Lighthouse of Broward County, Inc.

Financial Statements
For the Year Ended June 30, 2026
(with comparative totals for 2025)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Lighthouse of Broward County, Inc.

Opinion

We have audited the accompanying financial statements of Lighthouse of Broward County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2026, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lighthouse of Broward County, Inc. as of June 30, 2026, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lighthouse of Broward County, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

"Citrin Cooperman" is the brand under which Citrin Cooperman & Company, LLP, a licensed independent CPA firm, and Citrin Cooperman Advisors LLC serve clients' business needs. The two firms operate as separate legal entities in an alternative practice structure. The entities of Citrin Cooperman & Company, LLP and Citrin Cooperman Advisors LLC are independent member firms of the Moore North America, Inc. (MNA) Association, which is itself a regional member of Moore Global Network Limited (MGNL). All the firms associated with MNA are independently owned and managed entities. Their membership in, or association with, MNA should not be construed as constituting or implying any partnership between them.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Summarized Comparative Information

We have previously audited Lighthouse of Broward County, Inc.'s 2025 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 9, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2025, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Citrin Cooperman & Company, LLP

Fort Lauderdale, Florida
October 14, 2026

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Lighthouse of Broward County, Inc.
Statement of Financial Position
June 30, 2026
(with comparative totals for 2025)

	2026	2025
Assets:		
Current assets:		
Cash	$ 356,029	$ 950,296
Contracts and others receivable	365,915	238,572
Restricted investments	1,000,000	1,000,000
Prepaids and other assets	89,550	67,641
Total current assets	1,811,494	2,256,509
Long-term assets:		
Property and equipment, net	7,428,157	6,533,258
Beneficial interest in assets held by Community Foundation of Broward, Inc.	46,198	40,844
Endowment investments	17,539,207	17,342,249
Total long-term assets	25,013,562	23,916,351
Total assets	$ 26,825,056	$ 26,172,860
Liabilities:		
Current liabilities:		
Accounts payable	$ 73,919	$ 89,581
Accrued liabilities	253,307	157,363
Deferred revenue	3,895	52,260
Refundable advances	256,069	313,916
Total liabilities	587,190	613,120
Net Assets:		
Without donor restrictions:		
Undesignated	7,644,333	7,168,519
Board designated	17,285,405	17,083,093
Total without donor restrictions	24,929,738	24,251,612
With donor restrictions:		
Purpose and time restrictions	1,008,128	1,008,128
Perpetual in nature	300,000	300,000
Total with donor restrictions	1,308,128	1,308,128
Total net assets	26,237,866	25,559,740
Total liabilities and net assets	$ 26,825,056	$ 26,172,860

See accompanying notes to financial statements.

Lighthouse of Broward County, Inc.
Statement of Activities
For the Year Ended June 30, 2026
(with comparative totals for 2025)

	Without Donor Restrictions	With Donor Restrictions	2026 Total	2025 Total
Public support and revenues:				
Contract revenue	$ 2,100,065	$ -	$ 2,100,065	$ 1,893,411
Grants and contributions	1,112,842	-	1,112,842	2,984,642
Contributions of nonfinancial assets	9,911	-	9,911	29,298
Investment income, net	1,330,066	-	1,330,066	1,139,796
Special events, net of direct costs of $73,335 at June 30, 2026 and $69,986 at June 30, 2025	255,622	-	255,622	209,273
Other program income	76,566	-	76,566	61,602
Total public support and revenues	4,885,072	-	4,885,072	6,318,022
Expenses:				
Program services	3,458,903	-	3,458,903	3,146,077
Supporting services:				
Management and general	224,873	-	224,873	160,330
Fundraising	523,170	-	523,170	559,453
Total expenses	4,206,946	-	4,206,946	3,865,860
Change in net assets	678,126	-	678,126	2,452,162
Net assets, beginning of year	24,251,612	1,308,128	25,559,740	23,107,578
Net assets, end of year	$ 24,929,738	$ 1,308,128	$ 26,237,866	$ 25,559,740

See accompanying notes to financial statements.

Lighthouse of Broward County, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2026
(with comparative totals for 2025)

	Program Services							Supporting Services				
	Adult Programs			Youth Programs								
	Vital Living	Working Solutions	WorkForce/ Ready to Work	TeenLIFE	KIDS Program	Bright Beginnings	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total 2026	Total 2025
Compensation, taxes and fringe benefits	$ 1,021,524	$ 634,806	$ 58,398	$ 313,837	$ 282,307	$ 313,228	$ 2,624,100	$ 180,202	$ 437,502	$ 617,704	$ 3,241,804	$ 2,830,422
Donor stewardship (includes $9,911 of in-kind)	26,483	26,049	8,990	30,360	17,070	11,033	119,985	5,745	100,382	106,127	226,112	261,618
Equipment rental and maintenance	15,824	14,025	4,436	6,850	4,333	5,770	51,238	3,042	8,271	11,313	62,551	54,223
Building occupancy costs	35,998	34,498	10,499	16,499	18,069	13,499	129,062	7,500	13,499	20,999	150,061	138,160
Client services	12,611	13,071	6,709	40,545	61,462	4,698	139,096	-	-	-	139,096	154,885
Insurance	23,449	22,473	6,840	10,748	11,725	8,794	84,029	13,300	8,794	22,094	106,123	103,791
Depreciation	30,809	29,526	8,986	14,121	15,405	11,553	110,400	6,419	11,553	17,972	128,372	130,230
Professional fees	11,762	11,518	3,763	5,509	6,010	4,507	43,069	2,504	4,507	7,011	50,080	74,155
Travel and conferences	7,399	4,183	1,434	3,936	2,116	2,763	21,831	871	1,375	2,246	24,077	18,909
Organizational development, accreditation and dues	2,074	1,515	452	710	10,891	581	16,223	323	612	935	17,158	44,427
Office expenses	11,039	10,195	3,084	4,847	5,303	3,966	38,434	2,203	4,115	6,318	44,752	40,898
Miscellaneous	25,075	8,348	2,387	4,013	7,159	3,008	49,990	2,764	5,895	8,659	58,649	46,815
Rehabilitation aids	15,926	7,976	-	190	6,787	567	31,446	-	-	-	31,446	37,313
Total expenses	1,239,973	818,183	115,978	452,165	448,637	383,967	3,458,903	224,873	596,505	821,378	4,280,281	3,935,846
Less: expenses included with public support and revenues on the statement of activities:												
Cost of direct benefit to donors	-	-	-	-	-	-	-	-	(73,335)	(73,335)	(73,335)	(69,986)
Total expenses included in the expense section of the statement of activities	$ 1,239,973	$ 818,183	$ 115,978	$ 452,165	$ 448,637	$ 383,967	$ 3,458,903	$ 224,873	$ 523,170	$ 748,043	$ 4,206,946	$ 3,865,860

See accompanying notes to financial statements.

Lighthouse of Broward County, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2026
(with comparative totals for 2025)

	2026	2025
Cash flows from operating activities:		
Change in net assets	$ 678,126	$ 2,452,162
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	128,372	130,230
Net realized/unrealized gain on investments	(731,250)	(572,700)
Net change on beneficial interest in assets held by Community Foundation of Broward, Inc.	(5,354)	(3,984)
Contributions restricted to capital campaign	-	(1,000,000)
Decrease (increase) in operating assets:		
Contracts and others receivable	(127,343)	(16,894)
Prepaids and other assets	(21,909)	22,531
Increase (decrease) in operating liabilities:		
Accounts payable	(15,662)	27,690
Accrued liabilities	95,944	35,118
Deferred revenue	(48,365)	(18,016)
Refundable advances	(57,847)	38,648
Net cash provided by (used in) operating activities	(105,288)	1,094,785
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	3,885,564	2,047,599
Purchases of property and equipment	(1,023,271)	(397,397)
Purchases of investments	(3,351,272)	(4,276,414)
Net cash used in investing activities	(488,979)	(2,626,212)
Cash flows from financing activities:		
Collections from contributions restricted to capital campaign	-	1,000,000
Net cash provided by financing activities	-	1,000,000
Net decrease in cash	(594,267)	(531,427)
Cash, beginning of year	950,296	1,481,723
Cash, end of year	$ 356,029	$ 950,296

See accompanying notes to financial statements.

Note 1 - Organization and Operations

Lighthouse of Broward County, Inc. (the "Organization") is a Florida nonprofit organization serving as the preeminent resource for the visually impaired community of Broward County. The Organization's mission is to be the leader in Broward County that provides leadership, services, advocacy, and the resources necessary to enhance the lives of people who are blind and visually impaired.

Programs to all age groups are designed as follows:

Adult programs: Services are provided at the Organization's facility, as well as in the community, for blind or visually impaired individuals over the age of 21 through the Vital Living and Working Solutions programs. These programs teach skills leading to more independence at home, school, work, or in the community. Services are tailored to meet an individual's needs and can include any combination of the following: instruction for safe indoor/outdoor travel, use of technology including computers and smartphones with accessible software, self-advocacy and resources, activities of daily living (including safe cooking skills, personal grooming, money identification, medication and home management techniques), diabetes management, braille, adjustment to blindness and peer support counseling, and job readiness training. The Organization estimated that it provided direct services to approximately 725 adults during the year ended June 30, 2026. Additionally, the Organization estimated that continuing education services were provided to approximately 2,030 former clients through the Organization's Lifetime Learners program.

In addition, the Organization's services include the WorkForce Enterprises/Ready to Work program. The mission of WorkForce Enterprises/Ready to Work is to enhance the personal and economic independence of clients by directly providing employment opportunities through the delivery of services and innovative apprenticeship and job placement opportunities. The WorkForce Enterprises/Ready to Work program created opportunities for people who are blind and visually impaired to become wage earners and taxpayers, reducing their reliance on government support, and increasing engagement with the community.

Youth programs: *Bright Beginnings* (ages birth to 5) teaches infants and toddlers to learn through structured play therapy and teaches parents how to apply "learning through play" routines as daily activities to help achieve developmental milestones. The Organization estimated that it served approximately 30 Bright Beginnings children and their parents during the year ended June 30, 2026.

KIDS (Keys to Independence) (ages 6 to 13) provides group instruction over the course of the school year, as well as an 8-week virtual summer camp. Youth learn safe travel, personal care, braille, computers and social skills. The Organization estimated that it provided over 3,900 hours of instruction to approximately 90 KIDS participants during the year ended June 30, 2026.

TeenLIFE (Learning Independence From Experience) (ages 14 to 21) provides both group and individual instruction year-round. Teens learn to develop vocational goals, work habits, interviewing skills and college expectations. They also work summer jobs, improve computer skills, acquire braille literacy, build social skills, prepare meals and budgets and use public transportation; further strengthening skill sets introduced in younger programming. The Organization estimated that it provided over 4,100 hours of instruction to approximately 100 teens during the year ended June 30, 2026.

Note 2 - Summary of Significant Accounting Policies

Basis of accounting: The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis of presentation: The financial statement presentation follows U.S. GAAP which requires the Organization to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets: Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net assets without donor restrictions*: Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets as discussed in Notes 8 and 10.

- *Net assets with donor restrictions*: Net assets subject to donor (or certain grantor) imposed restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor or grantor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity.

Generally, contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. Any contribution not specifically restricted by the donor or subject to other legal restrictions is considered available for general use.

Cash equivalents: The Organization considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. The Organization also maintains cash, money market funds and equivalents with its investment custodian and reports these balances as a component of its investment holdings as they are intended to be used for long-term purposes.

Beneficial interest in assets held by Community Foundation of Broward, Inc.: Beneficial interest in assets held by Community Foundation of Broward, Inc. (the "CFB") represents the fiscal year end fair value of the *Lighthouse of Broward County, Inc. Fund* ("Fund"). The Organization established this Fund with funds received from a donor which were then transferred to the CFB and the Organization specified itself as the beneficiary of that Fund.

Investments: Investments primarily include mutual funds (equities and fixed income), fixed income securities (government and agency securities, and corporate bonds), money market mutual funds, and bank deposits held as part of the Organization's investment portfolio. Investments are stated at their estimated fair value, based on publicly quoted prices and other means, except for bank deposits which are reported at their carrying value and are excluded from the fair value measurements. Money market mutual funds are valued at fair value, $1 per share.

Note 2 - Summary of Significant Accounting Policies (continued)

The fund invests primarily in equity, fixed income securities and alternative investments, which are recorded at fair value based upon quoted prices in markets for identical assets and/or valuations provided by the external investment managers. Investment gains (losses) (including realized and unrealized gains and losses on investments, interest and dividends) are included in the statement of activities under the caption "Investment income, net."

Promises to give: Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques based on a risk-free rate of return. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The Organization had no material unconditional or conditional promises to give as of June 30, 2026.

Receivables and allowance for credit losses: Contracts receivable consist principally of amounts due for client services and are carried at amounts expected to be collected by the Organization. Gross contracts receivable totaled approximately $360,500 and $238,000 as of June 30, 2026 and 2025, respectively.

The Organization estimates its allowance for credit losses using relevant information from internal and external sources, historical collection experience, current economic conditions, and reasonable and supportable forecasts. In estimating expected credit losses, the Organization has elected the practical expedient that permits an assumption that conditions existing as of the balance sheet date will continue throughout the forecast period. Accordingly, no forecast adjustment was considered necessary. The Organization has also elected an accounting policy to consider collections received through August 31 when estimating expected credit losses; therefore, such subsequent collection activity is reflected in the allowance estimate. Contracts receivable are evaluated collectively based on similar risk characteristics. Management concluded that any expected credit loss as of June 30, 2026, was immaterial. Accounts are written off when all reasonable collection efforts have been exhausted.

Property and equipment: The Organization capitalizes property and equipment in excess of $1,000. Property and equipment are stated at cost if purchased or, if donated, at estimated fair value at the date of the donation, less accumulated depreciation. The Organization's policy is to provide for depreciation using the straight-line method over the estimated useful life of each type of asset which is as follows:

Building and improvements	39 years
Furniture and equipment	3-10 years
Vehicles	5 years

When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

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

Reciprocal transfers in which each party receives and sacrifices goods or services with approximate commensurate value are recognized as exchange transactions. The core principle is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Note 2 - Summary of Significant Accounting Policies (continued)

Revenue from exchange transactions, including units-of-service contracts with governmental agencies, is recognized over time as services are provided to eligible clients in accordance with the terms of the applicable agreements. The Organization's performance obligations are satisfied as services are rendered. The transaction price is generally based on established reimbursement rates for each unit of service provided, and revenue is recognized in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing those services. Amounts billed but not yet collected are reported as contracts receivable.

Revenues from special events that are considered exchange transactions are not recognized until the special event takes place. Other program income from products and services is recognized as income when the performance obligation of transferring the products and providing the services is met. Amounts received in advance are deferred and reported as a liability, “Deferred revenue”, in the statement of financial position.

Contributed goods and services (nonfinancial assets): Contributed services are reported as contributions at their estimated fair value if such services create or enhance nonfinancial assets or would have been purchased if not provided by contribution, require specialized skills and are provided by individuals possessing such specialized skills. Contributed goods are recorded at their estimated fair value when received.

Functional expenses: The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by functions. Expenses that can be directly identified with a program or supporting service are charged accordingly. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses, including compensation, taxes and fringe benefits, professional fees, building occupancy costs, depreciation and others, are allocated on the basis of estimates of time and effort and square footage.

Income taxes: The Organization qualifies as a nonprofit corporation exempt from federal income taxes under Internal Revenue Code Section 501(c)(3), with the exception of any unrelated business income. Management has evaluated the unrelated business income tax implications and believes that the effects, if any, are immaterial to the Organization’s financial statements. Accordingly, no provision for income taxes has been made to these financial statements.

Concentration of credit risk: Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and equivalents, investments, and receivables. The concentration of credit risk with respect to receivables is primarily due to the economic dependency on federal, state, and other agencies (as applicable) and the ability to obtain authorization, process and collect balances timely. Receivable balances are unsecured. The Organization has cash, which may include certificates of deposit, in financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC"), subject to applicable limits. At various times throughout the year, the Organization had cash balances at financial institutions that exceeded the insured amount. Investments are held in brokerage accounts protected by the Securities Investor Protection Corporation ("SIPC") in the event of broker-dealer failure, subject to applicable limits. The SIPC insurance does not protect against market losses on investments. Deposit and investment accounts are maintained with what management believes to be quality financial institutions.

Use of estimates: The Organization makes estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Summary of Significant Accounting Policies (continued)

Reclassifications: Prior year financial statement amounts have been reclassified to conform to the current period presentation. Total net assets and change in net assets are unchanged due to these reclassifications.

Comparative financial information: The financial statements include prior year summarized comparative information in total but not by net asset class and functional expense classification. Such information does not include sufficient detail to conform with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2025, from which the summarized information was derived.

Date of management review: Subsequent events were evaluated by management through October 14, 2026, which is the date the financial statements were available to be issued.

Note 3 - Liquidity and Availability of Financial Assets

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Financial Assets:		
Cash	$	356,029
Contracts and others receivable		365,915
Restricted investments		1,000,000
Beneficial interest in assets held by Community Foundation of Broward, Inc.		46,198
Endowment investments		17,539,207
Financial assets, at year-end		19,307,349
Less: those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Purpose and time restrictions by donor		(1,008,128)
Perpetual restrictions by donor		(300,000)
Board designations (1):		
Operating activities		(17,285,405)
		(18,593,533)
Financial assets available to meet cash needs for general expenditures within one year, and to pay current liabilities as they become due	$	713,816

(1) The spending policies of board designated endowments are discussed in Note 10.

The Organization regularly monitors liquidity required to meet its operating needs and contractual commitments, while also striving to maximize the investment of its funds. The Organization also has a line of credit that can be used to meet operational needs. Refer to Note 11 for information regarding the line of credit.

Note 4 - Contracts and Others Receivable

As of June 30, 2026, contracts and others receivable consist of the following:

Florida Department of Education, Division of Blind Services	$	237,705
Florida Agencies Serving the Blind		122,830
Others		5,380
	$	365,915

Note 5 - Property and Equipment

Property and equipment consisted of the following at June 30, 2026:

Building and improvements	$	4,964,496
Furniture and equipment		146,492
Vehicles		86,308
		5,197,296
Less: accumulated depreciation		(513,113)
		4,684,183
Land		1,557,887
Construction in process		1,186,087
	$	7,428,157

For the year ended June 30, 2026, depreciation expense totaled approximately $128,000. Construction in process ("CIP") includes costs related to architectural design, permitting, and building improvements. In the prior year, the Organization entered into a construction contract totaling approximately $1.7 million for the renovation of its building. As of June 30, 2026, the remaining commitment on this contract is approximately $815,000. The project is expected to be completed in fiscal year 2027, at which point the total cost will be reclassified to buildings and improvements and depreciated over its estimated useful life.

Note 6 - Investments

Investments are presented in the financial statements at their estimated fair value or carrying value (bank deposits) and consist of the following at June 30, 2026:

Mutual funds:		
Equities	$	4,986,045
Fixed income		2,783,045
		7,769,090
Fixed income:		
Government and agency securities		4,712,757
Corporate bonds		2,152,200
		6,864,957
Bank deposits (at carrying value)		3,651,939
Money market mutual funds		253,221
Beneficial interest in assets held by CFB		46,198
Total	$	18,585,405

Note 6 - Investments (continued)

Investment income, net relative to these investments held and sold during the year, is comprised of:

Net realized and unrealized gain	$	731,250
Interest and dividends		679,265
Fees and other		(80,449)
Total	$	1,330,066

Note 7 - Fair Value Measurements

In accordance with U.S. GAAP, the Organization provides certain disclosures based on a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

- Level 1 - inputs are quoted market prices (unadjusted) in active markets for identical investments that the Organization can access at the measurement date.

- Level 2 - inputs are other than quoted prices included within Level 1 that are observable for the investments, either directly or indirectly. (e.g. quoted prices in active markets for similar securities, valuations based on commonly quoted benchmarks, interest rates and yield curves, and/or securities indices.)

- Level 3 - inputs are significant unobservable inputs. (e.g. information about assumptions, including risk, market participants would use in pricing a security.)

The inputs or methodology used for valuing securities is not necessarily an indication of the risks associated with investing in those securities. An investment's classification within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

A significant portion of investment assets are classified within Level 1 because they comprise open-end mutual funds with readily determinable fair values based on daily redemption values. The Organization also invests in fixed-income securities which are priced based on time to maturity, or stated interest rates and are classified as Level 2. The fair value of the underlying assets held by the community foundation is based on the fair value of the fund investments reported by the community foundation and therefore is considered a Level 3 measurement.

Note 7 - Fair Value Measurements (continued)

The following table represents the fair value of the investments held by the Organization at June 30, 2026:

Description	Level 1	Level 2	Level 3	Total
Mutual funds	$ 7,769,090	$ -	$ -	$ 7,769,090
Fixed income	-	6,864,957	-	6,864,957
Money market mutual funds	253,221	-	-	253,221
Beneficial interest in assets held by the CFB	-	-	46,198	46,198
Subtotal	$ 8,022,311	$ 6,864,957	$ 46,198	14,933,466
Bank deposits (at carrying value)				3,651,939
Total				$ 18,585,405

Beneficial interest in assets held by CFB is measured at fair value on a recurring basis using unobservable market inputs (Level 3). Changes in Level 3 assets measured at fair value are as follows for the year ended June 30, 2026:

Balance, beginning of year	$ 40,844
Change in value	5,354
Balance, end of year	$ 46,198

Note 8 - Net Assets Without Donor Restrictions - Board Designated

The Board has designated net assets without donor restrictions to be set aside for the benefit and long-term sustainability of the Organization. As of June 30, 2026, board designations consisted of the following:

Board designated endowment held by the Organization	$ 17,239,207
Beneficial interest held by CFB	46,198
	$ 17,285,405

Note 9 - Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or period as of June 30, 2026:

Subject to expenditure for specified purpose:		
Alumni and teachers	$	6,088
Adult programs		795
Children's programs		1,245
Capital campaign		1,000,000
		1,008,128
Endowments:		
Required to be held in perpetuity by donor for specified purpose:		
Building fund		200,000
KIDS fund		100,000
		300,000
Total	$	1,308,128

There were no net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors during the fiscal year.

Note 10 - Endowment Funds

Endowment Funds Held by Community Foundation of Broward, Inc.

The Organization previously entered into an agency endowment fund agreement with the CFB for the benefit of the Organization. As of June 30, 2026, the fair value of the endowment fund held at CFB was $46,198. The funds are invested in a broadly diversified portfolio. Each year, as determined by the CFB's Board of Trustees, the CFB may make distributions to the Organization. According to U.S. GAAP, if a not-for-profit organization establishes a fund at a community foundation with its own assets and specifies itself as the beneficiary of that fund, the community foundation must account for the transfer of such assets as a liability rather than as a contribution. The Organization has, therefore, reflected this fund as an asset on the accompanying statement of financial position.

Note 10 - Endowment Funds (continued)

Endowment Funds Held by the Organization

The Colker Building Fund: This fund was created during fiscal year 2001, with an initial contribution of $100,000, invested in perpetuity. Future contributions to this fund are accepted and subject to the same restrictions as the initial contribution. As of June 30, 2026, the fund had a corpus balance of $200,000. The income from this endowment is to support the Organization's infrastructure needs.

The Colker KIDS Fund: This fund was created during fiscal year 2012, with an initial contribution of $100,000, invested in perpetuity. Future contributions to this fund are accepted and subject to the same restrictions as the initial contribution. As of June 30, 2026, the fund had a corpus balance of $100,000. The income from this endowment is to support the KIDS program.

The Board of Directors has established a board-designated endowment fund (the "Endowment Fund") to support the long-term sustainability of the Organization, provide funding for capital improvements and other building-related costs, and generate income to benefit the Organization's mission. Unless otherwise designated by the donor, approved by a two-thirds vote of the Board of Directors, or set aside as a reserve fund, it is the intent that all bequests be deposited into the Endowment Fund. Pursuant to Board policy, the balance of the Endowment Fund may not be reduced below $500,000. Because this fund consists of amounts designated by the Board of Directors to function as an endowment and is not subject to donor-imposed restrictions, it is reported as net assets without donor restrictions. The Board of Directors may modify or remove these designations at its discretion.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Organization has interpreted FUPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. No amounts at June 30, 2026, were less than the value required to be maintained by the donors or by law.

Interpretation of relevant law: The State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA"). The Organization has interpreted FUPMIFA as requiring the preservation of the fair value of original gifts contributed to donor-restricted endowment funds, absent explicit donor stipulations to the contrary. Accordingly, the Organization classifies as net assets with donor restrictions that are perpetual in nature the original value of gifts donated to the permanent endowment, the original value of subsequent gifts to the permanent endowment, and accumulations to the permanent endowment made in accordance with donor directions, if any. The Organization's investment policies are designed to comply with FUPMIFA. The Executive Committee is responsible for monitoring investment activities and the performance of investment advisors and seeks to administer the endowment funds in accordance with FUPMIFA.

Spending policy: The Organization's spending policy permits annual distributions of up to 5% of the previous twelve-quarter rolling average market value of the endowment portfolio. Distributions in excess of 5% require approval by the Board of Directors or, under certain circumstances and in the event of a fiscal emergency, the Executive Committee.

Investment objectives and strategies: The Organization has adopted investment policies designed to maximize long-term growth of capital while maintaining stability of returns. The investment objective is for endowment assets, through a combination of investment income and capital appreciation, to achieve returns in excess of a balanced market index over the long term while incurring less risk than such index. To achieve these objectives, endowment assets are invested in a diversified portfolio that may include government agency securities, corporate bonds, bank deposits, money market mutual funds, and equity and fixed-income mutual funds.

Note 10 - Endowment Funds (continued)

Changes in endowment net assets as of June 30, 2026:

	With Donor Restrictions		Without Donor Restrictions	
	Net Earnings	Endowment Corpus	Board Designated	Total
Beginning balance	$ -	$ 300,000	$ 17,083,093	$ 17,383,093
Contributions and other deposits	-	-	5,764	5,764
Interest and dividends	10,207	-	785,540	795,747
Distributions	-	-	(1,250,000)	(1,250,000)
Fees and other	(2,128)	-	(78,321)	(80,449)
Appropriation of endowment assets for expenditures (distributions), net	(88,413)	-	88,413	-
Net realized and unrealized gain	80,334	-	650,916	731,250
Ending balance	$ -	$ 300,000	$ 17,285,405	$ 17,585,405

Note 11 - Line of Credit

The Organization has a $1,000,000 flexible line of credit for general liquidity purposes. Interest is payable monthly at the Secured Overnight Financing Rate ("SOFR") plus a spread determined by the financial institution (5.18% as of June 30, 2026). Any outstanding balance is payable on demand. As described in the loan management account agreement, this line of credit is secured by a certain investment account amounting to approximately $7.50 million at year end. As of June 30, 2026, there was no outstanding balance.

Note 12 - Employee Benefit Plan

The Organization, through a professional employer organization, offers all employees a tax-sheltered annuity under Internal Revenue Code Section 403(b) (the "Plan"). Eligible participants are permitted to contribute to the plan via salary deferrals and are limited only by certain provisions of the Internal Revenue Code. The Organization provides a 100% match up to 3% of the employees' eligible earnings. The total Plan expense to the Organization amounted to approximately $42,600 for the year ended June 30, 2026.

Note 13 - Contract Funding

The Organization enters into contracts with state and local agencies to provide services to eligible individuals. Funding received under these contracts generally requires compliance with terms and conditions specified in the agreements and may be subject to audit by the funding agencies. As a result of such audits, amounts may be required to be returned. In the opinion of management, all expenditures under these contracts are in compliance with the terms of the agreements and applicable laws and regulations. The Organization has been determined to be a vendor by the State of Florida and, therefore, is not considered a subrecipient of federal or state funds under its contracts with the State of Florida, Department of Education, Division of Blind Services.

Note 13 - Contract Funding (continued)

For the year ended June 30, 2026, contract revenue was comprised of the following:

Program	Contract Number		Amount
State of Florida, Department of Education, Division of Blind Services:			
Pre-Employment Transition, Vocational Rehabilitation and Transition Services	26-542, 26-563	$	1,089,021
Independent Living, Older Blind	26-528		440,704
Children's Program*	26-585		322,397
Blind Babies Program	26-513		176,994
Independent Living, Adult	26-572		70,949
		$	2,100,065

*Provided by Florida Agencies Serving the Blind.