

**MIAMI LIGHTHOUSE
FOR THE BLIND AND
VISUALLY IMPAIRED, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION AND
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022**

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Miami Lighthouse for the Blind and Visually Impaired, Inc.
Miami, Florida

Report on the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Miami Lighthouse for the Blind and Visually Impaired, Inc. (the “Lighthouse”) (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years 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 the Lighthouse as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Lighthouse 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 opinions.

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 the Lighthouse'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 and *Government 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 and *Government 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 the Lighthouse's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lighthouse'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.650, *Rules of the Auditor General of the State of Florida*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2024 on our consideration of the Lighthouse's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Lighthouse's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lighthouse's internal control over financial reporting and compliance.

García Santa María De Armas Trujillo, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
April 15, 2024

MIAMI LIGHTHOUSE FOR THE BLIND AND VISUALLY IMPAIRED, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents (including restricted cash of \$1,387,682 and \$2,213,912 and deferred revenues of \$1,111,209 and \$2,096,604 at December 31, 2023 and 2022, respectively)	\$ 5,856,400	\$ 7,029,864
Cash segregated for construction	430,171	1,133,899
Accounts receivable, net	1,672,845	1,492,659
Prepaid expenses and other assets	296,427	248,238
Contributions receivable, net, partially restricted	657,322	657,915
Beneficial interest in irrevocable trusts	241,784	279,761
Investment securities, partially restricted	34,163,636	29,105,569
Property and equipment, net	20,772,323	20,909,447
Note receivable - New Markets Tax Credit 2020	<u>5,735,700</u>	<u>5,735,700</u>
 TOTAL ASSETS	 <u>\$ 69,826,608</u>	 <u>\$ 66,593,052</u>
 LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 607,556	\$ 790,968
Deferred revenues	1,111,209	2,096,604
Note payable	1,500,000	1,500,000
Notes payable - New Markets Tax Credit 2020, net	<u>8,374,178</u>	<u>8,348,278</u>
 TOTAL LIABILITIES	 <u>11,592,943</u>	 <u>12,735,850</u>
 NET ASSETS		
Without donor restrictions (including quasi-endowment of \$11,894,291 and \$7,224,240 at December 31, 2023 and 2022, respectively)	34,431,699	29,437,877
With donor restrictions	<u>23,801,966</u>	<u>24,419,325</u>
 TOTAL NET ASSETS	 <u>58,233,665</u>	 <u>53,857,202</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 69,826,608</u>	 <u>\$ 66,593,052</u>

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

MIAMI LIGHTHOUSE FOR THE BLIND AND VISUALLY IMPAIRED, INC.
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS AND OTHER SUPPORT:						
Bequests, legacies and trust income	\$ 904,808	\$ -	\$ 904,808	\$ 153,383	\$ -	\$ 153,383
Contributions, net	3,546,192	964,806	4,510,998	2,033,217	2,451,425	4,484,642
In-kind contributions	1,086,524	-	1,086,524	238,700	-	238,700
Grant funding, including funds from Miami-Dade County	6,699,912	-	6,699,912	5,458,808	-	5,458,808
Other revenues	646,712	-	646,712	816,236	-	816,236
Other income	-	-	-	575,957	-	575,957
Special event	-	173,876	173,876	-	325,231	325,231
Net assets released from restrictions:						
Satisfaction of program restrictions and transfer of restriction	4,567,469	(4,567,469)	-	8,544,643	(8,544,643)	-
TOTAL REVENUE, GAINS AND OTHER SUPPORT	17,451,617	(3,428,787)	14,022,830	17,820,944	(5,767,987)	12,052,957
EXPENSES:						
Vision rehabilitation program	773,552	-	773,552	557,141	-	557,141
Alternative rehabilitation services	1,217,122	-	1,217,122	1,081,022	-	1,081,022
Transition services and vocational training program	1,206,029	-	1,206,029	1,255,543	-	1,255,543
Early intervention/Pre-K through 2nd grade	5,034,582	-	5,034,582	4,724,013	-	4,724,013
Heiken children's vision program	3,276,671	-	3,276,671	2,997,810	-	2,997,810
Administrative and general	1,122,243	-	1,122,243	1,034,514	-	1,034,514
Development	957,048	-	957,048	882,815	-	882,815
TOTAL EXPENSES	13,587,247	-	13,587,247	12,532,858	-	12,532,858
CHANGES IN NET ASSETS, before investment gains (losses), net	3,864,370	(3,428,787)	435,583	5,288,086	(5,767,987)	(479,901)
Investment gains (losses), net	1,129,452	2,849,405	3,978,857	(1,474,918)	(4,061,130)	(5,536,048)
Change in beneficial interest in irrevocable trust	-	(37,977)	(37,977)	-	-	-
CHANGES IN NET ASSETS	4,993,822	(617,359)	4,376,463	3,813,168	(9,829,117)	(6,015,949)
NET ASSETS - BEGINNING OF YEAR	29,437,877	24,419,325	53,857,202	25,624,709	34,248,442	59,873,151
NET ASSETS - END OF YEAR	\$ 34,431,699	\$ 23,801,966	\$ 58,233,665	\$ 29,437,877	\$ 24,419,325	\$ 53,857,202

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

MIAMI LIGHTHOUSE FOR THE BLIND AND VISUALLY IMPAIRED, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services					Supporting Services				Total expenses
	Vision rehabilitation/ Independent living	Alternative rehabilitation services	Transition & vocational services	Early Intervention/ Pre-K through 2nd grade	Heiken children's vision services	Administrative and general	Development			
Payroll and related expenses	\$ 361,924	\$ 748,389	\$ 724,723	\$ 2,375,846	\$ 915,858	\$ 584,835	\$ 509,401	\$ 6,220,976		
Program supplies	25,860	59,595	41,705	215,549	162,010	-	-		504,719	
Office supplies	5,385	13,472	9,476	34,755	54,560	10,555	15,709		143,912	
Occupancy	60,126	73,478	175,700	278,096	51,106	50,000	7,919		696,425	
Transportation	48,341	73,662	89,195	158,462	162,918	6,267	3,483		542,328	
Insurance	-	-	-	223,196	-	166,717	-		389,913	
Professional fees and contract services	35,787	56,566	51,387	592,568	1,443,079	149,496	271,662		2,600,545	
Public and community relations	24,478	52,246	5,055	81,861	76,395	17,047	128,874		385,956	
Other	-	-	-	-	178,403	40,620	-		219,023	
In-kind expense	202,736	125,097	97,406	451,455	209,829	-	-		1,086,523	
TOTAL EXPENSES BEFORE DEPRECIATION	764,637	1,202,505	1,194,647	4,411,788	3,254,158	1,025,537	937,048		12,790,320	
Depreciation of property and equipment	8,915	14,617	11,382	622,794	22,513	96,706	20,000		796,927	
TOTAL EXPENSES	\$ 773,552	\$ 1,217,122	\$ 1,206,029	\$ 5,034,582	\$ 3,276,671	\$ 1,122,243	\$ 957,048		\$ 13,587,247	

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

MIAMI LIGHTHOUSE FOR THE BLIND AND VISUALLY IMPAIRED, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services					Supporting Services			
	Vision rehabilitation/ Independent living	Alternative rehabilitation services	Transition & vocational services	Early Intervention/ Pre-K through 2nd grade	Heiken children's vision services	Administrative and general	Development	Total expenses	
Payroll and related expenses	\$ 304,365	\$ 774,051	\$ 868,918	\$ 2,459,054	\$ 902,168	\$ 572,837	\$ 507,552	\$ 6,388,945	
Office and program supplies	31,532	74,431	82,456	250,712	198,601	7,488	15,563	660,783	
Occupancy	54,493	68,538	143,906	257,202	53,441	45,789	7,480	630,849	
Transportation	94,091	36,511	81,251	131,347	141,947	2,560	264	487,971	
Insurance	-	-	-	205,925	-	98,601	-	304,526	
Professional fees and contract services	24,182	43,426	39,435	581,245	1,293,503	172,622	227,837	2,382,250	
Public and community relations	24,436	55,298	8,384	75,309	58,040	23,902	104,119	349,488	
Other	-	-	-	-	265,754	25,900	-	291,654	
In-kind expense	16,858	17,043	18,167	134,290	52,342	-	-	238,700	
TOTAL EXPENSES BEFORE DEPRECIATION	549,957	1,069,298	1,242,517	4,095,084	2,965,796	949,699	862,815	11,735,166	
Depreciation of property and equipment	7,184	11,724	13,026	628,929	32,014	84,815	20,000	797,692	
TOTAL EXPENSES	\$ 557,141	\$ 1,081,022	\$ 1,255,543	\$ 4,724,013	\$ 2,997,810	\$ 1,034,514	\$ 882,815	\$ 12,532,858	

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

MIAMI LIGHTHOUSE FOR THE BLIND AND VISUALLY IMPAIRED, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 4,376,463	\$ (6,015,949)
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities:		
Depreciation	796,927	797,692
Amortization of debt issuance costs	25,900	25,900
Gain on sale/disposal of assets	(27,313)	-
Change in beneficial interest in irrevocable trusts	37,977	-
Change in discount on contributions receivable	(28,538)	54,209
Net (gain) loss on investments	(3,978,857)	6,417,557
(Increase) decrease in assets:		
Accounts receivable, net	(180,186)	(796,784)
Prepaid expenses and other assets	(48,189)	(25,256)
Contributions receivable, net	29,131	140,298
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(183,412)	234,404
Deferred revenues	<u>(985,395)</u>	<u>214,519</u>
TOTAL ADJUSTMENTS	<u>(4,541,955)</u>	<u>7,062,539</u>
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	<u>(165,492)</u>	<u>1,046,590</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale/disposal of assets	27,313	-
Purchase of property and equipment	(659,803)	(401,890)
Net proceeds from sale (purchase) of investment securities	<u>(1,079,210)</u>	<u>2,308,796</u>
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	<u>(1,711,700)</u>	<u>1,906,906</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(1,877,192)</u>	<u>2,953,496</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>8,163,763</u>	<u>5,210,267</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 6,286,571</u>	<u>\$ 8,163,763</u>
 DISPLAYED AS:		
Cash and cash equivalents	\$ 5,856,400	\$ 7,029,864
Cash segregated for construction	430,171	1,133,899
Total cash and cash equivalents	<u>\$ 6,286,571</u>	<u>\$ 8,163,763</u>

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

MIAMI LIGHTHOUSE FOR THE BLIND AND VISUALLY IMPAIRED, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Miami Lighthouse for the Blind and Visually Impaired, Inc. (Miami Lighthouse) is a nonprofit corporation established under the laws of the State of Florida. Through education, training, research and vision enhancement, Miami Lighthouse provides hope, confidence, and independence to people of all ages. Approximately fifty percent of funding is provided by government contracts. The remaining 50% of funding comes from foundations, donor contributions, corporations, and other income.

The consolidated financial statements of the Miami Lighthouse include the following entities related through common control:

The Florida Heiken Children's Vision Program, LLC was organized as a Florida limited liability company on September 9, 2010 to provide eye examinations and glasses when prescribed to under-served school children throughout Florida using standards and guidelines of the American Optometric Association (AOA). The accounts of this company are included and presented along with Miami Lighthouse on the accompanying supplemental consolidating statements of financial activities and operations.

The New Miami Lighthouse Learning Center, Inc. ("NML") was incorporated in 2020 as a Florida not-for-profit corporation for the purpose of acquiring, developing and leasing grounds for charitable purposes. Furthermore, NML holds assets that have been transferred from Miami Lighthouse, as required due to the structure of the 2020 New Market Tax Credit ("NMTC") transaction. As a result of this asset transfer, NML is included in the consolidated financial statements.

In 2021, a separate LLC was created, *Miami Lighthouse Academy, LLC*, which is a Pre-school, Pre-Kindergarten and early elementary school for early through second grade. This separate entity covers the salary and fringe benefits, including a separate 401K plan for 9 Florida licensed teachers, 5 teacher assistants, an Occupational Therapist, and 4 administrators. Operating expenses and insurance are also covered under this separate entity. The accounts of this company are included and presented along with Miami Lighthouse on the accompanying supplemental consolidating statements of financial activities and operations.

The Miami Lighthouse has been consistently evaluated by Charity Navigator as a 4-star charity, the highest rating possible, from Charity Navigator for sound fiscal management and commitment to accountability and transparency. This exceptional designation from Charity Navigator sets Miami Lighthouse for the Blind and Visually Impaired apart from its peers and demonstrates to the public its trustworthiness. The Miami Lighthouse also received perfect 100 scores on the new Charity Navigator Encompass Beacons for Leadership and Adaptability, which provides an assessment of Miami Lighthouse's leadership capacity, strategic thinking and planning, and ability to innovate or respond to changes in constituent demand/need or other relevant social and economic conditions to achieve our mission, and in 2022 for Culture and Community, which provides an assessment of Miami Lighthouse's culture and connectedness to the community served.

In 2003, the national agenda for the education of children with visual impairments, including those with multiple disabilities, was revised and included a referral system to appropriate quality educational programs. Following the legislative call to action, Miami Lighthouse launched its Early Intervention Program for in 2003 Blind Babies. The program is a home visitation program intended to support the needs of children with vision impairment from birth to five-years-old and their families who are mainly low income and from diverse geographic, economic, and ethnic backgrounds. The Miami Lighthouse Learning Center for Children™ (changed to Miami Lighthouse Academy, LLC in 2021) is a Pre-Kindergarten for ages one through four. Kindergarten and first grade launched in the 2020/21 academic year, and a second grade was added in the fall of 2021.

MIAMI LIGHTHOUSE FOR THE BLIND AND VISUALLY IMPAIRED, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Nature of Organization (Continued)

Vision rehabilitation, vocational rehabilitation and low vision services are provided to teenagers and adults from state-of-the-art instructional classrooms and computer laboratories. During 2022, over 24,000 participants, 18,000 children and 6,000 adults, participated in Miami Lighthouse's programs. During 2023, over 26,000 participants, 18,000 children and 8,000 adults, participated in Miami Lighthouse's programs.

When considering families, over 75,000 people were impacted by Miami Lighthouse program outcomes. Miami Lighthouse's innovative programming removes barriers to education, jobs and critical eye care and unlocks the power of the internet and technology. Miami Lighthouse's belief is that no one's potential should be defined by ability, age, zip code, income, race or ethnicity.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Miami Lighthouse for the Blind and Visually Impaired, Inc. The Florida Heiken Children's Vision Program, LLC, The New Miami Lighthouse Learning Center, Inc. and the Miami Lighthouse Learning Academy, LLC, collectively known as the "Lighthouse". All significant intercompany accounts and transactions have been eliminated in the consolidated financial statements.

Subsequent Events

The Lighthouse has evaluated subsequent events through April 15, 2024, which is the date the financial statements were available to be issued.

Basis of Accounting and Presentation

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") promulgated by the Financial Accounting Standards Board Accounting Standards Codification ("ASC"). Consequently, the Lighthouse's resources are classified and reported in the accompanying financial statements as separate classes of net assets based on the existence or absence of donor-imposed restrictions as follows:

Net assets without donor restriction – include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by contract or by board designation. Changes in net assets arising from exchange transactions (except income and gains on assets that are restricted by donors or by law) are included in the net assets without donor restriction class.

Net assets with donor restriction – include those net assets whose use by the Lighthouse has been limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled by expending the funds for their restricted purpose. These include donor restrictions requiring the net assets be held in perpetuity or for a specified term with the investment return available for operations. See Note 7.

Cash and Cash Equivalents

Cash and cash equivalents include short-term, highly liquid investments with original maturities of 90 days or less.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are stated at their net realizable value and consist of amounts due from various government agencies for reimbursable costs incurred and accrued and other third parties. The Lighthouse maintains allowances for doubtful accounts based on management's assessment of collectability through a charge to earnings and a credit to a valuation allowance. The allowance for doubtful accounts totaled \$96,715 and \$50,387 as of December 31, 2023 and 2022, respectively.

MIAMI LIGHTHOUSE FOR THE BLIND AND VISUALLY IMPAIRED, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions Receivable, Net

Contributions receivable are accounted for at the present value of estimated future cash flows. During the years ended December 31, 2023 and 2022, a discount rate of 5% was used based on management's estimate of its borrowing base during the fiscal year. The discounted future cash flows approximates fair value. See Note 4.

Split-Interest Agreements

The Lighthouse is the remainder beneficiary of various charitable remainder and charitable annuity trusts. Trust assets are valued at fair value using the quoted market prices of the underlying securities and discounted when appropriate. If a quoted market price is not available, fair value is determined using the net present value of future distributions the Lighthouse expects to receive over the term of the agreements.

A contribution is recorded at the time of the gift as the difference between the fair value of the assets received and the liabilities incurred in the exchange portion of the agreement for these irrevocable transfers of assets. The assets related to these trusts are separately identified in the accompanying statements of financial positions as "beneficial interest in irrevocable trusts" and are included as net assets with donor restrictions.

Investment Securities

The Lighthouse reports its investments under an accounting standard where a not-for-profit organization is required to report investments in equity securities with readily determinable fair values and all investments in debt securities at fair value, with realized and unrealized gains and losses included in the statements of activities. The fair value of marketable securities is determined by quoted market prices. Investments measured using the net asset value per share (or its equivalent) practical expedient are not classified in the fair value hierarchy. See Note 3.

Property and Equipment, Net

Property and equipment are stated at cost, or if donated, at fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Expenditures for property and equipment in excess of \$2,000 are capitalized.

Useful lives are as follows:

Buildings and improvements	20-39 years
Furniture and equipment	5-10 years
Automotive equipment	3 years

Revenue and Revenue Recognition

Contributions

The Lighthouse recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a 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 as revenue until the conditions on which they depend have been met.

Consequently, at December 31, 2023 and 2022, conditional contributions approximating \$1,111,000 and \$1,695,000, respectively, are included as deferred revenue in the accompanying statements of financial position as they were received in advance of the Lighthouse meeting the condition(s) on which they depend for revenue recognition. The total conditional contributions at December 31, 2023 and 2022 depend on measurable performance or other barriers and a right of return.

MIAMI LIGHTHOUSE FOR THE BLIND AND VISUALLY IMPAIRED, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and Revenue Recognition (Continued)

Contributions (Continued)

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 transferred to net assets without donor restrictions. The Lighthouse accounts for donor-restricted contributions, for which the restrictions are met in the same reporting period as they are received, as net assets without donor restrictions.

Grant funding

Grant funding is derived from cost-reimbursable federal, state or local contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Lighthouse has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. Refundable advances as of December 31, 2022 totaled approximately \$400,000. There were no refundable advances as of December 31, 2023.

Other income

A portion of the Lighthouse's revenue is derived from contracts with customers to transfer promised goods or services. The majority of these contracts do not contain variable consideration and contract modifications are generally minimal. Revenue is recognized as performance obligations are met. These arrangements generally consist of single performance obligations or obligations that are satisfied within one year or less. There were no significant contract receivables or liabilities related to other income as of December 31, 2023 and 2022.

Concentrations of Credit Risk

Financial instruments, which potentially subject the Lighthouse to concentrations of credit risk, consist primarily of cash and cash equivalents maintained in financial institutions in excess of the FDIC insured limit of \$250,000. Cash and cash equivalent balances exceeding the FDIC insured limit was approximately \$5,500,000 and \$7,000,000 as of December 31, 2023 and 2022, respectively. The Lighthouse has not experienced and does not expect to incur any losses in such accounts.

Cash Segregated for Construction

Cash segregated for construction includes amounts segregated by the Lighthouse for the construction of the classroom expansion project in connection with the New Market Tax Credit transaction, totaling \$197,046 and \$843,774 at December 31, 2023 and 2022, respectively. Cash segregated for construction also includes cash to fund interest and fees associated with the 2020 New Market Tax Credit transaction, totaling \$233,125 and \$290,125 at December 31, 2023 and 2022, respectively.

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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Lighthouse is exempt from income tax under Section 501(c) (3) of the Internal Revenue Code and therefore, has made no provision for federal income taxes in the accompanying financial statements. In addition, the Lighthouse qualifies for the charitable contribution deduction under Section 170 (b) (1) (A) and has been classified as an organization other than a private foundation under Section 509 (a) (2).

MIAMI LIGHTHOUSE FOR THE BLIND AND VISUALLY IMPAIRED, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

There are no reserves held for uncertain tax positions at December 31, 2023 and 2022. Tax years that are open under the statute of limitations remain subject to examination by the IRS. The Lighthouse is generally no longer subject to U.S. Federal or State examinations by tax authorities for years before 2020.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, which are allocated on a square footage basis, as well as salaries and benefits, which are allocated on the basis of estimates of time and effort.

NOTE 2 – INVESTMENT SECURITIES

Fair value of investment securities at December 31, 2023 and 2022, are summarized as follows:

	2023	2022
Equity securities	\$ 16,990,683	\$ 15,424,522
Fixed income	16,628,518	13,261,580
Real estate funds	544,435	419,467
	\$ 34,163,636	\$ 29,105,569

Short-term pooled investments are classified as cash and cash equivalents on the statement of financial position and totaled \$3,741,900 and \$4,945,313 as of December 31, 2023 and 2022, respectively.

The Lighthouse's investment income(loss), including income earned on cash deposits, consisted of the following for the years ended December 31, 2023 and 2022:

	2023	2022
Net realized/unrealized gains/(losses)	\$ 2,664,175	\$ (6,417,557)
Interest and dividends, net	1,314,682	881,509
	\$ 3,978,857	\$ (5,536,048)

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NOTE 3 – FAIR VALUE MEASUREMENTS

The FASB established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs of 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 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Lighthouse 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 asset 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.

Investments measured using the net asset value per share (or its equivalent) practical expedient are not classified in the fair value hierarchy. The following describes these investments:

Assets Held at Net Asset Value (NAV) - Valuations based on fair value using the NAV per share (or its equivalent) of such investment funds as a practical expedient for fair value. The Lighthouse has estimated the fair value of these funds by using the NAV provided by the fund's managers.

Items Measured at Fair Value on a Recurring Basis

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

Following is a depiction of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2023 and 2022.

The Equity Portfolio consists of equity securities and mutual funds managed primarily through investments held by independent investment advisors with discretionary investment authority. Equity securities consist primarily of common stocks. Equity Portfolio investments are valued at the closing price reported in the active market in which the individual securities are traded. Investments in equity funds may also include investments in which fair values may be based on the NAV of the fund.

MIAMI LIGHTHOUSE FOR THE BLIND AND VISUALLY IMPAIRED, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

Items Measured at Fair Value on a Recurring Basis (Continued)

The Fixed Income Portfolio consists of investments in securities issued by the U.S. Treasury and corporate bonds through independent investment advisors. Those investments are valued at the closing price reported in the active market in which the individual securities are traded. Investments in fixed income may also include investments in which fair values may be based on the NAV of the fund.

The Real Estate Investment Fund Portfolio invests in equity securities of real estate companies and real estate related companies. These investments are valued at the closing price reported in the active market in which the individual securities are traded. Certain of these funds are traded at net asset value, which approximates fair value.

Investments held in trust are recorded based on the quoted market prices for the underlying investments, less expected payouts to other beneficiaries over the life of the trust as discounted to present value. This value is considered to approximate fair value.

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

There were no financial liabilities measured at fair value on a recurring or non-recurring basis at December 31, 2023 and 2022.

The following table represents the Lighthouse's financial instruments measured at fair value on a recurring basis at December 31, 2023 for each of the fair value hierarchy levels:

Description	12/31/2023	Fair Value Measurement at December 31, 2023			Assets held at Net Asset Value (NAV) or Equivalent
		Quoted Prices in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	
Assets:					
Investment Securities:					
Equity	\$ 16,990,683	\$ 11,701,329	\$ -	\$ -	\$ 5,289,354
Fixed income	16,628,518	5,528,465	-	-	11,100,053
Real estate funds	544,435	-	-	-	544,435
Total investment securities	\$ 34,163,636	\$ 17,229,794	\$ -	\$ -	\$ 16,933,842
Beneficial interest in trust	\$ 241,784	\$ -	\$ -	\$ 241,784	\$ -
	\$ 241,784	\$ -	\$ -	\$ 241,784	\$ -

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NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

Items Measured at Fair Value on a Recurring Basis (Continued)

The following table represents the Lighthouse's financial instruments measured at fair value on a recurring basis at December 31, 2022 for each of the fair value hierarchy levels:

Description	12/31/2022	Fair Value Measurement at December 31, 2022						Assets held at Net Asset Value (NAV) or Equivalent
		Quoted Prices in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)				
Assets:								
Investment Securities:								
Equity	\$ 15,424,522	\$ 10,310,360	\$ -	\$ -	\$ -	\$ -	\$ 5,114,162	
Fixed income	13,261,580	2,748,330	-	-	-	-	10,513,250	
Real estate funds	419,467	-	-	-	-	-	419,467	
Total investment securities	<u>\$ 29,105,569</u>	<u>\$ 13,058,690</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,046,879</u>	
Beneficial interest in trust	\$ 279,761	\$ -	\$ -	\$ 279,761	\$ -	\$ -	\$ -	
	<u>\$ 279,761</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 279,761</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

The following summarizes the changes in value of the Level 3 assets for the year ended December 31, 2023 and 2022:

	2023	2022
Beginning balance	\$ 279,761	\$ 279,761
Change in value of beneficial interest	(37,977)	-
Ending balance	<u>\$ 241,784</u>	<u>\$ 279,761</u>

NOTE 4 – CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable are expected to be realized as follows at December 31:

	2023	2022
2023	\$ -	\$ 138,473
2024	184,957	126,000
2025	126,000	126,000
2026	126,000	126,000
2027	125,000	125,000
2028	125,000	125,000
Thereafter	<u>72,915</u>	<u>72,915</u>
Total	<u>759,872</u>	<u>839,388</u>
Less allowance and present value discount	<u>(102,550)</u>	<u>(181,473)</u>
	<u>\$ 657,322</u>	<u>\$ 657,915</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 5 – PROPERTY AND EQUIPMENT, NET

Property and equipment consists of the following at December 31:

	2023	2022
Land	\$ 2,785,422	\$ 2,785,422
Building and improvements	25,417,388	25,014,607
Construction in progress	-	260,130
Furniture and equipment	2,484,667	2,221,569
Automotive equipment	1,066,888	853,219
Total	31,754,365	31,134,947
Less accumulated depreciation	(10,982,042)	(10,225,500)
	\$ 20,772,323	\$ 20,909,447

Total depreciation expense for the years ended December 31, 2023 and 2022 was \$796,927 and \$797,692, respectively.

Construction in progress represents architectural, design and other construction costs in connection with the Lighthouse's capital campaign project for the expansion of the Miami Lighthouse Learning Center for Children™, which in 2021 is referred to as Miami Lighthouse Academy, LLC.

During the year ended December 31, 2022, the Lighthouse began operating programs under a temporary certificate of occupancy in classrooms that had been completed in connection with the project at the start of 2022. As such, a total of \$9,970,362 was transferred out of construction in progress and into land, building and improvements during 2022. The campus expansion project is not entirely complete and the amounts remaining in construction in progress at December 31, 2022 represent construction costs for the uncompleted classrooms, therapy rooms and playground.

The campus expansion project was completed in 2023 and a Certificate of Occupancy was issued on July 21st, 2023. As a result, construction in progress remaining at the end of 2023 was reclassified to building and improvements.

NOTE 6 – BENEFICIAL INTEREST IN IRREVOCABLE TRUSTS

Prior to January 1, 2004, the Lighthouse became aware that it was named in an irrevocable trust as a 50% remainder beneficiary. The trust was set up to pay income from the trust to its lifetime beneficiaries until they pass away. Upon death of the lifetime beneficiaries, the Lighthouse will receive the remaining principal and accumulated interest remaining in the trusts. The trust holds investments including fixed income and equities. At December 31, 2023 and 2022, the Lighthouse's beneficial interest in this irrevocable trust totaled \$241,784 and \$279,761, respectively.

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of assets which have been restricted by the donor either as to the purpose or the passage of time. They also include net assets that are restricted to investment in perpetuity, the income of which is expendable to support the Lighthouse's programs.

MIAMI LIGHTHOUSE FOR THE BLIND AND VISUALLY IMPAIRED, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets with donor restrictions consist of the following at December 31:

Description	2023	2022
Donor restricted endowment funds		
- Children's Fund (original gift \$1,126,290)	\$ 1,724,205	\$ 1,592,123
Donor restricted for the Learning Center		
Sustainability Matching Challenge	-	2,474,627
Donor restricted Cortical Vision Impairment		
(CIV) Matching Challenge	1,630,807	1,000,000
Donor restricted investment fund restricted to the		
Lighthouse Learning Center for Children	19,603,621	18,380,581
Time restricted pledge	601,549	692,233
Beneficial interest in irrevocable trusts	241,784	279,761
	<u>\$ 23,801,966</u>	<u>\$ 24,419,325</u>
Permanently restricted as to purpose		
Heiken endowment fund	\$ 1,022,698	\$ 1,022,698
	<u>103,592</u>	<u>103,592</u>
	<u>\$ 1,126,290</u>	<u>\$ 1,126,290</u>

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

	2023	2022
Cash and short term investments (included in cash & cash equivalents)	\$ 584,357	\$ 2,213,912
Contributions receivable, net	601,549	692,233
Investments	22,374,276	21,233,419
Beneficial interest in irrevocable trusts	241,784	279,761
	<u>\$ 23,801,966</u>	<u>\$ 24,419,325</u>

NOTE 8 – ENDOWMENTS

The Lighthouse's endowment consists of individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. Although these board-designated funds are included in net assets without donor restrictions, management and the board of directors segregated these funds so that the principal is designated not to be expended without board approval. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

MIAMI LIGHTHOUSE FOR THE BLIND AND VISUALLY IMPAIRED, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 8 – ENDOWMENTS (Continued)

Interpretation of Relevant Law

The State of Florida enacted the Florida Uniform Prudent Management of Institutional Funds Act (“FUPMIFA”) effective July 1, 2012, the provisions of which apply to endowment funds existing on or established after that date. The Lighthouse has interpreted the FUPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Lighthouse considers the value of a fund to be deficient if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Lighthouse has a policy to not spend from deficient endowments unless directed otherwise by the donor.

In accordance with the FUPMIFA, the Lighthouse considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Lighthouse and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Lighthouse
- (7) The investment policies of the Lighthouse

For the years ended December 31, 2023 and 2022, the Lighthouse has elected not to add appreciation for cost of living or other spending policies to its endowments that are donor restricted in perpetuity for inflation and other economic conditions.

Summary of Endowment Assets:

Endowment assets are invested as follows at December 31:

Description	2023	2022
Equity securities	\$ 16,549,067	\$ 15,047,667
Fixed income	16,172,640	12,904,207
Real estate funds	529,669	407,640
Cash and short term investments (included in cash & cash equivalents)	1,601,549	3,112,641
	<hr/> \$ 34,852,925	<hr/> \$ 31,472,155

MIAMI LIGHTHOUSE FOR THE BLIND AND VISUALLY IMPAIRED, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 8 – ENDOWMENTS (Continued)

Summary of Endowment Assets at December 31, 2023:

	With donor restrictions				
	Without donor restrictions	Accumulated gains (losses) and other	Endowment corpus restricted in perpetuity	Total with donor restrictions	Total funds
Donor-restricted endowment funds - Children's Fund	\$ -	\$ 597,916	\$ 1,126,290	\$ 1,724,206	\$ 1,724,206
Donor-restricted endowment funds - Cortical Vision Impairment	-	1,630,807	-	1,630,807	1,630,807
Donor-restricted endowment funds - Lighthouse Learning Center	-	19,603,621	-	19,603,621	19,603,621
Board-designated endowment funds - Sustainability	4,746,806	-	-	-	4,746,806
Board-designated endowment funds - Operations	7,147,485	-	-	-	7,147,485
Total endowment net assets	<u>\$ 11,894,291</u>	<u>\$ 21,832,344</u>	<u>\$ 1,126,290</u>	<u>\$ 22,958,634</u>	<u>\$ 34,852,925</u>

As of December 31, 2023, endowment net assets consist of funds totaling approximately \$330,000 that have been received by donors and deposited in the endowment accounts but were reported as deferred revenues as they have not met the conditions for which revenues should be recognized.

Summary of Endowment Assets at December 31, 2022:

	With donor restrictions				
	Without donor restrictions	Accumulated gains (losses) and other	Endowment corpus restricted in perpetuity	Total with donor restrictions	Total funds
Donor-restricted endowment funds - Children's Fund	\$ -	\$ 465,833	\$ 1,126,290	\$ 1,592,123	\$ 1,592,123
Donor-restricted endowment funds - Learning Center Match	-	3,275,213	-	3,275,213	3,275,213
Donor-restricted endowment funds - Cortical Vision Impairment	-	1,000,000	-	1,000,000	1,000,000
Donor-restricted endowment funds - Lighthouse Learning Center	-	18,380,580	-	18,380,580	18,380,580
Board-designated endowment funds	7,224,239	-	-	-	7,224,239
Total endowment net assets	<u>\$ 7,224,239</u>	<u>\$ 23,121,626</u>	<u>\$ 1,126,290</u>	<u>\$ 24,247,916</u>	<u>\$ 31,472,155</u>

As of December 31, 2022, endowment net assets consist of funds totaling approximately \$800,000 that have been received by donors and deposited in the endowment accounts but were reported as deferred revenues as they have not met the conditions for which revenues should be recognized.

Changes in endowment net assets as of December 31, 2023:

	With donor restrictions				
	Without donor restrictions	Accumulated gains (losses) and other	Endowment corpus restricted in perpetuity	Total with donor restrictions	Total funds
Endowment net assets, beginning	\$ 7,224,239	\$ 23,121,626	\$ 1,126,290	\$ 24,247,916	\$ 31,472,155
Investment change, net of fees	1,352,118	2,363,494	-	2,363,494	3,715,612
Contributions	2,117,568	501,000	-	501,000	2,618,568
Reclassification	3,145,406	(3,145,406)	-	(3,145,406)	-
Disbursements	(1,945,040)	(1,008,370)	-	(1,008,370)	(2,953,410)
Total endowment net assets	<u>\$ 11,894,291</u>	<u>\$ 21,832,344</u>	<u>\$ 1,126,290</u>	<u>\$ 22,958,634</u>	<u>\$ 34,852,925</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 8 – ENDOWMENTS (Continued)

Changes in endowment net assets as of December 31, 2022:

	With donor restrictions				
	Without donor restrictions	Accumulated gains (losses) and other	Endowment corpus restricted in perpetuity	Total with donor restrictions	Total funds
Endowment net assets, beginning	\$ 10,087,283	\$ 27,301,160	\$ 1,126,290	\$ 28,427,450	\$ 38,514,733
Investment change	(1,452,996)	(4,061,130)	-	(4,061,130)	(5,514,126)
Contributions	3,383	1,942,450	-	1,942,450	1,945,833
Disbursements	(1,413,431)	(2,060,854)	-	(2,060,854)	(3,474,285)
Total endowment net assets	<u>\$ 7,224,239</u>	<u>\$ 23,121,626</u>	<u>\$ 1,126,290</u>	<u>\$ 24,247,916</u>	<u>\$ 31,472,155</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or FUPMIFA requires the Lighthouse to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles in the United States of America, there were no deficiencies of this nature as of December 31, 2023 and 2022, respectively.

Return Objectives and Risk Parameters

The Lighthouse has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Lighthouse must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Lighthouse expects its endowment funds, over time, to provide a rate of return of in excess of the original gift amount restricted in perpetuity. Actual returns in any given year may vary.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Lighthouse relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Lighthouse targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Lighthouse has a policy of appropriating distributions each year up to 5 percent of its endowment fund's average fair value, while maintaining donor restricted endowment funds at the level they are required to be maintained. Any distributions in excess of 5 percent require two-thirds vote approval from the Board of Directors as part of the budget process. In establishing this policy, the Lighthouse considered the long-term expected return on its endowment. Accordingly, over the long term, the Lighthouse expects the current spending policy to allow its endowment to grow.

MIAMI LIGHTHOUSE FOR THE BLIND AND VISUALLY IMPAIRED, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 9 – LINE OF CREDIT ARRANGEMENT

In December 2019, the Lighthouse entered into a loan agreement with a financial institution in connection with their application for funding under the New Market Tax Credit Program. The agreement is a variable rate non-disclosable revolving line of credit for \$9,000,000, which matured in February 2022. This line of credit was not renewed. There was no outstanding balance as of December 31, 2023 and 2022. There was no interest expense for the year ended December 31, 2023 and 2022. Refer to Note 13 for additional information relating to the New Market Tax Credit.

NOTE 10 – NOTES PAYABLE

Investment Bond

In May 2021, the Lighthouse issued a long-term unsecured investment bond to a financial institution in the amount of \$1,500,000. These funds were used to purchase property on the Southeast corner of the campus, expand the playground for the Academy, and bring the overall building project in compliance with Miami 21 Code. The Lighthouse will pay interest on the investment at an annual rate of 0.5% until the investment is paid in full. The entire investment amount is payable in full on May 26, 2026, the maturity date. The Lighthouse may redeem the investment at any time upon 30 days written notice to the financial institution at the price of the investment amount plus accrued interest. Under the terms of the agreement, the investment does not represent any equity or like interest in the Lighthouse or any interest convertible to such, and does not carry with it any voting like rights. The amount outstanding as of December 31, 2023 and 2022 totaled \$1,500,000 and is included as notes payable in the accompanying consolidated statement of financial position.

NOTE 11 – GRANT FUNDING

The Lighthouse receives funding from the U.S. Department of Education passed through the State of Florida Division of Blind Services to provide rehabilitative services to visually impaired individuals. Funding is based on a budgeted formula. The contract under which funds are received may be terminated upon a 30-day written notice by either party and is subject to funds being available to the grantor.

The Lighthouse participates in a number of government-assisted grant programs which are subject to financial and compliance audits by the granting agency. The financial statements do not include any adjustments for disallowed costs which may result from audits performed by the granting agencies. Management believes that no material liability will result from any such audits.

NOTE 12 – COMMITMENTS

Employment Agreement

During the year ended December 31, 2008, the Lighthouse entered into an employment agreement with its Chief Executive Officer. The agreement is in effect through May 31, 2026. This agreement includes an agreed-upon salary package. The contract includes a 60 day cancellation clause, which requires the Lighthouse to fulfill the contract in the event of termination.

MIAMI LIGHTHOUSE FOR THE BLIND AND VISUALLY IMPAIRED, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 13 – NEW MARKET TAX CREDIT TRANSACTION

On November 6, 2020, the Miami Lighthouse for the Blind and Visually Impaired, Inc. (“Lighthouse”) and The New Miami Lighthouse Learning Center (“NML”) entered into a New Market Tax Credit transaction (the “NMTC 2020 Transaction”) with The Northern Trust Company (“TNT”) and its affiliate TNT-ML NMTC Fund, LLC (“TNT-ML”), and ENMP 86 LP (“ENMP”) and its affiliate ESIC New Markets Partners Limited Partnership. The purpose of the transaction is to provide supplemental financing for the ongoing construction project of the classroom expansion of the Miami Lighthouse Learning Center for Children™, which in 2021 is referred to as Miami Lighthouse Academy.

The NMTC 2020 Transaction is composed of several sub-transactions, as described below:

Line of Credit: In connection with the NMTC 2020 Transaction, the Lighthouse obtained a revolving line of credit for \$9,000,000 from TNT, secured by two of the Lighthouse’s unrestricted deposit accounts with financial institutions. There were no amounts outstanding as of December 31, 2023 and 2022. See Note 9.

Leverage Loan: Under the NMTC 2020 Transaction, the Lighthouse loaned \$5,735,700 (“Leverage Loan”) to TNT-ML, an affiliate of TNT. The proceeds of this Leverage Loan were used by TNT-ML towards making a Qualified Equity Investment into ENMP, another sub-component of the NMTC transaction. The Leverage Loan bears an interest rate of 1.512%, matures December 31, 2047, and is secured by certain assets in favor of the Leverage Lender. The Leverage Loan is recorded in the Lighthouse’s consolidated statement of financial position as Note Receivable – New Market Tax Credit 2020. During the years ended December 31, 2023 and 2022, the Lighthouse recorded \$86,724 and \$86,724 respectively of interest income under this loan, included in other revenues in the Lighthouse’s consolidated statement of activities.

Qualified Low-Income Community Investment ("QLICI Loan"): Under the NMTC 2020 Transaction, NML obtained a QLICI Loan from ENMP for \$8,685,000, secured by two separate notes for \$5,735,700 and \$2,949,300, both bearing an interest rate of 1.0% and maturing in December 31, 2054. Proceeds of this loan are to be used to fund an expense and interest reserve account, reimburse certain expenses incurred by the Lighthouse in connection with the construction and establish a construction deposit account to be disbursed to NML in order to finance NML’s construction of the expansion of the Miami Lighthouse Learning Center for Children™. The QLICI Loan of \$8,685,000 is recorded in the Lighthouse’s consolidated statements of financial position at December 31, 2023 and 2022 as Notes payable - New Market Tax Credits 2020, net of unamortized loan costs of \$310,822 and \$336,722 respectively. During the fiscal years ended December 31, 2023 and 2022, the Lighthouse recorded \$86,850 and \$86,850 respectively, of interest expense under this loan, which is included in administrative and general expenses in the Lighthouse’s consolidated statement of activities.

Reimbursement and Contribution Agreement: In the fiscal year ended December 31, 2020, NML paid \$45,425 to the Lighthouse in exchange for ownership of the Miami Lighthouse Learning Center for Children™. In previous years and through the date of the Reimbursement and Contribution Agreement (November 6, 2020), the Lighthouse’s previously incurred costs for the construction were \$1,671,723, with the differential of \$1,626,298 recorded as a contribution from the Lighthouse to NML and included as a contribution to affiliate in the consolidating statement of activities of Lighthouse and NML during the year ended December 31, 2020, and was eliminated in consolidation. Therefore, no gain or loss on this transaction occurred at the consolidated level.

MIAMI LIGHTHOUSE FOR THE BLIND AND VISUALLY IMPAIRED, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 13 – NEW MARKET TAX CREDIT TRANSACTION (Continued)

Lease Agreement: By virtue of the Reimbursement and Contribution Agreement, NML became the landlord of the Lighthouse, which will continue to operate its programs at the campus that is being expanded. The Lease Agreement sets forth rent payments from Lighthouse to NML beginning December 1, 2020. Rent payments started accruing on that date, and will become payable each at the following rates: \$10,000 on December 1, 2020, \$33,000 on December 1, 2021, \$102,000 per year from January 1, 2022 through December 31, 2026, \$112,000 per year from January 1, 2027 through December 31, 2027, and \$446,000 per year from January 1, 2028 through December 31, 2045. As of December 31, 2023 and 2022, there were \$247,000 and \$145,000, respectively, of accrued rent payable and receivable, included in due from/to related entities in the consolidating statement of financial position. All rental activity is eliminated in consolidation and is therefore not reflected at the consolidated financial statement level.

Put/Call Option Agreements, Call Option Agreements, and put option provisions embedded in Leverage Loans documents (the "Put/Call Options"): The NMTC 2020 Transaction legal documents include Put/Call Options between the Lighthouse and owners of TNT-ML and ENMP. If these Put/Call Options are exercised at the 7th year anniversary of the NMTC 2020 Transaction, Leverage lender can become the controlling owner of certain other parties to the deal. At this point the Leverage Lender would gain control of all outstanding loans payable and receivable under the NMTC 2020 Transaction, there would be no residual amounts due to or from any external third parties and the Lighthouse would record a net gain associated with the dissolution of the leverage Loans receivable and the QLICI loans payable after unamortized loan costs. These Put/Calls do not represent embedded derivatives and, accordingly, they have not been accounted for as derivative instruments in the Lighthouse's consolidated financial statements.

NOTE 14 – CONTRIBUTIONS NON-FINANCIAL ASSETS

During the years ended December 31, 2023 and 2022, contributed non-financial assets recognized within the statement of activities included:

	<u>2023</u>	<u>2022</u>
Services	\$ 190,870	\$ 175,117
Goods	895,654	63,583
	<u>\$ 1,086,524</u>	<u>\$ 238,700</u>

Goods

The Lighthouse receives donations of goods, such as clothing, personal hygiene, and other supplies to serve clients under various programs. The Lighthouse recognizes these donations as in-kind contribution revenue along with a corresponding expense at an amount approximating fair value at the time of the donation.

Services

The Lighthouse receives in-kind contributions of time and pro bono services from members of the community and volunteers related to professional services, program operations, special events, and fund-raising campaigns. Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Lighthouse. The Lighthouse recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value at the time of the donation.

MIAMI LIGHTHOUSE FOR THE BLIND AND VISUALLY IMPAIRED, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 15 – RISKS AND UNCERTAINTIES

Litigation

The Lighthouse may be party to legal proceedings and claims that arise in the ordinary course of business. In the opinion of management, the ultimate outcome of the claims and litigation, if any, will not have a material adverse effect on the Lighthouse's financial position.

Other

The Covid-19 pandemic continues to impact business continuity, including supply chains and consumer demand across a broad range of industries and countries. In addition, certain geopolitical risks abroad and inflationary pressures at home are causing significant market volatility. Management has been carefully monitoring the situation and evaluating its options during this time. As a result of these uncertainties, no adjustments have been made to these financial statements.

NOTE 16 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Lighthouse monitors its liquidity so that it is able to meet its operating needs while maximizing the investment of its excess operating cash. The Lighthouse has the following financial assets that could be made readily available within one year of December 31, 2023 and 2022 to fund expenses without limitations, such as donor-imposed or contractual restrictions or internal designations:

	2023	2022
Cash and cash equivalents	\$ 6,286,571	\$ 8,163,763
Accounts and interest receivable	1,672,845	1,492,659
Investment securities	<u>34,163,636</u>	<u>29,105,569</u>
	42,123,052	38,761,991
Less those unavailable for general expenditure within one year due to:		
Donor restricted endowment funds	(22,958,634)	(24,247,916)
Board designated endowment funds	(11,894,291)	(7,224,239)
Board designated cash for NMTC and construction	(430,171)	(1,133,899)
Deferred revenue - conditional contributions	<u>(1,111,209)</u>	<u>(2,096,604)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,728,747</u>	<u>\$ 4,059,333</u>

SUPPLEMENTARY INFORMATION

MIAMI LIGHTHOUSE FOR THE BLIND AND VISUALLY IMPAIRED, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

<u>Federal Agency/Federal Program/Pass Through Agency</u>	<u>Assistance Listing Number</u>	<u>Grant Award Number</u>	<u>Expenditure</u>
FEDERAL AGENCIES			
U.S. Department of Education			
Vocational Rehabilitation and Transition Services program: Passed-through Office of Special Education and Rehabilitative Services	84.126	24-543	\$ 1,051,282
U.S. Department of Transportation			
Enhanced Mobility of Seniors and Individuals with Disabilities program: Passed-through Office of Federal Transit Administration (FTA)	20.513	G2H23	158,967
U.S. Department of Agriculture			
Child and Adult Care Food program: Passed-through Florida Department of Health	10.558	I-5136	40,165
United States Department of Health and Human Services (HHS)			
Child Care and Development Block Grant: Passed-through Early Learning Coalition of Miami-DadeMonroe Passed-through Early Learning Coalition of Miami-DadeMonroe Program Total	93.575 93.575	ARPA SR	111,420 6,191 117,611
TOTAL FEDERAL EXPENDITURES			\$ 1,368,025

See accompanying notes to the schedule of expenditures of federal awards and state financial assistance.

MIAMI LIGHTHOUSE FOR THE BLIND AND VISUALLY IMPAIRED, INC.
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2023

Grantor/Program Title	CSFA Number	Grant Award Number	Expenditure
STATE FINANCIAL ASSISTANCE			
Florida Department of Education			
Community Rehabilitation Program:			
Passed-through Division of Blind Services			
Independent Living Adult Program (IL-AP)	48.044	24-576	\$ 74,855
Social Group Activities Program	48.044	23-583	150,000
Independent Living Older Blind (IL-OB)	48.044	24-529	<u>307,146</u>
Total Community Rehabilitation Program			<u>532,001</u>
Blind Babies Program:			
Division of Blind Services	48.062	24-508	<u>339,900</u>
Voluntary Pre-Kindergarten Education Program:			
Passed-through Early Learning Coalition of Miami-DadeMonroe	48.108	VPK	<u>14,685</u>
Florida Department of Health			
Community Health Promotion - Contracted Services			
Community Health Promotion - Contracted Services (Heiken)	64.157	COHBV	<u>2,112,353</u>
TOTAL STATE FINANCIAL ASSISTANCE			<u>\$ 2,998,939</u>

See accompanying notes to the schedule of expenditures of federal awards and state financial assistance.

MIAMI LIGHTHOUSE FOR THE BLIND AND VISUALLY IMPAIRED, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL
ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE A – BASIS OF PRESENTATION

The Schedules of Expenditures of Federal Awards and State Financial Assistance (the “Schedules”) represent all of the Federal and State awards to the Lighthouse during the year ended December 31, 2023.

The information in the schedules are presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, *Rules of the Auditor General of the State of Florida*. Because the Schedules present only a selected portion of the operation of the Lighthouse, they are not intended to and do not present the financial position, changes in net assets, or cash flows of the Lighthouse.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) The Lighthouse has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.



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COLLABORATIVE FAMILY
LAW INSTITUTE

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To Board of Directors
Miami Lighthouse for the Blind
and Visually Impaired, Inc.
Miami, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Miami Lighthouse for the Blind and Visually Impaired, Inc. (the "Lighthouse") (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 15, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Lighthouse's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Lighthouse's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lighthouse's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lighthouse's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

García Santa María De Armas Trujillo, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
April 15, 2024



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LAW INSTITUTE

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND MAJOR STATE PROJECT
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE AND CHAPTER 10.650
RULES OF THE AUDITOR GENERAL

The Board of Directors
Miami Lighthouse for the Blind
and Visually Impaired, Inc.
Miami, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Miami Lighthouse for the Blind and Visually Impaired, Inc.'s (the "Lighthouse") compliance with the types of compliance requirements identified as subjected to audit in the *OMB Compliance Supplement*, and in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the Lighthouse's major federal programs and state projects for the year ended December 31, 2023. The Lighthouse's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Lighthouse complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.650, *Rules of the Auditor General of the State of Florida*. Our responsibilities under those standards, Uniform Guidance, and Chapter 10.650 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Lighthouse and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the Lighthouse's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Lighthouse's federal programs and state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Lighthouse's compliance based on our audit. 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, *Government Auditing Standards*, Uniform Guidance, and Chapter 10.650 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Lighthouse's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance, and Chapter 10.650, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Lighthouse's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Lighthouse's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, but not for the purpose of expressing an opinion on the effectiveness of the Lighthouse's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.650. Accordingly, this report is not suitable for any other purpose.

García Santa María De Armas Trujillo, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida

April 15, 2024

MIAMI LIGHTHOUSE FOR THE BLIND AND VISUALLY IMPAIRED, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED DECEMBER 31, 2023

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(cies) identified? yes none reported

Noncompliance material to financial statements noted?

yes no

Federal Awards

Type of auditor's report issued on compliance for major programs:

Unmodified

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?

yes no

Identification of major programs:

Federal Program	CFDA Number	Expenditures
Vocational Rehabilitation and Transition Services	84.126	\$ 1,051,282
Dollar threshold used to distinguish between type A and type B programs:	<u>\$ 750,000</u>	
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no	

MIAMI LIGHTHOUSE FOR THE BLIND AND VISUALLY IMPAIRED, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED DECEMBER 31, 2023

SECTION I - SUMMARY OF AUDITOR'S RESULTS (Continued)

State Financial Assistance

Type of auditor's report issued on compliance for
major projects:

Unmodified

Internal control over major projects:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported

Any audit findings disclosed that are required to be
reported in accordance with Chapter 10.650 "Rules
of the Auditor General?" yes no

Identification of major projects:

State Project	CSFA Number	Expenditures
Community Health Promotion - Contracted Services (Heiken)	64.157	\$ 2,112,353
Dollar threshold used to distinguish between type A and type B projects.	<u>\$ 750,000</u>	

**MIAMI LIGHTHOUSE FOR THE BLIND AND VISUALLY IMPAIRED, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS PROGRAM AND STATE FINANCIAL ASSISTANCE PROJECTS

None

SECTION IV – OTHER ISSUES

1. A separate management letter was issued dated April 15, 2024.
2. A Summary Schedule of Prior Audit Findings is not required because there were no prior audit findings related to the financial statements for the year ended December 31, 2023.
3. A Corrective Action Plan is not required because there were no findings required to be reported under Federal or Florida Single Audit Acts.

MIAMI LIGHTHOUSE FOR THE BLIND AND VISUALLY IMPAIRED, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

	<u>Miami Lighthouse for the Blind and Visually Impaired, Inc.</u>	<u>The New Miami Lighthouse Learning Center, Inc.</u>	<u>Inter-company Eliminations</u>	<u>Consolidated Total</u>
ASSETS				
Cash and cash equivalents (including restricted cash held in investment money funds of \$3,741,900 and deferred revenues of \$1,111,209)	\$ 5,856,400	\$ -	\$ -	\$ 5,856,400
Cash segregated for construction	197,046	233,125	-	430,171
Accounts receivable, net	1,672,845	-	-	1,672,845
Prepaid expenses and other assets	296,427	-	-	296,427
Contributions receivable, net	657,322	-	-	657,322
Due from related entities	3,075,275	-	(3,075,275)	-
Beneficial interest in irrevocable trusts	241,784	-	-	241,784
Investment securities, partially restricted	34,163,636	-	-	34,163,636
Property and equipment, net	11,653,911	9,118,412	-	20,772,323
Note receivable - New Markets Tax Credit 2020	5,735,700	-	-	5,735,700
TOTAL ASSETS	\$ 63,550,346	\$ 9,351,537	\$ (3,075,275)	\$ 69,826,608
LIABILITIES				
Accounts payable and accrued expenses	\$ 607,556	\$ -	\$ -	\$ 607,556
Deferred revenues	1,111,209	-	-	1,111,209
Loan payable	1,500,000	-	-	1,500,000
Due to related entities	-	3,075,275	(3,075,275)	-
Notes payable - New Markets Tax Credit 2020, net	-	8,374,178	-	8,374,178
TOTAL LIABILITIES	3,218,765	11,449,453	(3,075,275)	11,592,943
NET ASSETS				
Without donor restrictions (including quasi endowment of \$11,894,291)	36,529,615	(2,097,916)	-	34,431,699
With donor restrictions	23,801,966	-	-	23,801,966
TOTAL NET ASSETS, CONSOLIDATING ENTITY	60,331,581	(2,097,916)	-	58,233,665
TOTAL LIABILITIES AND NET ASSETS	\$ 63,550,346	\$ 9,351,537	\$ (3,075,275)	\$ 69,826,608

Refer to Independent Auditor's report.

MIAMI LIGHTHOUSE FOR THE BLIND AND VISUALLY IMPAIRED, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES
DECEMBER 31, 2023

	<u>Miami Lighthouse for the Blind and Visually Impaired, Inc.</u>	<u>The New Miami Lighthouse Learning Center, Inc.</u>	<u>Inter-company Eliminations</u>	<u>Consolidated Total</u>
REVENUES, GAINS, AND OTHER SUPPORT:				
Bequests, legacies and trust income	\$ 904,808	\$ -	\$ -	\$ 904,808
Contributions, net	4,829,575	-	(318,577)	4,510,998
In-kind contributions	1,086,524	-	-	1,086,524
Grant funding, including funds from Miami-Dade County	6,699,912	-	-	6,699,912
Other revenues	646,712	102,000	(102,000)	646,712
Special event	173,876	-	-	173,876
TOTAL REVENUE, GAINS, AND OTHER SUPPORT	14,341,407	102,000	(420,577)	14,022,830
EXPENSES:				
Vision rehabilitation program	773,552	-	-	773,552
Alternative rehabilitation services	1,217,122	-	-	1,217,122
Transition services and vocational training program	1,206,029	-	-	1,206,029
Early intervention/Pre-K through 2nd grade	4,854,510	282,072	(102,000)	5,034,582
Heiken children's vision program	3,276,671	-	-	3,276,671
Administrative and general	1,037,543	403,277	(318,577)	1,122,243
Development	957,048	-	-	957,048
TOTAL EXPENSES	13,322,475	685,349	(420,577)	13,587,247
CONSOLIDATING CHANGE IN NET ASSETS, before investment gains (losses), net	1,018,932	(583,349)	-	435,583
Change in beneficial interest in irrevocable trust	(37,977)	-	-	(37,977)
Investment gains, net	3,978,857	-	-	3,978,857
CONSOLIDATING CHANGE IN NET ASSETS	4,959,812	(583,349)	-	4,376,463
NET ASSETS - BEGINNING OF YEAR	55,371,769	(1,514,567)	-	53,857,202
NET ASSETS - END OF YEAR	\$ 60,331,581	\$ (2,097,916)	\$ -	\$ 58,233,665

Refer to Independent Auditor's report.