Florence Fuller Child Development Centers, Inc. and Florence Fuller Child Development Foundation, Inc.

Consolidated Financial Statements and Independent Auditor's Report

December 31, 2024 and 2023

CohnReznick

Florence Fuller Child Development Centers, Inc. and
Florence Fuller Child Development Foundation, Inc.

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CohnReznick

Independent Auditor's Report

To the Board of Directors
Florence Fuller Child Development Centers, Inc. and
Florence Fuller Child Development Foundation, Inc.

Opinion

We have audited the consolidated financial statements of Florence Fuller Child Development Centers, Inc. and Florence Fuller Child Development Foundation, Inc. (the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2024 and 2023, 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 ("GAAS") and our audit for the year ended December 31, 2023 in accordance with standards applicable to financial audits contained in Government Auditing Standards (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 Consolidated Financial Statements section of our report. We are required to be independent of the Organization 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. The 2024 financial statements were not required to be audited in accordance with Government Auditing Standards.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we

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

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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.

CohnReznick LLP

Boca Raton, Florida
October 21, 2025

Florence Fuller Child Development Centers, Inc. and
Florence Fuller Child Development Foundation, Inc.

Consolidated Statements of Financial Position
December 31, 2024 and 2023

Assets

	2024	2023
Current assets		
Cash and cash equivalents	$ 3,683,875	$ 3,155,411
Pledges receivable	65,350	137,209
Grants receivable	257,033	238,214
Prepaid expenses and other current assets	193,320	183,165
Total current assets	4,199,578	3,713,999
Investments		
Board designated	7,255,530	6,686,987
Endowment, Perper learning fund	50,500	50,500
Endowment, held in trust by others	40,344	34,941
Total investments	7,346,374	6,772,428
Property and equipment, net	5,970,942	6,068,511
Other assets		
Deposits	535	535
Pledges receivable, noncurrent	15,000	30,000
Total assets	$ 17,532,429	$ 16,585,473

Liabilities and Net Assets

	2024	2023
Current liabilities		
Accounts payable and accrued expenses	$ 549,106	$ 552,125
Total liabilities	549,106	552,125
Commitments and contingencies		
Net assets		
Without donor restrictions	14,869,820	13,810,996
With donor restrictions	2,113,503	2,222,352
Total net assets	16,983,323	16,033,348
Total liabilities and net assets	$ 17,532,429	$ 16,585,473

See Notes to Consolidated Financial Statements.

Florence Fuller Child Development Centers, Inc. and
Florence Fuller Child Development Foundation, Inc.

Consolidated Statements of Activities and Changes in Net Assets
Years Ended December 31, 2024 and 2023

	2024			2023		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Support and revenues						
Grants	$ 4,438,216	$ -	$ 4,438,216	$ 5,175,864	$ -	$ 5,175,864
Contributions from private sources	3,161,848	-	3,161,848	2,577,988	-	2,577,988
Special events						
Gross proceeds from special events	725,928	-	725,928	785,689	-	785,689
Less direct benefit costs	(225,707)	-	(225,707)	(201,450)	-	(201,450)
Net proceeds from special events	500,221	-	500,221	584,239	-	584,239
Program service fees	1,919,774	-	1,919,774	1,416,236	-	1,416,236
Employee Retention Tax Credit	-	-	-	982,832	-	982,832
Net investment income (loss)	527,982	5,775	533,757	421,086	5,973	427,059
Other income	64,449	-	64,449	148,870	-	148,870
Net assets released from restriction	114,624	(114,624)	-	160,729	(160,729)	-
Total support and revenues	10,727,114	(108,849)	10,618,265	11,467,844	(154,756)	11,313,088
Expenses						
Program services	8,172,314	-	8,172,314	7,558,101	-	7,558,101
Supporting services						
Management and general	1,076,466	-	1,076,466	860,715	-	860,715
Fundraising	419,510	-	419,510	435,457	-	435,457
Total supporting services	1,495,976	-	1,495,976	1,296,172	-	1,296,172
Total expenses	9,668,290	-	9,668,290	8,854,273	-	8,854,273
Changes in net assets	1,058,824	(108,849)	949,975	2,613,571	(154,756)	2,458,815
Net assets beginning of the year	13,810,996	2,222,352	16,033,348	11,197,425	2,377,108	13,574,533
Net assets at the end of the year	$ 14,869,820	$ 2,113,503	$ 16,983,323	$ 13,810,996	$ 2,222,352	$ 16,033,348

See Notes to Consolidated Financial Statements.

Florence Fuller Child Development Centers, Inc. and
Florence Fuller Child Development Foundation, Inc.

Consolidated Statement of Functional Expenses
Year Ended December 31, 2024

	Program services	Supporting Services: Management and general	Supporting Services: Fundraising	Supporting Services: Total support services	Cost of direct benefits to donors	Total 2024
Payroll and payroll taxes	$ 4,897,928	$ 726,137	$ 327,215	$ 1,053,352	$ -	$ 5,951,280
Payroll benefits	902,276	65,752	65,925	131,677	-	1,033,953
Food and kitchen supplies	667,099	-	-	-	-	667,099
Depreciation and amortization	312,877	34,820	-	34,820	-	347,697
Repairs and maintenance	390,127	6,855	806	7,661	-	397,788
Marketing, outreach	137,065	185,033	3,392	188,425	-	325,490
Utilities	181,646	16,888	-	16,888	-	198,534
Insurance	211,790	23,426	-	23,426	-	235,216
Professional fees	124,378	13,044	-	13,044	-	137,422
Office supplies	145,532	3,833	2,469	6,302	-	151,834
Miscellaneous	14,089	266	15,908	16,174	-	30,263
Conference and travel	15,221	76	218	294	-	15,515
Field trips	41,477	-	-	-	-	41,477
Vehicle	40,005	-	-	-	-	40,005
Taxes and licenses	15,690	336	3,577	3,913	-	19,603
Bad debt	70,189	-	-	-	-	70,189
Cost of direct benefits to donors	-	-	-	-	225,707	225,707
Children's medical and dental	4,925	-	-	-	-	4,925
Total expenses by function	8,172,314	1,076,466	419,510	1,495,976	225,707	9,893,997
Less expenses included with revenues on the consolidated statements of activities						
Cost of direct benefits to donors	-	-	-	-	(225,707)	(225,707)
Total expenses included in the expense section on the consolidated statements of activities	$ 8,172,314	$ 1,076,466	$ 419,510	$ 1,495,976	$ -	$ 9,668,290

See Notes to Consolidated Financial Statements.

Florence Fuller Child Development Centers, Inc. and
Florence Fuller Child Development Foundation, Inc.

Consolidated Statement of Functional Expenses
Year Ended December 31, 2023

	Program services	Supporting Services: Management and general	Supporting Services: Fundraising	Supporting Services: Total support services	Cost of direct benefits to donors	Total 2023
Payroll and payroll taxes	$ 4,468,920	$ 496,547	$ 348,429	$ 844,976	$ -	$ 5,313,896
Payroll benefits	821,969	91,330	47,996	139,326	-	961,295
Food and kitchen supplies	650,946	-	-	-	-	650,946
Depreciation and amortization	323,142	17,188	3,438	20,626	-	343,768
Repairs and maintenance	358,151	19,051	3,811	22,862	-	381,013
Marketing, outreach	143,204	193,320	3,544	196,864	-	340,068
Utilities	191,798	10,202	2,041	12,243	-	204,041
Insurance	195,368	7,818	-	7,818	-	203,186
Professional fees	104,814	7,601	3,715	11,316	-	116,130
Office supplies	143,842	15,982	2,087	18,069	-	161,911
Miscellaneous	1,561	449	18,714	19,163	-	20,724
Conference and travel	34,753	-	234	234	-	34,987
Field trips	25,216	-	-	-	-	25,216
Vehicle	60,816	-	-	-	-	60,816
Taxes and licenses	17,702	1,227	1,448	2,675	-	20,377
Bad debt	12,149	-	-	-	-	12,149
Cost of direct benefits to donors	-	-	-	-	201,450	201,450
Children's medical and dental	3,750	-	-	-	-	3,750
Total expenses by function	7,558,101	860,715	435,457	1,296,172	201,450	9,055,723
Less expenses included with revenues on the statement of activities						
Cost of direct benefits to donors	-	-	-	-	(201,450)	(201,450)
Total expenses included in the expense section on the statement of activities	$ 7,558,101	$ 860,715	$ 435,457	$ 1,296,172	$ -	$ 8,854,273

See Notes to Consolidated Financial Statements.

Florence Fuller Child Development Centers, Inc. and
Florence Fuller Child Development Foundation, Inc.

Consolidated Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	2024	2023
Cash flows from operating activities		
Change in net assets	$ 949,975	$ 2,458,815
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	347,697	343,768
Realized and unrealized gain on investments	(287,439)	(249,500)
Loss on disposal of assets	4,378	-
Noncash contribution	50,000	-
Changes in operating assets and liabilities		
Pledges receivable	86,859	19,591
Grants receivable	(18,819)	194,170
Prepaid expenses and other current assets	(10,155)	(20,672)
Deposits	-	2,241
Accounts payable and accrued expenses	(3,019)	(127,918)
Net cash provided by operating activities	1,119,477	2,620,495
Cash flows from investing activities		
Purchases of investments	(976,290)	(2,254,362)
Proceeds from the sale of investments	639,783	1,496,553
Purchases of property and equipment	(254,506)	(502,600)
Net cash used in investing activities	(591,013)	(1,260,409)
Net increase in cash and cash equivalents	528,464	1,360,086
Cash and cash equivalents at the beginning of the year	3,155,411	1,795,325
Cash and cash equivalents at the end of the year	$ 3,683,875	$ 3,155,411

See Notes to Consolidated Financial Statements.

Note 1 - Nature of organization

Florence Fuller Child Development Centers, Inc. (the "Center") was founded in 1969 and incorporated in 1971 as a private, not-for-profit organization devoted to the educational development and care of children. The Center directly manages two child development centers. The Center provides economically disadvantaged children and their families with quality infant, pre-school and school-age childcare and family support and health screening.

The Center's support and revenues are received from federal government grants through its funding sources, noncontractual grants designated for certain projects or programs, local public matching funds, contributions from private sources, and other miscellaneous sources.

The Center's key programs are:

- **Infant Program:** The Infant Care program provides exceptional care between 7:30 a.m. and 5:30 p.m. on both the East and West Campuses for infants aged 6 weeks to 12 months old.

- **Early Childhood Education:** The Early Childhood Education program is designed for children aged 1 to 3 years old and is offered from 7:30 a.m. to 5:30 p.m. This program is geared towards the "moving and grooving" years of childhood from the toddlers to the "trying twos and threes" to the "I can do it myself" fives.

- **Voluntary Pre-Kindergarten:** VPK for 4 and 5 year olds prepares early learners for success in kindergarten and beyond. VPK helps build a strong foundation for school using educational material corresponding to various stages in a child's development.

- **Fuller Academy:** The Fuller Academy opened in August 2021 as a Florida Choice School serving children in kindergarten through third grade. The academy offers a customized curriculum following B.E.S.T standards and practices. Instruction is provided by teachers and instructors with a bachelor's degree or higher. The program focuses on project-based learning and art and technology education.

- **After School Program/Out of School Time Program:** A.C.E.S (Academic, Character Education and SPARK -a physical fitness program), provides a safe and enriching environment for children in kindergarten through 5th grade, Monday through Friday until 5:30 p.m. The Center approaches child development in a holistic manner by providing extracurricular activities that not only improve academic achievements but also enhance physical well-being and social skills, all of which are critical in the development of a healthy, well-rounded, and successful adult.

- **Summer Camp:** The Center's Summer Camp program helps children from kindergarten to fifth grade develop social and physical skills. Academic enrichment, field trips and computer classes are provided to mitigate summer learning loss.

- **Mentoring:** The Center's mentoring program recruits adults and teens willing to commit to a minimum of one year to a meaningful relationship that impacts the children involved and influence their lives at home and at school. For those mentoring the relationship provides an empowering opportunity to give back to the community.

- **Teen Leadership:** Offers at-risk youth ages 16-22 the opportunity to develop leadership skills, create and implement projects, learn real life soft skills necessary for success in school, work, and life, in a structured setting under the guidance of a mentor/job coach.

- **Health Services:** The CDC points to systemic inequities (discrimination, access to healthcare, jobs, education/income gaps and housing) as principal reasons for minority groups' poorer health outcomes. The majority of Fuller families are Black, Latinx or mixed race. Many are uninsured with life circumstances increasing risk for disease, including COVID-19. Healthcare access is further limited by transportation, childcare, and language barriers; inability to take time off from work, cultural differences between patients and providers and discrimination. Many Fuller parents have poor diets, are obese and suffer with chronic conditions, undermining their stability and increased losses of jobs, lives, housing, increased hospitalization and suffering throughout this pandemic. The Center also treats the child through onsite health and behavioral health screenings and services available to every child that the Center serves.

- **Family Support Services:** The Center incorporates models that are family focused and emphasize highly structured, comprehensive family strengthening with behavioral parent training, family skills training and family therapy components. The Center's staff provides a full array of case management and assists families in accessing the services they need to provide a safe, healthy, and stable home for their children while they positively contribute to the community.

Florence Fuller Child Development Foundation, Inc. (the "Foundation") was incorporated on June 28, 2002. The Foundation received its tax-exempted determination letter on January 30, 2003 as a private, not-for-profit organization. The purpose of the Foundation is to provide long-term endowment funding for the continued operation and growth of the Center.

Note 2 - Summary of significant accounting policies

Basis of presentation

The accompanying consolidated financial statements include the accounts of the Center and the Foundation (collectively referred to as the "Organization"). All material inter-organizational transactions and balances have been eliminated in consolidation. The consolidated financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of Organization's management and the Board of Directors. The Board of Directors has designated, from net assets without donor restrictions net assets, held in investment for the purpose of operating reserves, of $7,255,530 and $6,686,987 at December 31, 2024 and 2023, respectively.

Net assets with donor restrictions
Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities and changes in net assets.

Use of estimates
The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Such estimates also affect the reported amounts of revenues and expenses during the reporting year. Actual results may differ from estimates under different assumptions or conditions.

Cash equivalents
Cash equivalents consist principally of money market funds and amounts held for operations in interest or noninterest-bearing accounts with original maturities of three (3) months or less, and exclude cash equivalents held temporarily for long-term investment purposes by investment custodians.

Pledges receivable
Pledges receivable are recorded at face value, which approximates the present value when computed using interest rates appropriate to the estimated length of time for realization. All pledges receivable are reviewed annually for collectability. Management determines the allowance for doubtful receivables by regularly evaluating individual receivables and considering donor's financial condition and current economic conditions. Management believes that pledges receivable are fully collectible at years ended December 31, 2024 and 2023, and as such no allowance for doubtful accounts has been provided for in these consolidated financial statements.

Grants receivable
Grants receivable represent amounts due for expenditures incurred prior to year-end. Management evaluates all grants receivable on a periodic basis. Management believes that grants receivable are fully collectible at years ended December 31, 2024 and 2023, and as such no allowance for doubtful accounts has been provided for in these consolidated financial statements.

Investments
The Organization reports investments at fair value. Net investment income (loss) consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses. Net investment income (loss) is reported in the consolidated statements of activities and changes in net assets as a change in net assets without donor restriction unless the use of the income (loss) is limited by donor-imposed restrictions.

Property and equipment
Property and equipment in excess of $1,200 and with an acquisition life of more than one year are capitalized. Property and equipment are stated at historical cost. Expenditures for major additions and improvements are capitalized and minor replacements, maintenance, and repairs are charged to expense as incurred. When property and equipment are retired, or otherwise disposed of, the cost and accumulated depreciation and amortization are removed from the accounts and any resulting gain or loss is included in the results of activities for the respective period. Depreciation and amortization of property and equipment is computed on a straight-line basis over the estimated useful lives of five (5) to forty (40) years. Land is not depreciated or amortized. Property and equipment, if donated, are recorded at the approximate fair value on the date of the donation.

Revenue recognition
The Organization receives grant funding from federal agencies, state and local governments, and private foundations. Revenue is recognized only to the extent of expenditures under the terms of the grants. Grant awards not yet received are accrued to the extent unreimbursed expenses have been incurred for the purposes specified by an approved grant. Excess expenses incurred are borne by the Organization. Unexpended funds are returned to the grantors if required by the grant agreement.

Grants and contributions are classified as either conditional or unconditional. Revenue is recognized on a conditional grant or contribution once a barrier or hurdle to be entitled to the resource is overcome and the resource provider is released from the obligation to fund or has the right of return of any advanced funding if the Organization fails to overcome the barrier. Any funding received prior to overcoming the barrier is recognized as refundable advance.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advance in the consolidated statements of financial position. At December 31, 2024 and 2023, the Organization had no refundable advances.

Unconditional grants, contributions, including unconditional promises to give, are recognized in the period received. Contributions received are considered to be available for use unless specifically restricted by the donor. Amounts received that are designated for a future period or are restricted by the donor for specific purposes are reported as increases in net assets with donor restriction. Unconditional promises to give are presumed to be time-restricted by the donor until collected and are reported as net assets with donor restriction.

Wills are recorded as bequest revenue when the probate courts declare the wills valid and the proceeds are measurable.

Contributions are recorded at fair value, which is net of estimated uncollectible amounts. The Organization uses the allowance method to determine uncollectible unconditional pledges receivable. The allowance is based on past experience as well as management's analysis of specific pledges made, including such factors as prior collection history, type of contribution, and nature of fundraising activity.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Organization recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The Organization recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

Program service fees, consist of parent fees for full or reduced tuition, and is recognized when the performance obligations of providing the services are met.

Functional allocation of expenses
The costs of providing the programs and other activities have been summarized on a functional basis in the accompanying consolidated statements of activities and changes in net assets. Expenses that can be identified with a specific program or support service are charged directly to that program; certain costs such as personnel cost are based on time and effort; office expenses, insurances, taxes and depreciation costs have been allocated among the programs and supporting services benefited based on a percentage of square footage.

Income taxes
The Center and Foundation are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC") and from state income taxes under similar provisions of the Florida Statutes. Accordingly, no provision for federal and state income taxes was recorded during the years ended December 31, 2024 or 2023. Neither the Center nor the Foundation had any significant unrelated business income. In addition, management assessed whether there were any uncertain tax positions which may give rise to income tax liabilities and determined that there were no such matters requiring recognition or disclosure in the accompanying consolidated financial statements. The Center is not a private foundation pursuant to section 509(a)(1) of the IRC. The Foundation is not a private foundation pursuant to section 509(a)(3) of the IRC.

In accordance with U.S. GAAP on accounting for uncertainty in income taxes, the Organization recognizes tax liabilities for uncertain tax positions when it is more likely than not that a tax position will not be sustained upon examination and settlement with various taxing authorities. Liabilities for uncertain tax positions are measured based upon the largest amount of benefit that is greater than 50% likely of being realized upon settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. The Organization's tax years subject to examination by tax authorities generally remain open for three (3) years from the date of filing.

Valuation of long-lived assets
The Organization accounts for the valuation of long-lived assets under authoritative guidance issued by the Financial Accounting Standards Board ("FASB"), which requires that long-lived assets and certain intangible assets be reviewed for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived assets is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets.

Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell. No indicators of impairment were identified for the years ended December 31, 2024 and 2023.

Concentrations of credit risk

The Organization's assets that are exposed to credit risk consist primarily of cash and cash equivalents, investments, pledges receivable and grants receivable. Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Organization has not experienced any losses related to these balances. Amounts on deposit in excess of federally insured limits at December 31, 2024 and 2023 totaled approximately $3,398,766 and $2,827,000, respectively. The Organization invests its excess cash and cash equivalents and maintains its investments with high-quality financial institutions. The Organization performs yearly evaluations of these institutions for relative credit standing. Management regularly monitors the composition and maturities of investments. Investments are subject to market fluctuations that may materially affect the investment balances. Grants receivable consist primarily of amounts due from various agencies of the federal government, private foundations, or corporations. Pledges receivable consist mainly of amounts due from individuals, corporations and other not-for-profit organizations. Historically, the Organization has not experienced significant losses related to pledges and grants receivable and, therefore, believes that the credit risk related to these receivables is minimal.

Recent adoption of new accounting pronouncement

During the year ended December 31, 2023, the Organization adopted FASB ASU No. 2016-13 Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. The accounting standard update provides guidance that significantly affects how reporting entities will measure credit losses for most financial assets and certain other financial instruments. Adopting the new standard did not have a material effect on the presentation of the consolidated financial statements.

Subsequent events

Management has evaluated subsequent events through October 21, 2025, the date on which the consolidated financial statements were available to be issued.

Note 3 - Liquidity and availability of resources

The Organization strives to maintain liquid financial assets to cover normal operating expenditures. As part of the Organization's liquidity management, it structures operations to allow financial assets to be available as its normal operating expenditures, liabilities, and other obligations come due.

The following table reflects the Organization's financial assets as of December 31, 2024 and 2023, reduced by amounts that are not available to meet normal operating expenditures within one year of the consolidated statements of financial position date due to donor restrictions or contractual obligations. Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions:

	2024	2023
Financial assets		
Cash and cash equivalents	$ 3,683,875	$ 3,155,411
Pledges receivable, current	65,350	137,209
Grants receivable	257,033	238,214
Investments	7,346,374	6,772,428
Total financial assets	11,352,632	10,303,262
Less financial assets unavailable for general expenditures within one year due to:		
Net assets with donor-imposed restrictions	(2,113,503)	(2,222,352)
Total financial assets unavailable for general expenditures	(2,113,503)	(2,222,352)
Total financial assets available within one year to meet cash needs for general expenditures	$ 9,239,129	$ 8,080,910

As part of the Organization's liquidity management, it invests cash in excess of daily requirements in short-term investment under board designated investment portfolio.

Board designated reserve funds included in the investment portfolio of $7,306,030 and $6,686,987 at December 31, 2024 and 2023, respectively, are available for use in operations with approval of the finance committees of the Board of Directors.

Note 4 - Pledges receivable

Pledges receivable represent unconditioned promises to give by donors. Pledges receivables consist of the following at December 31:

	2024	2023
Receivable in less than one year	$ 65,350	$ 137,209
Receivable in one to five years	15,000	30,000
Total pledges receivable	$ 80,350	$ 167,209

For the years ended December 31, 2024 and 2023, there is no discount recorded for the long-term grants receivables, as it would have been discounted to their present values using a rate of 0.06%, with no significant impact on the pledge receivables.

Note 5 - Investments

Investments as of December 31, 2024 and 2023, is comprised of the following:

	2024	2023
Corporate bonds	$ 1,952,039	$ 2,071,570
Equities	1,856,849	1,578,980
Money market funds	3,537,486	3,121,878
Total investments	$ 7,346,374	$ 6,772,428

Note 6 - Property and equipment

Property and equipment consists of the following at December 31:

	2024	2023
Buildings	$ 6,648,649	$ 6,648,649
Campus improvements	2,675,057	2,579,151
Vehicles	470,260	410,050
Land	410,000	410,000
Computer equipment	216,710	231,337
Machinery and equipment	445,434	465,589
Computer software	114,270	107,520
Furniture and fixtures	80,010	86,502
	11,060,390	10,938,798
Less accumulated depreciation and amortization	(5,089,448)	(4,870,287)
	$ 5,970,942	$ 6,068,511

Depreciation and amortization expense for the years ended December 31, 2024 and 2023 totaled $347,697 and $343,768, respectively.

Note 7 - Accounts payable and accrued expenses

Accounts payable and accrued expenses consist of the following at December 31:

	2024	2023
Accounts payable	$ 73,925	$ 137,225
Accrued payroll	221,182	240,347
Accrued sick leave	253,999	174,553
	$ 549,106	$ 552,125

Note 8 - Employee benefit plan

The Organization maintains a defined contribution 401(k) profit-sharing plan (the "Plan") covering all full-time employees fulfilling certain minimum age and service requirements. Under the Plan, eligible employees may defer a portion of their earnings up to the annual contribution limit allowed by the Internal Revenue Service. The Organization may contribute a discretionary matching contribution to the Plan. The Organization made matching contributions of $57,832 and $52,976 to the Plan for the years ended December 31, 2024 and 2023, respectively.

Note 9 - Fair value measurements

Certain financial assets are recorded at fair value. Fair value is defined as the price that would be received to sell an asset between market participants in an orderly transaction on the measurement date. The market in which the reporting entity would sell the asset with the greatest volume and level of activity for the asset is known as the principal market. When no principal market exists, the most advantageous market is used. This is the market in which the reporting entity would sell the asset with the price that maximizes the amount that would be received. Fair value is based on assumptions market participants would make in pricing the asset. Generally, fair value is based on observable quoted market prices or derived from observable market data when such market prices or data are available. When such prices or inputs are not available, the reporting entity should use valuation models.

The Organization's assets recorded at fair value are categorized based on the priority of the inputs used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The inputs used in measuring fair value are categorized into three levels, as follows:

- Level 1 - Inputs are based upon quoted prices for identical instruments traded in active markets.
- Level 2 - Inputs that are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar investments in markets that are not active, or models based on valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the investment.
- Level 3 - Inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

The following section describes the valuation methodologies the Organization uses to measure its assets at fair value.

- *Corporate bonds*: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, those corporate bonds are valued under a discounted cash flow approach that maximizes observable inputs, such as current yields or similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

- *Equities*: Valued at the closing price reported on the active market on which the individual securities are traded.

- *Money market funds:* Valued at the daily closing price as reported by the fund. Money market funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The money market funds held by the Organization are deemed to be actively traded.

Fair value on a recurring basis
Investments measured at fair value on a recurring basis are summarized below:

	At December 31, 2024			
	Assets measured at	Fair value hierarchy level		
Description	fair value	Level 1	Level 2	Level 3
Investments				
Corporate bonds	$ 1,952,039	$ -	$ 1,952,039	$ -
Equities	1,856,849	1,856,849	-	-
Money market funds	3,537,486	3,537,486	-	-
Total investments	$ 7,346,374	$ 5,394,335	$ 1,952,039	$ -

	At December 31, 2023			
	Assets measured at	Fair value hierarchy level		
Description	fair value	Level 1	Level 2	Level 3
Investments				
Corporate bonds	$ 2,071,570	$ -	$ 2,071,570	$ -
Equities	1,578,980	1,578,980	-	-
Money market funds	3,121,878	3,121,878	-	-
Total investments	$ 6,772,428	$ 4,700,858	$ 2,071,570	$ -

Note 10 - Net assets with donor restrictions

Net assets with donor restrictions are restricted for the following purposes or periods at December 31:

	2024	2023
Time restrictions		
Building renovations and improvements	$ 719,725	$ 833,977
Purpose restrictions		
Future building renovations	532,842	532,842
Mental health counseling	279,922	279,922
Pre-school scholarships	38,441	38,441
Other	41,729	41,729
Maintained in perpetuity		
Endowments	90,844	85,441
Land	410,000	410,000
	$ 2,113,503	$ 2,222,352

Land at the West Campus totaling $410,000 at December 31, 2024 and 2023 is subject to an agreement with the donor that, should the Center cease to use the property for the purpose of operating a child care facility for low-income families, the land would automatically revert to the donor.

At December 31, 2024 and 2023, building renovations and improvements at the West Campus totaling $3,081,045 and $3,201,273 (net of accumulated depreciation and amortization), respectively, are subject to an agreement with the donor that, should the Center cease to use the property for the purpose of operating a child care facility for low-income families, these assets would revert to the donor.

At December 31, 2024 and 2023, building renovations and improvements at the East Campus totaling $431,909 and $460,301 (net of accumulated depreciation and amortization), respectively, are built on land subject to a lease agreement. Under the terms of this agreement, these assets must be used to operate a childcare facility for low-income families. Upon termination of the lease, these assets would revert to the lessor.

Note 11 - Net assets released from donor restrictions

Net assets released from donor restrictions consist of the following at December 31:

	2024	2023
Time restrictions		
Building renovations and improvements	$ 114,624	$ 160,729
	$ 114,624	$ 160,729

Note 12 - Endowment

The Foundation's endowment consists of individual funds established for a variety of purposes. Its endowment is comprised of donor-restricted endowment funds designated by the Board of Directors to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law
In June 2011, the State of Florida adopted the *Florida Uniform Prudent Management of Institutional Funds Act* ("FUPMIFA") which is effective July 1, 2012. The Organization has interpreted FUPMIFA as requiring 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 Organization classifies as 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) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified as with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by FUPMIFA.

The Organization considers the following factors in making a determination to appropriate or accumulated donor-restricted endowment fund earnings:

1. The duration and preservation of the fund;
2. The purposes of the Organization and the donor-restricted endowment fund;
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 Organization; and
7. The investment policies of the Organization.

The Organization has elected to not add appreciation for cost of living or other spending policies to net assets with donor restrictions held in perpetuity.

Return objectives and risk parameters
The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of income to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets on an inflation adjusted basis. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to achieve a competitive rate of return while assuming a moderate level of investment risk. The Organization expects its endowment funds, over time, to provide a rate of return in excess of the original with donor restriction principal. Actual returns in any given year may vary.

Strategies employed for achieving objectives
To satisfy its long-term rate of return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places emphasis on investments in mutual funds to achieve its long-term return objectives within prudent risk constraints.

Summary of endowment net assets related to the Perper learning fund at December 31, 2024 and 2023 is as follows:

	Without donor restrictions	With donor restrictions	Total
Perpetuity			
Donor-designated endowment funds	$ -	$ 50,500	$ 50,500

There were no changes in endowment net assets for the years ended December 31, 2024 and 2023. The Foundation did not have any deficiencies in the endowment net assets at December 31, 2024 and 2023.

Note 13 - Employee Retention Tax Credit

The Employee Retention Tax Credit ("ERTC") is a refundable tax credit against certain employment taxes equal to 50% of the qualified wages an eligible employer pays to employees after March 12, 2020, and before September 30, 2021. During the year ended December 31, 2022, the Organization applied for the ERTC for the fiscal quarters ending March 31, 2020, June 30, 2020, September 30, 2020, December 31, 2020, and March 31, 2021. During 2023, the Organization received approval notices from the IRS with refundable credits totaling $982,832. As of December 31, 2023, all the funds were received.

Note 14 - Revenue concentration

During the years ended December 31, 2024 and 2023, the Organization received approximately 44% and 45% of its total revenue and support from four (4) and five (5) grantors and contributors, respectively.

Note 15 - Commitments and contingencies

A portion of the property at the Organization's East Campus is leased from the City of Boca Raton for $1 per year. There are no defined lease terms or periods. The fair value of the operating land lease expense cannot be reasonably estimated and, as such, is not reflected in the accompanying consolidated financial statements.

Grants

The Organization participates in various federal-assisted grant programs that are subject to review and audit by the respective grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from an audit may become a liability of the Organization and have an impact on future awards granted. During 2024 and 2023, the Organization was unaware of any instances of noncompliance and has not provided for any liabilities that may arise from such audits.

As the revenue from these federal-assisted grant programs is significant to the consolidated financial statements, reduction or loss of funding from these grant programs may affect the Organization's ability to operate in its present form.

Note 16 - Funds held in trust by others

During 2018, the Foundation established a charitable endowment fund known as the Florence Fuller Child Development Foundation, Inc. (the "Fund") with the Community Foundation for Palm Beach and Martin Counties, Inc. (the "Community Foundation"). The earnings of the Fund have been restricted for the benefit of the Organization. Assets contributed to the Community Foundation for the benefit of the Organization are recorded as assets of the Organization. These "Organization restricted funds" are pooled with the other assets of the Community Foundation for investment purposes.

The Organization's initial contribution of $25,000 was matched with a $25,000 grant from the Community Foundation and is not available for distribution and may not be removed from the Fund.

Funds held in trust by others by type consists of the following at December 31:

	2024	2023
Florence Fuller Child Development Foundation, Inc. Endowment Fund	$ 34,941	$ 29,282
Changes in endowment nets assets		
Net appreciation (realized and unrealized)	5,776	5,973
Investment fees	(373)	(314)
	$ 40,344	$ 34,941

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. Deficiencies of this nature do not exist as the Fund has an original contribution value of $25,000, a current fair value of $40,344 and a cumulative appreciation of $15,344 at December 31, 2024. This appreciation results from favorable market fluctuations that occurred after the original contribution was made.

Return objectives and risk parameters
The Funds shall be invested by the Community Foundation in a long-term growth portfolio whose primary objective is long-term capital appreciation with an investment strategy of five (5) years or longer.

Interpretation of relevant law
Management has interpreted the law as requiring donor-restricted net assets in an endowment fund to remain restricted until appropriated for expenditure by the Organization following the donor's intended purpose. In accordance with the State Management of Institutional Funds Act, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The purposes of the Organization and the donor-restricted endowment fund;

2. General economic conditions;

3. The possible effect of inflation and deflation;

4. The expected total return from income and the appreciation of investments;

5. Other resources of the Organization; and

6. The investment policies of the Organization.

Spending policy
All distributions from the Fund shall be in accordance with the Community Foundation's spending policy in effect during any fiscal year of the Community Foundation. Distributions may be made from income and capital appreciation but not from the endowment principal. The endowment principal is the sum of the value of the initial contribution establishing the Fund by the Organization and Community Foundation plus all subsequent contributions to the Fund.