Financial Statements
and Other Financial Information

The Education Foundation of the Florida Restaurant and Lodging Association, Inc.

Years ended December 31, 2025 and 2024
with Report of Independent Auditors



The Education Foundation of the Florida Restaurant and Lodging Association, Inc.

Financial Statements
and Other Financial Information

Years ended December 31, 2025 and 2024

Contents

Report of Independent Auditors 1

Statements of Financial Position 6

Statements of Activities and Changes in Net Assets 7

Statements of Functional Expenses 8

Statements of Cash Flows 9

Notes to the Financial Statements 10

Other Reports 23

Report of Independent Auditors

The Board of Directors
The Education Foundation of the Florida Restaurant and Lodging Association, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Education Foundation of the Florida Restaurant and Lodging Association, Inc. (the Foundation), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Education Foundation of the Florida Restaurant and Lodging Association, Inc. as of December 31, 2025 and 2024, 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 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 Education Foundation of the Florida Restaurant and Lodging Association, Inc. 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 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 GAAS 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 GAAS 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.

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

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

Report on Summarized Comparative Information

We have previously audited The Education Foundation of the Florida Restaurant and Lodging Association, Inc.'s 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 23, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of state financial assistance, as required by Chapter 10.650, *Rules of the Auditor General*, and the schedule of findings and questioned costs relating to state financial assistance, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of state financial assistance and the schedule of findings and questioned costs relating to state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 5, 2026 on our consideration of The Education Foundation of the Florida Restaurant and Lodging Association, 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 The Education Foundation of the Florida Restaurant and Lodging Association, 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 The Education Foundation of the Florida Restaurant and Lodging Association, Inc.'s internal control over financial reporting and compliance.



Tallahassee, Florida
August 5, 2026

The Education Foundation of the Florida Restaurant and Lodging Association, Inc.

Statements of Financial Position

	December 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 854,036	$ 937,025
Accounts receivable	114,266	56,944
Grant receivables	337,314	325,022
Prepaid expenses and other assets	831	6,016
Inventory	8,636	272
Total current assets	1,315,083	1,325,279
Restricted investments	25,368	29,618
Investments	1,377,704	1,221,377
Equipment, net of accumulated depreciation	2,245	1,138
Total assets	$ 2,720,400	$ 2,577,412
Liabilities and net assets		
Current liabilities:		
Accounts payable	$ 4,833	$ 1,692
Accrued expenses	5,951	7,822
Due to related party	18,425	84,478
Amounts held for the account of others	25,000	-
Unearned revenue	28,000	12,750
Total current liabilities	82,209	106,742
Amounts held for the account of others	25,368	29,618
Total liabilities	107,577	136,360
Net assets:		
Without donor restrictions		
Undesignated	2,299,632	2,242,861
With donor restrictions		
Restricted for purpose or time	313,191	198,191
Total net assets	2,612,823	2,441,052
Total liabilities and net assets	$ 2,720,400	$ 2,577,412

See accompanying notes.

The Education Foundation of the Florida Restaurant and Lodging Association, Inc.

Statements of Activities and Changes in Net Assets

	Year ended December 31, 2025			
	Without Donor Restriction	With Donor Restriction	Total	Year ended December 31, 2024 Total
Changes in net assets:				
Revenues and other support:				
Educational materials	$ 511,321	$ -	$ 511,321	$ 521,803
Program contracts and grants	1,068,860	-	1,068,860	851,868
Hospitality Cares contribution	-	250,000	250,000	1,000,000
Corporate sponsors/partners	17,000	-	17,000	45,750
Chapter contributions	4,500	-	4,500	-
Miscellaneous income and other contributions	63,711	-	63,711	196,922
Royalty income	17,041	-	17,041	113,348
Net investment income	153,328	-	153,328	111,938
Special events	3,420	-	3,420	3,360
Net assets released from restriction	135,000	(135,000)	-	-
Total revenues and other support	1,974,181	115,000	2,089,181	2,844,989
Expenses:				
Program services	1,354,774	-	1,354,774	2,084,175
Education materials cost of sales	425,042	-	425,042	452,530
General and administrative	137,594	-	137,594	254,891
Total expenses	1,917,410	-	1,917,410	2,791,596
Changes in net assets	56,771	115,000	171,771	53,393
Net assets at beginning of year	2,242,861	198,191	2,441,052	2,387,659
Net assets at end of year	$ 2,299,632	$ 313,191	$ 2,612,823	$ 2,441,052

See accompanying notes.

The Education Foundation of the Florida Restaurant and Lodging Association, Inc.

Statements of Functional Expenses

	Years ended December 31,						
	Program Services	Education Materials Cost of Sales	General and Administrative	2025 Total		2024 Total	
Functional expenses:							
Accounting and legal	$ -	$ -	$ 32,124	$	32,124	$	21,836
Bank service charges	-	-	7,726		7,726		9,704
Copier/maintenance	-	-	1,182		1,182		945
Credit loss	-	-	12		12		498
Data processing	-	-	3,310		3,310		2,960
Depreciation	-	-	757		757		239
Disaster relief fund	-	-	15,000		15,000		105,125
Dues and subscriptions	-	-	475		475		116
Food safety training	200,441	-	-		200,441		160,436
Full implementation	78,000	-	-		78,000		75,600
Hospitality cares	120,000	-	-		120,000		990,000
Hospitality industry internship	2,700	-	-		2,700		2,400
HTM training expense	40,580	-	-		40,580		34,296
HTMP materials (formerly LMP)	58,849	-	-		58,849		67,043
HTMP team comp (formerly LMP)	53,013	-	-		53,013		37,677
Management fee	11,250	-	13,750		25,000		25,000
Mini-grants	125,069	-	-		125,069		117,235
Miscellaneous	-	-	166		166		350
National prostart exam	32,644	-	-		32,644		3,174
Office supplies	-	-	1,949		1,949		2,331
Postage	599	-	7,382		7,981		7,241
Printing and reproduction	35,724	-	532		36,256		41,997
Prostart teacher training	90,051	-	-		90,051		94,827
Prostart team competition	156,049	-	-		156,049		129,226
Regional workshop	12,823	-	-		12,823		14,537
Remodeling grant	-	-	44,627		44,627		59,065
Rent	3,750	-	1,250		5,000		5,000
Salaries and related items	161,342	-	-		161,342		159,531
Salute to excellence	80,831	-	-		80,831		86,271
Scholarship initiative	91,059	-	-		91,059		76,000
ServSafe	-	425,042	-		425,042		452,530
Storage	-	-	1,361		1,361		1,341
Telephone	-	-	2,497		2,497		1,790
Travel	-	-	2,915		2,915		4,747
Utilities	-	-	579		579		528
Total functional expenses	$ 1,354,774	$ 425,042	$ 137,594	$	1,917,410	$	2,791,596

See accompanying notes.

The Education Foundation of the Florida Restaurant and Lodging Association, Inc.

Statements of Cash Flows

	Year ended December 31, 2025	Year ended December 31, 2024
Operating activities		
Change in net assets	$ 171,771	$ 53,393
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	757	239
Unrealized gain on investments	(77,202)	(45,233)
Realized gain on investments	-	(11,750)
Changes in operating assets and liabilities:		
Accounts receivable	(57,322)	(21,180)
Grants receivable	(12,292)	(141,658)
Prepaid expenses and other assets	5,185	(2,016)
Inventory	(8,364)	19,120
Accounts payable	28,141	1,311
Accrued expenses	(1,871)	(783)
Due to related party	(66,053)	57,567
Unearned revenue	15,250	(18,250)
Amounts held for the account of others	(4,250)	(5,000)
Net cash used in operating activities	(6,250)	(114,240)
Investing activities		
Purchases of investments	(74,875)	(108,216)
Proceeds from the sale and maturity of investments	-	61,127
Purchase of equipment	(1,864)	-
Net cash used in investing activities	(76,739)	(47,089)
Net decrease in cash and cash equivalents	(82,989)	(161,329)
Cash and cash equivalents at beginning of year	937,025	1,098,354
Cash and cash equivalents at end of year	$ 854,036	$ 937,025

See accompanying notes.

The Education Foundation of the Florida Restaurant and Lodging Association, Inc.

Notes to the Financial Statements

Years ended December 31, 2025 and 2024

1. Summary of Significant Accounting Policies

a. Nature of Organization

The Education Foundation of the Florida Restaurant and Lodging Association, Inc. (the "Foundation") is a not-for-profit corporation formed for the purpose of raising funds to support educational and research projects authorized by the Florida Restaurant and Lodging Association, Inc. (the Association). The Foundation promotes the ProStart and ServSafe programs designed to teach students (primarily high school) about the restaurant and lodging industries. The Foundation is a reseller of the ProStart and ServSafe materials, such as textbooks, to school districts around the state of Florida.

b. Basis of Accounting

The Foundation uses the accrual basis of accounting. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The significant accounting policies are described below.

c. Concentration of Credit Risk and Revenue

The Foundation’s financial instruments exposed to concentrations of credit risk consist primarily of its cash, cash equivalents, and investments. The Foundation maintains its cash and cash equivalents at several financial institutions. Deposits with financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor, per FDIC insured financial institution. Bank deposits at times may exceed federally insured limits. The Foundation has not experienced any losses in such accounts.

1. Summary of Significant Accounting Policies (continued)

c. Concentration of Credit Risk and Revenue (continued)

All investment transactions have credit exposure to the extent that a counterparty may default on an obligation to the Foundation. Credit risk is a consequence of carrying investment positions. To manage credit risk, the Foundation focuses primarily on higher quality, fixed income and equity securities, reviews the credit strength of all entities in which it invests, limits its exposure in any one investment, and monitors portfolio quality, taking into account credit ratings assigned by recognized credit rating organizations.

The Foundation received approximately 51% and 31% of its revenue from the Department of Business and Professional Regulation contract during the years ended December 31, 2025 and 2024, respectively. At December 31, 2025 and 2024, 100% of the grants receivable balance relates to the Department of Business and Professional Regulation contract.

d. Cash and Cash Equivalents

Cash and cash equivalents consist of demand depsoits with financial institutions and deposits in highly liquid money market funds. For purposes of the statements of cash flows, investments purchased with an original maturity of three months or less are considered to be cash equivalents.

e. Accounts Receivable

Accounts receivable balances consist of amounts due from school districts. The Foundation provides an allowance for credit losses based upon the anticipated collectability of each specific account using the current expected credit loss model, which is based upon historical aged write-off experience coupled with consideration of specific current economic conditions that are expected to change the Foundation's loss experience in relation to such baselines. All receivables are considered by management to be fully collectible Accordingly, no allowance for credit losses has been recorded.

1. Summary of Significant Accounting Policies (continued)

f. Grants Receivable

Grants receivable consists of revenues earned for services under state contracts. Management believes contracts receivable to be fully collectible as of December 31, 2025. Therefore, no allowance for credit losses has been recorded.

g. Inventory

Inventories are stated at lower of cost or market determined by the first-in, first-out method. Inventories consist of education and training materials to be sold.

h. Investments

Investments consist of various mutual funds, equities, and fixed income securities. Investments are carried at fair value, which is based on quoted market values for these instruments. As more fully described in Note 7, restricted investments related to funds held by the Foundation as custodian for local chapters of the Association.

i. Equipment, Net

Equipment, net, is stated at cost less accumulated depreciation. Equipment is depreciated over the estimated useful lives of 3-10 years using primarily the straight-line method. The Foundation's policy is to capitalize asset acquisitions greater than $500.

1. Summary of Significant Accounting Policies (continued)

j. Net Assets

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor- (or certain grantor-) imposed restrictions. Accordingly, net assets of the Foundation 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.

Net Assets With Donor Restrictions: Net assets subject to donor- (or certain grantor-) imposed restrictions. Donor-imposed restrictions can be temporary in nature, such as those that will be met by the passage of time or other events specified by the donor.

k. Revenue Recognition

Operating revenues consist principally of proceeds from grants and contracts, sales of educational materials, and contributions. Cost-reimbursable state grants and contracts, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses, are recognized as revenue when the Foundation has incurred expenditures in compliance with specific grant or contract provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of finacnial position. The Foundation recognized $0 in refundable advances relating to grants and contracts as of December 31, 2025 and 2024. Revenues from the sale of education materials are recognized when the associated performance obligation is satisfied, that is when the sales transaction is complete and goods are shipped.

1. Summary of Significant Accounting Policies (continued)

k. Revenue Recognition (continued)

The Foundation recognizes revenues from sponsorships of meetings and events at the time the meeting or event takes place, therefore, the associated performance obligation is satisfied. Sponsorships may be comprised of an exchange element based on the value of benefits provided, and a contribution element for the difference between the total amount paid and the exchange element. The Foundation recognizes the exchange portion of sponsorships at the time of the meeting or events, and the contribution portion immediately upon receipt.

l. Contributions

The Foundation reports gifts of cash and other assets as net assets with donor restrictions if they are received with donor stipulations that limit their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Contributions received with restrictions that expire during the fiscal year are recorded as contributions without donor restrictions on the statements of activities and changes in net assets.

m. Functional Allocation of Expenses

The cost of providing the Foundation's programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. The statement of functional expenses presents the natural classification detail of expenses by function. Due to the nature of the Foundation's activities, costs are not allocated to the programs; however, expenses such as storage and telephone, are allocated on a direct method for those expenses directly related to the program.

1. Summary of Significant Accounting Policies (continued)

n. Income Taxes

The Foundation is a not-for-profit organization as described in Section 501(c)3 of the Internal Revenue Code and is exempt from federal and state income taxes on trade or business profits generated by activities related to the Foundation's exempt function. The Foundation may be subject to federal and state income taxes for profits generated from trade or business activities unrelated to the Foundation's exempt function. The Foundation has processes presently in place to ensure the maintenance of its tax-exempt status, identify and report unrelated business income, and determine its filing and tax obligations in jurisdictions for which it has nexus. As of December 31, 2025 and 2024, the Foundation believes that it has not generated any unrelated business taxable income.

With few exceptions, the Foundation is no longer subject to examinations by major tax jurisdictions for years 2021 and prior.

o. Subsequent Events

The Foundation‘s management evaluated events that occurred after December 31, 2025 through August 5, 2026, the date when the financial statements were available to be issued. During the period from December 31, 2025 through August 5, 2026, the Foundation did not have any material recognizable subsequent events.

p. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

2. Available Resources and Liquidity

The Foundation receives contributions, grants and investment income and considers these revenue streams to be without donor restrictions (if unspecified) and available to meet cash needs for general expenditures. The Foundation manages its cash available to meet general expenditures, as defined, following three guiding principles:

- Operating within a prudent range of financial soundness and stability
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that long term grant commitments and obligations under donor restricted endowments that support mission fulfillment will continue to be met, ensuring the sustainability of the Foundation.

The table below presents financial assets available for general expenditures within one year at December 31:

	2025	2024
Financial assets at year end:		
Cash and cash equivalents	$ 854,036	$ 937,025
Accounts receivables	114,266	56,944
Grant receivables	337,314	325,022
Investments	1,403,072	1,250,995
Total financial assets	2,708,688	2,569,986
Less amounts not available to be used within one year:		
Restricted investments	(25,368)	(29,618)
Total financial assets available to meet general expenditures	$ 2,683,320	$ 2,540,368

3. Investments

The Fair Value Measurement and Disclosures Topic of the FASB Accounting Standards Codification establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under the Fair Value Measurement and Disclosures Topic are described as follows:

Level 1 - Quoted market prices in active markets for identical assets or liabilities.
Level 2 - Observable market based inputs or unobservable inputs that are corroborated by the market data.
Level 3 - Unobservable inputs that are not corroborated by market data.

Fair Value on a Recurring Basis

The table below presents the balances of assets and liabilities measured at fair value on a recurring basis.

3. Investments (continued)

Investments consist of the following at December 31, 2025:

	Cost	Unrealized Gains (Losses)	Market and Carrying Value	Level 1
Mutal funds	$ 256,369	$ 51,808	$ 308,177	$ 308,177
Equities	675,747	207,823	883,570	883,570
Fixed income	219,555	(8,230)	211,325	211,325
	1,151,671	251,401	1,403,072	1,403,072
Less restricted investments	-	-	(25,368)	(25,368)
Total	$ 1,151,671	$ 251,401	$ 1,377,704	$ 1,377,704

Investments consist of the following at December 31, 2024:

	Cost	Unrealized Gains (Losses)	Market and Carrying Value	Level 1
Mutal funds	$ 245,777	$ 38,647	$ 284,424	$ 284,424
Equities	620,978	146,707	767,685	767,685
Fixed income	210,078	(11,192)	198,886	198,886
	1,076,833	174,162	1,250,995	1,250,995
Less restricted investments	-	-	(29,618)	(29,618)
Total	$ 1,076,833	$ 174,162	$ 1,221,377	$ 1,221,377

3. Investments (continued)

Net investment income consists of the following for the years ended December 31:

	2025	2024
Interest and dividends	$ 86,653	$ 64,960
Net realized gain	-	11,750
Net unrealized gain	77,202	45,233
Investment fees	(10,527)	(10,005)
Total net investment income	$ 153,328	$ 111,938

4. Equipment, Net

Equipment, net, consists of the following at December 31:

	2025	2024
Computer equipment	$ 2,711	$ 2,678
Computer software	3,700	3,700
Less accumulated depreciation	(4,166)	(5,240)
	$ 2,245	$ 1,138

Depreciation expense totaled $757 and $239 for the years ended December 31, 2025 and 2024, respectively.

5. Related Party Transactions

The Foundation reimburses the Association for salaries, a portion of the bonuses paid to employees, travel and entertainment expenses, and various office expenses directly related to the Foundation's daily operations that are paid by the Association. The Foundation also pays a $25,000 fee to the Association for managing the daily operations of the Foundation. The Association also allows the Foundation to use certain property and equipment. At December 31, 2025 and 2024, the Foundation has reported a payable to the Association in the amount of $18,425 and $84,478, respectively.

6. Revenue from Contracts with Customers

The following table provides information about significant changes in unearned revenue for the years ended December 31:

	2025	2024
Unearned revenue, beginning of year	$ 12,750	$ 31,000
Revenue recognized that was included in unearned revenue at the beginning of the year	(12,750)	(31,000)
Increases in unearned revenue due to cash received during the year	28,000	12,750
Unearned revenue, end of year	$ 28,000	$ 12,750

7. Amounts Held for the Account of Others

The Foundation serves as custodian of scholarship and endowment funds for local chapters of the Association. Additionally, the Foundation collected funds from a fundraising event that are due back to local chapters. These funds are included on the statements of financial position in restricted investments. The Foundation maintained custody of the following local chapter funds as of December 31:

	2025	2024
Sarasota Chapter scholarships	$ 4,000	$ 4,000
Pinellas Chapter scholarships	12,700	12,700
Northeast Chapter investments	8,668	12,918
	$ 25,368	$ 29,618

8. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of December 31:

	2025	2024
Hospitality cares funds, restricted for purpose	$ 220,000	$ 90,000
Disaster relief funds, restricted for purpose	93,191	108,191
	$ 313,191	$ 198,191

Net assets released from restrictions, that is, when a stipulated time restriction ends or purpose restriction is accomplished, is as follows for December 31:

	2025	2024
Hospitality Cares funds	$ 120,000	$ 990,000
Disaster relief funds	15,000	105,125
	$ 135,000	$ 1,095,125

9. Retirement Plan

The Foundation adopted a 401(k) defined contribution profit sharing plan which covers all fulltime employees. Employees must meet certain eligibility requirements to be a participant in the plan. In addition, the Foundation matches participants' contributions to the plan up to 6% of the participants' compensation. Total expense for the years ended December 31, 2025 and 2024, was $5,085 and $7,823, respectively.

10. Education Materials

The Foundation is a reseller of the ProStart and ServSafe education materials. The Foundation sells exclusively to school districts around the state of Florida. Income and expenses for the sale of the education materials were the following for the years ended December 31:

	2025	2024
Sales	$ 511,321	$ 521,803
Cost of sales	425,042	452,530
Gross profit	$ 86,279	$ 69,273

The Foundation recognizes revenue from the school districts at the point in time in which the education materials are purchased by and shipped to the school districts as any performance obligation is satisfied at the point of sale.

Other Reports

Report of Independent Auditors 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
The Education Foundation of the Florida Restaurant and Lodging Association, 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 (*Government Auditing Standards*), the financial statements of The Education Foundation of the Florida Restaurant and Lodging Association, Inc. (the Foundation), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, and changes in net assets, 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 August 5, 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.

Report on Internal Control Over Financial Reporting (continued)

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*.

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

Thomas Howell Ferguson P.A.

Tallahassee, Florida
August 5, 2026

Report of Independent Auditors on Compliance for Each Major State Project and on Internal Control Over Compliance Required by the Chapter 10.650, *Rules of the Auditor General*

Board of Directors
The Education Foundation of the Florida Restaurant and Lodging Association, Inc.

Report on Compliance for Major State Project

Opinion on Major State Project

We have audited The Education Foundation of the Florida Restaurant and Lodging Association, Inc.'s (the Foundation) compliance with the types of compliance requirements identified as subject to audit in the *Florida Department of Financial Service's State Projects Compliance Supplement* that could have a direct and material effect on the Foundation's major state project for the year ended December 31, 2025. The Foundation’s major state project is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Foundation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major state project for the year ended December 31, 2025.

Basis for Opinion on the Major State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Chapter 10.650, *Rules of the Auditor General*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major state project. Our audit does not provide a legal determination of the Foundation’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Foundation's state projects.

Auditor's Responsibilities for the Audit of the Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Foundation's compliance based on our audit. 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, *Government Auditing Standards*, and Chapter 10.650, *Rules of the Auditor General* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Foundation's compliance with the requirements of the major state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.650, *Rules of the Auditor General* , we

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

- Identify and assess the risks of material noncompliance, 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 Foundation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Foundation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Chapter 10.650, *Rules of the Auditor General,* but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over compliance. Accordingly, no such opinion is expressed.

Auditor's Responsibilities for the Audit of the Compliance (continued)

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state project on a timely basis.

A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Report on Internal Control Over Compliance (continued)

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.650, *Rules of the Auditor General.* Accordingly, this report is not suitable for any other purpose.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
August 5, 2026

The Education Foundation of Florida Restaurant and Lodging Association, Inc.

Schedule of Expenditures of State Financial Assistance

Year ended December 31, 2025

State Agency, Pass Through entity, State Project	CSFA No.	Pass-Through Entity Award Number, Contract/Grant No.	Expenditures
STATE FINANCIAL ASSISTANCE			
Florida Department of Business and Professional Regulation:			
School-to-Career Transition Program Grant	79.002	20-00011	$ 1,068,860
Total expenditures of State Financial Assistance			$ 1,068,860

Note 1 - This Schedule of Expenditures of State Financial Assistance (the Schedule) includes the State grant activity of the Education Foundation of Florida Restaurant and Lodging Association, Inc. (the Foundation) under programs of the state government for the year ended December 31, 2025. The information in this Schedule is presented in accordance with the requirements of Chapter 10.650, *Rules of the Auditor General* . Because this schedule presents only a selected portion of the operations of the Foundation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Foundation.

Note 2 - Expenditures reported on this Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Chapter 10.650, *Rules of the Auditor General,* wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on this schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

See report of independent auditors.

The Education Foundation of Florida Restaurant and Lodging Association, Inc.

Schedule of Findings and Questioned Costs Relating to State Financial Assistance

Year ended December 31, 2025

Section I -- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

State Projects

Type of auditor's report issued on compliance for major State projects?	Unmodified
Internal control over major State projects:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	None reported
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650, *Rules of the Auditor General*?	No

Identification of major State projects:

CSFA Number	Name of State Program
79.002	School-to-Career Transition Program

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low risk auditee?	No

Section II -- Financial Statement Findings

We noted no matters involving internal control over financial reporting and its operation that we considered to be material weaknesses, significant deficiencies and/or control deficiencies required to be reported in accordance with *Government Auditing Standards.*

Section III -- State Project Findings and Questioned Costs

We noted no matters involving noncompliance that are required to be reported in accordance with Rules of the Auditor General of the State of Florida, Chapter 10.650.

Section IV - Other Matters

No prior audit findings.

See report of independent auditors.