BREVARD SCHOOLS FOUNDATION, INC.

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2026 AND 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Brevard Schools Foundation, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Brevard Schools Foundation, Inc. (the Foundation) (a nonprofit organization), a component of the School Board of Brevard County, Florida, which comprise the statements of financial position as of June 30, 2026 and 2025, and the related statements of activities, functional expenses, and cash flows for the years 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 the Foundation as of June 30, 2026 and 2025, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Foundation'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.

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Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 Foundation'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 Foundation'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 September 17, 2026, on our consideration of the Foundation'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 Foundation'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 Foundation's internal control over financial reporting and compliance.

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 17, 2026

BREVARD SCHOOLS FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2026 AND 2025

	2026	2025
ASSETS		
Assets:		
Cash	$ 548,230	$ 343,650
Grants receivable	34,115	35,423
Promises to give, net	74,641	207,022
Accounts receivable	150	2,500
Inventory	408,269	321,181
Prepaid expenses	33,683	24,891
Investments	3,858,899	3,606,872
Equipment and software, net of accumulated depreciation of $29,708 in 2026 and $28,660 in 2025	5,121	6,169
Prepaid tuition scholarships	3,270,034	3,106,909
Total assets	$ 8,233,142	$ 7,654,617
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	$ 11,652	$ 36,431
Accrued expenses	117,565	132,546
Deferred revenue	38,260	1,250
Total liabilities	167,477	170,227
Net assets:		
Without donor restrictions	1,377,007	1,230,931
With donor restrictions	6,688,658	6,253,459
Total net assets	8,065,665	7,484,390
Total liabilities and net assets	$ 8,233,142	$ 7,654,617

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

BREVARD SCHOOLS FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2026

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions of cash and other financial assets	$ 860,827	$ 1,759,897	$ 2,620,724
Contributions of non-financial assets	43,970	518,348	562,318
Special events	107,120	275,948	383,068
Government grants	-	332,713	332,713
Contributions from education license plates	36,659	-	36,659
Endowments	-	40,000	40,000
Net assets released from restrictions: Satisfaction of program restrictions	2,897,536	(2,897,536)	-
Total revenue and support	3,946,112	29,370	3,975,482
EXPENSES			
Program services			
School support	1,763,194	-	1,763,194
Senior scholarships	545,350	-	545,350
School supply store	552,990	-	552,990
Take Stock in Children program	240,751	-	240,751
Management and general	627,622	-	627,622
Fundraising	252,211	-	252,211
Total expenses	3,982,118	-	3,982,118
Change in net assets - before investments	(36,006)	29,370	(6,636)
Unrealized gain from scholarships	-	147,055	147,055
Gain on investments, net	182,082	258,774	440,856
Change in net assets	146,076	435,199	581,275
Net assets, beginning of year	1,230,931	6,253,459	7,484,390
Net assets, end of year	$ 1,377,007	$ 6,688,658	$ 8,065,665

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

BREVARD SCHOOLS FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions of cash and other financial assets	$ 914,922	$ 2,043,637	$ 2,958,559
Contributions of non-financial assets	60,227	441,412	501,639
Special events	195,046	184,026	379,072
Government grants	-	334,521	334,521
Contributions from education license plates	20,676	-	20,676
Endowments	-	5,000	5,000
Net assets released from restrictions: Satisfaction of program restrictions	3,249,968	(3,249,968)	-
Total revenue and support	4,440,839	(241,372)	4,199,467
EXPENSES			
Program services			
School support	2,621,993	-	2,621,993
Senior scholarships	130,017	-	130,017
School supply store	587,510	-	587,510
Take Stock in Children program	257,498	-	257,498
Management and general	619,869	-	619,869
Fundraising	161,836	-	161,836
Total expenses	4,378,723	-	4,378,723
Change in net assets - before investments	62,116	(241,372)	(179,256)
Unrealized loss from scholarships	-	(9,856)	(9,856)
Gain on investments, net	133,763	172,256	306,019
Change in net assets	195,879	(78,972)	116,907
Net assets, beginning of year	1,035,052	6,332,431	7,367,483
Net assets, end of year	$ 1,230,931	$ 6,253,459	$ 7,484,390

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

BREVARD SCHOOLS FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2026

	Program Services				Support Services		
	School Support	Senior Scholarships	School Supply Store	Take Stock in Children Program	Management and General	Fundraising	Total Expenses
Supplies	$ 50,654	$ -	$ 268,402	$ 2,100	$ 7,361	$ 13,187	$ 341,704
Occupancy	-	-	81,601	15,862	28,007	-	125,470
Total non-financial expenses	50,654	-	350,003	17,962	35,368	13,187	467,174
School support and allocations	1,210,945	-	-	-	-	-	1,210,945
Supplies	197,204	-	58,655	145	750	-	256,754
Payroll and related costs	35,299	-	115,405	213,769	444,945	55,094	864,512
Scholarships	-	545,350	-	-	-	-	545,350
Event expense	73,938	-	18,727	3,568	-	61,143	157,376
Office and other expense	138,340	-	10,200	4,723	14,872	117,170	285,305
Professional and and contracted services	46,573	-	-	-	73,022	-	119,595
Membership, dues and fees	10,241	-	-	584	16,222	5,617	32,664
Technology and equipment	-	-	-	-	42,443	-	42,443
Total expenses	$ 1,763,194	$ 545,350	$ 552,990	$ 240,751	$ 627,622	$ 252,211	$ 3,982,118

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

BREVARD SCHOOLS FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025

	Program Services				Support Services		
	School Support	Senior Scholarships	School Supply Store	Take Stock in Children Program	Management and General	Fundraising	Total Expenses
Supplies	$ 123,373	$ -	$ 290,680	$ 3,280	$ 26,355	$ 10,140	$ 453,828
Occupancy	-	-	82,545	15,836	28,022	-	126,403
Total non-financial expenses	123,373	-	373,225	19,116	54,377	10,140	580,231
School support and allocations	1,831,348	-	-	-	-	-	1,831,348
Supplies	231,451	-	85,093	357	1,778	3,500	322,179
Payroll and related costs	5,753	-	108,117	227,485	405,056	75,632	822,043
Scholarships	-	130,002	-	-	-	-	130,002
Event expense	179,608	-	5,171	2,392	-	68,796	255,967
Office and other expense	163,940	15	15,904	7,616	22,057	-	209,532
Professional and and contracted services	79,290	-	-	-	70,877	1,248	151,415
Membership, dues and fees	7,230	-	-	532	24,385	2,520	34,667
Technology and equipment	-	-	-	-	41,339	-	41,339
Total expenses	$ 2,621,993	$ 130,017	$ 587,510	$ 257,498	$ 619,869	$ 161,836	$ 4,378,723

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

BREVARD SCHOOLS FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from donors	$ 3,354,783	$ 3,353,425
Governmental grants received	334,021	334,781
Cash received from investments	54,829	71,416
Cash received from endowments	40,000	5,000
Other cash received	419,727	399,748
Payments to schools and school programs	(2,390,761)	(3,017,175)
Payments for salaries and benefits	(864,512)	(822,043)
Payments to vendors	(474,297)	(499,066)
Net cash provided by (used in) operating activities	473,790	(173,914)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investments	(173,456)	(163,247)
Proceeds from sale of investments	307,456	291,713
Purchase of scholarships	(403,210)	(351,956)
Net cash used in investing activities	(269,210)	(223,490)
Net increase (decrease) in cash	204,580	(397,404)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	343,650	741,054
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 548,230	$ 343,650
RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Increase in net assets	$ 581,275	$ 116,907
Adjustments to reconcile change in net assets to net cash provided by (used in) operations:		
Net realized and unrealized gain on investments	(386,027)	(234,603)
Net realized and unrealized (gain) loss on scholarships	(147,055)	9,856
Use of scholarships	387,140	-
Depreciation expense	1,048	1,100
Bad debt expense	116,584	-
(Increase) decrease in assets		
Grants receivable	1,308	260
Promise to give	15,797	54,161
Accounts receivable	2,350	11,524
Inventory	(87,088)	84,952
Prepaid expenses	(8,792)	(5,020)
Increase (decrease) in liabilities		
Accounts payable	(24,779)	(75,137)
Accrued expenses	(14,981)	34,544
Deferred revenue	37,010	(172,458)
Net cash provided by (used in) operating activities	$ 473,790	$ (173,914)
SCHEDULE OF NONCASH INVESTING ACTIVITIES		
State match for purchase of scholarships	$ 201,605	$ 175,979
Unrealized gain (loss) from scholarships	147,055	(9,856)
TOTAL OF NONCASH INVESTING ACTIVITIES	$ 348,660	$ 166,123

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Brevard Schools Foundation, Inc. (the Foundation) is a not-for-profit corporation organized exclusively for educational and charitable purposes as described in Section 501(c)(3) of the Internal Revenue Code to receive, hold, invest and administer real and personal, tangible and intangible property and to make expenditures to or for the benefit of public kindergarten through twelfth grade education in Brevard County, Florida. The Foundation is a direct support organization for the School Board of Brevard County, Florida. The Foundation's primary revenue sources are fundraising events, contributions, and grants.

Cash and Cash Equivalents

The Foundation considers all cash and highly liquid investments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

Accounts and Grants Receivable

The Foundation has accounts receivable, primarily from various funding sources, and receivables for grant funding. Management reviews receivables monthly for collectability based on historical experience, an assessment of economic conditions, reasonable forecasts, and a review of subsequent collections. The Foundation considers accounts and grants receivable at June 30, 2026 and 2025 to be fully collectible; accordingly, no allowance for doubtful accounts is required.

Promises to Give

The Foundation records promises to give that are expected to be collected within one year 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 incorporating risk-adjusted discount rates. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. An allowance for uncollectable promises to give is determined based on historical experience, an assessment of economic conditions, reasonable forecasts, and a review of subsequent collections. Promises to give are written off when deemed uncollectable.

Inventory

The Foundation operates a School Supply Store to provide a way to transfer donated school supplies to teachers free of charge for use in their classrooms. The Foundation obtains inventory items by purchase and by accepting donations of school supplies for distribution to teachers and schools. The contributed supplies are valued at fair value. Purchased supplies are recorded at cost. Inventory value is stated at the lower of cost or net realizable value, determined on the first-in, first-out method.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets and Depreciation

The Foundation capitalizes all expenditures for capital assets with a value in excess of $2,000 and a useful life greater than one year. Lesser amounts or purchases with a useful life of less than a year are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as support at their estimated fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. 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 statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at fair value in the statements of financial position. Net investment return is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

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 Board of Directors has designated, from net assets without donor restrictions, net assets for various operating reserves.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed (or certain grantor-imposed) restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires; that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition

Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed Non-Financial Assets

Contributions of non-financial assets are recognized as revenue in the period received at their fair value. See Note 16 for more information.

Functional Allocation of Expenses

The costs of providing the Foundation's various programs and supporting services have been summarized on a functional basis in the statements of activities. The statements of functional expenses presents the natural classification detail of expenses by function. Certain categories of expenses are attributed to more than one program or supporting function; therefore, these expenses are allocated on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, telephone and postage, which are allocated on a square footage basis; as well as salaries and related costs, and travel, which are allocated on the basis of estimates of time and effort. Certain other costs are specifically identified as benefiting a specific program or supporting function, such as provision of scholarships.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

Tax Status

The Foundation is organized as a nonprofit corporation and has been recognized by the IRS as exempt from federal income tax under IRC Section 501(a) as an organization described in IRC Section 501(c)(3). The Foundation has been determined not to be a private foundation. Contributions to the Foundation are qualified as deductions for charitable contributions. The Foundation is not subject to unrelated business income tax for the fiscal years ended June 30, 2026 and 2025.

Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through September 17, 2026, the date the financial statements were available to be issued.

NOTE 2 – LIQUIDITY AND AVAILABILITY OF FUNDS

The Foundation's financial assets available for general expenditure without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following at June 30:

	2026	2025
Cash	$ 548,230	$ 343,650
Grants receivable	34,115	35,423
Promises to give, net	43,395	164,668
Accounts receivable	150	2,500
Investments	3,858,899	3,606,872
Total financial assets available within one year	4,484,789	4,153,113
Financial assets with donor-imposed restrictions	(3,012,904)	(2,825,369)
Board designations	(628,993)	(626,381)
Total amounts unavailable for general expenditure within one year	(3,641,897)	(3,451,750)
Total net financial assets available within one year	$ 842,892	$ 701,363

The Foundation raises and receives donations from multiple sources and makes expenditures for the benefit of public K-12 education in Brevard County, Florida. Donations are for multiple school support and educational program purposes and multiple time periods. The Foundation is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to its donors. Therefore, financial assets may not be available for general expenditure within one year.

As part of the Foundation's liquidity management, the Board of Directors maintains three reserve accounts according to policy. The target amount set in Operating/Working Capital (Liquidity) Reserve Policy is three months average operating and program expenses. The target amount set in the Emergency Reserve Policy is six months average operating costs, including programs. The target amount set in the Take Stock in Children (TSIC) Program Reserve Policy is six months of average TSIC operating costs. These targets were met at both June 30, 2026 and 2025. Board-designated reserve balances total $628,993 and $626,381 at June 30, 2026 and 2025, respectively. While not included in the table above, these reserves could be made available for general expenditure by Board action if necessary.

The Board's Finance Committee closely monitors cash flow and invests excess funds in short-term low- to moderate-risk investments.

NOTE 3 – CONCENTRATION OF CREDIT RISK

The Foundation maintains cash and cash equivalent balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. As of June 30, 2026 and 2025, the Foundation had $249,613 and $0, respectively, in excess of FDIC limits. The Foundation has never experienced a loss from uninsured balances.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30:

	Useful Lives	2026	2025
Computer equipment	5 years	$ 2,706	$ 2,706
Equipment	5 - 7 years	10,423	10,423
Software	5 years	21,700	21,700
Total cost		34,829	34,829
Less: accumulated depreciation		(29,708)	(28,660)
Total		$ 5,121	$ 6,169

Depreciation expense was $1,048 and $1,100 for the years ended June 30, 2026 and 2025, respectively.

NOTE 5 – PROMISES TO GIVE

Promises to give consists of the following at June 30:

	2026	2025
United Way designations	$ -	$ 3,435
Pledges, net	74,641	203,587
Total promises to give	$ 74,641	$ 207,022

Champions for Children Pledges

The Foundation has established a multi-year giving society, the Champions for Children. Pledges by society members provide undesignated support to allow the Foundation to fill educational funding and opportunity gaps in Brevard public schools. Pledges are scheduled to be collected through 2033.

NOTE 5 – PROMISES TO GIVE (continued)

A summary of amounts pledged and collected consists of the following at June 30:

	2026	2025
Total pledges	$ 192,325	$ 434,058
Less: amounts collected	(102,443)	(203,321)
Pledges receivable at June 30	89,882	230,737
Less: allowance for uncollectible pledges	(8,089)	(20,766)
Less: discount	(7,152)	(6,384)
	$ 74,641	$ 203,587
Amounts due in:		
Less than one year	$ 43,395	$ 164,668
One to five years	46,487	66,069
	$ 89,882	$ 230,737

An allowance for uncollectible pledges has been established by management; the amount of the allowance was $8,089 and $20,766 at June 30, 2026 and 2025, respectively. Pledges due in more than one year are reflected at the present value of estimated future cash flows, using a discount rate of 2.93% and 2.92% at June 30, 2026 and 2025, respectively.

NOTE 6 – PREPAID TUITION SCHOLARSHIPS

Other assets consist of prepaid tuition scholarships purchased by the Foundation to benefit Brevard County students. The Foundation held 1,340 scholarships with a total value of $3,270,034 at June 30, 2026 and 1,265 with a total value of $3,106,909 at June 30, 2025. The prepaid tuition scholarships are valued using the actuarial present value of the future contract benefits and expenses obligation. This valuation method reflects the present value of estimated contract benefits and expenses that will be paid in future years and is adjusted for the effects of projected tuition and fees and dormitory housing fees increases and termination of contracts.

The Foundation participates in the Project STARS and Jumpstart Programs, programs funded by the State of Florida and administered by the Florida Prepaid College Foundation. The programs provide matching funds for private money used to purchase prepaid scholarships to be awarded to at-risk students. There were 37 awards made in fiscal 2026 and 49 awards made in fiscal 2025.

NOTE 7 – CONCENTRATIONS

For the year ended June 30, 2026, there were no individual donors over 10% of total revenue. For the year ended June 30, 2025, contributions from one donor represented 11% of total revenues. There are receivables from one state grantor representing 31% of total receivables at June 30, 2026 and 14% of total receivables at June 30, 2025. These represent concentrations of risk for the Foundation.

NOTE 8 – DIRECT BENEFIT COSTS FOR SPECIAL EVENTS

For the years ended June 30, 2026 and 2025, the Foundation received $383,068 and $379,072, respectively, for special events. Of these amounts, $54,080 and $71,098, respectively, were attributable to direct benefit costs, which represent the value received by the event attendees.

NOTE 9 – DONOR RESTRICTIONS OF NET ASSETS

Net assets are restricted by donors for the following purposes at June 30:

Net assets with donor restrictions Restricted for:	2026	2025
School support	$ 1,712,787	$ 1,639,110
Senior scholarships	1,152,138	969,835
School supply store	579,810	466,753
Take Stock in Children program	3,243,923	3,177,761
Total net assets with donor restrictions	$ 6,688,658	$ 6,253,459

NOTE 10 – BOARD DESIGNATIONS OF NET ASSETS

The Board of Directors have directed that three reserves be maintained: 1) Operating/Working Capital Reserve to provide cash flow for a period of three months; 2) Take Stock in Children (TSIC) Program Reserve to assure funds to maintain the TSIC program for six months; and 3) Emergency Reserve to maintain ongoing operations for six months and/or cover unforeseen necessary improvements. Certain funds with donor restrictions exist to support the TSIC Program in excess of the reserve requirement. The other reserves are adequately provided for at June 30, 2026 and 2025, as shown below.

Board designated funds increased by $2,612 and $165,670 as of June 30, 2026 and 2025, respectively. There were no uses of these funds or transfers out of the designations during the years ended June 30, 2026 and 2025.

NOTE 10 – BOARD DESIGNATIONS OF NET ASSETS (continued)

Net assets without donor restrictions Designated by the Board for:	2026	2025
Operating/Working Capital reserve	$ 154,000	$ 160,000
Emergency reserve	308,000	320,000
Teacher minigrants	166,993	146,381
Total designated net assets	$ 628,993	$ 626,381

NOTE 11 – ALLOCATION OF JOINT COSTS

During the years ended June 30, 2026 and 2025, the Foundation incurred joint costs of approximately $119,000 and $82,000, respectively, for activities that included fundraising. Of those costs, approximately $91,000 and $54,000, respectively, was allocated to fundraising and approximately $28,000 and $28,000, respectively, was allocated to program expense, primarily in the category of school support.

NOTE 12 – ENDOWMENT FUNDS

The Foundation's endowment consists of 13 individual funds established for the purpose of funding certain initiatives with donor-restricted funds; nine of the funds are to provide scholarships, three are for school support, and one is to benefit the school store. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) to require the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) changes to the permanent endowment made in accordance with the direction of the applicable donor gift instrument.

The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by FUPMIFA. In accordance with FUPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

NOTE 12 – ENDOWMENT FUNDS (continued)

Investment Return Objectives, Risk Parameters and Strategies. The Foundation has adopted an investment policy, approved by the Board of Directors, for endowment assets that attempts to generate income to fulfill the charitable purposes of the Foundation that are supported by its endowment funds, while also achieving growth in asset value of the endowment funds at a rate greater than inflation, as measured by the Consumer Price Index. Achieving these objectives requires assuming a moderate level of risk, a long-term horizon and diversification among assets. Funds are invested to maximize total return (capital appreciation, interest and dividend income) consistent with a prudent level of risk. Actual returns in any given year may vary from these income and growth goals. Short-term volatility will be tolerated as long as it is consistent with a comparable market index.

Spending Policy. The Foundation annually determines amounts to be spent from the endowments in accordance with a formal Endowment Spending Policy. The Foundation has adopted a policy of disbursing up to five percent of the available assets in the fund to the program or activity designated by the donor. The policy permits the level of disbursement to exceed the current year's earnings in certain years. No amounts are appropriated from the endowments' original values, which are retained inviolate, according to the donors' wishes.

At June 30, 2026 and 2025, respectively, funds with original gift values of $697,179 and $599,728, fair values of $1,074,502 and $891,337, and no deficiencies were reported in net assets with donor restrictions.

Endowment net asset composition and changes in endowment net assets as of June 30 is as follows:

Donor-restricted endowment funds	2026	2025
Balance, beginning of year	$ 891,337	$ 780,135
Contributions	40,000	5,000
Transfers in	57,452	50,000
Investment return, net	116,386	87,725
Appropriated for expenditure	(30,673)	(31,523)
Balance, end of year	$ 1,074,502	$ 891,337

NOTE 13 – RETIREMENT PLAN

The Foundation has a SIMPLE IRA plan in which employees are eligible to participate based on meeting certain compensation limits. Participants may generally elect to defer up to $13,500 of their compensation under the plan, and the Foundation will match the deferral up to 3 percent of the employee's compensation. Matching contributions for the fiscal years ended June 30, 2026 and 2025 were $19,910 and $15,222, respectively.

NOTE 14 – RELATED PARTIES

The Foundation is a direct support organization and component unit of the School Board of Brevard County, Florida (School Board). The Foundation's Board of Directors are approved by the School Board.

The School Board provides office facilities, including technology support and telephones, and space for the School Supply Store, to the Foundation without charge. The Foundation has recognized the estimated fair value of the facilities and utilities provided, approximately $125,000 and $126,000 during the years ended June 30, 2026 and 2025, respectively, as contribution revenue and expenses in the accompanying financial statements. The School Board also provided to the Foundation $150,000 during the years ended June 30, 2026 and 2025, for the provision of services to the district school system. The Foundation earned $71,225 and $363,193 during the years ended June 30, 2026 and 2025, respectively, under contracts with the Consortium of Florida Education Foundation.

For the years ended June 30, 2026 and 2025, contributed services of approximately $48,100 and $48,200 and contributions of approximately $9,200 and $9,800 were provided by a company owned by a member of the Board of Directors, respectively.

NOTE 15 – FAIR VALUE MEASUREMENTS

The Foundation reports its investments at fair value on a recurring basis. Recurring fair value measurements are categorized using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy defines three levels of inputs, giving the highest priority to unadjusted quoted prices in active markets for identical assets and the lowest priority to unobservable inputs.

The three-tier hierarchy of inputs is summarized in the following categories:

Level 1: quoted prices in active markets for identical investments.

Level 2: other significant observable inputs, including quoted prices for similar investments in active markets, etc.

Level 3: significant unobservable inputs, including management's assumptions in determining the fair value of investments.

Alternative funds: The fair value of units is measured as a practical expedient, at the net asset value (NAV) of the units held by the Foundation at year end, as reported by the investment manager and within the valuation guidelines specified in the respective investment agreements.

The fair value of the investments is reflected in the Statement of Activities.

NOTE 15 – FAIR VALUE MEASUREMENTS (continued)

A summary of investments at June 30 is as follows:

	2026			
	Totals	Level 1	Level 2	Level 3
Mutual funds	$ 3,222,621	$ 3,222,621	$ -	$ -
Stocks	421,815	421,815	-	-
Certificate of deposit	63,589	-	63,589	-
Total investment by level	3,708,025	$ 3,644,436	$ 63,589	$ -
Alternative funds*:				
Open ended mutual funds	150,874			
Total investments at fair value	$ 3,858,899			

	2025			
	Totals	Level 1	Level 2	Level 3
Mutual funds	$ 2,835,002	$ 2,835,002	$ -	$ -
Stocks	358,044	358,044	-	-
Government bonds	8,112	-	8,112	-
Certificate of deposit	61,199	-	61,199	-
Total investment by level	3,262,357	$ 3,193,046	$ 69,311	$ -
Alternative funds*:				
Open ended mutual funds	344,515			
Total investments at fair value	$ 3,606,872			

(*) In accordance with ASC 820, Fair Value Measurements, certain investments that are measured using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

The alternative funds are designed to maximize current income to the extent consistent with the preservation of capital and the maintenance of liquidity by investing exclusively in high quality money market instruments. The fund limits its investments only to certain U.S. Treasury obligations. As of June 30, 2026 and 2025, the alternative funds have no unfunded commitments and can be redeemed daily at the NAV.

NOTE 15 – FAIR VALUE MEASUREMENTS (continued)

Net return on investments consists of the following at June 30:

	2026	2025
Interest and dividends	$ 210,065	$ 190,873
Management fees	(18,943)	(11,529)
Net gain	249,734	126,675
	$ 440,856	$ 306,019

NOTE 16 – CONTRIBUTED NON-FINANCIAL ASSETS

Donated services and facilities that are measurable are recorded as a contribution at their fair market values at the date of receipt by the Foundation, with donated facilities recorded based on the fair market value of similar rentals, which is $16 per square foot (see Note 14 for facilities donated). The contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

The Foundation also receives donated services from a variety of unpaid volunteers who assist in carrying out major fundraisers and outreach efforts. No amounts have been recognized for these services in the accompanying statements of activities because they do not meet recognition criteria prescribed by generally accepted accounting principles.

Donated teaching supplies supporting the School Supply Store are recorded at estimated market values when received by the teacher, the time at which the goods are deemed to have value. A corresponding amount is recorded as expense.

For the years ended June 30, contributed non-financial assets recognized within the statements of activities included:

	2026	2025
Occupancy	$ 125,470	$ 126,403
Supplies	436,848	375,236
	$ 562,318	$ 501,639

For the years ended June 30, the contributed non-financial assets were related to the following activities:

	2026	2025
Administration	$ 35,368	$ 32,859
Fundraising events	57,687	67,478
Various program activities	469,263	401,302
	$ 562,318	$ 501,639

ADDITIONAL ELEMENT REQUIRED BY
GOVERNMENT AUDITING STANDARDS

MKA
CERTIFIED PUBLIC ACCOUNTANTS

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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
Brevard Schools Foundation, Inc.

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 Brevard Schools Foundation, Inc. (the Foundation) (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, and have issued our report thereon dated September 17, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing 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 Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation'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 financial statements. 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*.

Winter Park, FL 32789
501 S. New York Ave.
Clearwater St. Petersburg N. Palm Beach Miami Lakes Miramar
Moss, Krusick & Associates, LLC

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 Foundation'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 Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 17, 2026