

LIGHTHOUSE OF SOUTHWEST FLORIDA, INC.
NORTH FORT MYERS, FLORIDA
FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2022



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of Lighthouse of Southwest Florida, Inc.

Opinion

We have audited the accompanying financial statements of Lighthouse of Southwest Florida, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2022, 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, 2022, 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 Auditors' 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.

Auditors' 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 auditors' 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.



MYERS, BRETT HOLTZ & COMPANY, PA
Fort Myers, Florida
February 21, 2023

LIGHTHOUSE OF SOUTHWEST FLORIDA, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2022

Assets	
Cash and cash equivalents	\$ 326,592
Investments	295,626
Investments, restricted	402,104
Grants receivable	89,199
Prepaid expenses	49,647
Inventory	18,774
Land, building, and equipment, net	<u>273,556</u>
Total assets	<u><u>\$ 1,455,498</u></u>
Liabilities and Net Assets	
Liabilities	
Accounts payable and accrued expenses	\$ 30,083
Accrued compensated absences	<u>11,644</u>
Total liabilities	<u>41,727</u>
Net Assets	
Without donor restrictions	979,072
With donor restrictions	<u>434,699</u>
Total net assets	<u>1,413,771</u>
Total liabilities and net assets	<u><u>\$ 1,455,498</u></u>

Read Independent Auditors' Report.
The accompanying notes are an integral part of the financial statements.

LIGHTHOUSE OF SOUTHWEST FLORIDA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and support			
Division of Blind Services	\$ 560,159	\$ -	\$ 560,159
Lee County	181,271	-	181,271
Florida Department of Transportation	147,142	-	147,142
Hendry County	7,432	-	7,432
United Way	121,213	-	121,213
Program fees	3,517	-	3,517
Contributions	72,260	17,648	89,908
In-kind	31,971	-	31,971
Interest and dividends	18,160	-	18,160
Other	2,079	-	2,079
Net assets released from restriction	13,597	(13,597)	-
	<u>1,158,801</u>	<u>4,051</u>	<u>1,162,852</u>
Total revenue and support			
Expenses			
Program services			
Independent living skills	454,871	-	454,871
Blind babies	130,527	-	130,527
Vocational rehabilitation	345,729	-	345,729
Childrens vision rehabilitation	218,118	-	218,118
Other	10,756	-	10,756
Total program services	<u>1,160,001</u>	<u>-</u>	<u>1,160,001</u>
Supporting services			
General and administrative	41,900	-	41,900
Fund raising	61,627	-	61,627
Total supporting services	<u>103,527</u>	<u>-</u>	<u>103,527</u>
Total expenses	<u>1,263,528</u>	<u>-</u>	<u>1,263,528</u>
(Decrease) increase in net assets from operations	(104,727)	4,051	(100,676)
Non-operating Activities			
Investment loss, net	<u>(144,157)</u>	<u>-</u>	<u>(144,157)</u>
Change in net assets	(248,884)	4,051	(244,833)
Net assets, beginning of year	<u>1,227,956</u>	<u>430,648</u>	<u>1,658,604</u>
Net assets, end of year	<u>\$ 979,072</u>	<u>\$ 434,699</u>	<u>\$ 1,413,771</u>

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LIGHTHOUSE OF SOUTHWEST FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Program Services			
	Independent Living Skills	Blind Babies	Vocational Rehabilitation	Childrens Vision Rehabilitation
Salaries	\$ 246,187	\$ 82,267	\$ 179,914	\$ 123,250
Payroll taxes	18,755	6,280	13,590	9,407
Employee benefits	32,719	8,881	22,585	19,608
Other staff costs	9,089	3,114	7,830	3,928
Total salaries and related expenses	306,750	100,542	223,919	156,193
Advertising	-	-	-	-
Bank and credit card fees	-	-	-	-
Cost of goods sold	81	-	268	12
Depreciation	19,753	5,346	17,682	7,993
Development	(231)	3	12	6
Dues and subscriptions	3,367	1,116	2,863	1,434
In-kind services	9,664	2,418	11,368	6,661
Insurance	23,390	7,753	19,887	9,960
Meetings and conferences	2,266	520	1,360	620
Occupancy	13,621	1,827	13,567	4,864
Other	-	-	-	-
Postage	603	125	514	299
Professional services	55,755	7,068	41,080	16,229
Program	9,199	971	4,072	9,691
Registration and licensing	-	-	-	-
Repairs and maintenance	2,959	397	2,948	1,057
Supplies	721	100	261	130
Telephone	6,973	2,341	5,928	2,969
Total expenses by function	\$ 454,871	\$ 130,527	\$ 345,729	\$ 218,118

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

LIGHTHOUSE OF SOUTHWEST FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Program Services	Supporting Services		Total
	Other	General and Administrative	Fund Raising	
Salaries	\$ 5,472	\$ 28,754	\$ 39,025	\$ 704,869
Payroll taxes	417	2,191	2,974	53,614
Employee benefits	911	5,705	4,312	94,721
Other staff costs	117	(3,915)	813	20,976
	<u>6,917</u>	<u>32,735</u>	<u>47,124</u>	<u>874,180</u>
Total salaries and related expenses	6,917	32,735	47,124	874,180
Advertising	-	-	1,481	1,481
Bank and credit card fees	-	245	-	245
Cost of goods sold	940	-	-	1,301
Depreciation	189	1,215	1,836	54,014
Development	-	-	1,272	1,062
Dues and subscriptions	32	560	567	9,939
In-kind services	109	702	1,061	31,983
Insurance	227	1,460	2,206	64,883
Meetings and conferences	14	41	286	5,107
Occupancy	126	703	1,226	35,934
Other	23	1,189	-	1,212
Postage	27	30	803	2,401
Professional services	303	1,969	2,814	125,218
Program	1,751	75	-	25,759
Registration and licensing	-	204	-	204
Repairs and maintenance	27	176	266	7,830
Supplies	3	51	28	1,294
Telephone	68	545	657	19,481
	<u>10,756</u>	<u>41,900</u>	<u>61,627</u>	<u>1,263,528</u>
Total expenses by function	\$ 10,756	\$ 41,900	\$ 61,627	\$ 1,263,528

Read Independent Auditors' Report.
The accompanying notes are an integral part of the financial statements.

LIGHTHOUSE OF SOUTHWEST FLORIDA, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Cash Flows From Operating Activities	
Change in net assets	\$ (244,833)
Adjustments to reconcile to net cash flows from operating activities:	
Net loss on investments	143,413
Depreciation	54,014
Changes in:	
Accounts receivable	1,911
Grants receivable	(23,952)
Prepaid expenses	(4,022)
Inventory	(2,709)
Accounts payable and accrued expenses	(36,700)
Accrued compensated absences	(4,756)
	<hr/>
Net cash flows from operating activities	(117,634)
	<hr/>
Cash Flows From Investing Activities	
Purchase of investments	(28,342)
Proceeds from sale of investments	192,006
Purchase of property and equipment	(48,280)
	<hr/>
Net cash flows from investing activities	115,384
	<hr/>
Net decrease	(2,250)
	<hr/>
Cash and cash equivalents, beginning of year	328,842
	<hr/>
Cash and cash equivalents, end of year	\$ 326,592
	<hr/> <hr/>

Supplemental Information
Interest paid

\$ -

Read Independent Auditors' Report.
The accompanying notes are an integral part of the financial statements.

LIGHTHOUSE OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - THE 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this method of accounting, revenues are recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to the following net assets classifications:

Net assets without donor restrictions are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and Board of Directors (the “Board”).

Net assets with donor restrictions are subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions by the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents

The Organization considers all highly liquid investment instruments purchased with an original maturity of three months or less, at the date of purchase, to be cash equivalents.

LIGHTHOUSE OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of 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 capital gains and losses, less external and direct internal investment expenses.

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

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

Grants Receivable

The Organization's management has reviewed receivables outstanding as of September 30, 2022, and considers them to be fully collectible. Based on this and the Organization's prior history of insignificant bad debt on receivables, no allowance for uncollectible accounts is considered necessary. Bad debt expense is recognized during the period in which a specific account is determined to be uncollectible. There was no bad debt expense for the year ended September 30, 2022.

Property and Equipment

Property and equipment additions over \$500 are recorded at cost. Donated assets are recorded at their fair market value at the time of donation. Depreciation is recognized using the straight-line method over the estimated useful life of the assets, as further described in Note 7. The cost of maintenance and repairs that do not improve or extend the useful life of the respective assets are expensed as incurred.

The Organization reviews the carrying value of property and equipment for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. When considered impaired, an impairment loss is recognized to the extent the carrying value exceeds the fair value of the asset.

Compensated Absences

The Organization accumulates and records a liability for compensated absences accrued by employees. Unused personal time off has been accrued as a liability in the amount of \$11,644 for the year ended September 30, 2022.

LIGHTHOUSE OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization is exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code, though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization is a not-for-profit Florida corporation, and therefore, is not subject to state income taxes. Accordingly, no provision for income taxes has been made. The Organization is not considered a private foundation within the meaning of Section 509(a) of the Code. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. The Organization's Form 990 remains subject to examination by the Internal Revenue Service for three years from the date of filing.

Management has analyzed its various federal filing positions and believes that the Organization's income tax filing positions and deductions are well documented, supported and contain no uncertain tax positions. Additionally, management believes that no accruals for tax liabilities, interest or penalties are required. Therefore, no reserves for uncertain income tax positions have been recorded. Further, no interest or penalties have been included since no reserves were recorded. When applicable, such interest and penalties will be reported as income tax expense.

Fair Value Measurements

The Organization measures certain assets at fair value in accordance with current accounting standards on fair value measurements. The standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) as opposed to the price that would be paid to acquire the asset or received to assume the liability (an entry price). The fair value of substantially all equity securities is determined by quoted market prices and debt securities are determined by the broker using a third party source. The fair value of pooled funds with significant unobservable inputs is determined by a community foundation and is based on the allocation of the Organization's investment in their general endowment fund.

Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

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-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted support is reported as an increase in donor restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), 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.

LIGHTHOUSE OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Support from federal, state and local grants is recorded based upon the terms of the grantor allotment, which generally provide that revenues are earned when the allowable costs of the specific grant provisions have been incurred.

Donated Services and In-kind Contributions

In-kind contributions are recorded as contributions in the accompanying financial statements at their estimated fair value on the date of receipt.

Contributions of services are recognized only if services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by the individuals possessing those skills, and would typically be purchased if not provided by donation. The Organization received contributions of services totaling \$31,971 for the year ended September 30, 2022.

Advertising Costs

Advertising costs are expensed as incurred and approximated \$1,481 during the year ended September 30, 2022.

Functional Allocation of Expenses

The costs of program and supporting services activities 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 function. Salaries and related expenses are allocated based on job descriptions and an informal time study prepared by management. Expenses, other than salaries and related expenses, which are not directly identifiable by program or supporting services, include: depreciation, personnel administration and accounting, and are allocated based on the best estimates of management using the square footage method.

LIGHTHOUSE OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update No. 2016-02 - Leases (Topic 842) (“ASU 2016-02”) to increase transparency and comparability of information regarding an entity’s leasing activities by providing additional information to users of financial statements. ASU 2016-02 amends the existing accounting standards for lease accounting, including requiring lessees to recognize most leases on their balance sheets and making targeted changes to lessor accounting. The new standard requires a modified retrospective transition approach for all leases existing at, or entered into after, the date of initial application, with an option to use certain transition relief. This update is effective for annual periods beginning after December 15, 2021, based on a one-year deferral of the effective date approved in April 2021 by the FASB. The Organization continues to evaluate the impact that adoption of this accounting standard update will have on its financial statements and disclosures. In addition, the Organization expects to adopt ASU 2016-02 commencing in fiscal year 2023.

NOTE 3 - CONCENTRATIONS

Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization maintains cash balances at various financial institutions. Accounts at each commercial banking institution are insured by the Federal Deposit Insurance Corporation (the “FDIC”) up to \$250,000. As of September 30, 2022, \$81,104 was uninsured, based on the bank statement balances less the FDIC insurance. Cash and cash equivalents at an investment services company totaling \$2,396 as of September 30, 2022, are not insured by the FDIC.

Concentrations

During the year ended September 30, 2022, the Organization received approximately 48%, 16%, 13% and 10% of its revenue from Florida Division of Blind Services, Lee County, Florida Department of Transportation and United Way - Lee County, respectively.

LIGHTHOUSE OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 4 - AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Financial assets at year end:	
Cash and cash equivalents	\$ 326,592
Investments	295,626
Grants receivable	89,199
Total financial assets	711,417
Less amounts not available to be used within one year:	
Accounts payable and accrued expenses	30,083
Accrued compensated absences	11,644
Net assets with donor restrictions	32,595
Lease payments due within one year	3,611
	77,933
Financial assets available to meet general expenditures over the next year	\$ 633,484

The Organization’s goal is to maintain financial assets to meet three months of operating expenses, which is approximately \$316,000. This period of time was determined by management’s review of the typical life cycle of converting its financial assets to cash and typical payments of amounts owed. As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts.

NOTE 5 - INVESTMENTS

Investments consisted of the following as of September 30, 2022:

Pooled funds	\$ 21,816
Equity securities	454,494
REITs	88,426
Annuities	132,994
	\$ 697,730

Investment fees totaling \$638 for the year ended September 30, 2022, were netted against investment return.

LIGHTHOUSE OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 5 - INVESTMENTS (Continued)

The following are the major categories of assets measured at fair value on a recurring basis during the year ended September 30, 2022, using quoted prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3).

Description	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Total as of September 30, 2022
Mutual funds	\$ -	\$ -	\$ -	\$ -
Pooled funds	-	-	21,816	21,816
Equity securities	454,494	-	-	454,494
REITs	-	-	88,426	88,426
Annuities	-	-	132,994	132,994
	<u>\$ 454,494</u>	<u>\$ -</u>	<u>\$ 243,236</u>	<u>\$ 697,730</u>

Fair value measurements using significant unobservable inputs (Level 3) as of September 30, 2022:

	Fair Value Measurements Using Significant Observable Inputs (Level 3)			
	Other Fund Investments			Total
	Annuities	Pooled Funds	REITs	
Beginning balance	\$ 170,316	\$ 28,698	\$ 88,125	\$ 287,139
Purchases	-	-	-	-
Redemptions	(9,593)	(1,046)	(6,080)	(16,719)
Total gains or losses (realized/unrealized) included in earnings	(27,729)	(5,198)	6,381	(26,546)
Interest and dividends	-	-	-	-
Fees	-	(638)	-	(638)
Ending balance	<u>\$ 132,994</u>	<u>\$ 21,816</u>	<u>\$ 88,426</u>	<u>\$ 243,236</u>

LIGHTHOUSE OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 6 - GRANTS RECEIVABLE

Grants receivable consisted of the following as of September 30, 2022:

Division of Blind Services	\$ 67,649
FDOT	8,000
State of Florida	731
FAASB	9,896
Hendry County	2,176
United Way	662
Other	85
	<u>\$ 89,199</u>

NOTE 7 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of September 30, 2022:

	Estimated Useful Life (Years)	
Land	N/A	\$ 68,462
Building and improvements	3-30	676,924
Furniture and equipment	3-10	116,515
Vehicles	5	230,935
Software	15	35,666
		<u>1,128,502</u>
Less: accumulated depreciation		(854,946)
		<u>\$ 273,556</u>

Depreciation expense was \$54,014 for the year ended September 30, 2022.

NOTE 8 - OPERATING LEASES

The Organization has a 63 month lease agreement for a copier ending in May 2023, with automatic one year renewals unless cancelled in accordance with the terms of the agreement. The Organization also has a 39 month lease agreement for a postage meter ending in December 2023. Lease expense for the copier and postage meter was \$5,681 and \$588, respectively, for the year ended September 30, 2022, included in repairs and maintenance expense, and is allocated between program and supporting services.

Future minimum payments required under the terms of the operating leases are as follows:

<u>Years ending September 30,</u>	<u>Copier</u>	<u>Postage Meter</u>	<u>Total</u>
2023	\$ 3,159	\$ 452	\$ 3,611
2024	-	113	113
	<u>\$ 3,159</u>	<u>\$ 565</u>	<u>\$ 3,724</u>

Read Independent Auditors' Report.

LIGHTHOUSE OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 9 - NET ASSETS

Net assets without donor restrictions consisted of the following as of September 30, 2022:

Undesignated	\$	705,516
Equity in property and equipment		273,556
		979,072

Net assets with donor restrictions consisted of the following as of September 30, 2022:

Specific purpose:		
Blind babies program	\$	5,916
Childrens program		7,560
Marketing		1,000
Senior services		3,657
Summer camp		500
Assistive technology		13,962
Total specific purpose		32,595
Perpetual:		
Endowment		402,104
		\$ 434,699

NOTE 10 - ENDOWMENT

The Organization has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. As of September 30, 2022, there were no such donor stipulations. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give at fair value) donated to the Endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor restricted amounts not retained in perpetuity are subject to appropriation for expenditures by the Organization in a manner consistent with the standard prudence prescribed by FUPMIFA. The Organization considers the following factors in making a determination to appropriate or accumulate donor restricted endowment fund: (a) the duration and preservation of the various funds, (b) the purposes of the Organization and the donor-restricted endowment funds, (c) general economic conditions, (d) the possible effect of inflation and deflation, (e) the expected total return from income and the appreciation of investments, (f) other resources of the Organization, and (g) the Organization’s investment policies.

LIGHTHOUSE OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 10 - ENDOWMENT (Continued)

The composition of endowment net assets and the changes in endowment net assets are as follows for the year ended September 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance - October 1, 2021	\$ 355,944	\$ 402,104	\$ 758,048
Investment loss, net	(115,951)	-	(115,951)
Contributions	-	-	-
Appropriation for expenditure	-	-	-
Balance - September 30, 2022	\$ 239,993	\$ 402,104	\$ 642,097

The endowment net assets with donor restrictions consist of a donor restricted endowment fund established to provide financial aid and support Organization operations. Contributions to the endowment fund are subject to donor restrictions that stipulate the original principal of the gift is to be held and invested by the Organization indefinitely and income from the fund is to be expended to support Organization operations. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization has not adopted investment and spending policies for endowment assets. Endowment assets are invested in cash equivalents, mutual funds, pooled funds, equity securities, REITs, and annuities.

NOTE 11 - 401(k) RETIREMENT BENEFIT

The Organization contributes to a 401(k) retirement benefit plan on behalf of employees who have attained the age of 21 and who have completed three months of service. The Organization's contribution is a maximum of 3% for employees. Additionally, the Organization contributed a non-elective 5% for employees with tenure of two years or greater for the year ended September 30, 2022. The 401(k) retirement benefit plan contributions for the year ended September 30, 2022 were \$43,897, included in employee benefits and are allocated between program and supporting services.

NOTE 12 - SUBSEQUENT EVENTS

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through February 21, 2023, the date that the financial statements were available to be issued.