CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

Lighthouse Youth Services, Inc. and Affiliates

Consolidated Financial Statements and

Supplementary Information

June 30, 2022 and 2021

(with Independent Auditors' Report)

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CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Lighthouse Youth Services, Inc. and Affiliates:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Lighthouse Youth Services, Inc. and Affiliates (not-for-profit organizations) which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, 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.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Lighthouse Youth Services, Inc. and Affiliates as of June 30, 2022 and 2021, and the changes in their net assets and their 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 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent Lighthouse Youth Services, Inc. and Affiliates and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lighthouse Youth Services, Inc. and Affiliates' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 consolidated 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 consolidated 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 consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lighthouse Youth Services, Inc. and Affiliates' 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 consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lighthouse Youth Services, Inc. and Affiliates' 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 audits.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating schedules on pages 26-28 are presented for purposes of additional analysis and are 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 audits 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 our report dated October 25, 2022, on our consideration of Lighthouse Youth Services, Inc. and Affiliates' 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 Lighthouse Youth Services, Inc. and Affiliates' 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 Youth Services, Inc. and Affiliates' internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
October 25, 2022

Consolidated Statements of Financial Position
June 30, 2022 and 2021

		2022	2021
Assets			
Current assets:			
Cash and cash equivalents	$	4,868,641	3,349,415
Restricted cash		309,547	1,725,325
Accounts and grants receivable, net		3,575,011	3,255,796
Pledges receivable, current portion		1,822,833	1,426,074
Other current assets		322,280	298,452
Total current assets		10,898,312	10,055,062
Property and equipment:			
Land		1,410,851	1,420,051
Land improvements		1,058,928	905,426
Building and improvements		25,560,961	21,670,962
Furniture and fixtures		1,899,027	1,641,269
Transportation equipment		379,604	379,604
Construction in progress		-	2,878,264
		30,309,371	28,895,576
Accumulated depreciation		(10,316,851)	(9,583,191)
Total property and equipment		19,992,520	19,312,385
Long-term assets:			
Restricted cash		148,225	213,669
Pledges receivable, net of current portion		1,654,689	2,313,857
Notes receivable, net		6,164,500	6,164,500
Investment in unconsolidated entity		536,249	536,249
Investments		13,498,592	17,587,118
Total long-term assets		22,002,255	26,815,393
Total assets	$	52,893,087	56,182,840
Liabilities and net assets			
Current liabilities:			
Accounts payable	$	577,039	799,623
Liabilities accrued and withheld		1,183,390	1,258,924
Mortgage payable, current portion		2,596	2,596
Refundable advances		183,918	20,000
Total current liabilities		1,946,943	2,081,143
Long-term liabilities:			
Mortgage payable, net of current portion		72,243	74,839
Notes payable		9,851,014	9,841,282
Accrued deferred compensation		387,282	602,802
Total long-term liabilities		10,310,539	10,518,923
Total liabilities		12,257,482	12,600,066
Net assets:			
Without donor restrictions, controlling		36,459,157	36,947,556
Without donor restrictions, noncontrolling interest		572,994	600,797
Total net assets without donor restrictions		37,032,151	37,548,353
With donor restrictions		3,603,454	6,034,421
Total net assets		40,635,605	43,582,774
Total liabilities and net assets	$	52,893,087	56,182,840

See accompanying notes to the consolidated financial statements.

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and support:			
Contributions	$ 1,314,533	1,927,558	3,242,091
Special events	402,863	-	402,863
Government grants	-	6,396,983	6,396,983
Government grants - per diem	-	10,672,433	10,672,433
Medicaid revenue	3,220,872	-	3,220,872
Gain on sale of assets	246,191	-	246,191
Net investment return	(2,126,844)	-	(2,126,844)
Interest income	101,127	-	101,127
Other income	176,803	-	176,803
Net assets released from restrictions	21,427,941	(21,427,941)	-
Total revenues, gains and support	24,763,486	(2,430,967)	22,332,519
Expenses:			
Program services	20,866,312	-	20,866,312
Supporting services:			
Management and general	3,859,843	-	3,859,843
Fundraising	553,533	-	553,533
Total expenses	25,279,688	-	25,279,688
Change in net assets:			
Attributable to controlling interest	(488,399)	(2,430,967)	(2,919,366)
Attributable to noncontrolling interest	(27,803)	-	(27,803)
Total change in net assets	(516,202)	(2,430,967)	(2,947,169)
Net assets, beginning of year	37,548,353	6,034,421	43,582,774
Net assets, end of year	$ 37,032,151	3,603,454	40,635,605

See accompanying notes to the consolidated financial statements.

Lighthouse Youth Services, Inc. and Affiliates
Consolidated Statement of Activities
Year ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and support:			
Contributions	$ 936,854	3,537,611	4,474,465
Special events	174,241	-	174,241
Government grants	-	8,847,416	8,847,416
Government grants - per diem	-	9,829,384	9,829,384
Medicaid revenue	3,953,117	-	3,953,117
Rental income	5,247	-	5,247
Workers' compensation refund	879,220	-	879,220
Gain on sale of assets	900	-	900
Net investment return	3,241,022	-	3,241,022
Interest income	108,347	-	108,347
Other income	98,974	-	98,974
Net assets released from restrictions	20,098,306	(20,098,306)	-
Total revenues, gains and support	29,496,228	2,116,105	31,612,333
Expenses:			
Program services	21,398,809	-	21,398,809
Supporting services:			
Management and general	4,023,267	-	4,023,267
Fundraising	485,978	-	485,978
Total expenses	25,908,054	-	25,908,054
Change in net assets:			
Attributable to controlling interest	3,631,897	2,116,105	5,748,002
Attributable to noncontrolling interest	(43,723)	-	(43,723)
Total change in net assets	3,588,174	2,116,105	5,704,279
Net assets, beginning of year	33,974,778	3,918,316	37,893,094
Capital distribution, noncontrolling interest	(14,599)	-	(14,599)
Net assets, end of year	$ 37,548,353	6,034,421	43,582,774

See accompanying notes to the consolidated financial statements.

	Program Services	Management and General	Fundraising	Total
Salaries	$ 10,015,717	2,018,497	219,770	12,253,984
Benefits and payroll taxes	2,904,394	521,398	57,415	3,483,207
Professional fees	2,292,215	425,764	52,250	2,770,229
Equipment and supplies	521,523	407,358	195,357	1,124,238
Insurance	190,458	80,500	-	270,958
Occupancy	1,349,467	94,255	-	1,443,722
Travel and meetings	218,231	90,250	2,384	310,865
Depreciation	1,029,217	170,972	16,022	1,216,211
Individual assistance	2,180,054	169	-	2,180,223
Other expenses	165,036	50,680	10,335	226,051
Total expenses	$ 20,866,312	3,859,843	553,533	25,279,688

	Program Services	Management and General	Fundraising	Total
Salaries	$ 10,189,699	2,165,724	196,550	12,551,973
Benefits and payroll taxes	2,705,195	575,459	58,535	3,339,189
Professional fees	2,650,064	447,940	103,404	3,201,408
Equipment and supplies	609,233	361,831	106,046	1,077,110
Insurance	176,497	66,762	-	243,259
Occupancy	1,327,724	114,959	-	1,442,683
Travel and meetings	191,217	85,857	565	277,639
Depreciation	973,532	161,722	15,155	1,150,409
Individual assistance	2,380,089	19	-	2,380,108
Other expenses	195,559	42,994	5,723	244,276
Total expenses	$ 21,398,809	4,023,267	485,978	25,908,054

See accompanying notes to the consolidated financial statements.

	2022	2021
Cash flows from operating activities		
Change in net assets	$ (2,947,169)	5,704,279
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,216,211	1,150,409
Realized and unrealized (gain) loss on investments	2,419,903	(2,967,131)
Imputed interest on debt issuance costs	9,732	9,732
Gain on sale of assets	(246,191)	(900)
Forgiveness of long-term debt	(2,596)	(2,595)
Effects of change in operating assets and liabilities:		
Accounts and grants receivable	(319,215)	414,972
Pledges receivable	262,409	(595,817)
Other current assets	(23,828)	(8,594)
Accounts payable	376,924	(376,066)
Liabilities accrued and withheld	(75,534)	126,730
Refundable advances	163,918	(1,085,301)
Net cash provided by operating activities	834,564	2,369,718
Cash flows from investing activities		
Purchase of property and equipment	(2,548,364)	(1,839,910)
Proceeds from sale of property and equipment	298,701	900
Net sales (purchases) of investments	1,453,103	(2,279,093)
Net cash used by investing activities	(796,560)	(4,118,103)
Cash flows from financing activities		
Capital distributions, noncontrolling interest	-	(14,599)
Change in cash, cash equivalents and restricted cash	38,004	(1,762,984)
Cash, cash equivalents and restricted cash, beginning of year	5,288,409	7,051,393
Cash, cash equivalents and restricted cash, end of year	$ 5,326,413	5,288,409
Supplemental disclosures:		
Interest paid	$ 109,734	115,993
Property and equipment in accounts payable	$ 48,229	647,737

See accompanying notes to the consolidated financial statements.

1. SUMMARY OF NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES:

Nature of operations
Lighthouse Youth Services, Inc., dba Lighthouse Youth & Family Services ("Lighthouse"), is a social services organization based in Cincinnati. Incorporated as a not-for-profit agency under the laws of the State of Ohio in 1969, Lighthouse serves approximately 5,000 individuals each year across southwestern Ohio. The majority of clients are in Hamilton, Montgomery, and Ross counties.

The Mission of Lighthouse is ***to empower young people and families to succeed through a continuum of care that promotes healing and growth.*** The continuum of care includes a broad selection of services that fall mainly into four categories: Mental Health and Substance Abuse Services, Housing and Shelter Services, Juvenile Justice Services, and Residential Treatment Centers.

Lighthouse provides:

- Emergency shelter for youth in crisis.
- Residential treatment for youth with serious delinquency and behavioral issues.
- Foster care and adoption services for children who have been abused and neglected.
- Juvenile justice services for serious delinquent youth, sex offenders, and youth returning to the community from state juvenile correctional facilities.
- Transitional living and independent living services for older homeless youth and youth transitioning out of the child welfare system.
- Educational services, including in-school services and a charter school for at-risk youth.
- Educational advocacy, job preparation, and life skills training for youth in high risk situations.
- A growing array of specialized in-home services, including early intervention services for families with children prenatal to three years old, families of youth returning from juvenile correctional facilities, and mental health services for youth and their families.

New Life Properties, Inc. ("NLP") was incorporated in January 1978 and is the entity which maintains and operates Lighthouse facilities. Lighthouse Youth Services, Inc. rents certain of these facilities from New Life Properties, Inc. under annual leases. This rental income is eliminated in the consolidated financial statements.

Lighthouse Beacon for Youth Foundation, Inc. ("Foundation") was incorporated in July 2004 to facilitate the fundraising functions and to provide financial support for Lighthouse Youth Services, Inc. and Affiliates. Contributions to and from the affiliates are eliminated in the consolidated financial statements.

In July 2016, NLP formed a wholly-owned subsidiary Iowa Avenue Associates, LLC ("IAA"). IAA is the general partner for a low-income housing tax credit partnership. IAA owns a 0.1% interest in The Sheakley Center for Youth Limited Partnership ("SCYLP"). SCYLP operates 39 permanent supportive units to provide housing for young people age 18-24.

In April 2017, Lighthouse formed IDEAFOR, Inc. ("IDEAFOR") which is a 501(c)(3) organization that is a leveraged lender as part of a New Markets Tax Credit ("NMTC") arrangement.

During 2017, NLP formed a wholly-owned for-profit subsidiary, McMillan Street Associates, LLC ("MSA"), to own the Qualified Active Low-Income Community Business (QALICB) property that was renovated with the NMTC. NLP also formed EYH Iowa LLC ("EYH") to be the master tenant of the QALICB property.

The QALICB property was renovated with the NMTC during the year ended June 30, 2018. NLP owns a 1.0% interest in EYH. Both of these for-profit entities have a December 31 year end. The NMTC arrangement, along with local donor support, was used to construct the Sheakley Center for Youth, which houses 36 young people ages 18-24.

A summary of significant accounting policies applied in the preparation of the accompanying consolidated financial statements follows.

Principles of consolidation
The accompanying consolidated financial statements present the consolidated financial position and changes in net assets of Lighthouse Youth Services, Inc., Lighthouse Beacon for Youth Foundation, Inc., New Life Properties, Inc., IDEAFOR, Inc., and McMillan Street Associates, LLC (collectively referred to as the “Agency”). All inter-agency accounts and transactions have been eliminated.

EYH is consolidated in accordance with guidance from the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 958-810 *Not-for-Profit Entities – Consolidation,* which describes that entities should be consolidated when there is control regardless of the percentage of ownership. The managing member in a limited liability company is presumed to control the entity regardless of the extent of the ownership interest. NLP has a managing member interest in EYH. The investor member does not have the substantive ability to dissolve the entity or remove the managing member without cause nor does the investor member have substantive participating rights.

FASB ASC 958-810 discusses the accounting treatment of the majority owner and its relationship with the deficits in the noncontrolling interest. The amount of intercompany profit or loss to be eliminated is not affected by the existence of a noncontrolling interest. The complete elimination of the intercompany profit or loss is consistent with the underlying assumption that consolidated statements represent the financial position and operating results of a single business enterprise. The elimination of the intercompany profit or loss may be allocated proportionately between the majority and noncontrolling interests.

FASB ASC Topic 810 also requires that ownership interests in subsidiaries held by parties other than the parent to be clearly identified. In addition, it requires that the amount of consolidated excess of revenue over expense attributable to the parent and to the noncontrolling interest be clearly identified and presented on the face of the consolidated statements of activities or disclosed in the notes to the consolidated financial statements. This standard requires the recognition of a noncontrolling interest in the net assets without donor restrictions in the consolidated statements of financial position separate from net assets without donor restrictions.

The excess of expenses over revenues attributable to the noncontrolling interest is included in the consolidated statements of activities for the years ended June 30, 2022 and 2021.

Consolidated financial statement presentation
The Agency reports information regarding its financial position and activities in the following net asset classifications:

- *Net assets without donor restrictions*: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Agency. These net assets may be used at the discretion of the Agency's management and the Board of Trustees.

- *Net asset with donor restrictions*: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions that are likely to be met by the actions of the Agency or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Agency did not have any net assets with donor restrictions which were perpetual in nature at June 30, 2022 and 2021.

Revenue recognition – exchange transactions
The Agency derives exchange transaction revenue from Medicaid revenue and a portion of special events. These revenues are recognized when control of these services is transferred to its clients and participants, in an amount that reflects the consideration the Agency expects to be entitled to in exchange for those services at a point in time. Incidental items that are immaterial in the context of the contracts are recognized as expense. The Agency does not have any significant financing components as payment is received at or shortly after the point of sale. Costs incurred to obtain a contract will be expensed as incurred when the amortization period is less than a year.

The Agency has established rates that are reimbursed by Medicaid, depending on the type of service provided. The Agency records Medicaid revenue as a percentage of these established rates based on historical experience and known trends. Medicaid revenue for the years ending June 30, 2022 and 2021 is $3,220,872 and $3,953,117, respectively.

Special events revenue includes both an exchange and a contribution component. The portion of the gross proceeds paid by the participant that represents payment for the direct cost of the benefits received by the participant at the event is the exchange component. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Agency.

The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The direct costs of the special events, which ultimately benefit the donor rather than the Agency, are included in the consolidated statements of functional expenses and totaled approximately $53,000 for the year ended June 30, 2022. There were no in-person special events held during 2021. Revenue from special events is recognized at the time the event takes place.

Revenue recognitions – contributions
Contributions of cash or other assets are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Governmental grants are received with conditions to be met for eligible costs or services provided. The Agency recognizes these conditional contributions when the conditions are met. Contributions of cash or other assets to be used in

accordance with donor stipulations are reported as net assets with donor restrictions. Contributions for which the donor-imposed restrictions expire in the same period as received are recorded in net assets with donor restrictions and reclassified to net assets without donor restrictions. A donor restriction expires when the stipulated time period has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash, cash equivalents and restricted cash

The Agency considers cash in operating bank accounts, cash on hand, U.S. treasury bills and other highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents.

At June 30, 2022 and 2021, current and long-term restricted cash was held for donor restricted program spending of $309,547 and $1,725,325, respectively, and as a requirement of the Operating Agreement for MSA of $148,225 and $213,669, respectively. The restricted cash related to MSA is generally not available for operating activities.

Cash, cash equivalents and restricted cash reported within the consolidated statements of financial position that aggregate to the total reported on the consolidated statements of cash flows are as follows for the years ended June 30:

	2022	2021
Cash and cash equivalents	$ 4,868,641	3,349,415
Restricted cash, current	309,547	1,725,325
Restricted cash, long-term	148,225	213,669
	$ 5,326,413	5,288,409

Concentration of credit risk

The Agency maintains its cash in deposit accounts, which, at times, may exceed federally insured limits. The Agency has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Allowance for doubtful accounts

The Agency carries its accounts and grants receivable at the invoiced amount less an allowance for doubtful accounts. On a periodic basis, the Agency evaluates its accounts and grants receivable and establishes an allowance for doubtful accounts, based on a history of past write-offs and collections and current credit conditions. No allowance was deemed necessary at June 30, 2022 and 2021.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the consolidated statements of financial position. Net changes in fair value of investments and realized gains (losses) on investments disposed of are accumulated with interest and dividends received net of investment expenses and are reported in the consolidated statements of activities as net investment return.

Investment in unconsolidated entity

The Agency accounts for its investment in an unconsolidated entity, SCYLP, for which it does not exercise significant control, under the equity method of accounting. This method requires the investment to be initially recorded at cost and the Agency’s share of earnings is reflected in income as earned, when considered material, and distributions are credited against the investment when received. Amounts invested are generally not available for use by the Agency. SCYLP’s assets and liabilities totaled approximately $6,230,000 and $6,538,000, respectively, and approximately $2,019,000 and $2,329,000, respectively, as of December 31, 2021 and 2020, respectively. SCYLP’s net loss for the years ended December 31, 2021 and 2020 was $280,000 and $221,000 respectively.

The Agency evaluates the carrying amount of investments on a periodic basis and recognizes impairment when the carrying amount exceeds the fair value for other than a temporary basis. It is reasonably possible that the Agency’s estimate of its investment in unconsolidated entity’s fair value may change in the near term by a material amount. No impairment was deemed to have occurred for the years ended June 30, 2022 and 2021.

Property and equipment

Property and equipment are stated at cost. Major renewals and improvements are charged to the fixed asset accounts. It is the Agency's policy to capitalize property and equipment over $5,000. Lesser amounts are expensed since they do not improve or extend the lives of the respective assets. At the time fixed assets are retired or otherwise disposed of, the asset and related accumulated depreciation accounts are relieved of the applicable amounts. Gains or losses from retirements or sales are credited or charged to income.

Depreciation

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, which are stated at cost. Estimated useful lives for purposes of depreciation are as follows:

Land improvements	10-25 years
Buildings and improvements	25-39 years
Furniture and fixtures	5-10 years
Transportation equipment	3-4 years

Pledges receivable

Pledges receivable are recognized as revenues at their net present value based on the risk-free rate in the period in which the donor commits to the pledge. Management expects to collect all pledges receivable, thus no allowance for uncollectible pledges is deemed necessary.

Pledges receivable are as follows at June 30:

	2022	2021
Receivable in less than one year	$ 1,822,833	1,426,074
Receivable in one to five years	813,111	1,399,249
Receivable in more than five years	1,000,000	1,100,000
	3,635,944	3,925,323
Less unamortized discounts at 0.87% - 2.73%	(158,422)	(185,392)
	$ 3,477,522	3,739,931

Refundable advances
Refundable advances represent monies received in advance from conditional contributions, including conditional cancellation of liabilities, for which the conditions have not yet been met.

Donated services
Lighthouse Youth Services, Inc. receives services donated by individuals in carrying out its programs. The individuals volunteer their time and perform a variety of tasks that assist the Agency. These services do not meet the criteria for recognition as contributed services. Therefore, no amounts have been reflected in the consolidated financial statements for those services.

Functional expense allocations
The consolidated financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of the Agency. Expenses are directly applied when applicable and are allocated to programs or support services based on the table shown below. The costs of providing program and other activities have been summarized on a functional basis in the consolidated statements of activities.

Allocated expenses include the following:

Expense	Allocation Method
Salaries	Time and effort
Benefits and payroll taxes	Time and effort
Insurance	Full time equivalents
Occupancy	Full time equivalents
Depreciation	Full time equivalents

Income tax status
Lighthouse, NLP, IDEAFOR, Inc. and the Foundation are not-for-profit entities exempt from federal income taxes under provisions of Section 501(c)(3) of the Internal Revenue Code. These entities have adopted accounting guidance which require that a tax position be recognized or derecognized based on a “more likely than not” threshold. This applies to positions taken or expected to be taken in a tax return. These entities do not believe their financial statements include any uncertain tax positions.

NLP's wholly owned subsidiary, MSA, is a taxable entity and files federal and local income tax returns for its calendar year. No provision for income tax is reflected in the accompanying consolidated financial statements as the subsidiary experienced net losses for its years ended December 31, 2021 and 2020 and subsequently through the six months ended June 30, 2022.

EYH's taxable income or loss flows through to the members and are included in their respective tax returns. EYH had losses for its years ended December 31, 2021 and 2020 and subsequently through the six months ended June 30, 2022.

Reclassifications
Certain amounts from 2021 have been reclassified to conform to current year presentation. These reclassifications had no effect on 2021 net assets or change in net assets.

Subsequent events
The Agency evaluates events and transactions occurring subsequent to the date of the consolidated financial statements for matters requiring recognition or disclosure in the consolidated financial statements. The accompanying consolidated financial statements consider events through October 25, 2022, the date on which the consolidated financial statements were available to be issued.

2. NOTES RECEIVABLE:

During 2018, the Agency provided funds totaling $6,164,500 to 2134 Iowa Investment Fund, LLC in return for two notes receivable. These notes mature in July 2040, at which time the outstanding receivable balance is due in full. Interest on these notes accrues at a rate of 1.64% paid currently on a quarterly basis. The funds were provided by the leveraged lender, IDEAFOR, as part of the NMTC arrangement.

3. INVESTMENTS:

The Agency's investments consist of the following funds:

	2022	2021
Operating reserve fund	$ 1,240,065	2,005,203
Deferred compensation accounts	387,282	602,802
Capital reserve fund	1,612,160	1,858,228
Endowment fund	10,259,085	13,120,885
Total investments	$ 13,498,592	17,587,118

Operating reserve fund
The Agency has invested excess funds in fixed income mutual funds to provide for operating needs of the Agency. These funds, including related investment income, unrealized and realized gains and losses are otherwise without donor restriction.

Deferred compensation accounts
The Agency has nonqualified retirement funds for certain key employees. All participants are 100% vested. Amounts held in the deferred compensation accounts are subject to the general claims of creditors of the Agency.

Capital reserve fund
The Agency has invested additional funds in fixed income funds to provide for capital expenditure needs of the Agency. These funds, including related investment income, unrealized and realized gains and losses are otherwise without donor restriction.

Endowment fund
The Agency has implemented FASB guidance requiring that the net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, to be classified and reported based on the existence or absence of donor-imposed restrictions. The endowment consists of several funds established by the Board of Trustees to provide income for operations and other purposes.

Changes in board designated endowment investments are as follows for the year ended June 30:

	2022	2021
Endowment investments at beginning of year	$ 13,120,885	10,191,237
Net investment return	(1,861,800)	2,929,648
Appropriations	(1,000,000)	-
Endowment investments at end of year	$ 10,259,085	13,120,885

Return objectives and risk parameters
The Agency has adopted investment and spending policies for endowment assets that attempt to maintain the purchasing power of current assets and all future contributions; maximize returns within reasonable and prudent levels of risk; and to maintain an appropriate asset allocation based on a total return policy that is compatible with a flexible spending policy, while still having the potential to produce positive real returns. The return objective shall be accomplished utilizing a strategy of equities, fixed income, and cash equivalents in an optimal mix, which will outperform a blend of relative indexes net of fees over a full market cycle. The performance objectives will be measured against appropriate industry bench marks such as the S&P 500 Index, Russell 2000 Stock Index, and other indexes.

Strategies employed for achieving objectives
To satisfy its long-term rate-of-return objectives, the Agency 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 Agency 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 Agency has a policy of appropriating for distribution no more than 4% of the rolling 36-month average of the fair value in endowment assets. The actual distribution is subject to the operating cash flow needs

of the Agency but may not exceed the annual appropriation. All income and appreciation not needed to meet spending needs shall be reinvested into the endowment fund. In establishing this policy, the Agency considered the long-term expected return on its endowment. Accordingly, this spending policy is intended to, over time, protect the inflation-adjusted value of the endowment and, consequently, allow inflation-adjusted spending to occur into the distant future.

4. FAIR VALUE MEASUREMENTS:

Generally accepted accounting principles define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Agency has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

Fair value methods and assumptions on investments in money market funds and mutual funds are based on the Level 1 market approach.

The following table presents the Agency's fair value hierarchy for those assets measured at fair value on a recurring basis as of June 30, 2022:

	Fair Value	Level 1	Level 2	Level 3
Money market funds	$ 254,900	254,900	-	-
Mutual funds:				
Fixed income funds	5,043,988	5,043,988	-	-
Equity funds	8,199,704	8,199,704	-	-
Total investments at fair value	$ 13,498,592	13,498,592	-	-

The following table presents the Agency's fair value hierarchy for those assets measured at fair value on a recurring basis as of June 30, 2021:

	Fair Value	Level 1	Level 2	Level 3
Money market funds	$ 507,627	507,627	-	-
Mutual funds:				
Fixed income funds	5,609,353	5,609,353	-	-
Equity funds	11,470,138	11,470,138	-	-
Total investments at fair value	$ 17,587,118	17,587,118	-	-

5. CONCENTRATIONS:

The Agency is supported primarily through donor contributions, government grants and contract revenues from public agencies that refer their clients to the Agency for Medicaid services.

The following is a summary of the Agency's support for the year ended June 30:

	2022	2021
Department of Job and Family Services - Hamilton County, Ohio	31%	26%
Ohio Department of Medicaid	16%	17%
Ohio Department of Youth Services	11%	13%
Strategies to End Homelessness	12%	12%

Relating to the above support concentrations, the Agency also has receivables with corresponding public agencies. The following is a summary of the Agency's receivable as of June 30:

	2022	2021
Department of Job and Family Services - Hamilton County, Ohio	49%	38%
Strategies to End Homelessness	6%	14%
Ohio Department of Medicaid	6%	10%
Ohio Department of Youth Services Columbus Region	11%	7%

6. LINE OF CREDIT:

The Agency has a $1,000,000 line of credit arrangement with a bank. The line of credit expires in February 2023 and provides for interest payable at the daily Bloomberg Short-Term Yield ("BSBY") plus 2.25% (3.86% at June 30, 2022) with assignment of all receivables as collateral. At June 30, 2022 and 2021 there was no balance outstanding on the line of credit.

7. PAYCHECK PROTECTION PROGRAM:

On April 11, 2020, the Agency entered into a loan of $2,750,000 under the Small Business Administration's Paycheck Protection Program (PPP). The loan had an interest rate of 1% and was due in April 2022. The PPP program allowed for a portion of the loan (up to the full amount) to be forgiven based on qualifying expenses. During 2021, the Agency incurred qualifying expenses that exceeded the remaining portion of the PPP loan and recognized $1,046,200 in government grants on the consolidated statement of activities. The Agency received official notice of forgiveness on June 8, 2021.

8. REFUNDABLE ADVANCES:

At June 30, 2022 and 2021, refundable advances total $183,918 and $20,000, respectively. The balances represent government grant funds received in advance of satisfaction of related conditions.

9. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are restricted for the following purposes or periods at June 30:

	2022	2021
Subject to expenditure for a specific purpose:		
End youth homelessness	$ -	871,641
Capital campaign	-	1,212,719
Other programs	125,932	210,130
	125,932	2,294,490
Subject to the passage of time:		
Pledges receivable	3,477,522	3,739,931
	$ 3,603,454	6,034,421

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors, as follows:

	2022	2021
Time restrictions	$ 1,292,409	1,985,193
Program restrictions	20,135,532	18,113,113
	$ 21,427,941	20,098,306

10. MORTGAGE PAYABLE:

The Agency has a mortgage payable which consists of the following at June 30:

	2022	2021
Mortgage to Ohio Department of Mental Health, forgivable in monthly installments of $216 without interest. Mortgage is due May 2041. Secured by a building.	$ 74,839	77,435
Less current portion	(2,596)	(2,596)
	$ 72,243	74,839

Aggregate annual maturities of mortgages payable at June 30, 2022 are:

2023	$ 2,596
2024	2,596
2025	2,596
2026	2,596
2027	2,596
Thereafter	61,859
	$ 74,839

11. NOTES PAYABLE, NET:

Long-term debt consists of the following at June 30:

	2022	2021
Note payable to Catalyst CDE-9, LLC for advances, quarterly interest only payments at 1%, equal principal payments beginning December 2024 until maturity in July 2047.	$ 5,744,109	5,744,109
Note payable to Catalyst CDE-9, LLC for advances, quarterly interest only payments at 1%, equal principal payments beginning December 2024 until maturity in July 2047.	420,391	420,391
Note payable to Catalyst CDE-9, LLC for advances, quarterly interest only payments at 1%, equal principal payments beginning December 2024 until maturity in July 2047.	2,564,102	2,564,102
Note payable to Catalyst CDE-9, LLC for advances, quarterly interest only payments at 1%, equal principal payments beginning December 2024 until maturity in July 2047.	1,377,648	1,377,648
Total notes payable	10,106,250	10,106,250
Unamortized debt issuance costs	(255,236)	(264,968)
	$ 9,851,014	9,841,282

Notes payable mature as follows as of June 30:

2023	$ -
2024	-
2025	336,875
2026	449,167
2027	449,167
Thereafter	8,871,041
	$ 10,106,250

Notes payable include $10,106,250 due to the Catalyst CDE-9, LLC at June 30, 2022 and 2021. A portion of these notes payable correlate to the $6,164,500 due from 2134 Iowa Investment Fund, LLC included in notes receivable at June 30, 2022 and 2021 (Note 2).

Debt issuance costs are recorded at cost and are being amortized over the term of the related debt. At June 30, 2022 and 2021, debt issuance costs of $291,969 are reported net of related notes payable on the consolidated statements of financial position. Amortization expense of $9,732 for the years ended June 30, 2022 and 2021 is classified as interest expense and reported within other expenses on the consolidated statements of functional expenses.

12. RETIREMENT PLAN:

The Agency has a defined-contribution plan under Internal Revenue Code 401(k). An employee of Lighthouse is eligible for participation if they are a full-time employee and are eighteen years old. Employer match contributions of up to 6% of employee contributions are discretionary. The expense of the plan was $501,132 and $511,674 for the years ended June 30, 2022 and 2021, respectively.

13. CONTINGENCIES:

The Agency has established a strategic initiative to End Youth Homelessness. As part of that plan, the Agency, along with a third-party developer, obtained and renovated a building into a complex to provide 39 permanent supportive housing units, 36 shelter beds, day services, and office space. This project was financed with Low Income Housing Tax Credits, New Markets Tax Credits, Federal Home Loan Bank grant, City Home funds and private contributions. The significant guarantees are highlighted below.

In July 2016, the Agency, along with a third-party developer (“Co-Developer”), began the process of developing The Sheakley Center for Youth (the “Project”), owned by The Sheakley Center for Youth Limited Partnership (“the Partnership”). The Agency and Co-Developer act as guarantors, jointly and severally, in certain capacities for the Partnership, this is outlined in the Mutual Indemnification Agreement (“Agreement”) between the parties. During 2016, the low-income housing tax credit investor was admitted to the partnership which provided funds for the renovation costs of the permanent support housing units.

Under the agreement the developers made certain guarantees and commitments for construction completion, operating deficits and delivery of the low-income housing tax credits to varying levels of responsibility. The project was completed during fiscal year 2018 according to the construction plan and began operations at that time, in late December 2017.

During 2018, the Agency entered into a New Markets Tax Credit arrangement. The new markets tax credits arrangement was used for renovation costs of the shelter, day services and office space. As a requirement of the tax credit arrangement, the Agency created several entities to serve various roles including IDEAFOR, which is the leveraged lender, MSA, which is the qualified active low-income community business and EYH, which serves as the master tenant.

Under the new market tax credit agreement, the Agency made certain guarantees and commitments for construction completion, operating deficits and delivery of the new markets tax credits. The project was completed during fiscal year 2018 according to the construction plan and began operations at that time, in late December 2017.

The Agency has granted a put option to an investor in the new market tax credit arrangement. The put option may solely be exercised by the investor during the 180-calendar day period beginning on the last day of the compliance period. The value of the put option is $1,000 plus reasonable and necessary expenses. If the investor does not exercise the put option, the Agency has the right to exercise a call option during the 180-calendar day period immediately following the expiration of the put option. If the call option is exercised, the investor's interest will be purchased at fair market value based on an independent appraisal.

The Agency has entered into various operating deficit guarantee agreements, whereby it will advance funds to certain affiliated limited partnerships' business. Total amounts guaranteed under operating deficit guarantees at June 30, 2022 and 2021 amounted to approximately $192,000.

As the sponsor or developer of certain properties financed in part by federal tax credit allocations, the Agency has made certain guarantees to investors as to the tax credits and other benefits to be derived from the properties. These guarantees generally cover the tax compliance periods of fifteen years after initial lease up. In the opinion of management, compliance with tax regulations and careful monitoring of the properties should preclude these contingent liabilities from materializing. To date, the Agency has not experienced any calls on these guarantees. Tax benefit guarantees as of June 30, 2022 and 2021 were approximately $3,702,000 and $4,318,000, respectively.

The Agency's maximum exposure to the guarantees is not determinable with any degree of accuracy, as determination of the ultimate amounts is dependent upon the Agency's ability to oversee, manage and optimize cash flows of the above-mentioned projects. Therefore, no amounts have been accrued for the commitments noted above as of June 30, 2022 and 2021.

14. LONG-TERM LEASES:

The Agency leases program facilities and office equipment from unrelated parties and incurred approximately $86,000 and $108,000, respectively, of rental expense in the years ended June 30, 2022 and 2021, respectively.

These leases expire through September 2025, with minimum rental commitments as follows at June 30:

2023	$ 39,780
2024	39,780
2025	39,780
2026	9,945
	$ 129,285

15. RELATED PARTY TRANSACTIONS:

A member of the Board of Trustees owns a company that provides printing services to the Agency. During 2022 and 2021, the Agency paid $19,461 and $27,835 for these services, respectively. At June 30, 2022 and 2021 there were no amounts payable to this company for these services.

16. HEALTH INSURANCE:

The Agency is self-funded for health insurance. The plan covers basic claims for eligible employees. The Agency pays claims as reported and incurred. A reserve has been established for claims incurred but not reported of $150,000 and $299,999 at June 30, 2022 and 2021, respectively, which is reported in liabilities accrued and withheld in the consolidated statements of financial position. The estimate is based on actual claims incurred during the year, historical trends, and claims incurred but not reported subsequent to year-end. There is a stopgap insurance policy limiting medical claims to $100,000 per individual and approximately $1,600,000 in the aggregate.

17. CONDITIONAL PROMISES TO GIVE:

At June 30, 2022 and 2021 the Agency has conditional promises to give of approximately $2,328,000 and $788,000, respectively, primarily from governmental contracts.

18. LIQUIDITY DISCLOSURES:

The Agency is supported by earned revenue and contributions from donors. As part of the Agency's liquidity management, cash and cash equivalents should be managed in such a way as to meet the normal business operations needs of the Agency's various entities, while increasing the reserves of the Foundation for future Agency needs. In addition, the Agency has a line of credit (Note 6) that is available should a liquidity event arise. Restricted cash is not available for general expenditures and have been excluded from the tables below. The following table presents the financial assets available to meet cash needs for general expenditures within one year at June 30:

	2022	2021
Financial assets:		
Cash and cash equivalents	$ 4,868,641	3,349,415
Accounts and grants receivable, net	3,575,011	3,255,796
Pledges receivable, current portion	1,822,833	1,426,074
Investments at fair value	13,498,592	17,587,118
Financial assets available at year-end	23,765,077	25,618,403
Less those unavailable for general expenditures within one year due to:		
Board – designated endowment	10,259,085	13,120,885
Capital reserve fund	1,612,160	1,858,228
Deferred compensation accounts	387,282	602,802
Restricted by donor for specific purpose	-	1,910,729
Total limitations on available resources	12,258,527	17,492,644
Financial assets available to meet cash needs for general expenditures within one year	$ 11,506,550	8,125,759

19. RECENT ACCOUNTING PRONOUNCEMENTS:

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, *Leases*. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the consolidated statement of financial position at the date of the lease commencement. Leases will be classified as either financing or operating. This distinction will be relevant for the pattern of expense recognition in the consolidated statement of activities. This standard will be effective for the Agency's year ending June 30, 2023. The Agency is currently in the process of evaluating the impact of adoption of this ASU on the consolidated financial statements.

	Lighthouse Youth Services, Inc.	Lighthouse Beacon for Youth Foundation, Inc.	New Life Properties, Inc.	IDEAFOR, Inc.	McMillan Street Associates, LLC	EYH Iowa LLC	Eliminations	Consolidated
Assets								
Current assets:								
Cash and cash equivalents	$ 1,341,232	974,974	2,218,459	45,288	252,372	36,316	-	4,868,641
Restricted cash	-	309,547	-	-	-	-	-	309,547
Accounts and grants receivable, net	3,574,965	-	46	-	-	-	-	3,575,011
Accounts receivable - intercompany	257,407	-	87,103	-	-	4,320	(348,830)	-
Pledges receivable, current portion	-	1,822,833	-	-	-	-	-	1,822,833
Other current assets	222,719	99,561	-	-	-	-	-	322,280
Total current assets	5,396,323	3,206,915	2,305,608	45,288	252,372	40,636	(348,830)	10,898,312
Property and equipment:								
Land	-	-	1,007,822	-	403,029	-	-	1,410,851
Land improvements	-	-	597,202	-	461,726	-	-	1,058,928
Building and improvements	-	-	17,619,568	-	8,757,791	-	(816,398)	25,560,961
Furniture and fixtures	1,125,390	-	272,132	-	165,164	336,341	-	1,899,027
Transportation equipment	379,604	-	-	-	-	-	-	379,604
	1,504,994	-	19,496,724	-	9,787,710	336,341	(816,398)	30,309,371
Accumulated depreciation	(971,260)	-	(7,934,661)	-	(1,281,591)	(213,071)	83,732	(10,316,851)
Total property and equipment	533,734	-	11,562,063	-	8,506,119	123,270	(732,666)	19,992,520
Long-term assets:								
Restricted cash	-	-	-	-	148,225	-	-	148,225
Pledges receivable, net of current portion	-	1,654,689	-	-	-	-	-	1,654,689
Notes receivable	-	-	-	6,164,500	-	-	-	6,164,500
Notes receivable - intercompany	-	-	435,879	-	-	434,120	(869,999)	-
Investment in unconsolidated entities	-	-	1,057,772	-	-	-	(521,523)	536,249
Investments	1,627,347	11,871,245	-	-	-	-	-	13,498,592
Total long-term assets	1,627,347	13,525,934	1,493,651	6,164,500	148,225	434,120	(1,391,522)	22,002,255
Total assets	$ 7,557,404	16,732,849	15,361,322	6,209,788	8,906,716	598,026	(2,473,018)	52,893,087

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		Lighthouse Youth Services, Inc.	Lighthouse Beacon for Youth Foundation, Inc.	New Life Properties, Inc.	IDEAFOR, Inc.	McMillan Street Associates, LLC	EYH Iowa LLC	Eliminations	Consolidated
Liabilities and net assets									
Current liabilities:									
Accounts payable	$	496,475	31,375	49,189	-	-	-	-	577,039
Accounts payable - intercompany		67,380	248,152	14,085	-	-	19,213	(348,830)	-
Liabilities accrued and withheld		1,183,390	-	-	-	-	-	-	1,183,390
Mortgage payable, current portion		-	-	2,596	-	-	-	-	2,596
Refundable advances		183,918	-	-	-	-	-	-	183,918
Total current liabilities		1,931,163	279,527	65,870	-	-	19,213	(348,830)	1,946,943
Long-term liabilities:									
Mortgage payable, net of current portion		-	-	72,243	-	-	-	-	72,243
Notes payable, net		-	-	-	-	9,851,014	-	-	9,851,014
Notes payable - intercompany		-	-	434,120	435,879	-	-	(869,999)	-
Accrued deferred compensation		387,282	-	-	-	-	-	-	387,282
Total long-term liabilities		387,282	-	506,363	435,879	9,851,014	-	(869,999)	10,310,539
Total liabilities		2,318,445	279,527	572,233	435,879	9,851,014	19,213	(1,218,829)	12,257,482
Net assets:									
Without donor restrictions, controlling		5,238,959	12,849,868	14,789,089	5,773,909	(944,298)	5,819	(1,254,189)	36,459,157
Without donor restrictions, noncontrolling interest		-	-	-	-	-	572,994	-	572,994
Total net assets (deficit) without donor restrictions		5,238,959	12,849,868	14,789,089	5,773,909	(944,298)	578,813	(1,254,189)	37,032,151
With donor restrictions		-	3,603,454	-	-	-	-	-	3,603,454
Total net assets (deficit)		5,238,959	16,453,322	14,789,089	5,773,909	(944,298)	578,813	(1,254,189)	40,635,605
Total liabilities and net assets	$	7,557,404	16,732,849	15,361,322	6,209,788	8,906,716	598,026	(2,473,018)	52,893,087

	Lighthouse Youth Services, Inc.	Lighthouse Beacon for Youth Foundation, Inc.	New Life Properties, Inc.	IDEAFOR, Inc.	McMillan Street Associates, LLC	EYH Iowa LLC	Eliminations	Consolidated
Revenues, gains and support:								
Contributions	$ 2,737,501	3,409,139	1,419,624	-	-	-	(4,324,173)	3,242,091
Special events	-	402,863	-	-	-	-	-	402,863
Government grants	6,333,907	-	63,076	-	-	-	-	6,396,983
Government grants - per diem	10,672,433	-	-	-	-	-	-	10,672,433
Medicaid revenue	3,220,872	-	-	-	-	-	-	3,220,872
Rental income	-	-	898,385	-	155,000	180,000	(1,233,385)	-
Gain (loss) on sale of assets	(3,748)	-	249,939	-	-	-	-	246,191
Management fees	345,000	-	-	-	-	-	(345,000)	-
Net investment return	(18,976)	(2,107,868)	-	-	-	-	-	(2,126,844)
Interest income	-	-	12,228	109,737	56	7,867	(28,761)	101,127
Other income	176,803	-	-	-	-	-	-	176,803
Total revenues, gains and support	23,463,792	1,704,134	2,643,252	109,737	155,056	187,867	(5,931,319)	22,332,519
Expenses:								
Program services	20,685,995	4,209,280	793,402	113,705	455,231	215,951	(5,607,252)	20,866,312
Supporting services:								
Management and general	3,859,843	160,000	185,000	-	-	-	(345,000)	3,859,843
Fundraising	-	553,533	-	-	-	-	-	553,533
Total expenses	24,545,838	4,922,813	978,402	113,705	455,231	215,951	(5,952,252)	25,279,688
Change in net assets:								
Attributable to controlling interest	(1,082,046)	(3,218,679)	1,664,850	(3,968)	(300,175)	(281)	20,933	(2,919,366)
Attributable to noncontrolling interest	-	-	-	-	-	(27,803)	-	(27,803)
Total change in net assets	(1,082,046)	(3,218,679)	1,664,850	(3,968)	(300,175)	(28,084)	20,933	(2,947,169)
Net assets (deficit), beginning of year	6,321,005	19,672,001	13,124,239	5,777,877	(644,123)	606,897	(1,275,122)	43,582,774
Net assets (deficit), end of year	$ 5,238,959	16,453,322	14,789,089	5,773,909	(944,298)	578,813	(1,254,189)	40,635,605

See independent auditors' report.