

*Consolidated Financial Statements
and Supplementary Information*

LIGHTHOUSE CENTRAL FLORIDA, INC.

September 30, 2016 and 2015

LIGHTHOUSE CENTRAL FLORIDA, INC.

Consolidated Financial Statements and Supplementary Information

September 30, 2016 and 2015

(With Independent Auditor's Report Thereon)

LIGHTHOUSE CENTRAL FLORIDA, INC.

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Independent Auditor's Report

The Board of Directors
Lighthouse Central Florida, Inc.:

We have audited the accompanying consolidated financial statements of Lighthouse Central Florida, Inc. (a nonprofit organization), which comprise the consolidated statements of financial position as of September 30, 2016 and 2015, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Lighthouse Central Florida, Inc. as of September 30, 2016 and 2015, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audits were performed for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying schedule of Expenditures of Federal Awards and State Projects, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Section 215.97 of the Florida Statutes of the Florida Single Audit Act is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Also, the supplementary information included in Schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 22, 2016 on our consideration of the Lighthouse Central Florida, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants and other matters. The purpose of that report is 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 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 Lighthouse Central Florida, Inc.'s internal control over financial reporting and compliance.

Schacter, Tschoyge, Whittemt, Mitchell & Shuilen, LLP

November 22, 2016
Maitland, Florida

LIGHTHOUSE CENTRAL FLORIDA, INC.

Consolidated Statements of Financial Position

September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>Assets</u>		
Current Assets:		
Cash and cash equivalents (includes \$689,993 and \$773,677 for Lighthouse Works! - note 7)	\$ 1,690,212	1,441,545
Investments (note 2)	1,629,779	1,469,518
Accounts receivable	166,582	447,487
Grant and other receivables	185,382	197,648
Pledges receivable, current portion (note 3)	29,210	21,948
Inventory	97,957	503,256
Total current assets	3,799,122	4,081,402
Land, building and equipment, net (notes 4 and 5)	3,860,101	3,964,700
Intangible assets - net of \$2,087 and \$161 of accumulated amortization	26,812	28,738
Pledges receivable, less current portion (note 3)	8,278	17,246
Deposits	18,992	19,437
Total assets	<u>\$ 7,713,305</u>	<u>8,111,523</u>
<u>Liabilities and Net Assets</u>		
Current Liabilities:		
Accounts payable	\$ 187,820	871,790
Accrued expenses	146,186	290,213
Deferred revenue	10,278	27,929
Current maturities of long-term debt (note 5)	142,104	127,731
Total current liabilities	486,388	1,317,663
Long-term debt, less current maturities (note 5)	2,248,188	2,394,518
Total liabilities	<u>2,734,576</u>	<u>3,712,181</u>
Unrestricted net assets	<u>4,978,729</u>	<u>4,399,342</u>
Total net assets	<u>4,978,729</u>	<u>4,399,342</u>
Total liabilities and net assets	<u>\$ 7,713,305</u>	<u>8,111,523</u>

See accompanying notes to financial statements.

LIGHTHOUSE CENTRAL FLORIDA, INC.

Consolidated Statement of Activities

Year ended September 30, 2016

Unrestricted net assets:

Revenue and Other Support:	
Florida Department of Education	\$ 1,680,897
Local government grants	130,418
Other grants	270,448
Foundations	363,840
United Way Heart of Florida	155,032
United Way - Designations	36,893
Contributions	86,612
Capital campaign	65,000
Fund raising	209,471
Client fees and contracts	3,400
Product and service sales	6,090,460
Investment income (note 2)	173,604
	<u>9,266,075</u>
Total revenue and public support	
Expenses:	
Program services:	
Adult and family services	1,021,924
Children and family services	1,099,122
Employment services	103,315
Lighthouse Works!, Inc. - call center	627,247
Lighthouse Works!, Inc.- supply chain	5,282,683
	<u>8,134,291</u>
Total program services	
Supporting services:	
Management and general	243,094
Fund raising	309,303
	<u>552,397</u>
Total supporting services	
Total expenses	<u>8,686,688</u>
Change in net assets	579,387
Net assets at September 30, 2015	<u>4,399,342</u>
Net assets at September 30, 2016	<u>\$ 4,978,729</u>

See accompanying notes to financial statements.

LIGHTHOUSE CENTRAL FLORIDA, INC.

Consolidated Statement of Activities

Year ended September 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and Other Support:			
Florida Department of Education	\$ 1,989,246	-	1,989,246
Local government grants	80,717	-	80,717
Foundations	196,500	-	196,500
United Way Heart of Florida	163,124	-	163,124
United Way - Designations	31,484	-	31,484
Contributions	168,801	12,620	181,421
Capital campaign	262,169	-	262,169
Fund raising	176,899	-	176,899
Client fees and contracts	6,657	-	6,657
Product and service sales	6,672,338	-	6,672,338
Investment income (note 2)	(52,262)	-	(52,262)
Loss on disposal of assets	(15,021)	-	(15,021)
Net assets release from restrictions:			
Satisfaction of program restrictions	12,620	(12,620)	-
Total revenue and public support	<u>9,693,272</u>	<u>-</u>	<u>9,693,272</u>
Expenses:			
Program services:			
Adult and family services	1,292,305	-	1,292,305
Children and family services	890,606	-	890,606
Employment services	165,783	-	165,783
Lighthouse Works!, Inc. - call center	1,070,221	-	1,070,221
Lighthouse Works!, Inc. - supply chain	5,010,896	-	5,010,896
Total program services	<u>8,429,811</u>	<u>-</u>	<u>8,429,811</u>
Supporting services:			
Management and general	188,335	-	188,335
Fund raising	472,074	-	472,074
Total supporting services	<u>660,409</u>	<u>-</u>	<u>660,409</u>
Total expenses	<u>9,090,220</u>	<u>-</u>	<u>9,090,220</u>
Change in net assets	603,052	-	603,052
Net assets at September 30, 2014	<u>3,796,290</u>	<u>-</u>	<u>3,796,290</u>
Net assets at September 30, 2015	<u>\$ 4,399,342</u>	<u>-</u>	<u>4,399,342</u>

See accompanying notes to financial statements.

LIGHTHOUSE CENTRAL FLORIDA, INC.
Consolidated Statement of Functional Expenses
Year ended September 30, 2016

	Program Services			Supporting Services		Total
	Adult and Family	Children and Family	Employment Services	Management and General	Fund Raising	
Lighthouse Central Florida, Inc.:						
Salaries, wages and related expenses:						
Salaries and wages	\$ 607,794	654,659	70,852	69,287	137,967	1,540,559
Employee benefits	94,732	99,537	12,569	13,725	22,229	242,792
Payroll taxes	52,251	56,499	6,110	5,993	11,765	132,618
Total salaries, wages and related expenses	754,777	810,695	89,531	89,005	171,961	1,915,969
Operating expenses:						
Administrative and board	5,172	6,857	360	1,339	917	14,645
Amortization	385	385	385	385	386	1,926
Bad debts	-	-	-	-	-	-
Bank and brokerage fees	-	-	-	17,657	-	17,657
Contract services	57,141	42,306	2,845	16,594	3,338	122,224
Cost of materials	-	-	-	-	-	-
Depreciation	40,605	48,809	2,562	9,489	3,246	104,711
Development projects	27	364	3	2,707	106,390	109,491
Dues and subscriptions	9,169	10,790	531	2,114	1,867	24,471
Facility and administrative fees	-	-	-	-	-	-
Insurance	12,373	14,848	990	2,970	1,485	32,666
Interest	12,539	11,880	1,011	2,230	1,117	28,777
Office supplies	19,585	13,061	672	2,921	1,825	38,064
NIB fees	-	-	-	-	-	-
Postage	507	650	33	117	1,039	2,346
Printing	1,944	2,305	128	461	1,254	6,092
Program materials and supplies	29,465	40,326	42	1,020	42	70,895
Recruiting and advertising	3,538	1,583	170	195	97	5,583
Rent	1,187	1,000	-	-	1,188	3,375
Repairs and maintenance	15,648	14,803	655	2,589	1,348	35,043
Service contracts	12,909	10,800	619	1,619	809	26,756
Staff development	12,876	12,618	902	769	5,098	32,263
Taxes and licenses	901	1,126	75	225	112	2,439
Telephone	5,661	8,047	400	1,081	1,217	16,406
Travel general	5,943	28,273	920	450	3,124	38,710
Travel students	8,989	5,089	-	-	-	14,078
Utilities	10,583	12,507	481	2,405	1,443	27,419
Total	1,021,924	1,099,122	103,315	158,342	309,303	2,692,006
Lighthouse Works!, Inc.:						
Call center	-	-	-	-	-	627,247
Supply chain	-	-	-	-	-	5,282,683
Management and general	-	-	-	84,752	-	84,752
Total	-	-	-	84,752	-	5,994,682
Consolidated total	\$ 1,021,924	1,099,122	103,315	243,094	309,303	8,686,688

See accompanying notes to financial statements.

LIGHTHOUSE CENTRAL FLORIDA, INC.
Consolidated Statement of Functional Expenses
Year ended September 30, 2015

	Program Services			Supporting Services		Total
	Adult and Family	Children and Family	Employment Services	Management and General	Fund Raising	
Lighthouse Central Florida, Inc.:						
Salaries, wages and related expenses:						
Salaries and wages	\$ 706,986	478,452	98,873	74,772	212,488	1,571,571
Employee benefits	122,952	85,355	17,703	19,573	33,724	279,307
Payroll taxes	58,451	40,069	8,276	5,962	17,141	129,899
Total salaries, wages and related expenses	888,389	603,876	124,852	100,307	263,353	1,980,777
Operating expenses:						
Administrative and board	3,005	2,351	308	905	1,362	7,931
Amortization	-	929	175	108	1,313	2,525
Bad debts	-	-	-	-	-	-
Bank and brokerage fees	660	452	126	20,387	78	21,703
Capital campaign	-	-	-	(1,118)	51,167	50,049
Contract services	118,649	51,191	4,912	1,849	10,677	187,278
Cost of materials	-	-	-	-	-	-
Depreciation	73,905	52,461	14,342	115	316	141,139
Development projects	197	74	5	34	98,037	98,347
Dues and subscriptions	8,329	4,431	2,814	1,265	2,476	19,315
Facility and administrative fees	-	-	-	-	-	-
Insurance	24,531	19,587	3,150	852	853	48,973
Interest	21,608	12,588	1,985	101	168	36,450
Office supplies	19,230	7,807	448	2,416	4,013	33,914
NIB fees	-	-	-	-	-	-
Postage	1,478	-	-	-	3,768	5,246
Printing	1,860	1,502	266	168	474	4,270
Program materials and supplies	24,510	43,101	(426)	1,146	(99)	68,232
Recruiting and advertising	2,419	4,080	173	86	129	6,887
Rent	1,781	1,203	186	9	9	3,188
Repairs and maintenance	31,263	17,409	1,693	812	1,651	52,828
Service contracts	19,423	8,192	1,650	85	16,557	45,907
Staff development	6,323	6,627	436	869	6,940	21,195
Taxes and licenses	3,720	1,860	-	-	-	5,580
Telephone	9,824	8,312	1,530	1,068	3,264	23,998
Travel general	7,982	22,409	2,092	659	3,250	36,392
Travel students	890	5,401	432	1	1	6,725
Utilities	22,329	14,763	4,634	2,317	2,317	46,360
Total	1,292,305	890,606	165,783	134,441	472,074	2,955,209
Lighthouse Works!, Inc.:						
Call center	-	-	-	-	-	1,070,221
Supply chain	-	-	-	-	-	5,010,896
Management and general	-	-	-	53,894	-	53,894
Total	-	-	-	53,894	-	6,135,011
Consolidated total	\$ 1,292,305	890,606	165,783	188,335	472,074	9,090,220

See accompanying notes to financial statements.

LIGHTHOUSE CENTRAL FLORIDA, INC.

Consolidated Statements of Cash Flows

Years ended September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Change in net assets	\$ 579,387	603,052
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Amortization	1,926	77,705
Depreciation	167,786	165,464
Loss on disposal of assets	-	15,021
Unrealized (gain) loss on investments	(134,424)	142,595
Changes in operating assets and liabilities:		
Accounts receivable	280,905	(351,399)
Grant and other receivables	12,266	(1,295)
Pledges receivable	1,706	25,882
Prepaid expenses	-	542
Inventory	405,299	(489,834)
Deposits	445	48
Accounts payable	(683,970)	792,614
Accrued expenses	(144,027)	59,758
Deferred revenue	(17,651)	27,929
Net cash provided by operating activities	<u>469,648</u>	<u>1,068,082</u>
Cash flows from investing activities:		
Purchase of land, building and equipment	(63,187)	(1,098,354)
Cash paid for loan financing costs	-	(28,899)
Purchase and sale of investments, net	(25,837)	(14,897)
Net cash used in investing activities	<u>(89,024)</u>	<u>(1,142,150)</u>
Cash flows from financing activities:		
Proceeds from long-term debt	-	1,090,938
Payments on long-term debt	(131,957)	(43,875)
Net cash provided by (used in) financing activities	<u>(131,957)</u>	<u>1,047,063</u>
Net change in cash	248,667	972,995
Cash - beginning of year	<u>1,441,545</u>	<u>468,550</u>
Cash - end of year	<u>\$ 1,690,212</u>	<u>1,441,545</u>
Supplemental disclosure of cash flow information:		
Cash payments for:		
Interest	<u>\$ 43,213</u>	<u>33,647</u>

See accompanying notes to financial statements.

LIGHTHOUSE CENTRAL FLORIDA, INC.

Notes to Consolidated Financial Statements

September 30, 2016 and 2015

(1) **Organization and Summary of Significant Accounting Policies**

(a) **Organization**

Lighthouse Central Florida, Inc. (Lighthouse) was organized in Florida in 1983 as a nonprofit organization. The corporation is organized exclusively for charitable purposes to further the interest of visually impaired and blind persons by supporting a community program for visually impaired and blind persons. Lighthouse Central Florida, Inc., can solicit, receive; hold and disperse gifts, bequests, and other funds from individuals, trust, corporations, foundations, or other organizations for the purpose of Lighthouse Central Florida, Inc.; conduct fund raising campaigns; and raise money and gifts.

Lighthouse Works!, Inc. (LW) was incorporated in 2011 and created a number of business lines including a Customer Contact Center, Sourcing and Fulfillment operations, job training and consulting for the employment of individuals with vision impairment. The employment goal is a minimum of 75% of the direct labor force be filled by individuals with blindness or severe vision impairment.

(b) **Basis of Presentation**

The accompanying consolidated financial statements have been prepared on the accrual basis and represent the consolidated financial position and consolidated results of operations of Lighthouse and LW. The accompanying consolidated financial statements include the accounts of Lighthouse Central Florida, Inc. and Lighthouse Works!, Inc., which has been consolidated due to the level of control exercised by Lighthouse, collectively referred to as Lighthouse or the Organization. All significant inter-company accounts and transactions have been eliminated in consolidation.

Lighthouse resources are classified and reported based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- ◆ Unrestricted net assets---Net assets that are not subject to donor-imposed stipulations.

LIGHTHOUSE CENTRAL FLORIDA, INC.

Notes to Consolidated Financial Statements

September 30, 2016 and 2015

(1) **Organization and Summary of Significant Accounting Policies - Continued**

(b) **Basis of Presentation - Continued**

- ◆ Temporarily restricted net assets---Cash and other assets if they are received with donor stipulations that limit their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets (as defined above) and reported in the statement of activities as “Net assets released from restrictions”. If a restriction is fulfilled in the same time period in which the support is received, Lighthouse Central Florida, Inc. reports the support as unrestricted. There were no temporarily restricted net assets at September 30, 2016 and 2015.
- ◆ Permanently restricted net assets---Net assets subject to donor-imposed stipulations that will be maintained permanently by the Organization. There were no permanently restricted net assets at September 30, 2016 and 2015.

(c) **Principles of Consolidation**

The consolidated financial statements include the accounts of Lighthouse Central Florida, Inc. and Lighthouse Works!, Inc. All inter-company transactions have been eliminated in consolidation.

(d) **Revenue and Expense Recognition**

Lighthouse Central Florida, Inc. recognizes public support, revenue, and expenses on the accrual basis. Support and revenues from grants and contracts are generally recognized as eligible costs are incurred and/or required services are performed. Functional expenses are allocated between programs on the basis of specific identification, where possible, or management’s best estimates.

(e) **Contributions**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

LIGHTHOUSE CENTRAL FLORIDA, INC.

Notes to Consolidated Financial Statements

September 30, 2016 and 2015

(1) **Organization and Summary of Significant Accounting Policies - Continued**

(f) **Unconditional Promises to Give**

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Promises to give are recorded at net realizable value if expected to be collected within one year and at fair value if expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

(g) **Cash and Cash Equivalents**

For purposes of the statements of cash flows, Lighthouse Central Florida, Inc. considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

(h) **Investments**

Investments are stated at fair value which is determined based on quoted market prices.

(i) **Land and, Building and Equipment**

Land, buildings and equipment are capitalized at cost when purchased or at estimated fair value at the date of gift if donated. Assets are capitalized when the purchase price exceeds \$1,000 and the estimated useful life is more than one year. Depreciation is provided on a straight-line basis over the following estimated useful lives of the assets as follows:

Furniture and equipment	3 – 7 years
Land improvements	15 years
Building and building improvements	39 years

(j) **Income Taxes**

Lighthouse Central Florida, Inc. received their notice of qualifications from the Internal Revenue Service dated November 1984 and Lighthouse Works!, Inc. received their notice of qualification from the Internal Revenue Service dated August 10, 2012 as organizations exempt from income taxes under Internal Revenue Code section 501(c)(3), and are not considered private foundations. Accordingly, no provision or benefit for income taxes has been reflected in the accompanying consolidated financial statements.

LIGHTHOUSE CENTRAL FLORIDA, INC.

Notes to Consolidated Financial Statements

September 30, 2016 and 2015

(1) **Organization and Summary of Significant Accounting Policies - Continued**

(j) **Income Taxes - Continued**

The Organization has adopted provisions of the Income Tax Topic of the ASC. These provisions clarify the accounting for uncertainty in tax positions taken or expected to be taken in a tax return. The tax benefit from an uncertain tax position is only recognized in the consolidated statement of financial position if the tax position is more likely than not to be sustained upon an examination, based on the technical merits of the position. As of September 30, 2016, the Organization had no uncertain tax positions that qualify for recognition or disclosure in the consolidated financial statements.

The Organization's income tax returns are subject to review and examination by federal authorities. The Organization is not aware of any activities that would jeopardize its tax-exempt status. The Organization is not aware of any activities that are subject to tax on unrelated business income, excise or other taxes. The tax returns for the fiscal years ended from 2013 to 2015 are open to examination by federal authorities.

(k) **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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(l) **Concentration of Credit Risk**

Financial instruments that potentially subject the Organization to concentrations of credit risk are primarily cash and accounts receivable. The Organization's cash deposits are placed in highly rated financial institutions which at times may exceed the Federal Deposit Insurance Corporation (FDIC) coverage. The Organization has not experienced any losses in its cash accounts and does not believe it is exposed to any significant credit risks related to uninsured amounts.

The Organization grants credit primarily to governmental agencies and pass-through entities. The Organization has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risks on these accounts.

LIGHTHOUSE CENTRAL FLORIDA, INC.

Notes to Consolidated Financial Statements

September 30, 2016 and 2015

(1) Organization and Summary of Significant Accounting Policies - Continued

(m) Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the consolidated statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited on an analysis of personnel time, space utilized, and utilities consumed for the related activities.

(n) Donated Materials and Services

Lighthouse Central Florida, Inc. records the value of donated goods or services when there is an objective basis available to measure their value. Donated materials, equipment and services are reflected as contributions in the accompanying consolidated financial statements at their estimated fair values at the date of receipt. No amount has been reflected in the consolidated financial statements for volunteer hours, as no objective basis is available to measure the value of such services. Nevertheless, a substantial number of volunteers donated significant amounts of their time in Lighthouse Central Florida, Inc.'s program services.

(o) Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated subsequent events and transactions for potential recognition and disclosure through November 22, 2016, which is the date the consolidated financial statements were available to be issued. All subsequent events requiring recognition as of November 22, 2016 have been incorporated into these consolidated financial statements.

(2) Investments

The Organization follows the accounting standards for fair value measurement, which defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements of assets and liabilities, as well as for any other assets and liabilities that are carried at fair value on a recurring basis. The adoption of these provisions did not impact the Organization's financial position or results of operations.

LIGHTHOUSE CENTRAL FLORIDA, INC.

Notes to Consolidated Financial Statements

September 30, 2016 and 2015

(2) **Investments - Continued**

Fair value is defined under “Fair Value Measurements and Disclosures,” FASB Accounting Standards Codification Topic 820 (Topic 820) as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. Topic 820 also establishes a three-level hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels of inputs to the valuation methodology are:

Level 1: quoted prices in active markets for identical assets or liabilities

Level 2: quoted prices for similar assets and liabilities in active markets or inputs that are observable

Level 3: inputs that are unobservable (for example, cash flow modeling based on assumptions)

The Organization did not change its valuation techniques during the year and continues to use Level 1 inputs to measure the fair value of its investments.

LIGHTHOUSE CENTRAL FLORIDA, INC.

Notes to Consolidated Financial Statements

September 30, 2016 and 2015

(2) Investments - Continued

The following table summarizes the valuation of the Organization's financial assets measured at fair value on a recurring basis as of September 30, based on the level of input utilized to measure fair value. All investments have been valued using input level 1.

	2016		2015	
	Cost	Fair Value	Cost	Fair Value
Unrestricted investments:				
1/100 Berkshire HTWY CLA	\$ 95,920	216,220	120,300	195,240
Loomis Sayles Bond Fund	-	-	40,000	38,478
Lord Abbett Floating	134,396	138,534	-	-
Ivy Asset Strategy Fund	-	-	80,000	74,170
James Balanced Golden	170,000	193,488	170,000	193,887
SPDR S&P Dividend ETF	127,099	197,993	127,099	169,360
Vanguard Div Appreciation	124,920	201,432	124,920	176,976
Wisdomtree ETF	74,934	68,430	74,934	60,535
Goldman Sachs Strategic	-	-	75,000	68,866
Pimco Floating Income Fund	-	-	65,181	57,430
Ridgeworth Seix Float	50,000	47,790	50,000	47,348
T Rowe Capital Appreciation	129,000	133,684	47,000	50,902
First Eagle Global Fund	150,000	158,986	75,000	68,671
Wasatch Long Short Fund	-	-	80,000	61,112
Columbia Balance Fund	220,000	221,541	220,000	206,543
Vanguard Wellesley	50,000	51,681	-	-
	<u>\$ 1,326,269</u>	<u>1,629,779</u>	<u>1,349,434</u>	<u>1,469,518</u>

LIGHTHOUSE CENTRAL FLORIDA, INC.

Notes to Consolidated Financial Statements

September 30, 2016 and 2015

(2) Investments - Continued

The following schedule summarizes the investment return and its classification in the consolidated statements of activities for the year ended September 30:

	<u>2016</u>	<u>2015</u>
Interest and dividends	\$ 61,275	70,001
Realized gains/(losses)	(22,095)	20,332
Unrealized gains/(losses)	134,424	(142,595)
	<u>\$ 173,604</u>	<u>(52,262)</u>

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, the values of investment securities may change, and these changes may materially affect the amounts reported in the consolidated statements of financial position.

(3) Pledges Receivable

Pledges receivable, net of discount to present value (at a rate of 3%) and allowance for uncollectible contributions are as follows at September 30,:

	<u>2016</u>	<u>2015</u>
Receivable in less than one year	\$ 50,287	32,560
Receivable in one to five years	33,020	54,536
	83,307	87,096
Less discount to present value	(1,355)	(1,967)
	81,952	85,129
Less: allowance for uncollectible contributions	(44,464)	(45,935)
Pledges receivable, net	<u>\$ 37,488</u>	<u>39,194</u>

The discount will be recognized as contribution income as the discount is amortized using an effective yield over the duration of the pledge.

LIGHTHOUSE CENTRAL FLORIDA, INC.

Notes to Consolidated Financial Statements

September 30, 2016 and 2015

(4) **Land, Building and Equipment**

Land, building and equipment consist of the following at September 30,:

	<u>2016</u>	<u>2015</u>
Land	\$ 744,877	744,877
Building and improvements	3,925,409	3,932,086
Equipment and furniture	569,763	507,991
	<u>5,240,049</u>	<u>5,184,954</u>
Less accumulated depreciation	1,379,948	1,220,254
Net land, building and equipment	<u>\$ 3,860,101</u>	<u>3,964,700</u>

(5) **Long-Term Debt**

Long-term debt consists of the following at September 30,:

	<u>2016</u>	<u>2015</u>
Note payable to bank, principal and interest monthly installments of \$5,851 payable through March 2017 with balloon payment for remaining principal and interest due January 2025. Interest rate is 4.4%. Note is secured by land and building at 215 E. New Hampshire Street.	\$ 490,090	537,252
Community Development Block Grant from Orange County, Florida. Note is secured by land and building described as the Kunze property, a 15,000 square foot building. No interest or principal due until November, 2024 at which time all amounts are due in full. Loan will be forgiven if the Organization uses the grant proceeds for the intended purpose of the grant during the entire 10 year time period.	900,000	900,000

LIGHTHOUSE CENTRAL FLORIDA, INC.

Notes to Consolidated Financial Statements

September 30, 2016 and 2015

(5) Long-Term Debt - Continued

	<u>2016</u>	<u>2015</u>
Note payable to National Industries for the Blind, principal and interest monthly installments of \$0 through November 2015, \$5,556, from December 2015 through May 2016, and \$5,742 from June 2016 through May 2020. Interest rate is 0% through May 2016 and 1.625% from June 2016 through May 2020. Note is secured by the Kunze property.	239,690	300,000
Community Development Block Grant from City of Orlando, Florida. Note is secured by land and building described as the Kunze property, a 15,000 square foot building. No interest or principal due until September 2019 at which time all amounts are due in full. Loan will be forgiven if the Organization uses the grant proceeds for the intended purpose of the grant during the entire 10 year time period.	300,000	300,000
Note payable to bank, principal and interest monthly installments of \$3,646 payable through July 2030. Interest rate is 4%. Note is secured by the Kunze property.	460,512	484,997
	2,390,292	2,522,249
Less current portion	142,104	127,731
Long-term debt, less current portion	<u>\$ 2,248,188</u>	<u>2,394,518</u>

Future maturities of long-term debt are as follows:

<u>Year ending September 30,</u>	
2017	\$ 142,104
2018	145,274
2019	449,789
2020	126,046
2021	89,532
Thereafter	1,437,547
	<u>\$ 2,390,292</u>

LIGHTHOUSE CENTRAL FLORIDA, INC.

Notes to Consolidated Financial Statements

September 30, 2016 and 2015

(6) **Retirement Plan**

Lighthouse Central Florida, Inc. sponsors a 401(k) Plan for eligible employees. Lighthouse Central Florida, Inc. matches up to 6% of the employee's contribution, not to exceed 6% of eligible salary. Contributions to the Plan for the years ended September 30, 2016 and 2015 amounted to \$73,389 and \$67,521, respectively.

(7) **Lighthouse Works!, Inc.**

Lighthouse Works, Inc. (LW) was incorporated in 2011 and operates a number of business lines employing a labor force in which a minimum of 75% of the direct labor force are individuals with blindness or severe vision impairment. Those lines of business include a customer contact center (call center), sourcing and fulfillment, training and consulting. For the years ended September 30, 2016 and 2015, Lighthouse Works had \$6,270,597 and \$6,677,600, respectively of revenue, which has been included in the consolidated revenue amounts on the September 30, 2016 and 2015 statements of activities. Expenses for LW are shown separately on the statements of functional expenses for September 30, 2016 and 2015.

SUPPLEMENTARY INFORMATION

LIGHTHOUSE CENTRAL FLORIDA, INC.

Consolidating Statement of Financial Position

September 30, 2016

Schedule 1

	<u>Assets</u>			<u>Consolidated Totals</u>
	<u>LCF</u>	<u>LHW</u>	<u>Eliminations</u>	
Current Assets:				
Cash and cash equivalents	\$ 1,000,219	689,993	-	\$ 1,690,212
Investments	2,023,787	-	(394,008)	1,629,779
Accounts receivable	-	166,582	-	166,582
Intercompany receivables	88,916	-	(88,916)	-
Grant and other receivables	185,382	-	-	185,382
Pledges receivable	29,210	-	-	29,210
Inventory	7,249	90,708	-	97,957
Total current assets	3,334,763	947,283	(482,924)	3,799,122
Land, building and equipment, net	3,732,070	128,031	-	3,860,101
Intangible assets - net of accumulated amortization	26,812	-	-	26,812
Pledges receivable, less current portion	8,278	-	-	8,278
Deposits	18,992	-	-	18,992
Total assets	<u>\$ 7,120,915</u>	<u>1,075,314</u>	<u>(482,924)</u>	<u>7,713,305</u>

Liabilities and Net Assets

Current Liabilities:				
Accounts payable	\$ 34,885	152,935	-	187,820
Intercompany payables	-	88,916	(88,916)	-
Accrued expenses	122,265	23,921	-	146,186
Deferred revenue	10,278	-	-	10,278
Current maturities of long-term debt	142,104	-	-	142,104
Total current liabilities	309,532	265,772	(88,916)	486,388
Long-term debt, less current maturities	2,248,188	-	-	2,248,188
Total liabilities	2,557,720	265,772	(88,916)	2,734,576
Unrestricted net assets	4,563,195	809,542	(394,008)	4,978,729
Total liabilities and net assets	<u>\$ 7,120,915</u>	<u>1,075,314</u>	<u>(482,924)</u>	<u>7,713,305</u>

LIGHTHOUSE CENTRAL FLORIDA, INC.

Consolidating Statement of Activities

Year ended September 30, 2016

Schedule 2

	<u>LCF</u>	<u>LHW</u>	<u>Eliminations</u>	<u>Consolidated Totals</u>
Revenue and Other Support:				
Florida Department of Education	\$ 1,680,897	-	-	1,680,897
Local government grants	130,418	-	-	130,418
Other grants	92,598	177,850	-	270,448
Foundations	363,840	-	-	363,840
United Way Heart of Florida	155,032	-	-	155,032
United Way - Designations	36,893	-	-	36,893
Contributions	136,407	205	(50,000)	86,612
Capital campaign	65,000	-	-	65,000
Fund raising	209,471	-	-	209,471
Client fees and contracts	3,400	-	-	3,400
Product and service sales	-	6,090,460	-	6,090,460
Management fee - Lighthouse Works!	477,999	-	(477,999)	-
Investment income	171,522	2,082	-	173,604
Total revenue and public support	<u>3,523,477</u>	<u>6,270,597</u>	<u>(527,999)</u>	<u>9,266,075</u>
Expenses:				
Program services:				
Adult and family services	1,021,924	-	-	1,021,924
Children and family services	1,099,122	-	-	1,099,122
Employment services	103,315	-	-	103,315
Lighthouse Works!, Inc.	477,999	-	(477,999)	-
Lighthouse Works!, Inc. - call center	-	627,247	-	627,247
Lighthouse Works!, Inc. - supply chain	-	5,282,683	-	5,282,683
Contributions	-	50,000	(50,000)	-
Total program services	<u>2,702,360</u>	<u>5,959,930</u>	<u>(527,999)</u>	<u>8,134,291</u>
Supporting services:				
Management and general	158,342	84,752	-	243,094
Fund raising	309,303	-	-	309,303
Total supporting services	<u>467,645</u>	<u>84,752</u>	<u>-</u>	<u>552,397</u>
Total expenses	<u>3,170,005</u>	<u>6,044,682</u>	<u>(527,999)</u>	<u>8,686,688</u>
Change in net assets	353,472	225,915	-	579,387
Net assets at September 30, 2015	<u>4,209,723</u>	<u>189,619</u>	<u>-</u>	<u>4,399,342</u>
Net assets at September 30, 2016	<u>\$ 4,563,195</u>	<u>415,534</u>	<u>-</u>	<u>4,978,729</u>

SCHAFFER, TSCHOPP, WHITCOMB, MITCHELL & SHERIDAN, LLP

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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*

Independent Auditor's Report

To the Board of Directors
Lighthouse Central Florida, Inc.

We have audited, 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, the financial statements of Lighthouse Central Florida, Inc., which comprise the statement of financial position as of September 30, 2016, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 22, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lighthouse Central Florida, Inc.'s internal control over financial reporting (internal control) to determine the 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 Lighthouse Central Florida, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Lighthouse Central Florida, Inc.'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lighthouse Central Florida, Inc.'s financial statements are free of 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 determination of financial statement amounts. 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.

Schaefer, Tschnigg, Whitcomb, Mitchell & Shuidan, LLP

Maitland, Florida
November 22, 2016

SCHAFFER, TSCHOPP, WHITCOMB, MITCHELL & SHERIDAN, LLP

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Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by the Uniform Guidance and the Florida Single Audit Act

Independent Auditor's Report

To the Board of Directors
Lighthouse Central Florida, Inc.

Report on Compliance for Each Major Federal Program

We have audited Lighthouse Central Florida, Inc.'s compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* and in the State of Florida *State Projects Compliance Supplement* that could have a direct and material effect on each of Lighthouse Central Florida, Inc.'s major federal programs and state projects for the year ended September 30, 2016. Lighthouse Central Florida, Inc.'s major federal program is identified in the summary of the auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Lighthouse Central Florida, Inc.'s major federal programs and state projects based on our audit of the types of compliance requirements referred to above. 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 of America; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Section 215.97 of the Florida Statutes of the Florida Single Audit Act. Those standards, OMB Circular A-133 and the Florida Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on test basis, evidence about Lighthouse Central Florida, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of Lighthouse Central Florida, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Lighthouse Central Florida, Inc. complied, in all material respects, with the types of 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 September 30, 2016.

Report on Internal Control Over Compliance

Management of Lighthouse Central Florida, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Lighthouse Central Florida, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Lighthouse Central Florida, Inc.'s 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 on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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 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 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 the internal control over compliance 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. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Schatz, Tschoff, Whitcomb, Mitchell & Shuiken, LLP

Maitland, Florida
November 22, 2016

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Management Letter

To the Board of Directors
Lighthouse Central Florida, Inc.:

We have audited the financial statements of the Lighthouse Central Florida, Inc., as of and for the fiscal year ended September 30, 2016, and have issued our report thereon dated November 22, 2016.

We conducted our audit in accordance with United States generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our Independent Auditor's Report on Compliance and Internal Control over Financial Reporting, Independent Auditor's Report on Compliance and Internal Control over Compliance Applicable to each Major Federal Program and State Project, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated August 6, 2007, should be considered in conjunction with this management letter. Additionally, our audit was conducted in accordance with Chapter 10.650, Rules of the Auditor General.

The Rules of Auditor General (Section 10.654(1)(d)) require disclosure in the management letter of the following matters if not already addressed in the auditor's reports on compliance and internal controls or schedule of findings and questioned costs: (1) violations of laws, rules, regulations, and contractual provisions that have occurred, or are likely to have occurred; (2) improper or illegal expenditures; (3) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (4) failures to properly record financial transactions; and (5) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. Our audit disclosed no such matters required to be disclosed.

This management letter is intended solely for the information of Lighthouse Central Florida, Inc. and management, and the State of Florida Office of the Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Schafer, Tschopp, Whitcomb, Mitchell & Sheridan, LLP

November 22, 2016
Maitland, Florida

Lighthouse Central Florida, Inc.
Schedule of Findings and Questioned Costs
Year Ended September 30, 2016

A. Summary of Audit Results

1. The Auditor's report expresses an unqualified opinion on the consolidated financial statements of Lighthouse Central Florida, Inc.
2. No reportable conditions were disclosed during the audit of compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with government auditing standards.
3. No instances of noncompliance material to the consolidated financial statements of Lighthouse Central Florida, Inc. were disclosed during the audit.
4. No reportable conditions were disclosed during the audit of compliance with requirements applicable to each federal program or state project and internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General.
5. The auditor's report on compliance for the major federal award programs and state projects for Lighthouse Central Florida, Inc. expresses an unqualified opinion.
6. There are no audit findings relative to the major federal programs and state projects for Lighthouse Central Florida, Inc.
7. The programs tested as major programs were the Vocational Rehabilitation, Title I Program and Transition Services Program.
8. The threshold for distinguishing Types A and B programs/projects was \$300,000.
9. The auditee did qualify as a low-risk auditee.

B. Findings - Financial Statements

None

(Continued)

Lighthouse Central Florida, Inc.
Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2016

C. Findings and Questioned Costs - Major Federal Programs

None

D. Findings and Questioned Costs - Major State Projects

None

E. Other Issues

No Summary Schedule of Prior Audit Findings (See AG Rules 10.557(3)(d)5. and 10.656(3)(d)5.) is required because there were no prior audit findings related to Federal programs or State projects; no Corrective Action Plan (see AG Rules 10.557(3)(d)6. and 10.656(3)(d)6.) is required because there were no findings required to be reported under the Federal or Florida Single Audit Acts.

LIGHTHOUSE CENTRAL FLORIDA, INC.

Schedule of Expenditures of Federal Awards and State Projects

Year ended September 30, 2016

Grantor/ Pass-Through Grantor/ Program Title	Period of Award	Federal CFDA Number	State CSFA Number	Contract Number	Expenditures
Federal Awards					
Major Programs:					
U.S. Department of Education: Passed through the State of Florida, Department of Education: Transport Reimbursement Vocational Rehabilitation, Title I	10/1/15 - 9/30/16 10/1/15 - 9/30/16	N/A 84.126	N/A 48.062	N/A 15-535	\$ 9,915 461,228
Total Federal Awards					\$ 471,143

(Continued)

LIGHTHOUSE CENTRAL FLORIDA, INC.

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)

Year ended September 30, 2016

Grantor/ Pass-Through Grantor/ Program Title	Period of Award	Federal CFDA Number	State CSFA Number	Contract Number	Expenditures
State Financial Assistance					
State of Florida, Department of Education: Blind babies program	7/1/14 - 6/30/17	N/A	48.062	15-512	252,954
Independent Living, Title VII	7/1/14 - 6/30/17	N/A	48.062	15-520	432,600
Vocational Rehabilitation Transition Services	10/1/15 - 9/30/16	N/A	84.126	16-551	486,400
Adult Program	7/1/14 - 6/30/17	N/A	48.044	15-569	37,800
Total expenditures State financial assistance					<u>1,209,754</u>
Total Federal award and State financial assistance					<u>\$ 1,680,897</u>

Note 1: Basis of Presentation

The accompanying schedule of Federal and State expenditures includes the grant activity of Lighthouse Central Florida, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Section 215.97 of the Florida Statutes of the Florida Single Audit Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic consolidated financial statements.