

**THE NATIONAL FEDERATION OF THE BLIND
T/A BLIND FEDERATION OF AMERICA**

FINANCIAL STATEMENTS

DECEMBER 31, 2025

Table of Contents

	Page
Independent Auditor's Report	1-2
Financial Statements	
Statement of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-19

Independent Auditor's Report

To the Board of Directors and Officers of
The National Federation of the Blind T/A Blind Federation of America

Opinion

We have audited the financial statements of The National Federation of the Blind (the "Federation") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Federation as of December 31, 2025, and the changes in its net assets 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 (GAAS). 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 Federation 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 these 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 Federation'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 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 financial statements.

Independent Auditor's Report (Continued)

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

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 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 Federation'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 Federation'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.

March 19, 2026

Frazier & Deeter, LLC

**THE NATIONAL FEDERATION OF THE BLIND
T/A BLIND FEDERATION OF AMERICA
STATEMENT OF FINANCIAL POSITION
December 31, 2025**

ASSETS

Cash and cash equivalents	\$ 5,461,836
Prepaid expenses	568,099
Receivables	1,256,802
Investments	31,926,320
Other investments - life insurance	3,158,885
Property and equipment - net	<u>200,204</u>
TOTAL ASSETS	<u>\$ 42,572,146</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued expenses	\$ 717,910
Deferred revenue	203,340
Accrued annuity benefit	<u>28,130</u>

TOTAL LIABILITIES 949,380

NET ASSETS

Without donor restrictions	35,870,711
With donor restrictions	<u>5,752,055</u>

TOTAL NET ASSETS 41,622,766

TOTAL LIABILITIES AND NET ASSETS \$ 42,572,146

See Accompanying Notes to Financial Statements

**THE NATIONAL FEDERATION OF THE BLIND
T/A BLIND FEDERATION OF AMERICA
STATEMENTS OF ACTIVITIES
For the Year Ended December 31, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Public support			
Contributions	\$ 19,722,958	\$ 404,298	\$ 20,127,256
Donated services	7,787,665	-	7,787,665
Government grants and contract services	1,543,251	-	1,543,251
Net assets released from restrictions	158,072	(158,072)	-
Total public support	29,211,946	246,226	29,458,172
Revenue			
Sales - independence products and publications	346,467	-	346,467
Net investment income	2,949,331	627,605	3,576,936
Total revenue	3,295,798	627,605	3,923,403
TOTAL REVENUES, GAINS AND OTHER SUPPORT	32,507,744	873,831	33,381,575
EXPENSES			
Program services			
Blindness integration	9,937,120	-	9,937,120
Civil rights, advocacy and self-organization	8,896,698	-	8,896,698
Nonvisual access systems	5,819,260	-	5,819,260
Total program services	24,653,078	-	24,653,078
Supporting services			
Management and general	735,576	-	735,576
Fundraising	933,757	-	933,757
Total supporting services	1,669,333	-	1,669,333
TOTAL EXPENSES	26,322,411	-	26,322,411
CHANGES IN NET ASSETS	6,185,333	873,831	7,059,164
NET ASSETS - BEGINNING OF YEAR	29,685,378	4,878,224	34,563,602
NET ASSETS - END OF YEAR	\$ 35,870,711	\$ 5,752,055	\$ 41,622,766

See Accompanying Notes to Financial Statements

**THE NATIONAL FEDERATION OF THE BLIND
T/A BLIND FEDERATION OF AMERICA
STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2025**

	PROGRAM SERVICES				SUPPORTING SERVICES			GRAND TOTAL
	Blindness Integration	Civil Rights, Advocacy and Self- Organization	Nonvisual Access Systems	Total	Management and General	Fundraising	Total	
Volunteer services	\$ 2,074,501	\$ 2,074,501	\$ 1,037,250	\$ 5,186,252	\$ -	\$ -	\$ -	\$ 5,186,252
Salaries	1,410,664	1,776,392	1,619,651	4,806,707	365,728	52,247	417,975	5,224,682
Payroll taxes and related expenses	273,214	344,048	313,691	930,953	70,833	10,120	80,953	1,011,906
Total salaries and related expenses	3,758,379	4,194,941	2,970,592	10,923,912	436,561	62,367	498,928	11,422,840
Supplies	55,759	86,578	450,147	592,484	12,355	320	12,675	605,159
Postage and shipping	501,779	11,353	26,014	539,146	2,161	509,249	511,410	1,050,556
Printing and publications	2,091,684	16,413	3,504	2,111,601	2,106	348,571	350,677	2,462,278
Travel	7,123	312,196	31,657	350,976	9,258	129	9,387	360,363
Conferences and conventions	3,618	609,358	15,200	628,176	3,260	518	3,778	631,954
Professional fees	79,421	2,795,363	583,957	3,458,741	82,682	1,555	84,237	3,542,978
Telephone	2,821	1,930	5,526	10,277	74	563	637	10,914
Occupancy	319,598	249,055	309,354	878,007	32,420	9,196	41,616	919,623
Donated media	2,601,413	-	-	2,601,413	-	-	-	2,601,413
Awards and grants	5,120	236,234	433,310	674,664	-	-	-	674,664
Information technology	367,079	358,650	917,340	1,643,069	26,380	714	27,094	1,670,163
Equipment rental, maintenance and repair	10,921	11,123	13,243	35,287	3,133	177	3,310	38,597
Equipment, Braille and Technology Center	-	-	46,267	46,267	-	-	-	46,267
Data processing	119,256	-	-	119,256	119,256	-	119,256	238,512
Other	-	754	-	754	5,532	-	5,532	6,286
Total expenses before depreciation	9,923,971	8,883,948	5,806,111	24,614,030	735,178	933,359	1,668,537	26,282,567
Depreciation	13,149	12,750	13,149	39,048	398	398	796	39,844
TOTAL EXPENSES	\$ 9,937,120	\$ 8,896,698	\$ 5,819,260	\$ 24,653,078	\$ 735,576	\$ 933,757	\$ 1,669,333	\$ 26,322,411

See Accompanying Notes to Financial Statements

**THE NATIONAL FEDERATION OF THE BLIND
T/A BLIND FEDERATION OF AMERICA
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES	
Changes in net assets	\$ 7,059,164
Adjustments to reconcile changes in net assets to net cash provided by operating activities	
Depreciation	39,844
Unrealized gain on investments	(1,399,961)
Realized gain on investments	(1,016,719)
Decrease (increase) in operating assets:	
Receivables	5,654
Prepaid expenses	446,242
Increase (decrease) in operating liabilities:	
Accounts payable and accrued expenses	(185,408)
Deferred revenue	<u>(39,743)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>4,909,073</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Cash paid for investments	(12,243,940)
Proceeds from the sale of investments	8,283,853
Capital expenditures paid in cash	<u>(81,245)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(4,041,332)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	867,741
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>4,594,095</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 5,461,836</u>

See Accompanying Notes to Financial Statements

**THE NATIONAL FEDERATION OF THE BLIND
T/A BLIND FEDERATION OF AMERICA
NOTES TO FINANCIAL STATEMENTS
December 31, 2025**

NOTE 1 – NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

The National Federation of the Blind T/A Blind Federation of America ("the Federation"), a 501(c)(3) nonprofit corporation headquartered in Baltimore, Maryland, is the leading membership and advocacy organization of blind Americans. It works to bring the lived experience of blind individuals into conformance with the proven, but little understood, fact that blindness is not the characteristic that defines a blind person's identity, capacities, or future. This work is carried out through the following three interrelated program service components, which function in concert with each other:

Blindness Integration: This program service component focuses on broad based interaction with blind persons, their families, business and governmental entities, and members of the general public, utilizing multiple venues, media, and methods and activities which seek to integrate the blind into society on a basis of equality.

Civil Rights, Advocacy, and Self-Organization: This program service component focuses on removal of systemic barriers to integration of blind people through legal advocacy which both protects the rights of the individual blind persons involved in a particular action and advances disability rights case law under the Americans with Disabilities Act and the Rehabilitation Act of 1973; through mentoring, leadership training, technology training, resources and services to blind individuals and local self-advocacy and peer support organizations of blind individuals; and through efforts to eliminate public policies which require eyesight to receive the goods and services offered.

Nonvisual Access Systems: This program service component focuses on activities to create, improve, evaluate, support research, provide training, promote availability and distribution channels relating to all systems and devices which provide blind individuals nonvisual access to information, in order to eliminate lack of access to information as a systemic obstacle to full participation in society by blind individuals.

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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

The Federation's financial statements are prepared on the accrual method of accounting, which recognizes revenues and the related assets when earned, and expenses and the related liabilities when obligations are incurred.

**THE NATIONAL FEDERATION OF THE BLIND
T/A BLIND FEDERATION OF AMERICA
NOTES TO FINANCIAL STATEMENTS
December 31, 2025**

NOTE 1 – NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

The Federation follows the Presentation of Financial Statements for Not-for-Profit Entities topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). This pronouncement sets standards for the financial statement presentation for not-for-profit organizations. The Federation is required to report information regarding its financial position and activities according to two (2) classes of net assets: without donor restrictions and with donor restrictions based on the existence or absence of donor-imposed restrictions. Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. Net assets without donor restriction are net assets available for use in general operations and not subject to donor-imposed restrictions. The governing board can designate, from net assets without donor restrictions, net assets for specific purposes.

Donor restricted net assets include scholarship funds and other funds where the donor has restricted that the income and the corpus be used for scholarships and other specific purposes; and other scholarship funds where the donor has restricted that only the income may be used for the scholarships and the corpus may not be invaded. Donor restricted contributions whose restrictions are met in the same reporting period are reported as revenue within net assets without donor restrictions.

Revenue Recognition

The Federation follows both Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606) and ASU 2018-08, Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958). ASU 2014-09 establishes principles for reporting useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The ASU requires that the Federation recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Federation expects to be entitled in exchange for those goods or services. ASU 2018-08 clarifies and improves guidance for contributions received and contributions made and provides guidance to organizations on how to account for certain exchanged transactions. This guidance is preferable in that it clarifies whether to account for transactions as contributions or as exchanged transactions. In addition, it clarifies whether a contribution is conditional. Contributions should follow the guidance in FASB ASC 958-605, Not-for-Profit Entities—Revenue Recognition, whereas, for exchange transactions, an entity should follow other guidance such as FASB ASC 606, Revenue from Contracts with Customers.

The Federation follows the Revenue Recognition for Not-for-Profit Entities topic of the FASB ASC 958-605. In accordance with this standard, contributions received are recorded as without donor restrictions or with donor restrictions. All contributions are considered to be available without restrictions unless specifically restricted by the donor. Contributions received in advance of donor restrictions being satisfied are included in deferred revenue. The opening balance of deferred revenue as of January 1, 2025 amounted to \$243,083.

**THE NATIONAL FEDERATION OF THE BLIND
T/A BLIND FEDERATION OF AMERICA
NOTES TO FINANCIAL STATEMENTS
December 31, 2025**

NOTE 1 – NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Contract services relate to fee-for-service arrangements. Under these contracts, revenue is measured based on the amount of consideration specified in the contract. Revenue is recognized when performance obligations are satisfied under the terms of the contract, which generally occurs on a straight-line basis over the course of the contract. Government grants include monies received from government agencies in support of specific program activities. The grants serve as reimbursements of program costs incurred by the Federation. Revenue is recognized when there is reasonable assurance that the Federation has complied with the requirements of the grants and receipt of funds is reasonably assured. These contracts and government grants are covered under FASB ASC 606, Revenue from Contracts with Customers, as revenue is recognized over time. The Federation's receivables will generally be collected in less than thirty days in accordance with the underlying payment terms. The receivable balances are included in Note 2.

The Federation sells independence products and publications as a part of its mission to help blind individuals increase their independence and carry out daily activities. Revenue is recognized at the point of sale and is reported net of sales returns and allowances. These sales are covered under FASB ASC 606, Revenue from Contracts with Customers as revenue recognized at a point in time.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Federation considers all highly liquid investments purchased with an original maturity of three (3) months or less to be a cash equivalent.

Financial Credit Risk

The Federation maintains its cash balances at several financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to insured limits. As of December 31, 2025, the Federation's cash balances were in excess of these insured limits. Management believes that the Federation is not exposed to any significant credit risk with respect to its cash balances.

In addition, the Federation generally maintains investment balances in excess of the Securities Investor Protection Corporation (SIPC) limits. The Federation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and those changes could materially affect the value reported in the financial statements.

**THE NATIONAL FEDERATION OF THE BLIND
T/A BLIND FEDERATION OF AMERICA
NOTES TO FINANCIAL STATEMENTS
December 31, 2025**

NOTE 1 – NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

Receivables represent monies due from grantors and other third parties. The Federation recognizes an allowance for losses on receivables in an amount equal to the current expected credit losses. The estimation of the allowance is based on an analysis of historical loss experience and management's assessment of current conditions and reasonable and supportable expectation of future conditions, as well as an assessment of specific identifiable accounts considered at risk or uncollectible. The Federation assesses collectability by pooling receivables where similar characteristics exist and evaluates receivables individually when specific balances no longer share those risk characteristics and are considered at risk or uncollectible. The expense associated with the allowance for expected credit losses is recognized in management and general expenses on the statements of activities. Management believes that all receivables are fully collectible and will continue to be fully collectible and no allowance for credit loss has been recorded.

Past due receivable balances are written off when collection efforts have been unsuccessful in collecting the amounts due. If any recoveries are made from any accounts previously written off, they will be recognized as income in the year of recovery. The total amount of write-offs was immaterial to the financial statements as a whole for the year ended December 31, 2025. The opening balance of receivables at January 1, 2025 amounted to \$1,262,455.

Investments

The Federation's investment portfolio is classified as trading and is reported at its fair value, based on quoted market prices at December 31, 2025. Realized and unrealized holding gains and losses on trading securities with readily determinable market values are included in net investment income (loss) in the statements of activities. Other investments are recorded under the equity or cost methods of accounting, as appropriate, in accordance with Investments – Equity and Joint Ventures Investments topic of the FASB Accounting Standards Codification. When the Federation owns less than a 20% interest and does not exert significant influence over the investment entity, the Federation applies the cost method of accounting. Under the cost method, any dividends received are recognized as investment income and a gain or loss is only reported when the investment is sold. When the Federation has a controlling interest and can exert significant influence, the Federation applies the equity method of accounting. Under the equity method of accounting, the Federation increases these investments for cash contributions and its share of the investee's net income and decreases its investments for cash distributions and its share of the investee's net loss. The fair value of these investments has not been estimated because it is not practicable to estimate fair value on these investments. See Note 4 for a discussion of these other investments and Note 5 for a discussion of fair value measurements.

Included in investments in the statement of financial position are investments that are donor restricted in the amount of \$5,752,055 as of December 31, 2025.

**THE NATIONAL FEDERATION OF THE BLIND
T/A BLIND FEDERATION OF AMERICA
NOTES TO FINANCIAL STATEMENTS
December 31, 2025**

NOTE 1 – NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Investments - Life Insurance

The Federation invests in life insurance policies on members of management. A policy is issued on the insured party, the Federation is the owner and beneficiary of the policy and as such pays all premiums.

Property and Equipment

Property and equipment is recorded at cost, net of accumulated depreciation. Major additions and betterments over \$5,000 are charged to the asset accounts while maintenance and repairs which do not improve or extend the lives of the assets are expensed when incurred. Contributed property is recorded at fair value at the date of donation. Upon the sale or other disposition of assets, the cost and related accumulated depreciation are removed from the respective accounts, and any resulting gain or loss is included in operations. Depreciation expense is calculated using the straight-line method over the estimated useful lives of the respective assets.

Valuation of Long-Lived Assets

The Federation accounts for the valuation of long-lived assets under the Impairment or Disposal of Long-Lived Assets topic of the FASB Accounting Standards Codification. Long-lived assets, such as property and equipment and purchased intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, and evaluated at least annually. Recoverability of assets to be held and used is measured by comparing the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of would be separately presented in the statement of financial position and reported at the lower of the carrying amount or fair value less costs to sell, and are no longer depreciated. The assets and liabilities of a disposed group classified as held for sale would be presented separately in the appropriate asset and liability sections of the statement of financial position. Management believes the value of long-lived assets exceed their carrying value as of December 31, 2025.

Accrued Annuity Benefit

The Federation had established a charitable gift annuity program where donors may contribute assets to the Federation and in return receive a guaranteed fixed income for life. The Federation maintains a segregated investment account to hold reserves required for gift annuity instruments. As of December 31, 2025, the balance in this reserve account amounted to \$215,846 and is adequate to cover the accrued annuity benefit liability. The Federation recognizes contribution revenue for the difference between the fair value of the assets received and the annuity liability. The accrued annuity benefit liability represents monies restricted until the annuity is satisfied.

**THE NATIONAL FEDERATION OF THE BLIND
T/A BLIND FEDERATION OF AMERICA
NOTES TO FINANCIAL STATEMENTS
December 31, 2025**

NOTE 1 – NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued Annuity Benefit (Continued)

Annuity benefit liabilities are recorded for the required life annuity payments at the present value of expected future cash payments discounted using interest rates at the date of gift and actuarial assumptions. The calculation of the liability includes a donor's estimated life expectancy. The annuity obligations are adjusted each year for changes in the life expectancy of the beneficiaries and are reduced as payments are made to the donor. This program has since been discontinued. The accrued annuity benefit liability at December 31, 2025 includes future payments for beneficiaries who entered the program prior to its termination.

Income Taxes

The Federation is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). There were no income taxes paid on unrelated business activities for the year ended December 31, 2025.

Accounting for Uncertainty in Income Taxes

The Federation adopted the Accounting for Uncertainty in Income Taxes standard of the FASB ASC. The standard requires the recognition and measurement of uncertain tax positions taken or expected to be taken by the Federation in the preparation of its tax returns. The Federation determines whether it is more-likely-than-not that a certain tax position will be sustained upon examination by a taxing authority. If an uncertain tax position is less-likely-than-not to be sustained, an estimate of the potential effect is recognized in the financial statements and the uncertain tax position is required to be disclosed. Per the Federation's evaluation as of December 31, 2025, including all prior tax years subject to examination, it was determined that no material adjustments were required in the financial statements for tax positions less-likely-than-not to be sustained upon examination by a taxing authority. The Federation believes it is no longer subject to income tax examinations for years prior to 2022.

Contributed Nonfinancial Assets

The Federation has adopted the Revenue Recognition for Not-for-Profit Entities topic of the FASB ASC in the recognition of contributed nonfinancial assets. Contributed nonfinancial assets includes donated services and media. Donated services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated services and media are recorded as both public support and program services; therefore, there is no effect on the change in net assets.

Donated services consist of volunteer services, primarily for the orientation and adjustment to blindness and blindness advocacy. Volunteer services are recorded on the basis of time spent at rates paid by other organizations for comparable services. The volunteer services revenue for the year ended December 31, 2025 amounted to \$5,186,252 and is included in donated services in the statements of activities, and the expenditure is included in volunteer services in the statements of functional expenses.

**THE NATIONAL FEDERATION OF THE BLIND
T/A BLIND FEDERATION OF AMERICA
NOTES TO FINANCIAL STATEMENTS
December 31, 2025**

NOTE 1 – NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed Nonfinancial Assets (Continued)

The Federation has adopted the Revenue Recognition for Not-for-Profit Entities topic of the FASB ASC in the recognition of donated media. Management employs an independent third party to assist in the valuation of the Federation's exposure to the public through various means including internet, radio, television time and printed materials in publications using the advertising value equivalency metric. The donated media revenue for the year ended December 31, 2025 amounted to \$2,601,413 and is included in donated services in the statements of activities, and the expenditure is included in donated media in the statements of functional expenses.

The Federation operates from the National Center for the Blind which allows free usage of facilities for organizations that serve the blind.

Functional Expense Allocations

The financial statements report certain costs that are attributable either to one or more program functions and / or to one or more program functions in conjunction with one or more supporting functions. Such costs are reported according to their natural expense category and then allocated to the appropriate functional category on a reasonable basis that is consistently applied. Salaries are allocated on the basis of estimates of time and effort; occupancy costs are allocated on the basis of square footage; and other natural costs are allocated on the basis of management identification based on observation and professional evaluation of the direct benefit of the cost to a particular program function or supporting function. If a joint cost is incurred for an activity that includes both informational messages and fundraising appeals, that cost is also evaluated on the basis of the content of the messages, reasons for distributing the messages, and the audience to whom the message is distributed. See Note 9 for the allocation of these joint costs.

Subsequent Events

Events that occurred subsequent to December 31, 2025 have been evaluated by the Federation's management for potential recognition or disclosure in the financial statements through the date of the independent auditor's report, which is the date the financial statements were available to be issued. The Federation did not have any material recognizable subsequent events during this period.

NOTE 2 – RECEIVABLES

Receivables at December 31, 2025 consist of the following:

Contracts receivable	\$ 265,054
Accounts receivable	126,229
Newsline receivable	732,808
Death benefit receivable	51,959
Grants receivable	<u>80,752</u>
Total receivables	<u>\$ 1,256,802</u>

**THE NATIONAL FEDERATION OF THE BLIND
T/A BLIND FEDERATION OF AMERICA
NOTES TO FINANCIAL STATEMENTS
December 31, 2025**

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2025 consists of the following:

Office furniture and equipment	\$ 1,462,724
Computer equipment	<u>497,933</u>
	1,960,657
Less: Accumulated depreciation	<u>(1,760,453)</u>
Property and equipment - net	<u>\$ 200,204</u>

Depreciation expense for the year ended December 31, 2025 amounted to \$39,844.

NOTE 4 – OTHER INVESTMENTS

From time to time the Federation makes program-related investments to further its purpose of integrating the blind into society on the basis of equality. Such investments are made primarily to accomplish the Federation's program purpose rather than to produce income. As a result, changes in investments as a result of the investee's income or loss are reported as program costs in the statements of activities.

The Federation invested \$124,998 in Accessibly, Inc. (Accessibly) to support the development of innovative Artificial Intelligence approaches for accessing information through the Be My Eyes platform. The Federation considers its investment in Accessibly to be a program-related investment to contribute to providing the blind with more meaningful tools to independently access information consistent with the mission of the Federation. The Federation's investment is less than a 20% interest and does not have the ability to exert significant influence, therefore, the investment is accounted for under the cost method of accounting.

The Federation has invested in other investment activities using the cost method of accounting. The balance in these investment activities as of December 31, 2025 amounted to \$258,307. These investments are included in Level 3 of the fair value measurement table (see Note 5). Total other investments that are included in the statement of financial position as Investments as of December 31, 2025 amounted to \$383,305.

NOTE 5 – FAIR VALUE MEASUREMENTS

The Federation accounts for the fair value of its investments under the Fair Value Measurement topic of the FASB ASC, which provides the 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 (3) levels of the fair value hierarchy under this guidance are described as follows:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Federation has the ability to access.

**THE NATIONAL FEDERATION OF THE BLIND
T/A BLIND FEDERATION OF AMERICA
NOTES TO FINANCIAL STATEMENTS
December 31, 2025**

NOTE 5 – FAIR VALUE MEASUREMENTS (Continued)

Level 2

Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; and
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value:

Mutual funds, corporate fixed income, stocks: Valued at the daily closing price as reported by the funds and stocks. All are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV), to transact at that price, and are deemed to be actively traded.

Alternative investments: Consists of mutual funds which are valued at net asset value (NAV) using daily, monthly and quarterly valuations.

Other investments: Valued using the equity and cost methods of accounting.

Investments in life insurance: Valued at accumulated value, net of surrender charges.

Accrued annuity benefits: Valued at the present value of expected future cash payments discounted using the interest rates at the time of the gift and actuarial assumptions.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Federation's management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**THE NATIONAL FEDERATION OF THE BLIND
T/A BLIND FEDERATION OF AMERICA
NOTES TO FINANCIAL STATEMENTS
December 31, 2025**

NOTE 5 – FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, the Federation's assets and liabilities at fair value at December 31, 2025:

<u>Payor Class</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
<u>Assets:</u>				
Mutual funds, corporate fixed income, stocks	\$ 21,769,343	\$ -	\$ -	\$ 21,769,343
Alternative investments	-	9,773,672	-	9,773,672
Other investments	-	-	383,305	383,305
Investments subtotal	21,769,343	9,773,672	383,305	31,926,320
Other investments - life insurance	-	-	3,158,885	3,158,885
Total Assets at Fair Value	<u>\$ 21,769,343</u>	<u>\$ 9,773,672</u>	<u>\$ 3,542,190</u>	<u>\$ 35,085,205</u>
<u>Liabilities:</u>				
Accrued annuity benefits	\$ -	\$ -	\$ 28,130	\$ 28,130

Included in these investments are certain private equities that have unfunded commitments of \$685,013 as of December 31, 2025.

There have been no changes in the methodologies used at December 31, 2025. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The following table sets forth a summary of changes in the fair value of the Federation's level 3 assets and liabilities for the year ended December 31, 2025:

	<u>Level 3 Assets</u>	<u>Level 3 Liabilities</u>
Balance - beginning of year	\$ 3,773,744	\$ 28,130
Net decrease in cash surrender value	(231,554)	-
Balance - end of year	<u>\$ 3,542,190</u>	<u>\$ 28,130</u>

**THE NATIONAL FEDERATION OF THE BLIND
T/A BLIND FEDERATION OF AMERICA
NOTES TO FINANCIAL STATEMENTS
December 31, 2025**

NOTE 5 – FAIR VALUE MEASUREMENTS (Continued)

The Federation's return on investments for the year ended December 31, 2025 consisted of the following components:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Interest and dividends - net	\$ 955,226	\$ 408,439	\$ 1,363,665
Gains on investments:			
Net realized gains	997,007	19,712	1,016,719
Net change in unrealized gains	919,713	199,454	1,119,167
Life insurance - net of premiums	<u>77,385</u>	<u>-</u>	<u>77,385</u>
Net gains on investments	<u>1,994,105</u>	<u>219,166</u>	<u>2,213,271</u>
Total return on investments	<u>\$ 2,949,331</u>	<u>\$ 627,605</u>	<u>\$ 3,576,936</u>

Expenses relating to investment revenue, including custodial fees and investment advisory fees, amounted to \$202,380 for the year ended December 31, 2025 and have been netted with interest and dividends.

NOTE 6 – NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions at December 31, 2025 are as follows:

Board designated funds	\$ 440,846
Investment in property and equipment	200,204
Undesignated	<u>35,229,661</u>
Total net assets without donor restrictions	<u>\$ 35,870,711</u>

Board designated funds consist of financial assets designated specifically by the board of directors of the Federation. The board designated funds consist of funds available to cover the annuity benefit obligations and the SAFE Fund.

**THE NATIONAL FEDERATION OF THE BLIND
T/A BLIND FEDERATION OF AMERICA
NOTES TO FINANCIAL STATEMENTS
December 31, 2025**

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2025 are as follows:

Scholarship funds	\$ 1,561,211
Bolotin award	3,661,751
General funds	<u>529,093</u>
Total net assets with donor restrictions	<u>\$ 5,752,055</u>

NOTE 8 – NET ASSETS RELEASED FROM RESTRICTIONS

During the year, net assets with donor restrictions were released for the following purpose:

Scholarships	\$ 65,651
Other awards	347
Bolotin award	<u>92,074</u>
Net assets released from restrictions	<u>\$ 158,072</u>

NOTE 9 – ALLOCATION OF JOINT COSTS

The Federation incurred joint costs of \$1,681,215 for informational messages and activities that included fundraising appeals. Of those costs, \$857,420 was allocated to fundraising expense and \$823,795 was allocated to blindness integration. Management based these allocations on an analysis of the content of the messages, reasons for distributing the messages and the audience to whom the messages were distributed.

NOTE 10 – RETIREMENT PLAN

The Federation has a qualified 403(b) retirement plan for the benefit of all eligible employees. Eligible employees may make voluntary contributions to the plan not to exceed the Internal Revenue Service limits. The Federation's retirement plan contribution for the year ended December 31, 2025 amounted to \$36,264. This amount is included in payroll and other related expenses in the statements of functional expenses.

**THE NATIONAL FEDERATION OF THE BLIND
T/A BLIND FEDERATION OF AMERICA
NOTES TO FINANCIAL STATEMENTS
December 31, 2025**

NOTE 11 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Federation's financial assets available to meet cash needs for general expenditures within one year of December 31, 2025 are as follows:

Cash and cash equivalents	\$ 5,461,836
Receivables	1,256,802
Investments	31,543,015
Other investments - life insurance	<u>3,158,885</u>
Total financial assets	41,420,538
Donor imposed restrictions	
Scholarships, Bolotin and General funds	<u>(5,752,055)</u>
Financial assets available to meet cash needs for general expenditures within one year (includes board designated funds)	35,668,483
Board designated funds	<u>(440,846)</u>
Financial assets available to meet cash needs for general expenditures within one year (excludes board designated funds)	<u>\$ 35,227,637</u>

As part of the Federation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Federation invests cash in excess of daily requirements in short term investments and has board designated net assets without donor restrictions that could be made available for current operations, if necessary. General expenditures are expenses the Federation expects to disburse for program and supporting services.