Financial Statements

ORANGE COUNTY CLASSROOM TEACHERS ASSOCIATION, INC.

August 31, 2025

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(With Independent Auditor's Report Thereon)

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WHITCOMB & SHERIDAN LLLP
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Independent Auditor's Report

The Board of Trustees
Orange County Classroom Teachers Association, Inc.:

Opinion

We have audited the accompanying financial statements of Orange County Classroom Teachers Association, Inc. which comprise the statement of financial position as of August 31, 2025, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Orange County Classroom Teachers Association, Inc. as of August 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Orange County Classroom Teachers Association, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 Orange County Classroom

Teachers Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Orange County Classroom Teachers Association Inc.'s internal control. Accordingly, no such opinion is expressed.

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

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Orange County Classroom Teachers Association Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Whitcomb & Sheridan LLLP

Maitland, Florida
April 10, 2026

ORANGE COUNTY CLASSROOM TEACHERS ASSOCIATION, INC.

Statement of Financial Position

August 31, 2025

Assets

Current assets:	
Cash and cash equivalents	1,821,036
Accounts receivable	293,663
Prepaid expenses	45,804
Total current assets	2,160,503
Investment (note 4)	15,672
Property and equipment:	
Land	61,000
Building and improvements	875,214
Furniture and fixtures	132,072
	1,068,286
Less accumulated depreciation	(809,730)
Total property and equipment, net	258,556
Total assets	$ 2,434,731

Liabilities and Net Assets

Current liabilities:	
Accounts payable and accrued expenses	76,034
Accrued salary and vacation payable	100,981
Total current liabilities	177,015
Commitments and contingencies (notes 5 and 6)	
Net assets without donor restrictions:	
Undesignated	2,244,993
Designated by the Board	12,723
Total net assets	2,257,716
Total liabilities and net assets	$ 2,434,731

See accompanying notes to financial statements.

ORANGE COUNTY CLASSROOM TEACHERS ASSOCIATION, INC.

Statement of Activities

Year ended August 31, 2025

Net assets without donor restrictions:	
Revenues and other support:	
Membership dues and fees	5,056,421
Florida Education Association grants/rebates	377,539
Investment income (note 4)	7,994
Other income	57,651
Total revenue and other support	5,499,605
Expenses:	
Salaries and wages	853,712
Employee benefits and payroll taxes	312,480
Building expenses	175,750
Per capita dues	3,340,704
Membership functions	116,398
General office	47,227
Arbitration and grievances	21,749
Political action	37,340
Negotiations	190,940
Conference, conventions and meetings	141,164
Community relations	83,103
Depreciation	30,733
Legal and professional	46,700
Total expenses	5,398,000
Change in net assets	101,605
Net assets at August 31, 2024	2,156,111
Net assets at August 31, 2025	$ 2,257,716

See accompanying notes to financial statements.

ORANGE COUNTY CLASSROOM TEACHERS ASSOCIATION, INC.

Statement of Cash Flows

Year ended August 31, 2025

Cash flows from operating activities:	
Change in net assets	$ 101,605
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	30,733
Unrealized loss on investment	2,682
Change in operating assets and liabilities:	
Accounts receivable	(15,113)
Prepaid expenses	(28,066)
Accounts payable and accrued expenses	(195,811)
Accrued salary and vacation	35,438
Net cash used in operating activities	(68,532)
Cash flows from investing activities:	
Purchase of equipment	(29,708)
Net cash used in investing activities	(29,708)
Cash flows from financing activities:	-
Net cash used in investing activities	-
Decrease in cash and cash equivalents	(98,240)
Cash and cash equivalents at beginning of year	1,919,276
Cash and cash equivalents at end of year	$ 1,821,036

See accompanying notes to financial statements.

(1) Nature of Organization and Summary of Significant Accounting Policies

(a) General

The Orange County Classroom Teachers Association, Inc. ("CTA" or "Organization") is a non-profit corporation organized for the purpose of joining together Orange County public school teachers for the mutual enhancement of their professional and educational needs. The Organization's mission is to promote and support its members through integrity and professionalism and coordinate its activities with national associations. Membership in the Organization consists of teachers of the Orange County school system. The primary source of funding for CTA is from dues paid by member teachers.

(b) Basis of Presentation

The accompanying financial statements are presented on the accrual basis and represent the financial position and results of operations of the Organization.

The Organization prepares its financial statements on an entity wide basis, focusing on the organization as a whole. Net assets and revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- Net assets without donor restrictions---Net assets that are not subject to donor-imposed stipulations and, therefore, available for use in general operations.
- Net assets with donor restrictions---Some donors impose restrictions that are temporary in nature, for example, stipulating that resources be used after a specified date, for particular programs or services, or to acquire buildings or equipment. Other donor-imposed restrictions that are perpetual in nature, for example, stipulating that resources be maintained in perpetuity. Laws may extend those limits to investment returns from those resources and to other enhancements (diminishments) of those resources. Thus, those laws extend donor-imposed restrictions.

(c) Board Designated Assets

The Board of Directors of the Organization has designated certain net assets without donor restrictions in order to fund the Howard Fenner scholarship fund, the Marion Cannon scholarship fund, and the Crisis fund. Each fund serves to provide support to CTA members and their families.

(1) Nature of Organization and Summary of Significant Accounting Policies - Continued

(d) Investments

Investments are classified generally at fair value based on quoted market prices, when available, or estimates of fair value. Unrealized and realized gains and losses are reflected in the statement of activities.

(e) Property and Equipment

Property and equipment are valued at cost at acquisition date and fair value at the date of donation. Assets are capitalized when the purchase price exceeds $1,500 and the estimated useful life is more than one year. Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets. Expenditures for repairs, which do not materially prolong the useful lives of the related assets, are charged to operating expenses as incurred. Vehicles, furniture and fixtures and equipment are depreciated over lives ranging from 5-7 years. The building and improvements are depreciated over lives ranging from 10-39 years.

(f) Income Taxes

The Organization received their notice of qualifications from the Internal Revenue Service as an organization exempt from income taxes under Internal Revenue Code Section 501(c)(5), and is not considered a private foundation and was organized under Florida State non-profit corporation laws. Accordingly, no provision or benefit for income taxes has been reflected in the accompanying financial statements.

The Organization has adopted the provisions of the Income Tax Topic of the ASC. These provisions clarify the accounting for uncertainty in tax positions and prescribe guidance related to the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The tax benefit from an uncertain tax position is only recognized in the statement of financial position of the tax position is more likely than not to be sustained upon an examination, based on the technical merits of the position. Interest and penalties, if any, are included in expenses in the statement of activities. As of August 31, 2025, the Organization had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

(1) Nature of Organization and Summary of Significant Accounting Policies - Continued

(f) Income Taxes - Continued

The Organization's income tax returns are subject to review and examination by federal authorities. The Organization is not aware of any activities that would jeopardize its tax-exempt status. The Organization is not aware of any activities that are subject to tax on unrelated business income, excise or other taxes. The tax returns for the fiscal years ended from 2022 to 2024 are open to examination by federal authorities.

(g) Revenue Recognition

Revenue is recognized when earned. Membership in the Organization mandates that dues be paid by member teachers to the Organization. Accordingly, the revenue associated with dues are considered earned as the receipt of payments are received. Deferred revenue consists primarily of dues received and/or receivable from the Board, which are applicable to the subsequent fiscal year when it will be recognized as revenue from operations.

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as assets with donor restrictions that increase those net asset classes. When a restriction expires, assets with donor restrictions are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

(h) Estimates

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

(1) Nature of Organization and Summary of Significant Accounting Policies - Continued

(i) Cash and Cash Equivalents

For the purposes of the statement of financial position, the Organization considers highly liquid investments, including those purchased with a maturity of three months or less, to be cash equivalents.

(j) Long-Lived Assets

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount and fair value of the asset and long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell.

(k) Financial Instruments Fair Value

The carrying amount reported for cash, accounts receivable and accounts payable and accrued expenses, as applicable, approximates fair value because of the immediate or short-term maturity of these financial instruments.

(l) Functional Allocation of Expenses

The costs of providing programs and administration of the Organization have been summarized on a functional basis as indicated in note 7. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The allocation of expenses according to function, including payroll and occupancy costs which cannot be directly attributed to specific functions, is based on estimates by the Organization's management, of the time of employees involved and of percentages of assets utilized.

(m) Subsequent Events

The Organization has evaluated subsequent events through April 10, 2026. All subsequent events requiring recognition, if any, as of April 10, 2026, have been incorporated into the accompanying financial statements.

(2) Liquidity and Availability

As of August 31, 2025, the Organization has approximately $2,100,000 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The following table reflects the Organization's financial assets as of August 31, 2025 reduced by amounts that are not available to meet general expenditures, as applicable, within one year of the statement of financial position date.

Cash and cash equivalents	$ 1,821,036
Accounts receivable	293,663
Financial assets available to meet cash needs for general expenditures within one year	$ 2,114,699

(3) Accounts Receivable

Accounts and dues receivable, as applicable, are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts using the reserve method based on its assessment of the current status of individual receivables and after using reasonable collection efforts. As of August 31, 2025, no reserve for uncollectible accounts has been recorded.

(4) Fair Value Measurements and Investments

Investments consist of 733 shares of Creative Benefits for Educators (CBE) stock, which is carried at fair market value. CBE is a privately held stock, which is held by approximately 100 different Florida Education Association local affiliates and fewer than 10 individuals. There are no restrictions regarding the sale of this stock, however, there is currently no active market for the stock so the underlying book value of CBE is considered to be the fair value. The cost and estimated fair value of investment securities held at August 31, 2025, are as follows:

Investment Security	Cost	Fair Value
CBE Stock	$ 914	$ 15,672

(4) Fair Value Measurements and Investments - Continued

Generally accepted accounting principles defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements which currently applies to all financial assets and liabilities, as well as for any other assets and liabilities that are carried at fair value on a recurring basis.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. These principles also establish a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value using three levels of inputs as follows:

Level 1: quoted prices in active markets for identical assets or liabilities

Level 2: quoted prices for similar assets and liabilities in active markets or inputs that are observable

Level 3: inputs that are unobservable (for example, cash flow modeling based on assumptions)

The Organization did not change its valuation techniques during the year and continues to use Level 2 inputs to measure the fair value of its investment.

During the year ended August 31, 2025, the Organization recorded unrealized losses amounting to $2,682, in connection with its investment described herein. The unrealized loss has been included in investment income in the accompanying statement of activities.

(5) Concentrations of Credit Risk

CTA places their cash and cash equivalents with high quality financial institutions. The balance, at times, may exceed federally insured limits. CTA regularly monitors the financial conditions of the institution in which it has depository accounts and believes the risk of loss is minimal. Concentrations of credit risk with respect to unsecured receivables are limited as the receivables are primarily dues receivable from members and have been collected in full in the past.

(6) Commitments

CTA participates in a defined contribution, multi employer pension plan, sponsored by National Education Association, Inc., which covers all of CTA employees. Employees become eligible to join upon employment and are fully vested after 60 months of service. Employer contributions, which are based on a percentage of each covered employee's gross pay, totaled approximately $164,145 for the year ended August 31, 2025.

(7) Functional Expenses

The costs of programs and supporting activities for the year ended August 31, 2025, have been summarized on a functional basis as follows:

	Program Services	Management and General	Total Expenses
Operating expenses:			
Salaries and wages	$ 640,284	213,428	853,712
Employee benefits and payroll taxes	234,360	78,120	312,480
Building expense	158,174	17,576	175,750
Per capita dues	3,340,704	-	3,340,704
Membership functions	116,398	-	116,398
General office	9,445	37,782	47,227
Arbitration and grievances	16,312	5,437	21,749
Political action	29,872	7,468	37,340
Negotiations	143,205	47,735	190,940
Conference, conventions and meetings	105,872	35,292	141,164
Community relations	66,482	16,621	83,103
Depreciation	23,050	7,683	30,733
Legal and professional	9,340	37,360	46,700
Total operating expenses	4,893,498	504,502	5,398,000