FLORIDA CONCRETE MASONRY EDUCATION COUNCIL, INC.

GAINESVILLE, FLORIDA

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2025

TABLE OF CONTENTS PAGE

INDEPENDENT AUDITOR'S REPORT 1-3

FINANCIAL STATEMENTS

Statement of Financial Position 4
Statement of Activities and Changes in Net Assets. 5
Statement of Cash Flows 6
Notes to Financial Statements. 7-9

SUPPLEMENTARY INFORMATION

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. . . 10-11

Verdeja • Alvarez
Certified Public Accountants & Advisors
Octavio F. Verdeja, Founder - 1971

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INDEPENDENT AUDITOR'S REPORT

To the Board of Director's
Florida Concrete Masonry Education Council, Inc.
Gainesville, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Florida Concrete Masonry Education Council, Inc. (the "Organization"), (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Florida Concrete Masonry Education Council, Inc. as of December 31, 2025, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Florida Concrete Masonry Education Council, 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 opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government 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 and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2026, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Verdeja - Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
May 8, 2026

FLORIDA CONCRETE MASONRY EDUCATION COUNCIL, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$	3,548,208
Contributions receivable		559,141
TOTAL CURRENT ASSETS		4,107,349
TOTAL ASSETS	$	4,107,349
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$	80,300
TOTAL LIABILITIES		80,300
NET ASSETS		
Without donor restriction		4,027,049
TOTAL NET ASSETS		4,027,049
TOTAL LIABILITIES AND NET ASSETS	$	4,107,349

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

FLORIDA CONCRETE MASONRY EDUCATION COUNCIL, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Without Donor Restriction
SUPPORT AND REVENUE:	
Contributions	$ 2,108,541
Other income and interest	98,297
TOTAL SUPPORT AND REVENUE	2,206,838
EXPENSES:	
Program services	1,775,525
Support services	114,612
TOTAL EXPENSES	1,890,137
CHANGE IN NET ASSETS	316,701
NET ASSETS - BEGINNING OF YEAR	3,710,348
NET ASSETS - END OF YEAR	$ 4,027,049

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

FLORIDA CONCRETE MASONRY EDUCATION COUNCIL, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	$ 316,701
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Change in operating assets and liabilities:	
Recovery for allowance for doubtful accounts	(1,949)
Increase in contribution receivable	(45,833)
Decrease in grants receivable	315,234
Decrease in accounts payable	(196,433)
TOTAL ADJUSTMENTS	71,019
NET CASH PROVIDED BY OPERATING ACTIVITIES	387,720
NET INCREASE IN CASH AND CASH EQUIVALENTS	387,720
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	3,160,488
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 3,548,208

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

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Organization

The Florida Concrete Masonry Education Council, Inc. (the "Organization") is a not-for profit organization that was created by the State Legislature via the Concrete Masonry Education Act. Its purpose is to bring together masonry manufacturers and contractors in an effort to plan and conduct training programs, improve access to masonry education, develop outreach programs to ensure diversity, and inform the public about the sustainability and economic benefits of concrete masonry products.

The Florida Concrete Masonry Education Council, Inc. operates as a direct-support organization of the Department of Economic Opportunity. As a direct-support organization, the Organization has certain Florida Statutory requirements that must be abided by.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

- Net Assets Without Donor Restriction - Net assets that are not subject to or are no longer subject to donor-imposed stipulations.
- Net Assets With Donor Restriction - Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenue Recognition

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.
Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

Cash and Cash Equivalents

For the purpose of reporting cash flows, the Organization considers all highly liquid financial instruments with maturity of three months or less to be cash equivalents. Cash equivalents are recorded at cost, which approximates fair value.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated are salaries and benefits, travel and management services, which are allocated on the basis of estimates of time and effort.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)

Concentration of Credit Risk

Cash and cash equivalents are exposed to interest rate, market, and credit risks. The Organization maintains its cash and cash equivalents in various bank deposit accounts that, at times, may exceed federally insured limits. To minimize risk, the Organization's cash accounts are placed with high credit quality financial institutions. The Organization regularly evaluates its depository arrangements.

Management Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts. The actual outcome of these estimates could differ from the estimates, made in the preparation of the financial statements.

Grants Receivable

Grants receivable consist primarily of amounts due from grantors. Receivables are stated at the estimated net realizable value. An allowance for credit losses was not required at December 31, 2025. The balance for grants receivables and allowance for credit losses at December 31, 2025, was $0 and $0 respectively. On December 31, 2024, the balance was $313,285 and $0 respectively.

Contributions Receivables

Contributions receivables consist of amounts pledged to the Organization from the manufacturers based on 4th quarter's production of concrete blocks. Management estimates the allowance for credit losses based on historical experience, the current business environment and current economic conditions. Based on management's estimates, no allowance for credit losses is required at December 31, 2025. The balance for contribution receivables at December 31, 2025 was $559,141. On December 31, 2024, the balance was $513,308.

Income Taxes

The Organization is exempt from income tax under Section 501(c) (3) of the Internal Revenue Code and therefore, has made no provision for federal income taxes in the accompanying financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170 (b) (1) (A) and has been classified as an organization other than a private foundation under Section 509 (a) (2).

There are no reserves held for uncertain tax positions at December 31, 2025. The Organization is no longer subject to U.S. federal, state and local income tax examinations by tax authorities for years before 2022.

Subsequent Events

The Organization has evaluated subsequent events for potential recognition and disclosure through May 8, 2026, the date the financial statements were available to be issued.

NOTE 3 – CONCENTRATION OF REVENUE

During 2025, the Organization received its funding through contractual voluntary assessments with manufacturers of concrete blocks that have elected and committed to paying the assessment for a period of one year and renewed annually. Approximately 6 manufacturers contributed to all of the revenue for the year ended December 31, 2025.

NOTE 4 – RELATED PARTY TRANSACTIONS

The Organization competitively procured and contracted with several non-profit corporations to further the Organization's mission and statutory mandates. Multiple members of the Organization's Board of Directors also served on the Board of Directors of a contracted corporation during 2025. Consistent with the Organization's Code of Ethics, which was approved by the Florida Department of Economic Opportunity, the Board Members did not receive any private gain from the Organization's contract with that corporation. The total amount expended to the corporation with overlapping board membership was approximately $200,000 for the year ended December 31, 2025.

NOTE 5 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organizations monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing its excess operating cash. The Organization has approximately $4,107,000 of financial assets that could readily be made available within one year of the balance sheet to fund expenses without limitation.

NOTE 6 – FUNCTIONAL ALLOCATION OF EXPENSES

Functional expenses by natural classification for the year ended December 31, 2025:

	Program Services	Support Services	Total Expenses
Bank service charge	$ -	$ 277	$ 277
Meeting expenses	-	86	86
Office supplies and postage	-	346	346
IT and communication	-	2,035	2,035
Auditing services	-	11,500	11,500
Legal services	-	5,810	5,810
Management services	124,800	91,200	216,000
Filing fees	-	61	61
Insurance	-	3,297	3,297
Contracts	1,650,725	-	1,650,725
	$ 1,775,525	$ 114,612	$ 1,890,137

SUPPLEMENTARY INFORMATION

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Florida Concrete Masonry Education Council, Inc.
Gainesville, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Florida Concrete Masonry Education Council, Inc. (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 8, 2026.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Verdeja - Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
May 8, 2026