219	$1,219
Building - Insurance	19,294	1,199	-	1,199	20,493
Building - Rent	56,767	3,527	-	3,527	60,294
Building - Repairs	13,731	853	-	853	14,584
Building - Security	659	41	-	41	700
Building - Utilities	25,481	1,583	-	1,583	27,064
Client Programs	64,623	-	-	-	64,623
Client Training	270	-	-	-	270
Client Transportation	4,238	-	-	-	4,238
Computer Support	5,466	340	-	340	5,806
Contract Labor	-	-	-	-	-
Depreciation	2,254	-	-	-	2,254
Dues & Subscriptions	5,900	367	-	367	6,267
Employee Appreciation	3,397	-	-	-	3,397
Hiring Costs	1,350	-	-	-	1,350
Insurance - Casualty	4,356	271	-	271	4,627
Insurance - Employee	70,113	2,961	2,147	5,108	75,221
Office Supplies	884	1,769	885	2,654	3,538
Payroll	530,106	22,386	16,231	38,617	568,723
Professional Fees	5,964	7,708	-	7,708	13,672
Taxes - Payroll	84,568	3,571	2,589	6,160	90,728
Telephone	1,410	2,821	1,411	4,232	5,642
Travel	-	325	-	325	325
Total Costs	$900,832	$49,722	$24,482	$74,204	$975,037

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

Special Abilities of North Texas, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2024

Cash Flows From Operating Activities		
Increase (Decrease) in Net Assets		$492,393
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	2,254	
(Increase) / Decrease In Program Receivables	12,024	
(Increase) / Decrease In Other Receivables	(32,506)	
(Increase) / Decrease in Prepaid Expenses	(1,069)	
(Decrease) / Increase in Accounts Payable	(1,877)	
(Decrease) / Increase in Accrued Payable	(4,045)	
(Decrease) / Increase in Accrued Payroll	15,583	
Total Adjustments		(9,636)
Net Cash Provided by Operating Activities		482,757
Cash Flows From Investing Activities		
Equipment Acquisition	-	(5,446)
Cash Flows From Financing Activities:		
Affiliates Receivable / Increase	5,721	
SBA - EIDL Loan Increase / (Decrease)	(715)	
Net Cash Decreased in Investing Activities		5,006
Net Increase in Cash		$482,317
Cash, Beginning of Year		101,824
Cash, End of Year		$584,141

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

Special Abilities of North Texas, Inc.
Statement of Liquidity Disclosure
For the Year Ended December 31, 2024

Cash and Cash Equivalents	$584,141
Program Receivables	78,287
IRS - PPP / ERC Receivables	32,506
Total Available Funds	694,934
Vendor Payable - Year End	54,916
Net Liquidity Available for Operations	640,018
Less Guaranteed Payments:	
12 Monthly SBA EIDL Payments	7,692
Total Annual Guaranteed Payments	7,692
Available Year End Liquidity	$632,326

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

Note 1 – Organization and Nature of Operations:

Special Abilities of North Texas, Inc. ("SANT") is a nonprofit corporation organized in December 1993 under the laws of the State of Texas and is recognized as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

The Organization's mission is "to provide the highest quality care, training, and support to adults with developmental disabilities, giving them opportunities to succeed in life, family, and the community."

Primary revenue sources are program-service fees (Medicaid waiver and private pay), foundation, corporate, and government grants, individual contributions, and special event fundraising.

Note 2 – Mission and Programs:

Special Abilities of North Texas exists "to provide the highest quality care, training, and support to adults with developmental disabilities, giving them opportunities to succeed in life, family, and the community." The Organization pursues this mission by maintaining person-centered programming, cultivating community partnerships, and stewarding resources so that services remain accessible and responsive to participant needs.

SANT weaves five program areas into the weekday schedule of its licensed Individualized Skills and Socialization (ISS) day program. Each activity is delivered in small group settings, adapted to the individual goals in every ACE's person-centered service plan, and documented daily for audit and licensing compliance. To support working families, SANT also offers Extended Hours—care beyond the six hours reimbursed by most Medicaid waivers—so participants can arrive earlier or stay later as needed.

<u>Community Inclusion</u> brings ACEs into the local community for supervised outings, volunteer projects, and civic-advocacy events, cultivating accessibility, belonging, and active participation.

<u>Health & Fitness</u> promotes overall wellness through yoga, Zumba, nutrition education, and medication-management instruction, addressing both physical health and mental well-being.

<u>Pre-Vocational Training</u> develops job-readiness skills—task completion, teamwork, and workplace social interaction—laying the groundwork for future employment.

<u>Life Skills</u> teach daily-living essentials such as money management, personal care, household routines, and effective communication, with the aim of maximizing each person's independence.

<u>Creative Arts</u> offers visual, performing, and expressive-arts sessions that nurture cognitive development, emotional regulation, self-confidence, and social skills.

Complementing these core areas are a rotating slate of staff- and volunteer-led ACE Clubs, which allow individuals to dive deeper into personal interests, cultivate lifelong hobbies, and reinforce the skills learned in the primary program pillars.

<u>Note 3 – Clients:</u>
SANT serves adults aged 18 and older who have a documented intellectual or developmental disability and who benefit from a structured, goal-oriented day program. During the year ending December 31, 2024, the Organization supported 110 participants, known as ACEs (Adults Creating Excellence). Over the course of the year, a total of 92,739 hours of direct service were provided. In addition, the Organization facilitated more than 40 unique off-site community inclusion outings, including volunteer projects, recreational activities, and civic events. Participants reside primarily in Denton County and surrounding North Texas communities. Eligibility and service intensity are determined through a person-centered planning process consistent with Texas Health & Human Services Commission (HHSC) requirements. When Medicaid waiver or General Revenue rates fall below the actual cost of care, SANT subsidizes the difference through contributions, grants, and special event revenue as described in Note 7, 8, & 9.

<u>Note 4 – Recent Significant Events and Subsequent Events</u>:
<u>Merger with Supporting Foundation and Facility Transfer:</u> In December 2024 the supporting organization, *Special Abilities Foundation, Inc.* ("SAF"), was dissolved in accordance with its governing documents. SAF's assets—principally SANT's operating facility located at 1511 Justin Road, Lewisville, Texas, were transferred to SANT. The building and land had a cost basis of $1,228,778 but with prior years accumulated depreciation of $197,246 the net basis is $1,031,532. The land had a cost of $475,675 and the building a cost of $753,103 on SAF's books. A receivable of $47,159 owed by SAF to SANT for prior building improvements was waived and netted against equity additions on SANT's books.

Mortgage Payoff: In August 2024 SAF received a donor contribution sufficient to retire the outstanding mortgage on the facility noted above. Consequently, the property was transferred to SANT free of debt.

Denton County Residential Services Grant: On December 17, 2024, SANT executed an agreement with Denton County providing up to $1,000,000 to acquire and renovate two community-based group homes for adults with intellectual and developmental disabilities. The first home was purchased in April 2025. SANT is actively identifying a second property; acquisition is expected later in 2025. The Organization plans to begin providing residential services to residents in the latter part of 2025 after renovation and staffing requirements are met.

Note 5 – Client Billings:

The client services provided by Special Abilities have varied over the past several years. Due to Covid 19, Special Abilities shut down as of March 31, 2020. Full operations resumed in March 2021. Special Abilities' client service billings for the last 6 years have been:

Year	Annual Billings	Year	Annual Billings
2018	$502,692	2022	$389,858
2019	$703,352	2023	$602.574
2020	$136,266	2024	$689,936
2021	$308,749		

Note 6 - Program Locations:

Services are provided at 1511 Justin Road, Suite B, Lewisville, Texas.

Note 7 – Financial Support:

As a charitable nonprofit, SANT relies on community support. These include fundraising events, public charitable donations, individual contributions, and grants. Funding for client services is provided by (1) HCS, (2) CLASS funds, (3) Texas Home Living (TXHML), (4) General Revenue (GR) and, (5) private payments.

Note 8 – Contributions:

Special Abilities relies on generous donations from corporations, governments, civic organizations, and individuals to bridge the gap between the costs of services provided to clients with IDD and the billings to the clients. Notable donations were provided by the following contributors:

Organization	Donation $
United Way of Denton County	$14,349
City of Lewisville	$7,500
Point Bank	$7,500
Flower Mound Rotary	$5,000
Lewisville Rotary	$5,900
CoServ Foundation	$11,000
Sprouts Foundation	$10,000
Other Individual & Company Donations	$498,221
2024 Donation Totals	$559,470

Note 9 – Fundraising Events:

In 2024 Special Abilities held a fundraising event: Denim & Diamonds Gala. The total sponsorship contributions and patron payments totaled $193,250. The direct costs for the event were $32,937, which nets to a profitable fundraising event of $160,313.

Note 10 – Leased Facility / Owned Facility:

SANT's Lewisville facility was provided by a commercial lease with a related entity, Special Abilities Foundation, Inc. (The Foundation). The Foundation was organized as exempt from federal income taxes under Section 501(c)(3). The yearly rent payments were as follows:

Calendar Year	Annual Rental Payments
2020	$52,227
2021	$69,620
2022	$69,967
2023	$81,655
2024	$60,294
Total	$333,763

With the substantial contribution to SAF coupled with the facility debt elimination in SAF, the SANT rented facility was transferred to SANT debt free. The lease between SAF and SANT was triple net, so SANT was already responsible for all building operational costs. In 2025, the rent costs will be eliminated.

Note 11 – Notes Receivable from Affiliates:
As of December 31, 2023, SANT was owed $52,881 from its affiliated non-profit, Special Abilities Foundation. In the closing of SAF, the transfer of the building and land was netted against the open receivable, and the amount was added to SANT's non-restricted Net Assets.

Note 12 – Delinquent Client Payments:
As of December 31, 2024, Special Abilities had reserved $5,505 of receivables as possible bad debts. As of December 31, 2024, a separate reserve was recorded for $5,505 to cover possible receivable losses occurring in 2025.

Note 13 – Building / Land / Equipment and Depreciation:
Special Abilities has $113,096 in equipment, furniture, fixtures, and autos. $5,446 of equipment was acquired in 2024. Straight line depreciation is used with useful lives of 5, 7, and 15 years. During calendar year 2024, depreciation expense of $2,254 was recognized. The dissolution and merger of Special Abilities Foundation in December resulted in building and land costs of $1,228,778 added to SANT's financial statements.

Note 14 – SBA EIDL Loan Funding:
In 2020 Special Abilities received an SBA/EIDL loan of $150,000. The loan interest rate is 2.75%. The 1st required payment was made in January 2023 in the amount of $641. The loan accrues interest from the funding date but was deferred until the January 2023 initial payment. The deferred interest amount was $2,868 as of December 31, 2024.

Note 15 – Summary of Significant Accounting Policies:
Basis of Presentation and Principles of Combination
The accompanying combined financial statements include only the accounts of Special Abilities of North Texas, Inc.

Financial Statement Presentation
The Organization presents its financial statements in accordance with Financial Accounting Standard Board (FASB) Accounting Standards Codification Not-for-Profit Entities (Topic 958) / Update No. 2016-14. Accordingly, the Organization reports information regarding its financial position and activities to two classes of net assets – net assets with donor restrictions and net assets without donor restrictions.

<u>Net Assets with Donor Restrictions:</u>
Restricted net assets consist of donor restricted contributions. Amounts restricted by donors for a specific purpose are deemed to be earned and reported as temporarily restricted revenue, when received, and such unexpected amounts are reported as net assets with donor restrictions at year-end. When the donor restriction expires, that is, when a stipulated time or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without restrictions and reported in the statement of activities and changes in net assets without donor restrictions. The Organization had no net assets with donor restrictions as of December 31, 2024.

<u>Contributions and Unconditional Promises to Give:</u>
Contributions are recognized as revenue when received. Contributions that are restricted by the donor are reported as an increase in revenue but are recognized as net assets with donor restrictions on the statement of Financial Position. Contributions and promises to give due in less than one year are recorded at their net realizable value upon receipt. Contributions and promises to give that are due in more than one year are only recorded at fair value on the date received.

<u>Donated Materials and Contributed Services</u>
Donated materials are recorded in the statement of activities and changes in net assets as contribution revenue with offsetting expenses or capitalized expenditures at their estimated fair market value on the date of receipt. Contributed services are reflected in the statement of activities and changes in net assets at the estimated fair value of the services received if they (a) create or enhance nonfictional assets or (b) require and are provided by individuals with specialized skills and, if not provided by donation, would typically need to be purchased.

<u>Concentration of Risk:</u>
The Organization maintains its operating cash in bank deposit accounts that, at times, may exceed federally insured limits. The Organization has not experienced losses in such accounts and believes it is not exposed to any significant risk of loss on cash.

<u>Program Receivables:</u>
The Organization uses the direct write-off method on doubtful receivables. Program receivables are written off when deemed uncollectible by management. Bad debt recoveries are included in income as realized.

Property and Equipment:
The Organization capitalizes all property and equipment expenditures with a cost of $1,000 or more and having estimated useful lives of more than one year. Property and equipment are recorded at cost or, for donated items, at fair market value as of the date received. Expenditures for major additions and improvements are capitalized, and minor replacements, maintenance and repairs are charged to expense when incurred. When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in the activities for the respective period. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from 5 – 15 years. Long-lived assets, such as property and equipment, are reviewed on an ongoing basis for impairment based on comparisons of carrying values against undiscounted future cash flows. If an impairment is identified, the assets' carrying amounts are written down to fair market value. There were no impairments of long-lived assets identified during the year ended December 31, 2024.

Use of Estimates:
The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, support, and expenses during the reporting period. Significant estimates made in preparing the financial statements include the carrying value of property and equipment, and the allocation of functional expenses. Actual results could differ from those estimates.

Functional Expenses:
The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis in the Statement of Functional Expenses, and Statement of Activities. Accordingly, certain expenses have been allocated among the various programs and supporting services.

Income Taxes:
SANT is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the entities are not taxed on income derived from their exempt functions. However, the entities are subject to tax on unrelated business income, which is generated from activities not related

to their stated exempt purpose. The entities had no unrelated business income during the year ended December 31, 2024. The Organization is required to evaluate each of its tax positions to determine if they are more likely than not to be sustained if the taxing authority examines the respective position. No questionable tax positions were identified in the year ending December 31, 2024.

Advertising and Promotion:

Advertising and promotion costs are expensed as incurred. In calendar 2024 only $1,219 in advertising costs were incurred.

Special Abilities of North Texas, Inc.
Donor Restriction Schedule
Calendar 2024

Donor	Restricted Funds as of 01/01/24	Restricted Funds Received in 2024	Restricted Funds Released in 2024	Restricted Funds as of 12/31/24
United Way of Denton County	-	14,349	14,349	-
Totals	-	$14,349	$14,349	-