PUBLIC SAFETY ACADEMY HOUSING, INC.
Havana, Florida

FINANCIAL STATEMENTS

March 31, 2026 and 2025

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HAROLD A. BROCK, JR. (Retired)
W. FREDERICK THOMSON, (1943-2024)

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Public Safety Academy Housing, Inc.
Havana, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Public Safety Academy Housing, Inc. (a nonprofit organization), which comprise the statements of financial position as of March 31, 2026 and 2025 and the related statements of activities and changes in net assets, 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 Public Safety Academy Housing, Inc. as of March 31, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Public Safety Academy Housing, 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 Public Safety Academy Housing, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 Public Safety Academy Housing, 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 Public Safety Academy Housing, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 20, 2026 on our consideration of Public Safety Academy Housing, Inc.'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 Public Safety Academy Housing, Inc.'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 Public Safety Housing, Inc.'s internal control over financial reporting and compliance.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 - 6 be presented to supplement the basic financial statements. Such information, although not a part of basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiring with management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Thomson Bloch Hyatt & Gaskamp

Tallahassee, Florida
August 20, 2026

PUBLIC SAFETY ACADEMY HOUSING, INC.
Management's Discussion and Analysis

The following Management's Discussion and Analysis ("MD&A") provides a brief overview of the financial activities of Public Safety Academy Housing, Inc. (the "Organization") for the year ended March 31, 2026, with comparative information for the year ended March 31, 2025, where applicable. This discussion should be read in conjunction with the Organization's basic financial statements and accompanying notes.

The Organization is a direct support organization of Tallahassee State College (the "College") formed in connection with the College's public safety academy operations at Florida Public Safety Institute. The Organization was incorporated on February 26, 2003, for the purpose of financing and constructing a housing facility (the "Facility") for student housing related to those operations. The Facility was financed by a $9 million mortgage note and was completed on January 4, 2006. Upon completion, the Organization executed a lease agreement with the College whereby the College leases the Facility from the Organization and is responsible for operating and maintaining the Facility. During the fiscal year ended March 31, 2015, the Organization refinanced its original mortgage and borrowed an additional $575,000 through a separate mortgage note payable to renovate and refurnish the dormitory. As of June 2, 2025, both mortgage notes payable had been fully paid off.

Overview of the Financial Statements
The Organization's financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The basic financial statements include:

- **Statements of Financial Position** — presents assets, liabilities, and net assets as of March 31, 2026 and 2025.

- **Statements of Activities and Changes in Net Assets** — presents revenues and expenses for the years then ended.

- **Statements of Cash Flows** — presents cash receipts and cash payments by operating, investing, and financing activities.

- **Notes to the Financial Statements** — provide additional information necessary to understand the financial statements.

Because the Organization has limited operations, financial activity is concentrated in a small number of accounts, including cash, the property and equipment, amounts received from the College, depreciation, audit and administrative costs, and debt-related activity.

See independent auditors' report.

Condensed Financial Highlights

The Organization's financial position and results for the year ended March 31, 2026 were affected primarily by the timing and amount of receipts from the College, depreciation on the housing facility, payoff of prior mortgage notes, and new financing related to the design phase of a potential new residential property.

Condensed statements of financial position as of March 31, 2026 and 2025:

	2026	2025
Current assets	$ 583,409	$ 103,835
Property and equipment	4,272,924	4,235,467
Current liabilities	(225,347)	(194,453)
Long-term liabilities	(403,970)	-
NET ASSETS	$ 4,227,016	$ 4,144,849

Condensed statements of activities for the year ended March 31, 2026 and 2025:

	2026	2025
Total revenues	$ 327,538	$ 764,500
Total expenditures	(245,371)	(280,453)
Change in net position	82,167	484,047
Net assets – beginning of year	4,144,849	3,660,802
Net assets – end of year	$ 4,227,016	$ 4,144,849

Operations and College Arrangement

The Organization holds the Facility, while the College operates and maintains the dormitory facility. Under the lease agreement between the College and the Organization, all revenues generated by the Facility are retained by the College. In exchange, the Organization receives monthly lease payments from the College totaling $327,538 for the year ended March 31, 2026, to fund its operating expenses and debt-related obligations, as applicable.

The Organization was established primarily to obtain the financing for, construct and retain, the Facility, with post-completion activities being the responsibility of the College. Accordingly, the Organization's financial activities for the year ended March 31, 2026 consist primarily of monthly lease receipts from the College, debt-related payments, and the recognition of certain costs. During the year ended March 31, 2026, the Organization also obtained financing of $700,000 to begin the design phase of a new residential property.

See independent auditors' report.

Economic Factors and Future Activities

The nature of the Organization's future activities is expected to remain consistent with those of the year ended March 31, 2026, with ongoing activity primarily related to the leasing of the Facility to the College, the receipt of lease payments, the payment of audit and administrative costs, and the recognition of depreciation. In addition, the Organization plans to continue activities related to planning and development of a potential new residential property.

See independent auditors' report.

PUBLIC SAFETY ACADEMY HOUSING, INC.
STATEMENTS OF FINANCIAL POSITION
March 31, 2026 and 2025

	2026	2025
ASSETS		
CURRENT ASSETS		
Cash	$ 583,409	$ 103,835
TOTAL CURRENT ASSETS	583,409	103,835
PROPERTY AND EQUIPMENT, Net	4,272,924	4,235,467
	$ 4,856,333	$ 4,339,302
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of notes payable	$ 222,504	$ 193,415
Interest payable	2,843	1,038
TOTAL CURRENT LIABILITIES	225,347	194,453
LONG-TERM LIABILITIES		
Notes payable, net	403,970	-
TOTAL LIABILITIES	629,317	194,453
NET ASSETS		
Invested in capital assets, net of related debt	3,643,607	4,041,014
Unrestricted	583,409	103,835
	4,227,016	4,144,849
	$ 4,856,333	$ 4,339,302

See accompanying notes.

PUBLIC SAFETY ACADEMY HOUSING, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years Ended March 31, 2026 and 2025

	2026	2025
OPERATING REVENUE		
Lease income	$ 327,538	$ 764,500
OPERATING EXPENSES		
Depreciation	235,719	237,580
Contractual services	7,818	7,271
Reimbursed expenses	647	-
Licenses	61	61
Bank service fees	15	15
	244,260	244,927
OPERATING INCOME	83,278	519,573
NONOPERATING EXPENSE		
Interest expense	1,111	35,526
CHANGE IN NET ASSETS	82,167	484,047
BEGINNING NET ASSETS	4,144,849	3,660,802
ENDING NET ASSETS	$ 4,227,016	$ 4,144,849

See accompanying notes.

PUBLIC SAFETY ACADEMY HOUSING, INC.
STATEMENTS OF CASH FLOWS
Years Ended March 31, 2026 and 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Rents and fees collected	$ 234,361	$ 764,500
Payments to vendors	(8,541)	(7,347)
Payments for interest expense	694	(39,105)
NET CASH PROVIDED BY OPERATING ACTIVITIES	226,514	718,048
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(179,999)	-
NET CASH USED IN INVESTING ACTIVITIES	(179,999)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Issuance of long-term debt	697,221	-
Principal payments on long-term debt	(264,162)	(705,211)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	433,059	(705,211)
NET INCREASE IN CASH	479,574	12,837
CASH AT BEGINNING OF YEAR	103,835	90,998
CASH AT END OF YEAR	$ 583,409	$ 103,835
RECONCILIATION OF CHANGES IN NET ASSETS TO CASH PROVIDED BY OPERATING ACTIVITIES		
Changes in net assets	$ 82,167	$ 484,047
Adjustments to reconcile change in net assets to cash (used in) provided by operating activities:		
Depreciation	235,719	237,580
Improvements paid for by College	(93,177)	-
(Decrease) increase in liabilities:		
Interest payable	1,805	(3,579)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 226,514	$ 718,048

See accompanying notes.

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Formation and Nature of Business - Public Safety Academy Housing, Inc. (the "Organization") was incorporated on February 26, 2003 as a direct support organization of Tallahassee State College (the "College"), within the meaning of Section 240.331, Florida Statutes, or any successor provision. The Organization was formed, among other purposes, to make available housing to participants in programs affiliated with the Florida Public Safety Institute. At the direction of the Board of Trustees of Tallahassee State College, income derived by the Organization, subject to the assignment of revenue and other amounts derived from the operation of the facility, may be transferred to the Tallahassee State College. The Organization is a component unit of Tallahassee State College and is included in the College's annual report.

A summary of significant accounting policies follows:

Basis of Accounting - The Organization follows financial reporting requirements for enterprise funds, which use the accrual basis of accounting. Under this method, revenue is recorded when earned and expenses are recognized when incurred.

Property and Equipment - Cost directly associated with the construction of the housing complex, including interest incurred from financing during the construction period is capitalized to the cost of the building, and depreciation is provided over the building's estimated life of thirty-nine (39) years on a straight line basis.

Furniture and equipment with a value of or costing over $500 is recorded at cost and depreciated over its estimated useful life of five (5) to seven (7) years on a straight line basis.

Income Taxes - The Organization is exempt from income taxes on income from related activities under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding state tax law. Accordingly, no provision has been made for federal or state income taxes. Additionally, the Organization has been determined not to be a private foundation under Section 509(a) of the Internal Revenue Code.

The Organization has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Organization.

Cash Equivalents - For purposes of the statement of cash flows, all highly liquid instruments with a maturity of three (3) months or less are considered to be cash equivalents.

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

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Election to Apply FASB Accounting Standards Codification - The Organization has elected to apply all FASB Accounting Standards Codification, except for those that conflict with GASB pronouncements, as permitted by GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA pronouncements."

Subsequent Events - Management has performed an analysis of the activities and transactions subsequent to March 31, 2026, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended March 31, 2026. Management has performed their analysis through August 20, 2026, the date of this report.

NOTE 2 - RELATED PARTY TRANSACTIONS

On May 21, 2004, the College entered into a 99-year lease with the Organization for ten acres of land used for the housing complex. The lease requires annual rent of $1, paid in advance, which is below fair market value.

In November 2005, the Organization entered into an agreement with the College to operate the housing complex. The agreement provides for automatic annual renewals unless either party provides 30 days' prior notice of cancellation. During the year ended March 31, 2026, monthly lease revenue ranged from $21,572 to $63,250, and the College paid for capital improvements totaling $93,177 that benefited the building. Total lease income was $327,538 and $764,500 for the years ended March 31, 2026 and 2025, respectively.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment as of March 31, 2026 and 2025, is summarized as follows:

Depreciation expense for the years ended March 31, 2026 and 2025 amounted to $235,719 and $237,580, respectively.

	2026	2025
Building and improvements	$ 8,584,967	$ 8,491,790
Furniture and equipment	535,069	535,069
Construction in progress	179,999	-
	9,300,035	9,026,859
Accumulated depreciation	(5,027,111)	(4,791,392)
	$ 4,272,924	$ 4,235,467

NOTE 3 - PROPERTY AND EQUIPMENT (Continued)

For the years ending March 31, 2026 and 2025, the Organization capitalized interest of $18,079 and $0, respectively related to financing obtained for the design phase of a new residential building, which is included in construction in progress.

NOTE 4 - MORTGAGE NOTES PAYABLE

Mortgage notes payable as of March 31, 2026 and 2025, were as follows:

	2026	2025
$700,000 note payable executed November 7, 2025 with a commercial lender; bearing interest at 6.78%, payable in monthly installments of principal and interest in the amount of $21,575, maturing November 7, 2028. This note is net of unamortized debt issuance costs of $2,470 and $0, respectively for the years ending March 31, 2026 and 2025. This note is uncollateralized.	$ 626,474	$ -
$6,017,876 refinanced mortgage note payable executed November 10, 2014 with Gadsden County, Florida and assigned to a commercial lender; bearing interest at 2.75% through December 31, 2017, then at 3.34% until August 31, 2019, and thereafter a floating rate equal to 70% of the prime rate of JPMorgan Chase Bank, with a floor in all cases of 2.45%; payable in monthly installments of principal and interest, maturing June 1, 2025. The note is collateralized by a leasehold mortgage in real estate and first priority security interest in all personal property located at the facility. Note is also collateralized by assignment of rents and leases related to housing facility.	-	171,773

NOTE 4 - MORTGAGE NOTES PAYABLE (Continued)

$575,000 mortgage note payable executed November 10, 2014, with Gadsden County, Florida and assigned to a commercial lender. The note bears interest at 3.99% until August 31, 2019, and thereafter a floating rate equal to 70% of the prime rate of JPMorgan Chase Bank, with a floor in all cases of 3.25%; payable in monthly installments of principal and interest; maturing June 1, 2025. The note is collateralized by a leasehold mortgage in real estate and first priority security interest in all personal property located at the facility. Note is also collateralized by assignment of rents and leases related to housing facility.	-	21,642
	626,474	193,415
Less: current portion	(222,504)	(193,415)
	$ 403,970	$ -

As of March 31, 2026, the scheduled maturities of the mortgage notes payable were as follows:

	Principal	Interest
March 31, 2027	$ 221,578	$ 37,287
2028	237,329	21,536
2029	167,567	5,011
	$ 626,474	$ 63,834

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INDEPENDENT AUDITORS' 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*

Board of Directors
Public Safety Academy Housing, Inc.
Havana, Florida

We have audited, 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, the financial statements of Public Safety Academy Housing, Inc. (a Florida nonprofit organization), which comprise the statements of financial position as of March 31, 2026 and 2025, and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements and have issued our report thereon dated August 20, 2026.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Public Safety Academy Housing, Inc.'s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Public Safety Academy Housing, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Public Safety Academy Housing, Inc.'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 the internal control over financial reporting 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 over financial reporting 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 financial statements of Public Safety Academy Housing, Inc. are free of 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 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.

Thomson Bloch Hyatt & Gray, PLLC

Tallahassee, Florida
August 20, 2026