Lighthouse of Broward County, Inc.

Financial Statements
For the Year Ended June 30, 2024

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For the Year Ended June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Lighthouse of Broward County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, 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 financial statements referred to above present fairly, in all material respects, the financial position of Lighthouse of Broward County, Inc. as of June 30, 2024, 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. 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 Lighthouse of Broward County, 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 Lighthouse of Broward County, 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 Lighthouse of Broward County, 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lighthouse of Broward County, 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.

Prior Year Summarized Comparative Information

The financial statements of Lighthouse of Broward County, Inc. as of June 30, 2023, were audited by other auditors whose report, dated September 11, 2023, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Citrin Cooperman & Company, LLP

Fort Lauderdale, Florida
November 12, 2024

Lighthouse of Broward County, Inc.
Statement of Financial Position
June 30, 2024
(with comparative totals for 2023)

	2024	2023
Assets:		
Current assets:		
Cash	$ 1,481,723	$ 993,844
Contracts and grants receivable	221,678	120,177
Prepaids and other assets	90,172	284,158
Total current assets	1,793,573	1,398,179
Long-term assets:		
Property and equipment, net	6,266,091	39,987
Investments	15,577,594	20,943,085
Total long-term assets	21,843,685	20,983,072
Total assets	$ 23,637,258	$ 22,381,251
Liabilities:		
Current liabilities:		
Accounts payable	$ 61,891	$ 23,720
Accrued liabilities	122,245	113,080
Refundable advances and deferred revenue	345,544	284,996
Total liabilities	529,680	421,796
Net Assets:		
Without donor restrictions:		
Undesignated	7,521,401	1,003,089
Board designated	15,277,594	20,643,085
Total without donor restrictions	22,798,995	21,646,174
With donor restrictions:		
Purpose and time restrictions	8,583	13,281
Perpetual in nature	300,000	300,000
Total with donor restrictions	308,583	313,281
Total net assets	23,107,578	21,959,455
Total liabilities and net assets	$ 23,637,258	$ 22,381,251

See accompanying notes to the financial statements.

Lighthouse of Broward County, Inc.
Statement of Activities
For the Year Ended June 30, 2024
(with comparative totals for 2023)

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
Public Support and Revenues:				
Contract revenue	$ 1,684,229	$ -	$ 1,684,229	$ 1,439,572
Grants and contributions	1,570,200	-	1,570,200	2,833,409
Contributions of nonfinancial assets	287,303	-	287,303	118,916
Investment income, net	1,102,311	-	1,102,311	710,942
Special events, net of direct costs of $68,498 at June 30, 2024 and $64,534 at June 30, 2023	222,376	-	222,376	177,844
Other program income	46,365	-	46,365	52,940
Total public support and revenues	4,912,784	-	4,912,784	5,333,623
Net assets released from restrictions	4,698	(4,698)	-	-
Total public support, revenues and net assets released from restrictions	4,917,482	(4,698)	4,912,784	5,333,623
Expenses:				
Program services	3,308,593	-	3,308,593	2,550,724
Supporting services:				
Management and general	122,130	-	122,130	139,349
Fundraising	333,938	-	333,938	227,893
Total expenses	3,764,661	-	3,764,661	2,917,966
Other Nonoperating Income:				
Gain on sale of property and equipment	-	-	-	12,069,401
Change in net assets	1,152,821	(4,698)	1,148,123	14,485,058
Net Assets, Beginning of year	21,646,174	313,281	21,959,455	7,474,397
Net Assets, End of year	$ 22,798,995	$ 308,583	$ 23,107,578	$ 21,959,455

See accompanying notes to the financial statements.

Lighthouse of Broward County, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2024
(with comparative totals for 2023)

	Program Services							Supporting Services				
	Adult Programs			Youth Programs								
	Vital Living	Working Solutions	WorkForce/ Ready to Work	Teen Life	KIDS Program	Bright Beginnings	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total 2024	Total 2023
Compensation, taxes and fringe benefits	$ 760,945	$ 531,525	$ 191,316	$ 214,150	$ 201,749	$ 223,057	$ 2,122,742	$ 86,797	$ 272,883	$ 359,680	$ 2,482,422	$ 2,152,835
Development (includes $1,675 of in-kind)	76,879	53,815	20,501	23,064	23,064	23,064	220,387	7,688	28,189	35,877	256,264	126,478
Equipment rental and maintenance	21,732	15,212	5,795	6,520	6,520	6,520	62,299	2,172	7,968	10,140	72,439	62,544
Building occupancy costs (includes $235,628 of in-kind)	123,967	86,777	33,058	37,190	37,190	37,190	355,372	12,397	45,455	57,852	413,224	176,965
Client services	1,848	1,375	41,562	42,893	55,229	4,018	146,925	-	-	-	146,925	117,714
Insurance	30,321	21,225	8,086	9,096	9,096	9,096	86,920	3,033	11,118	14,151	101,071	66,909
Provision for depreciation	32,813	22,969	8,750	9,844	9,844	9,844	94,064	3,281	12,031	15,312	109,376	44,475
Professional fees	9,787	6,851	2,610	2,936	2,936	2,936	28,056	978	3,589	4,567	32,623	34,510
Travel and conferences	5,465	3,826	1,457	1,640	1,640	1,640	15,668	546	2,004	2,550	18,218	19,469
Organizational development, accreditation and dues	21,073	14,751	5,619	6,322	6,322	6,322	60,409	2,107	7,727	9,834	70,243	72,177
Office expenses	13,276	9,293	3,540	3,983	3,983	3,983	38,058	1,329	4,868	6,197	44,255	38,441
Miscellaneous	18,010	12,607	4,803	5,400	5,403	5,403	51,626	1,802	6,604	8,406	60,032	26,308
Rehabilitation aids	20,916	5,151	-	-	-	-	26,067	-	-	-	26,067	43,675
Total expenses	1,137,032	785,377	327,097	363,038	362,976	333,073	3,308,593	122,130	402,436	524,566	3,833,159	2,982,500
Less expenses included with public support and revenues on the statement of activities:												
Cost of direct benefit to donors	-	-	-	-	-	-	-	-	(68,498)	(68,498)	(68,498)	(64,534)
Total expenses included in the expense section of the statement of activities	$ 1,137,032	$ 785,377	$ 327,097	$ 363,038	$ 362,976	$ 333,073	$ 3,308,593	$ 122,130	$ 333,938	$ 456,068	$ 3,764,661	$ 2,917,966

See accompanying notes to the financial statements.

Lighthouse of Broward County, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2024
(with comparative totals for 2023)

	2024	2023
Cash Flows From Operating Activities:		
Change in net assets	$ 1,148,123	$ 14,485,058
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Provision for depreciation	109,376	44,475
Net realized/unrealized gain on investments	(518,775)	(594,162)
Contributions of nonfinancial assets	(50,000)	-
Gain on sale of property and equipment	-	(12,069,401)
(Increase) decrease in assets:		
Contracts and grants receivable	(101,501)	42,911
Prepaids and other assets	193,986	(236,029)
Increase (decrease) in liabilities:		
Accounts payable	38,171	(9,262)
Accrued liabilities	9,165	8,234
Refundable advances and deferred revenue	60,548	(286,373)
Net cash provided by operating activities	889,093	1,385,451
Cash Flows From Investing Activities:		
Proceeds from sales and maturities of investments	15,469,342	4,687,895
Proceeds from the sale of property and equipment, net	-	12,539,211
Purchases of property and equipment	(6,285,480)	-
Purchases of investments	(9,585,076)	(19,623,875)
Net cash used in investing activities	(401,214)	(2,396,769)
Net increase (decrease) in cash	487,879	(1,011,318)
Cash, Beginning of year	993,844	2,005,162
Cash, End of year	$ 1,481,723	$ 993,844
Supplemental Disclosures of Cash Flows Information:		
Cash received from interest and dividend	$ 803,223	$ 150,273

See accompanying notes to the financial statements.

Note 1 - Organization and Operations

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 be the leader in Broward County that provides leadership, services, advocacy, and the resources necessary to enhance the lives of people who are blind and visually impaired.

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 Working Solutions 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 estimated that it provided direct services to approximately 660 adults during the year ended June 30, 2024. Additionally, the Organization estimated that continuing education services were provided to approximate 1,900 former clients through the Organization's Lifetime Learners program.

In addition, the Organization services include the WorkForce Enterprises/Ready to Work program. The mission of WorkForce Enterprises/Ready to Work is to enhance the personal and economic independence of clients by directly providing employment opportunities through the delivery of services and innovative apprenticeship and job placement opportunities. The WorkForce Enterprise/Ready to Work program created 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 estimated that it served approximately 35 Bright Beginning children and their parents during the year ended June 30, 2024.

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 estimated that it provided over 3,730 hours of instruction to approximately 60 KIDS participants during the year ended June 30, 2024.

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 estimated that it provided over 6,000 hours of instruction to approximately 65 teens during the year ended June 30, 2024.

Note 2 - Summary of Significant Accounting Policies

Basis of accounting: The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Note 2 - Summary of Significant Accounting Policies (continued)

Basis of presentation: The financial statement presentation follows U.S. GAAP which requires the Organization 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.

Generally, 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 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), fixed income securities (government and agency securities, and corporate bonds), and money market mutual funds. Investments are stated at their estimated fair value, based on publicly quoted prices and other means. Money market mutual funds are valued at fair value, $ 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. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The Organization had no material unconditional or conditional promises to give as of June 30, 2024.

Receivables and allowance for doubtful accounts: Receivables consist principally of claims not yet reimbursed by the grant/contract agency. The Organization estimates its allowances for credit losses based on relevant information available from internal and external sources, past experience, current market conditions, as well as reasonable and supportable forecasts. Historical credit loss experience provides the basis for the estimation of expected credit losses. The Organization will assess the risk of credit losses by determining collectability based on pooling assets with similar risk characteristics. Management has concluded that the expected credit loss as of June 30, 2024, was immaterial. In addition, management considers receivables from state and other governmental agencies to have zero expected loss factors. Uncollectable accounts are written off when all collection efforts have been exhausted.

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	39 years
Furniture and equipment	3-10 years
Vehicles	5 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 and/or deferred revenue, as applicable. 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 accordance 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 accordance 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 and deferred revenue, 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 program income from products and services is 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. Deferred revenue at June 30, 2024 and 2023, was $ 70,276 and $ 62,000, respectively.

Contributed goods and services (nonfinancial assets): 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, including rent, 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 may include compensation, taxes and fringe benefits, professional fees, building occupancy costs, provision for depreciation and others, which 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 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. Receivable balances are unsecured. The Organization has cash, which may include certificates of deposits, 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 had 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. Deposit and investment accounts are maintained with what management believes to be quality financial institutions.

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 prior year summarized comparative information in total but not by net asset class and functional expense classification. Such information does not include sufficient detail to conform with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Note 2 - Summary of Significant Accounting Policies (continued)

Reclassifications: Prior year financial statement amounts have been reclassified to conform to current period presentation. Total net assets and change in net assets are unchanged due to these reclassifications.

Recently Adopted Accounting Standards: In June 2016, FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326)* ("ASC 326"). Along with subsequently issued related ASUs, ASC 326 requires financial assets (or groups of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected, among other provisions. ASC 326 eliminates the probable initial threshold for recognition of credit losses for financial assets recorded at amortized cost, which could result in earlier recognition of credit losses. It utilizes a lifetime expected credit loss measurement model for the recognition of credit losses at the time the financial asset is originated or acquired. The Organization's financial instruments include accounts receivable. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The Organization adopted ASC 326 using the modified retrospective method at July 1, 2023 and it did not have a material impact on the financial statements.

Date of management review: Subsequent events were evaluated by management through November 12, 2024, 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	$	1,481,723
Contracts and grants receivable		221,678
Investments		15,577,594
Financial Assets, at year-end		17,280,995
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Purpose and time restrictions by donor		(8,583)
Perpetual restrictions by donor		(300,000)
Board designations (1):		
Operating activities		(15,277,594)
Financial assets available to meet cash needs for general expenditures within one year, and to pay current liabilities as they become due	$	1,694,818

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

Note 4 - Contracts and Grants Receivable

As of June 30, 2024, contracts and grants receivable consist of the following:

Florida Department of Education, Division of Blind Services	$	169,850
Florida Agencies Serving the Blind		49,654
Others		2,174
	$	221,678

Note 5 - Property and Equipment

Property and equipment consisted of the following at June 30, 2024:

Building and improvements	$	4,673,660
Furniture and equipment		105,777
Vehicles		86,308
		4,865,745
Less: accumulated depreciation		(261,474)
		4,604,271
Land		1,557,887
Construction in process		103,933
	$	6,266,091

Depreciation expense amounted to approximately $109,000 for the year ended June 30, 2024.

Note 6 - Investments

Investments are presented in the financial statements at their estimated fair market value and consist of the following at June 30, 2024:

Mutual funds:		
Equities	$	3,758,745
Fixed income		2,318,476
		6,077,221
Fixed income:		
Government and agency securities		3,756,118
Corporate bonds		1,732,814
		5,488,932
Bank deposits		3,770,986
Money market mutual funds		203,595
Pooled investments		36,860
Total	$	15,577,594

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

Net realized and unrealized gain	$	518,775
Interest and dividends		629,068
Fees and other		(45,532)
Total	$	1,102,311

Note 7 - Fair Value Measurements

In accordance U.S. GAAP, 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, 2024:

Description	Level 1	Level 2	Total
Mutual funds	$ 6,077,221	$ -	$ 6,077,221
Fixed income	5,488,932	-	5,488,932
Money market mutual funds	203,595	-	203,595
Pooled investments (Note 10)	-	36,860	36,860
Subtotal	$ 11,769,748	$ 36,860	11,806,608
Bank deposits			3,770,986
Total			$ 15,577,594

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, 2024, board designations totaled $15,277,594.

Note 9 - Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or period as of June 30, 2024:

Subject to expenditure for specified purpose:		
Alumni and teachers	$	6,088
Adult programs		1,250
Children's programs		1,245
		8,583
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	$	308,583

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:		
Alumni and teachers	$	4,698

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 to provide funding for capital improvements or any building related cost; and 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 U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. 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, 2024, 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 is 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 primarily invested in a diversified asset mix, which includes fixed income (government agency securities and corporate bonds), bank deposits and money market mutual funds, and other 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, 2024:

	Without Donor Restrictions (Note 8)	With Donor Restrictions (Note 9)	Total
Endowment net assets, beginning of year	$ 20,643,085	$ 300,000	$ 20,943,085
Contributions and other deposits	5,026	-	5,026
Interest and dividends	621,085	7,983	629,068
Distributions	(6,452,625)	(20,203)	(6,472,828)
Fees and other	(43,597)	(1,935)	(45,532)
Net realized and unrealized gain	504,620	14,155	518,775
Endowment net assets, end of year	$ 15,277,594	$ 300,000	$ 15,577,594

Endowment net assets (Note 8) are comprised of the following:

Endowment Fund, including $ 300,000 held in perpetuity	$ 15,540,734
Community Foundation of Broward, Inc.	36,860
	$ 15,577,594

Note 11 - Line of Credit

The Organization has a $750,000 flexible line of credit for general liquidity purposes. Interest is payable monthly at the Secured Overnight Financing Rate (“SOFR”) plus a spread determined by the financial institution (6.83% as of June 30, 2024). 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 $6.05 million at year end. As of June 30, 2024, 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”). Eligible participants are permitted to contribute to the plan via salary deferrals and are limited only by certain provisions of the Internal Revenue Code. The Organization provides a 100% match up to 3% of the employees’ eligible earnings. The total Plan expense to the Organization amounted to approximately $ 42,300 for the year ended June 30, 2024.

Note 13 - Contract Funding

The Organization receives awards 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.

For the year ended June 30, 2024, contract revenue 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 Services	21-542 and 24-542	$	969,624
Independent Living, Older Blind	24-528		286,650
Children's Program*	24-585-11		279,219
Blind Babies Program	24-513		104,363
Independent Living, Adult	24-572		44,373
		$	1,684,229

*Passed through Florida Agencies Serving the Blind.