

Lighthouse of Southwest Florida, Inc.
Financial Statements
Year Ended September 30, 2024

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INTEGRITY.....KNOWLEDGE.....SERVICE.....COMMITMENT®

Independent Auditor's Report

To the Board of Directors
Lighthouse of Southwest Florida, Inc.
North Fort Myers, Florida

Opinion

We have audited the accompanying financial statements of Lighthouse of Southwest Florida, Inc. (a non-profit corporation), which comprise the statement of financial position as of September 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 Southwest Florida, Inc. as of September 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 Southwest Florida, 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 Southwest Florida, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Affiliation

Florida Institute of Certified Public Accountants
American Institute of Certified Public Accountants

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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, including omissions, 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 Southwest Florida, 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 Southwest Florida, 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.


Stroemer & Company, LLC
Fort Myers, Florida
March 11, 2025

Lighthouse of Southwest Florida, Inc.
Statement of Financial Position
September 30, 2024

| | |
|---|----------------------------|
| Assets | |
| Cash and cash equivalents | \$ 132,756 |
| Investments - unrestricted | 642,768 |
| Investments - restricted | 245,061 |
| Grants receivable | 194,894 |
| Inventory | 20,399 |
| Prepaid expenses | 59,267 |
| Property and equipment, net | 319,947 |
| Total assets | <u>\$ 1,615,092</u> |
| Liabilities and net assets | |
| Liabilities | |
| Accounts payable and accrued expenses | \$ 92,057 |
| Accrued compensated absences | 10,297 |
| Total liabilities | <u>102,354</u> |
| Net assets | |
| Without donor restrictions | 1,271,973 |
| With donor restrictions | 240,765 |
| Total net assets | <u>1,512,738</u> |
| Total liabilities and net assets | <u>\$ 1,615,092</u> |

The accompanying notes are an integral part of this statement.

Lighthouse of Southwest Florida, Inc.
Statement of Activities
For the Year Ended September 30, 2024

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---|---|------------------------------------|------------------|
| Support and revenue | | | |
| Division of blind services | \$ 588,161 | \$ - | \$ 588,161 |
| Contributions | 149,536 | 28,525 | 178,061 |
| United Way | 177,646 | - | 177,646 |
| Lee county | 163,897 | - | 163,897 |
| Other Income | 58,264 | - | 58,264 |
| In-kind donations | 45,082 | - | 45,082 |
| Florida department of transportation | 18,867 | - | 18,867 |
| Fundraising revenue | 18,559 | - | 18,559 |
| Interest and dividends | 12,263 | - | 12,263 |
| Program Fees | 9,295 | - | 9,295 |
| Hendry county | 7,207 | - | 7,207 |
| | 1,248,777 | 28,525 | 1,277,302 |
| Net assets released from restrictions | 49,715 | (49,715) | - |
| Total support, revenue and reclassifications | 1,298,492 | (21,190) | 1,277,302 |
| Expenses | | | |
| Program Services | | | |
| Independent living skills | 512,451 | - | 512,451 |
| Blind babies | 117,266 | - | 117,266 |
| Vocational rehabilitation | 171,899 | - | 171,899 |
| Public Relations | 81,817 | - | 81,817 |
| Children's programs | 243,044 | - | 243,044 |
| Transition program | 170,066 | - | 170,066 |
| Other | 24,145 | - | 24,145 |
| | 1,320,688 | - | 1,320,688 |
| Total program services | 1,320,688 | - | 1,320,688 |

The accompanying notes are an integral part of this statement.

Lighthouse of Southwest Florida, Inc.
Statement of Activities, Continued
For the Year Ended September 30, 2024

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|----------------------------------|---|------------------------------------|---------------------|
| Supporting services | | | |
| Administrative and general | 60,165 | - | 60,165 |
| Fundraising | 8,300 | - | 8,300 |
| | <u>68,465</u> | <u>-</u> | <u>68,465</u> |
| Total supporting services | <u>68,465</u> | <u>-</u> | <u>68,465</u> |
| Total expenses | 1,389,153 | - | 1,389,153 |
| Non-operating activities | | | |
| Investment income | 198,891 | - | 198,891 |
| | <u>108,230</u> | <u>(21,190)</u> | <u>87,040</u> |
| Change in net assets | <u>108,230</u> | <u>(21,190)</u> | <u>87,040</u> |
| Net assets at October 1, 2023 | <u>1,163,743</u> | <u>261,955</u> | <u>1,425,698</u> |
| | <u>\$ 1,271,973</u> | <u>\$ 240,765</u> | <u>\$ 1,512,738</u> |
| Net assets at September 30, 2024 | <u>\$ 1,271,973</u> | <u>\$ 240,765</u> | <u>\$ 1,512,738</u> |

The accompanying notes are an integral part of this statement.

Lighthouse of Southwest Florida, Inc.
Statement of Functional Expenses
For the Year Ended September 30, 2024

| Program costs | Independent Living Skills | Blind Babies | Vocational Rehabilitation | Public Relations | Children's Program | Transition Program | Other programs | Total | | | |
|--|---------------------------|-------------------|---------------------------|------------------|--------------------|--------------------|------------------|--------------------|----------------------------|-----------------|--------------------|
| | | | | | | | | program services | Administrative and general | Fund Raising | Total Expenses |
| Salaries | \$ 264,698 | \$ 71,282 | \$ 100,085 | \$ 38,655 | \$ 152,281 | \$ 77,734 | \$ 5,811 | \$ 710,546 | \$ 27,806 | \$ - | \$ 738,352 |
| Payroll taxes | 20,309 | 5,469 | 7,679 | 2,966 | 11,684 | 5,964 | 446 | 54,517 | 2,134 | - | 56,651 |
| Employee benefits | 35,430 | 9,541 | 13,396 | 5,174 | 20,383 | 10,405 | 778 | 95,107 | 3,722 | - | 98,829 |
| Total salaries and related expenses | 320,437 | 86,292 | 121,160 | 46,795 | 184,348 | 94,103 | 7,035 | 860,170 | 33,662 | - | 893,832 |
| Connectivity | 6,121 | 2,026 | 2,510 | 3,783 | 2,603 | 2,688 | 59 | 19,790 | 382 | - | 20,172 |
| Cost of goods sold | - | 93 | 67 | - | - | - | 14,322 | 14,482 | - | - | 14,482 |
| Depreciation | 19,894 | 4,441 | 5,655 | 1,303 | 10,505 | 9,062 | 134 | 50,994 | 861 | - | 51,855 |
| Development | - | - | - | 17,398 | - | - | - | 17,398 | - | - | 17,398 |
| Dues and subscriptions | 2,994 | 993 | 1,229 | 582 | 1,275 | 1,317 | 29 | 8,419 | 187 | - | 8,606 |
| Insurance | 30,993 | 10,273 | 12,724 | 2,923 | 13,197 | 13,626 | 301 | 84,037 | 1,933 | - | 85,970 |
| Meetings and conferences | 485 | 161 | 200 | 225 | 207 | 214 | 5 | 1,497 | 343 | - | 1,840 |
| Occupancy | 21,015 | 2,819 | 6,893 | 1,891 | 7,505 | 14,040 | 195 | 54,358 | 16,684 | - | 71,042 |
| Other | - | - | - | - | - | - | - | - | 1,654 | - | 1,654 |
| Professional services | 80,646 | 4,417 | 17,130 | 1,839 | 10,525 | 18,810 | 205 | 133,572 | 1,257 | - | 134,829 |
| Postage and shipping | 452 | 131 | 80 | 2,871 | 314 | 470 | 176 | 4,494 | 65 | - | 4,559 |
| Program | 22,286 | 4,475 | 2,526 | 1,775 | 10,704 | 13,290 | 1,640 | 56,696 | 85 | - | 56,781 |
| Repairs and maintenance | 4,142 | 254 | 621 | 170 | 676 | 1,264 | 18 | 7,145 | 2,363 | - | 9,508 |
| Registration and licensing | - | - | - | - | - | - | - | - | 470 | - | 470 |
| Supplies | 2,986 | 891 | 1,104 | 262 | 1,185 | 1,182 | 26 | 7,636 | 219 | - | 7,855 |
| Fundraising | - | - | - | - | - | - | - | - | - | 8,300 | 8,300 |
| Total expenses | \$ 512,451 | \$ 117,266 | \$ 171,899 | \$ 81,817 | \$ 243,044 | \$ 170,066 | \$ 24,145 | \$1,320,688 | \$ 60,165 | \$ 8,300 | \$1,389,153 |

The accompanying notes are an integral part of this statement.

Lighthouse of Southwest Florida, Inc.
Statement of Cash Flows
For the Year Ended September 30, 2024

| | |
|---|----------------------------|
| Cash flows from operating activities: | |
| Cash collected from grantor agencies | \$ 813,050 |
| Cash collected from contributions | 178,061 |
| Cash collected from other income | 58,264 |
| Cash collected from fundraising | 18,559 |
| Cash collected from interest and dividends | 12,263 |
| Cash collected from program fees | 9,295 |
| Cash paid for expenses | <u>(1,344,897)</u> |
| Net cash used in operating activities | <u>(255,405)</u> |
| Cash flows from investing activities: | |
| Purchases of property and equipment | (93,309) |
| Proceeds from redemption of investments | <u>119,610</u> |
| Net provided by investing activities | <u>26,301</u> |
| Net change in cash and cash equivalents | <u>(229,104)</u> |
| Cash and cash equivalents at beginning of year | <u>361,860</u> |
| Cash and cash equivalents at end of year | <u><u>\$ 132,756</u></u> |
| | |
| Reconciliation of change in net assets to net cash used in operating activities | |
| Change in net assets | \$ 87,040 |
| Adjustments to reconcile change in net assets to net cash used in operating activities: | |
| Depreciation expense | 51,855 |
| Unrealized gains from investments | (198,891) |
| (Increase)/decrease in assets: | |
| Grants receivable | (142,728) |
| Prepaid expenses | (9,672) |
| Inventory | (4,219) |
| Increase/(decrease) in liabilities: | |
| Accounts payable and accrued expenses | (36,211) |
| Accrued compensated absences | (2,579) |
| Net cash used in operating activities | <u><u>\$ (255,405)</u></u> |
| Supplemental disclosure of non cash operating activities: | |
| In-kind contributions of goods and services received | <u>\$ 45,082</u> |
| In-kind contributions of goods and services expensed | <u><u>\$ (45,082)</u></u> |

The accompanying notes are an integral part of this statement.

Lighthouse of Southwest Florida, Inc.
Notes to the Financial Statements
For the Year Ended September 30, 2024

Note A - Summary of Significant Accounting Policies

1. Purpose and organization

Lighthouse of Southwest Florida, Inc. formerly Visually Impaired Persons of Southwest Florida, Inc. (the "Organization") was incorporated on August 12, 1974, under the laws of Florida as a corporation not-for-profit. Through its programs, the Organization seeks to meet the needs of blind and visually impaired individuals with a variety of services designed to promote adjustment to blindness and enhance independent living skills.

The Organization's program services include support and guidance for the visually impaired and blind of all ages to enable independence and productivity in society.

2. Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The accounting and reporting policies of the Organization are in accordance with the accounting standards issued by the Financial Accounting Standards Board ("FASB") in the Accounting Standards Codification ("ASC").

3. Financial statement presentation

The Organization prepares its financial statements in accordance with the "Not-For-Profit Entities" topic of the FASB ASC. In accordance with this topic, 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.

4. Cash and cash equivalents

For purposes of these statements, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and having original maturities of three months or less.

5. Investments

Investments purchases are recorded at cost, or if donated, at fair value at the date of the donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return (loss) is reported in the statement of activities and consists of realized and unrealized gains and losses, less investment expenses.

Gains or losses on equity securities sold are based on the specific identification methods. Interest income is recorded when earned and dividends are accrued as of the ex-dividend date.

Restricted investments consist of holdings related to the donor restricted endowment.

6. Grants receivable

Grants receivable are recorded at their net realizable value. Management assesses the current status of the receivables and determines if any amounts are uncollectible. Once determined,

Lighthouse of Southwest Florida, Inc.
Notes to the Financial Statements
For the Year Ended September 30, 2024

Note A - Summary of Significant Accounting Policies (continued)

6. Grants receivable (continued)

management provides an estimate for an allowance of doubtful accounts.

7. Inventory

Inventory, which consist of vision, training, and other adaptive aids, is stated at the lower of cost or net realizable value.

8. Property and equipment

Property and equipment additions over \$2,500 is recorded at cost, or if donated, at fair market value on the date of donation. Such donations are reported as net assets without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire furniture and equipment are reported as net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Depreciation is computed using the straight-line and accelerated methods over the estimated useful lives of the assets.

The cost of assets retired or sold, together with the related accumulated depreciation, is removed from the accounts and any gain or loss from disposition is reported on the statement of activities.

9. Impairment of long-lived assets

The Organization adheres to the "Property, Plant and Equipment" topic of the FASB ASC to account for the impairment of long-lived assets. This topic requires, among other things, that entities identify events or changes in circumstances which indicate that the carrying amount of an asset may not be recoverable.

There was no effect on the Organization's financial statements resulting from this topic for the year ended September 30, 2024.

10. Compensated absences

The Organization accumulates and records a liability for unused personal time off accrued by employees.

11. Contributions

The Organization accounts for its contributions in accordance with the "Not-For-Profit Entities" topic of the FASB ASC. In accordance with this topic, contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. All donor restricted contributions are reported as

Lighthouse of Southwest Florida, Inc.
Notes to the Financial Statements
For the Year Ended September 30, 2024

Note A - Summary of Significant Accounting Policies (continued)

11. Contributions (continued)

increases in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), donor restricted support is reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions

12. Recognition of donor restrictions

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires, or when the purpose restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions.

13. Revenue recognition

Revenue from Exchange Transactions:

The Organization recognizes revenue from these types of transactions in accordance with FASB Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Organization records the following exchange transaction revenue in its statement of activities for the year ending September 30, 2024:

Fundraising Revenue

The Organization conducts special events in which a portion of the proceeds paid by a donor represents payment for the direct cost of the benefits received by the donor at the event - the exchange component, and a portion represents a contribution to the Organization. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of the benefit is measured at cost to the Organization. The contribution component is the excess of the gross proceeds over the fair value of the benefit received by the donor. The direct costs of the special event are recorded as direct donor benefits in the statement of activities. The performance obligation is the delivery of the event. The event fee is set by the Organization. FASB ASU 2014-09 requires the Organization allocate the transaction price to the performance obligations. As such, the Organization presents in the notes to the financial statements the exchange and contribution components of the gross proceeds from special events. Special event fees collected by the Organization in advance of its delivery are initially recognized as deferred revenue and recognized as special event revenue after the delivery of the event. For special event fees received before year-end for an event that will occur after year-end, the Organization follows AICPA guidance where the inherent contribution is conditioned on the event taking place and is therefore treated as deferred revenue along with the exchange component.

Lighthouse of Southwest Florida, Inc.
Notes to the Financial Statements
For the Year Ended September 30, 2024

Note A - Summary of Significant Accounting Policies (continued)

13. Revenue recognition (continued)

Program fees

Program fees include the sale of inventory related items. The Organization recognizes revenues from program fees as the Organization's performance obligations are satisfied. This is generally at a point in time as the products are provided.

Other income

Other income includes insurance settlements for hurricane damage. The Organization recognizes revenues from other income as the Organization's performance obligations are satisfied. This is generally at a point in time when the insurance settlements are received.

Revenue from Non-Exchange Transactions:

The Organization recognizes revenue from these types of transactions in accordance with FASB ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. ASU 2018-08 applies to non-exchange transactions. The Organization records the following non-exchange transaction revenue in its statement of activities for the year ending September 30, 2024:

Contributions

Revenue from contributions is recognized at the time the support or contribution is made.

Grant Revenue

Revenue from grants is recognized pro-ratably over the contract period as reimbursements are requested and barriers are met.

14. In-kind donations

The Organization has reported donated goods and services in the financial statements. The Organization has established an objective basis to measure the value of such goods and services. The type of donated items include, volunteer time, equipment, and supplies. However, the Board of Directors has donated significant amounts of their time and expertise to the Organization which is not reflected on the financial statements. The amount reported as donated goods and services for the year ended September 30, 2024 was \$45,082.

15. Leases

Leases, other than short-term leases, are classified as either finance or operating at inception of the lease, with classification affecting the pattern of expense recognition in the statement of activities. Operating leases result in the recognition of right-of-use ("ROU") assets and lease liabilities on the statement of financial position. ROU assets represent the Organization's right to use the leased asset for the lease term and lease liabilities represent the obligation to make lease payments. Lease liabilities are calculated as the present value of the remaining minimum lease

Lighthouse of Southwest Florida, Inc.
Notes to the Financial Statements
For the Year Ended September 30, 2024

Note A - Summary of Significant Accounting Policies (continued)

15. Leases (continued)

payments for existing operating leases using either the rate implicit in the lease or, if none exists, the Organization's incremental borrowing rate.

The Organization classifies all leases that at commencement date have a lease term of 12 months or less, do not include an option to purchase the underlying assets, and long-term leases that are considered immaterial, as short-term leases. As such, the Organization has taken advantage of the practical expedient permitted within Topic 842, to not recognize the ROU asset or lease liability in its financial statements.

16. Concentration of credit risk

The Organization maintains its cash accounts in various financial institutions, which, at times, may exceed federally-insured limits. As of September 30, 2024, none of the Organization's bank balances were uninsured. The Organization has not experienced any economic losses on such accounts and believes it is not exposed to any significant credit risk regarding its cash balances.

17. Fair value of financial instruments

The carrying amount of cash and cash equivalents, receivables, prepaids, payables and accruals approximate fair value due to the short maturity of these financial instruments.

18. Income taxes

The Internal Revenue Service has determined that the Organization is exempt from federal income taxes under section 501 (c)(3) of the Internal Revenue Code. The Organization is a not-for-profit Florida corporation and therefore is not subject to state income taxes. The Internal Revenue Code provides for taxation of unrelated business income under certain circumstances. The Organization reports no unrelated business taxable income; however, such status is subject to final determination upon examination of the related tax returns by the appropriate taxing authorities.

The Organization's tax filings are subject to audit by various taxing authorities. Certain income tax returns filed by the Organization remain open to examination by these government agencies. The Financial Accounting Standards Board has issued guidance on accounting for uncertainty in income taxes and the Organization adopted this guidance. The Organization has evaluated its tax positions and any estimates utilized in its tax returns, and concluded that the Organization has no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. Interest and penalties associated with uncertain tax positions will be recognized in income tax expense, if required.

19. Functional expenses

The Organization allocates its expenses on a functional basis among its various program and supporting services. Expenses that can be identified with a specific program service are allocated directly according to their natural expenditure classification. Other expenses common to several functions are allocated by various statistical basis.

Lighthouse of Southwest Florida, Inc.
Notes to the Financial Statements
For the Year Ended September 30, 2024

Note A - Summary of Significant Accounting Policies (continued)

20. Management 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 amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

Note B - Liquidity and Availability of Financial Assets

The Organization's financial assets available within one year of the balance sheet date for general expenditures are as follows:

| | |
|---|---------------------------------|
| Cash and cash equivalents | \$ 132,756 |
| Investments - unrestricted | 642,768 |
| Investments - restricted | 245,061 |
| Grants receivable, net | 194,894 |
| Less: assets with donor restrictions | <u>(240,765)</u> |
| Financial assets available to meet cash needs for general expenditures within one year | <u><u>\$ 974,714</u></u> |

The Organization manages its financial assets in accordance with the "Not-For-Profit Entities" topic of the FASB ASC. This topic requires that the Organization maintains sufficient resources to meet the responsibilities of its donors. Therefore financial assets may not be available for general expenditure within one year. As part of the Organization'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. The Organization's goal is to maintain financial assets to meet three months of operating expenses.

Note C - Investments

Investments consist of the following at September 30, 2024:

| | |
|-------------------|---------------------------------|
| Equity securities | \$ 718,765 |
| Annuities | 141,970 |
| Pooled funds | <u>27,094</u> |
| | <u><u>\$ 887,829</u></u> |

Note D - Grants Receivable

Grants receivable consist of the following at September 30, 2024:

| | |
|----------------------------|------------|
| Division of blind services | \$ 121,596 |
| FAASB | 27,896 |

Lighthouse of Southwest Florida, inc.
Notes to the Financial Statements
For the Year Ended September 30, 2024

Note D - Grants Receivable (continued)

| | |
|----------------------|-------------------|
| Lee County | 23,987 |
| FDOT | 18,867 |
| State of Florida | 1,371 |
| Miscellaneous others | 666 |
| Hendry County | 511 |
| | \$ 194,894 |

Note E - Property and Equipment

Property and equipment consists of the following at September 30, 2024:

| | |
|------------------------------|-------------------|
| Building improvements | \$ 743,882 |
| Vehicle/cost | 230,935 |
| Asset/equipment/cost | 89,369 |
| Parking lot improvement/cost | 72,325 |
| Land | 68,462 |
| Software/cost | 35,666 |
| Donated equipment | 16,895 |
| Furniture/fixtures | 13,927 |
| | 1,271,461 |
| Accumulated depreciation | (951,514) |
| | \$ 319,947 |

Depreciation expense for the year ended September 30, 2024 was \$51,855.

Note F - Net Assets

Net assets consists of the following at September 30, 2024:

Without donor restrictions:

| | |
|----------------------------------|---------------------|
| Undesignated | \$ 952,026 |
| Equity in property and equipment | 319,947 |
| | \$ 1,271,973 |

With donor restrictions:

| | |
|--------------------------------------|-------------------|
| Specific purposes - various programs | \$ 12,573 |
| Perpetual - endowment | 228,192 |
| | \$ 240,765 |

Lighthouse of Southwest Florida, Inc.
Notes to the Financial Statements
For the Year Ended September 30, 2024

Note G - Net Assets Released from Donor Restrictions

Net assets were released from donor restrictions during the year ended September 30, 2024 by incurring expenses satisfying the restricted purpose as follows:

Expenditure for specific purpose accomplished:

| | |
|------------------------------|------------------|
| Program related expenditures | \$ 49,715 |
|------------------------------|------------------|

Note H - Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follow:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

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 assets or liability.

*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's 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 measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table sets forth, by level within the fair value hierarchy, the Organization's assets at fair value as of September 30, 2024. The Organization had no financial liabilities as of September 30, 2024.

| | Assets at Fair Value as of September 30, 2024 | | | |
|-------------------|---|-------------|-------------------|-------------------|
| | (Level 1) | (Level 2) | (Level 3) | Total |
| Equity securities | \$ 718,765 | \$ - | \$ - | \$ 718,765 |
| Annuities | - | - | 141,970 | 141,970 |
| Pooled funds | - | - | 27,094 | 27,094 |
| | \$ 718,765 | \$ - | \$ 169,064 | \$ 887,829 |

The fair value of the annuities and pooled funds not readily determinable through an outside

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Note H - Fair Value Measurements (continued)

source independent of the Organization. The fair value is based on amounts reported to the Organization.

The following table represents a fair value roll forward of the annuities and pooled funds measured at Level 3:

| | Annuities | Pooled Funds |
|--|-------------------|------------------|
| Beginning balance: | \$ 131,611 | \$ 23,534 |
| Unrealized and realized gains (losses) | 10,359 | 3,560 |
| Ending balance: | \$ 141,970 | \$ 27,094 |

Note I - Retirement Plan

Employees who have attained the age of 21 and who have completed three months of employment with the Organization are eligible to participate in the Organization's 401(k) retirement plan. The plan allows for employer contributions of up to 3% of an employee's annual salary. Additionally, when funds are available, the Organization may contribute a non-elective 5% for employees with a tenure of two year or more. Employer contributions for the year ended September 30, 2024 were \$31,289.

Note J - Subsequent Events

Management has assessed subsequent events through March 11, 2025, the date on which the financial statements were available to be issued.