Lighthouse of Broward County, Inc.

Financial Statements
For the Year Ended June 30, 2021

Keefe McCullough
CPA's + Trusted Advisors

Lighthouse of Broward County, Inc.

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For the Year Ended June 30, 2021

Table of Contents

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Lighthouse of Broward County, Inc.

We have audited the accompanying financial statements of Lighthouse of Broward County, Inc. (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2021, 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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2020 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated September 4, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Keefe McCullough

KEEFE McCULLOUGH

Fort Lauderdale, Florida
September 10, 2021

Lighthouse of Broward County, Inc.
Statement of Financial Position
June 30, 2021
(with comparative totals for 2020)

		2021		2020
Assets:				
Current assets:				
Cash and cash equivalents	$	1,904,805	$	1,584,618
Contracts and grants receivable		177,464		120,210
Prepaids and other assets		45,383		20,042
Total current assets		2,127,652		1,724,870
Long-term assets:				
Property and equipment, net		591,111		627,444
Investments		6,311,280		5,200,914
Total long-term assets		6,902,391		5,828,358
Total assets	$	9,030,043	$	7,553,228
Liabilities:				
Current liabilities:				
Accounts payable	$	38,131	$	13,232
Accrued liabilities		88,296		80,514
Refundable advances and deferred revenue		650,595		590,376
Total liabilities		777,022		684,122
Net Assets:				
Without donor restrictions:				
Undesignated		1,837,212		1,362,426
Board designated		6,011,280		4,900,914
Total without donor restrictions		7,848,492		6,263,340
With donor restrictions:				
Purpose and time restrictions		104,529		305,766
Perpetual in nature		300,000		300,000
Total with donor restrictions		404,529		605,766
Total net assets		8,253,021		6,869,106
Total liabilities and net assets	$	9,030,043	$	7,553,228

The accompanying notes to the financial statements are an integral part of these statements.

Lighthouse of Broward County, Inc.
Statement of Activities
For the Year Ended June 30, 2021
(with comparative totals for 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
Public Support and Revenues:				
Contract revenue	$ 1,408,572	$ -	$ 1,408,572	$ 1,291,605
Grants and contributions	932,474	165	932,639	824,195
Investment income, net	1,251,826	-	1,251,826	680,887
Special events	74,969	-	74,969	201,112
Program income	114,367	-	114,367	64,252
Total public support and revenues	3,782,208	165	3,782,373	3,062,051
Net assets released from restrictions	201,402	(201,402)	-	-
Total public support, revenues and net assets released from restrictions	3,983,610	(201,237)	3,782,373	3,062,051
Expenses:				
Program services	2,131,234	-	2,131,234	2,081,730
Supporting services:				
Management and general	86,421	-	86,421	89,079
Fundraising	180,803	-	180,803	191,481
Total expenses	2,398,458	-	2,398,458	2,362,290
Change in net assets	1,585,152	(201,237)	1,383,915	699,761
Net Assets, Beginning of year	6,263,340	605,766	6,869,106	6,169,345
Net Assets, End of year	$ 7,848,492	$ 404,529	$ 8,253,021	$ 6,869,106

The accompanying notes to the financial statements are an integral part of these statements.

Lighthouse of Broward County, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2021
(with comparative totals for 2020)

	Program Services							Supporting Services				
	Adult Programs			Youth Programs								
	Vital Living	Working Solutions	WorkForce Enterprises	Teen Life	KIDS Program	Bright Beginnings	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total 2021	Total 2020
Compensation, taxes and fringe benefits	$ 414,383	$ 403,705	$ 380,227	$ 165,990	$ 124,517	$ 183,033	$ 1,671,855	$ 72,896	$ 138,429	$ 211,325	$ 1,883,180	$ 1,797,459
Development	6,634	6,758	12,787	4,429	4,118	4,007	38,733	1,199	24,763	25,962	64,695	105,557
Equipment rental and maintenance	12,499	12,272	13,625	7,536	6,908	6,978	59,818	1,612	2,649	4,261	64,079	62,473
Building occupancy costs	8,558	8,085	57,189	5,303	5,579	5,130	89,844	2,132	2,190	4,322	94,166	104,912
Client services	3,587	889	-	16,611	27,755	2,509	51,351	-	-	-	51,351	54,578
Insurance	9,245	9,245	9,894	7,622	7,160	5,660	48,826	2,506	2,334	4,840	53,666	49,303
Provision for depreciation	12,229	12,229	8,983	6,114	5,553	5,553	50,661	2,307	3,176	5,483	56,144	50,391
Professional fees	8,813	4,744	13,849	5,421	4,039	2,100	38,966	1,686	3,708	5,394	44,360	46,288
Travel and conferences	2,788	3,007	2,087	654	493	604	9,633	136	267	403	10,036	13,110
Organizational development, accreditation and dues	2,953	2,861	3,561	1,893	6,144	2,314	19,726	337	593	930	20,656	29,215
Office expenses	4,876	3,964	7,871	2,246	2,174	2,251	23,382	951	1,786	2,737	26,119	24,796
Miscellaneous	1,452	831	6,422	844	811	740	11,100	659	908	1,567	12,667	14,984
Rehabilitation aids	13,321	4,018	-	-	-	-	17,339	-	-	-	17,339	9,224
Totals	$ 501,338	$ 472,608	$ 516,495	$ 224,663	$ 195,251	$ 220,879	$ 2,131,234	$ 86,421	$ 180,803	$ 267,224	$ 2,398,458	$ 2,362,290

The accompanying notes to the financial statements are an integral part of these statements.

Lighthouse of Broward County, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2021
(with comparative totals for 2020)

	2021	2020
Cash Flows From Operating Activities:		
Change in net assets	$ 1,383,915	$ 699,761
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Provision for depreciation	56,144	50,391
Net realized/unrealized (gain) loss on investments	(1,197,437)	(548,293)
(Increase) decrease in assets:		
Contracts and grants receivable	(57,254)	(8,050)
Prepaids and other assets	(25,341)	8,325
Increase (decrease) in liabilities:		
Accounts payable	24,899	(16,883)
Accrued expenses	7,782	(31,209)
Refundable advances and deferred revenue	60,219	549,407
Net cash provided by (used in) operating activities	252,927	703,449
Cash Flows From Investing Activities:		
Proceeds from sales and maturities of investments	1,311,460	8,322,904
Purchases of property and equipment	(19,811)	(111,634)
Purchases of investments	(1,224,389)	(8,379,930)
Net cash provided by (used in) investing activities	67,260	(168,660)
Net increase (decrease) in cash and cash equivalents	320,187	534,789
Cash and Cash Equivalents, Beginning of year	1,584,618	1,049,829
Cash and Cash Equivalents, End of year	$ 1,904,805	$ 1,584,618
Supplemental Disclosure of Cash Flows Information:		
Cash received from interest and dividends	$ 88,939	$ 157,803

The accompanying notes to the financial statements are an integral part of these statements.

Note 1 - Organization and Operations

Nature of activities: Lighthouse of Broward County, Inc. (the "Organization") is a Florida nonprofit organization serving as the preeminent resource for the visually impaired community of Broward County. The Organization's mission is to provide the leadership, services, advocacy, and resources necessary to enhance the lives of people who are blind and visually impaired in Broward County and empower them to live independent, healthy, employed, and fulfilling lives.

Programs to all age groups are designed as follows:

Adult Programs: Services are provided at the Organization's facility, as well as in the community, for blind or visually impaired individuals over the age of 21 through the *Vital Living* and *Ready to Work* programs. These programs teach skills leading to more independence at home, school, work, or in the community. Services are tailored to meet an individual's needs and can include any combination of the following: instruction for safe indoor/outdoor travel, use of technology including computers and smart phones with accessible software, self-advocacy and resources, activities of daily living (including safe cooking skills, personal grooming, money identification, medication and home management techniques), diabetes management, braille, adjustment to blindness and peer support counseling, and job readiness training. The Organization provided direct services to approximately 420 adults during the year ended June 30, 2021. Additionally, continuing education services were provided to an approximate 1,775 former clients through the Organization's Lifetime Learners program.

In addition, the Organization has expanded its offerings with the launch of its *WorkForce Enterprises* program. The mission of WorkForce Enterprises is to enhance the personal and economic independence of clients by directly providing employment opportunities through the manufacturing and delivery of services. The Organization has long offered exceptional job readiness support, yet this new program will alleviate barriers to job placement success. The WorkForce Enterprise program will create opportunities for people who are blind and visually impaired to become wage earners and taxpayers, reducing their reliance on government support, and increasing engagement with the community.

Youth Programs: *Bright Beginnings* (ages birth - 5) teaches infants and toddlers to learn through structured play therapy and teaches parents how to apply "learning through play" routines as daily activities to help achieve developmental milestones. The Organization served approximately 40 Bright Beginning children and their parents during the year ended June 30, 2021.

KIDS (Keys to Independence) (ages 6 – 13) provides group instruction over the course of the school year, as well as, an 8-week virtual summer camp. Youth learn safe travel, personal care, braille, computers and social skills. The Organization provided over 3,000 hours of instruction to approximately 55 KIDS during the year ended June 30, 2021.

TeenLIFE (Learning Independence From Experience) (ages 14 - 21) provides both group and individual instruction year round. Teens learn to develop vocational goals, work habits, interviewing skills and college expectations. They also work summer jobs, improve computer skills, acquire braille literacy, build social skills, prepare meals and budgets and use public transportation; further strengthening skill sets introduced in younger programming. The Organization provided over 4,900 hours of instruction to approximately 50 teens during the year ended June 30, 2021.

Basis of accounting: The accompanying financial statements have been prepared on the accrual basis of accounting. Using this method, revenues are recognized when earned and expenses are recognized when incurred.

Note 2 - Summary of Significant Accounting Policies

Basis of presentation: The financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Accounting Standards Update (FASB ASU) 2016-14 *Not-for-Profit Entities (Topic 958*): *Presentation of Financial Statements of Not-for-Profit Entities*. Under FASB ASU 2016-14, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets: Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets 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. The governing board has designated, from net assets without donor restrictions, net assets as discussed in Notes 8 and 10.

- *Net Assets With Donor Restrictions*: Net assets subject to donor (or certain grantor) imposed restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor or grantor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other-donor restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service.

Any contribution not specifically restricted by the donor or subject to other legal restrictions is considered available for general use.

Cash and cash equivalents: The Organization considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. The Organization also maintains cash, money markets funds and equivalents with its investment custodian and reports these balances as a component of its investment holdings as they are intended to be used for long-term purposes.

Investments: Investments primarily include mutual funds (equities and fixed income) and money market funds. Investments are stated at their estimated fair value, based on publicly quoted prices and other means. Money market funds are valued at amortized cost, which approximates fair value, with a net asset value of $ 1 per share. Pooled investments represent the ownership of a fund maintained by a community foundation (Note 10). The fund invests primarily in equity, fixed income securities and alternative investments, which are recorded at estimated market value based upon quoted prices in markets for identical assets and/or valuations provided by the external investment managers. Investment gains (losses) (including realized and unrealized gains and losses on investments, interest and dividends) are included in the statement of activities under the caption "Investment income, net."

Note 2 - Summary of Significant Accounting Policies (continued)

Promises to give: Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases in liabilities, or expenses depending on the form of the benefits received. The Organization had no unconditional promises to give as of June 30, 2021. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Consequently, at June 30, 2021, contribution revenue of approximately $ 300,000 has not been recognized in the accompanying statement of activities. This conditional promise to give pertains to the following: a $ 300,000 contribution from a private foundation for the Organization's Ready to Work program.

Receivables and allowance for doubtful accounts: Receivables consist principally of claims not yet reimbursed by the grant/contract agency. Management has determined the receivable balance to be fully collectible at year-end and a provision for uncollectible accounts is not necessary.

Property and equipment: The Organization capitalizes property and equipment in excess of $ 1,000. Property and equipment are stated at cost if purchased or, if donated, at estimated fair value at the date of the donation, less accumulated depreciation. The Organization's policy is to provide for depreciation using the straight-line method over the estimated useful life of each type of asset which is as follows:

Building and improvements	7-39 years
Vehicles	5 years
Furniture and equipment	3-10 years
Sensory garden and parking lot	10-25 years

When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Refundable advances and deferred revenue: Revenues received in advance that are not recognized because the allowable costs as defined by the individual grant or contract have not been incurred, the unit of service has not been provided, and/or the conditions of release have not been substantially met or explicitly waived are considered refundable advances. In addition, revenues received in advance from special events and other program income that are considered exchange transactions are deferred to the applicable period.

Revenue and revenue recognition: The Organization recognizes grants and contributions when cash, securities, other assets, an unconditional promise to give, or notification of a 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 substantially met or explicitly waived.

Contract revenue is generally billed monthly and is derived from units of service contracts. Amounts received are recognized as revenue when the unit of service has been provided in compliance with the specific contract. Also, any revenue derived from cost-reimbursement contracts, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses, is recognized when such expenditures are incurred in compliance with specific contract provisions.

Amounts received prior to meeting certain conditions, including measurable performance or other barrier, providing the unit of service, and/or incurring qualifying expenditures in compliance with the specific grant or contract are reported as a liability, refundable advances, in the statement of financial position.

Note 2 - Summary of Significant Accounting Policies (continued)

Revenues from special events that are considered exchange transactions are not recognized until the special event takes place. Other programs income from products and services are recognized as income when the performance obligation of transferring the products and providing the services are met. Amounts received in advance are deferred to the applicable period.

Grant income - Paycheck Protection Program: In accordance with the guidance of the AICPA, in Q&A Section 3200, the Organization has the option to report the proceeds of this forgivable loan program under FASB *Accounting Standards Codification (ASC) 470, Debt* or it can analogize the guidance of FASB *Accounting Standards Codification (ASC) 958-605, Revenue Recognition*, and account for the funds as a conditional government grant. The Organization's management has elected to account for the funds in accordance with ASC 958-605. Under this method the loan proceeds (Note 16) were recorded as a refundable advance in the statement of financial position when it was received and recognized as revenue as the conditions attached to the assistance are met and costs for which the grant intended to compensate are incurred. For the fiscal year ending June 30, 2021, the Organization recognized approximately $ 171,000 in revenues ($ 137,000 during 2020); included with grants and contributions in the statement of activities.

Contributed goods and services: Contributed services are reported as contributions at their estimated fair value if such services create or enhance non-financial assets, would have been purchased if not provided by contribution, require specialized skills and are provided by individuals possessing such specialized skills. Contributed goods are recorded at their estimated fair market value when received.

Functional expenses: The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by functions. Expenses that can be directly identified with a program or supporting service are charged accordingly. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses include compensation, taxes and fringe benefits, professional fees, building occupancy costs, provision for depreciation and others, are allocated on the basis of estimates of time and effort, square footage, and other methods as determined by management.

Income taxes: The Organization qualifies as a non-profit corporation exempt from federal income taxes under Internal Revenue Code Section 501(c)(3), with the exception of any unrelated business income. Management has evaluated the unrelated business income tax implications and believes that the effects, if any, are immaterial to the Organization's financial statements. Accordingly, no provision for income taxes has been made to these financial statements.

Concentration of credit risk: Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, investments, and receivables. The concentration of credit risk with respect to receivables is primarily due to the economic dependency in federal, state, and other agencies (as applicable) and the ability to obtain authorization, process and collect balances timely. The Organization has cash in financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC"), subject to applicable limits. At various times throughout the year, the Organization may have cash balances at financial institutions that exceed the insured amount. Investments are held in brokerage accounts protected by the Securities Investor Protection Corporation ("SIPC") in the event of broker-dealer failure, subject to applicable limits. The SIPC insurance does not protect against market losses on investments. The Organization has an investment policy and utilizes management oversight, and periodically reviews its investments portfolios to monitor these risks. Deposit and investment accounts are maintained with what management believes to be quality financial institutions.

Note 2 - Summary of Significant Accounting Policies (continued)

Use of estimates: The Organization makes estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Comparative financial information: The financial statements include summarized comparative information in total from the prior year, which is not presented by net asset type and functional expense classification and does not include sufficient detail to conform with accounting principles generally accepted in the United States of America (GAAP). This information should be read in conjunction with the Organization's audited financial statements for the year ended June 30, 2020, from which the comparative information was derived.

Date of management review: Subsequent events were evaluated by management through September 10, 2021, which is the date the financial statements were available to be issued.

Note 3 - Liquidity and Availability of Financial Assets

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Financial Assets:	
Cash and cash equivalents	$ 1,904,805
Contracts and grants receivable	177,464
Investments	6,311,280
Financial Assets, at year-end	8,393,549
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Purpose and time restrictions by donor	(104,529)
Perpetual restrictions by donor	(300,000)
Board designations (1):	
Operating activities	(6,011,280)
Financial assets available to meet cash needs for general expenditures within one year	$ 1,977,740

(1) The spending policies of board designated endowments is discussed in Note 10.

Note 4 - Contracts and Grants Receivable

As of June 30, 2021 contracts and grants receivable consist of the following:

Florida Department of Education, Division of Blind Services	$	146,766
Florida Association of Agencies Serving the Blind		20,056
Others		10,642
	$	177,464

Note 5 - Property and Equipment

Property and equipment consisted of the following at June 30, 2021:

Building and improvements	$	947,641
Sensory garden and parking lot		128,136
Furniture and equipment		104,157
Vehicles		86,308
		1,266,242
Less: accumulated depreciation		(854,020)
		412,222
Land		178,889
	$	591,111

Note 6 - Investments

Investments are presented in the financial statements at their estimated fair market values and consist of the following at June 30, 2021:

Mutual funds (equities and fixed income)	$	6,153,770
Cash and money market funds		120,992
Pooled investments		36,518
Total	$	6,311,280

Investment income, net, relative to these investments held and sold during the year, and other equivalents, is comprised of:

Net realized and unrealized gain	$	1,197,437
Interest and dividends		88,939
Fees and other		(34,550)
Total	$	1,251,826

Note 7 - Fair Value Measurements

In accordance with the Financial Accounting Standards Board in its Accounting Standard Codification (ASC) No. 820, *Fair Value Measurement and Disclosures,* the Organization provides certain disclosures based on 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 measurements involving significant unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical investments that the Organization has the ability to access at the measurement date.

- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the investments, either directly or indirectly. (e.g. quoted prices in active markets for similar securities, valuations based on commonly quoted benchmarks, interest rates and yield curves, and/or securities indices.)

- Level 3 inputs are unobservable inputs for the investments. (e.g. information about assumptions, including risk, market participants would use in pricing a security.)

The level in the fair value hierarchy within which a fair measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The inputs or methodology used for valuing securities is not necessarily an indicator of risk associated with investing in those securities.

The following table represents the fair value of the investments as held by the Organization at June 30, 2021:

Description	Level 1	Level 2	Total
Mutual funds	$ 6,153,770	$ -	$ 6,153,770
Cash and money market funds	-	120,992	120,992
Pooled investments	-	36,518	36,518
Total	$ 6,153,770	$ 157,510	$ 6,311,280

Note 8 - Net Assets Without Donor Restrictions - Board Designated (Note 10)

The Board has designated net assets without donor restrictions to be set-aside for the benefit and long-term sustainability of the Organization. As of June 30, 2021, board designations totaled $ 6,011,280.

Note 9 - Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or period as of June 30, 2021:

Subject to expenditure for specified purpose:		
Children's programs	$	92,248
Alumni and teachers		11,031
Adult programs		1,250
		104,529
Endowments (Note 10):		
Required to be held in perpetuity by donor for specified purpose:		
Capital improvements		200,000
KIDS Program		100,000
		300,000
Total	$	404,529

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows:

Satisfaction of purpose and time restrictions:		
WorkForce Enterprises program	$	129,452
COVID-19 relief		40,038
Children's programs		21,912
Other programs		10,000
Total	$	201,402

Note 10 - Endowment Funds

The Board of Directors of the Organization previously adopted a fiscal policy which established an endowment fund (the "Endowment Fund") to serve as a focal point for fund raising efforts and a building fund to provide funding for capital improvements or any building related cost; to provide income for the benefit and long-term sustainability of the Organization. Unless otherwise designated by the donor, a two-thirds vote of the Board of Directors, or to provide for a reserve fund, it is the intent that all bequests be deposited into the Endowment Fund. The balance of the Endowment Fund shall not be permitted to drop below $ 500,000.

As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Since the Endowment Fund, with the exception of $ 300,000, resulted from an internal designation and is not donor-restricted, it is classified and reported as net assets without donor restrictions. Net assets that are perpetual in nature as of June 30, 2021 consist of a $ 100,000 endowment fund established to support KIDS Program and a $ 200,000 endowment fund to support the Organization's infrastructure needs. The original principal of the gifts are to be held and invested by the Organization indefinitely and net investment earnings from the funds is to support the programs benefitted.

Note 10 - Endowment Funds (continued)

Interpretation of relevant law: Previously, the State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA"). The investment policies adopted by the Organization are designed to comply with FUPMIFA. The executive committee of the Organization has the responsibility of monitoring investment activities and the performance of any investment advisors selected by the Organization. In carrying out their duties, the executive committee intent is to act in accordance with FUPMIFA.

Spending policy: The Endowment Fund spending policy allows for distribution of up to 5% of the previous twelve quarters moving average market value of its portfolio. Any amount over the 5% requires board approval; or the executive committee in the event of a fiscal emergency and under certain circumstances.

Objectives: The Organization has adopted investment policies that attempt to maximize long-term growth of capital and stability of returns. It is expected that the asset value of the funds, exclusive of contributions or withdrawals, should grow in the long run and earn through a combination of investment income and capital appreciation a rate of return in excess of a balanced market index while incurring less risk than such index. Endowment Fund assets are invested in a diversified asset mix, which includes money markets funds and mutual funds (equities and fixed income).

Community Foundation of Broward, Inc.: The Organization previously established an endowment fund with the Community Foundation of Broward, Inc. for the benefit of the Organization. This fund is governed by an agreement with the Community Foundation of Broward, Inc. which provides parameters for the managing, investing, and distribution of the endowment fund. Distributions from this fund can be received by the Organization upon written request and authorization from three-quarters vote of its Board of Directors.

Changes in endowment net assets as of June 30, 2021:

	Without Donor Restrictions (Note 8)	With Donor Restrictions (Note 9)	Total
Endowment net assets, beginning of year	$ 4,900,914	$ 300,000	$ 5,200,914
Contributions	-	-	-
Interest and dividends	88,056	-	88,056
Fees and other	(34,550)	-	(34,550)
Net realized and unrealized gain	1,197,437	-	1,197,437
Appropriation of endowment assets for expenditures (distributions), net	(140,577)	-	(140,577)
Endowment net assets, end of year	$ 6,011,280	$ 300,000	$ 6,311,280

Note 10 - Endowment Funds (continued)

Endowment net assets are comprised of the following:

Endowment Fund, including $ 300,000 held in perpetuity	$	6,274,762
Community Foundation of Broward, Inc.		36,518
	$	6,311,280

Note 11 - Line of Credit

The Organization has an $ 110,000 revolving line of credit with a bank for working capital needs. Interest is payable monthly at the published prime rate, plus 1.00% (4.25% as June 30, 2021). Any outstanding balance is payable on demand. This line of credit is secured by all investments of the Organization as describes in the commercial security agreement. The line automatically renews for annual terms in September each year. As of June 30, 2021, there was no outstanding balance. Subsequent to year end, the Organization did not renew this line of credit.

In January 2021, the Organization acquired a $ 750,000 flexible line of credit for general liquidity purposes. Interest is payable monthly at LIBOR plus a spread determined by the bank (2.48 % as of June 30, 2021). Any outstanding balance is payable on demand. As described in the loan management account agreement, this line of credit is secured by a certain investment account amounting to approximately $ 5.9 million at year end. As of June 30, 2021, there was no outstanding balance.

Note 12 - Employee Benefit Plan

The Organization, through a professional employer organization, offers all employees a tax sheltered annuity under Internal Revenue Code Section 403(b) (the "Plan"). For 2021, the maximum amount of elective deferrals the employee may make to the Plan is $ 19,500 ($ 26,000 if over age 50). No contributions to the Plan are required of the Organization.

Note 13 - Contract Funding

The Organization receives financial assistance from state and local agencies in the form of grants and contracts. The disbursement of funds received under these programs generally requires compliance with terms and conditions specific in the grant/contract agreements and may be subjected to audit by the grantor agencies. As a result of such audits, the grantor may require that amounts be returned. In the opinion of management, all grant and contract expenditures are in compliance with the terms of the agreements and applicable laws and regulations. The Organization has been determined to be a vendor by the State of Florida and therefore is not considered a sub-recipient of federal or state funds under its contracts with the State of Florida, Department of Education, Division of Blind Services and the Florida Association of Agencies Serving the Blind.

Note 13 - Contract Funding (continued)

For the year ended June 30, 2021, contract revenue not subject to the single audit requirements, was comprised of the following:

Program	Contract Number	Amount
State of Florida, Department of Education, Division of Blind Services:		
Pre-Employment Transition, Vocational Rehabilitation and Transition	18-542 & 21-542	$ 805,625
Independent Living Older Blind	21-528	264,992
Children's Program*	20-585 & 21-585	124,059
Blind Babies	21-513	111,032
Keys to Independence	1920-02-26-01	57,206
Independent Living Adult	21-572	45,658
		$ 1,408,572

*Passed through Florida Association of Agencies Serving the Blind.

Note 14 - Commitments

Lease agreements: The Organization currently leases office equipment requiring monthly installments of approximately $ 1,700, plus certain excess usage charges, until May 2023. Additionally, the Organization has a lease agreement for warehouse and office space in connection with the WorkForce Enterprises program. The lease currently requires monthly installments of approximately $ 3,300 (with 4% annual increases), plus annual "common area maintenance" fees, through June 2022. Total expense in connection with these agreements, including other expired agreements, amounted to approximately $ 57,200 for the year ended June 30, 2021.

The following is a schedule of approximate future base minimum lease payments relating to these leases:

Year Ending June 30,	Amount
2022	$ 58,000
2023	$ 18,300
Thereafter	$ NONE

Note 15 - Risk and Uncertainties

The coronavirus (COVID-19) outbreak has caused disruption in international and U.S. economies and markets. The coronavirus and fear of further spread has caused quarantines, cancellation of events, and overall reduction in business and economic activity. On March 11, 2020, the World Health Organization designated the coronavirus outbreak a pandemic.

Note 15 - Risk and Uncertainties (continued)

Management and the Board of Directors continue to evaluate and monitor the potential adverse effect that this event may have on the Organization's financial position, operations and cash flows. The full impact of COVID-19 is unknown at this time and cannot be reasonably estimated as these events are still developing.

Note 16 - Paycheck Protection Program

In April 2020, the Organization executed a promissory note for approximately $ 308,000 under the Paycheck Protection Program ("PPP") as authorized by the Coronavirus, Aid, Relief, and Economic Security Act (the "CARES Act"). Under the PPP, loan funds are eligible for forgiveness to the extent that they are used to cover certain payroll, rent, and utility costs and if the Organization maintains certain employment levels during a specified period of time. If the Small Business Administration ("SBA") confirms full forgiveness of the unpaid balance of the note, the Organization's obligation under this arrangement will be deemed fully satisfied and paid in full. During the fiscal year, the Organization received notification of full forgiveness.