

Lighthouse Youth Services, Inc. and Affiliates

Consolidated Financial Statements and

Supplementary Information

June 30, 2025 and 2024

(with Independent Auditors' Report)

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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, 2025 and 2024, 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, 2025 and 2024, 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 of 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 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 audit.

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 25-27, 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 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 our report dated November 26, 2025, 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
November 26, 2025

Lighthouse Youth Services, Inc. and Affiliates
Consolidated Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 5,622,738	10,480,877
Accounts and grants receivable	4,768,822	5,413,289
Pledges receivable, current portion	252,500	83,334
Other current assets	551,627	518,124
Total current assets	<u>11,195,687</u>	<u>16,495,624</u>
Property and equipment:		
Land	1,410,851	1,410,851
Land improvements	885,743	1,058,928
Building and improvements	26,207,994	26,156,534
Furniture and fixtures	1,615,025	2,041,503
Transportation equipment	569,617	509,980
Construction in progress	4,784,854	265,341
	<u>35,474,084</u>	<u>31,443,137</u>
Accumulated depreciation	<u>(11,882,903)</u>	<u>(12,704,737)</u>
Total property and equipment	<u>23,591,181</u>	<u>18,738,400</u>
Long-term assets:		
Restricted cash	-	16,777
Pledges receivable, net of current portion	1,299,336	905,415
Notes receivable, net	-	6,164,500
Investment in unconsolidated entity	536,249	536,249
Investments	26,199,455	16,019,528
Total long-term assets	<u>28,035,040</u>	<u>23,642,469</u>
Total assets	<u>\$ 62,821,908</u>	<u>58,876,493</u>
Liabilities and net assets		
Current liabilities:		
Accounts payable	\$ 2,206,668	1,326,472
Liabilities accrued and withheld	1,759,783	1,796,940
Mortgages payable, current portion	2,596	2,596
Notes payable, current portion	-	336,875
Refundable advances	51,500	51,500
Total current liabilities	<u>4,020,547</u>	<u>3,514,383</u>
Long-term liabilities:		
Mortgages payable, net of current portion	964,455	67,051
Notes payable, net of current portion	-	9,533,603
Accrued deferred compensation	82,422	256,863
Total long-term liabilities	<u>1,046,877</u>	<u>9,857,517</u>
Total liabilities	<u>5,067,424</u>	<u>13,371,900</u>
Net assets:		
Without donor restrictions	55,551,407	44,046,299
With donor restrictions	2,203,077	1,458,294
Total net assets	<u>57,754,484</u>	<u>45,504,593</u>
Total liabilities and net assets	<u>\$ 62,821,908</u>	<u>58,876,493</u>

See accompanying notes to the consolidated financial statements.

Lighthouse Youth Services, Inc. and Affiliates
Consolidated Statement of Activities
Year Ended June 30, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains and support:			
Contributions	\$ 473,542	2,322,445	2,795,987
Special events	476,516	-	476,516
Government grants	-	8,819,159	8,819,159
Government grants - per diem	-	19,461,957	19,461,957
Medicaid revenue	12,202,348	-	12,202,348
Net investment return	2,380,735	-	2,380,735
Interest income	178,172	-	178,172
Other income	1,153,906	-	1,153,906
Net assets released from restrictions	<u>29,858,778</u>	<u>(29,858,778)</u>	<u>-</u>
Total revenues, gains and support	<u>46,723,997</u>	<u>744,783</u>	<u>47,468,780</u>
Expenses:			
Program services	33,153,115	-	33,153,115
Supporting services:			
Management and general	5,785,242	-	5,785,242
Fundraising	<u>684,613</u>	<u>-</u>	<u>684,613</u>
Total expenses	<u>39,622,970</u>	<u>-</u>	<u>39,622,970</u>
Non-operating income	<u>4,404,081</u>	<u>-</u>	<u>4,404,081</u>
Change in net assets:	11,505,108	744,783	12,249,891
Net assets, beginning of year	<u>44,046,299</u>	<u>1,458,294</u>	<u>45,504,593</u>
Net assets, end of year	\$ <u>55,551,407</u>	<u>2,203,077</u>	<u>57,754,484</u>

See accompanying notes to the consolidated financial statements.

Lighthouse Youth Services, Inc. and Affiliates
Consolidated Statement of Activities
Year Ended June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains and support:			
Contributions	\$ 1,146,647	613,195	1,759,842
Special events	374,665	-	374,665
Government grants	-	6,731,717	6,731,717
Government grants - per diem	-	17,705,924	17,705,924
Medicaid revenue	9,758,261	-	9,758,261
Gain on sale of assets	6,000	-	6,000
Net investment return	1,720,514	-	1,720,514
Interest income	190,270	-	190,270
Other income	1,246,923	-	1,246,923
Net assets released from restrictions	<u>25,424,176</u>	<u>(25,424,176)</u>	<u>-</u>
Total revenues, gains and support	<u>39,867,456</u>	<u>(373,340)</u>	<u>39,494,116</u>
Expenses:			
Program services	29,105,120	-	29,105,120
Supporting services:			
Management and general	5,197,972	-	5,197,972
Fundraising	<u>600,605</u>	<u>-</u>	<u>600,605</u>
Total expenses	<u>34,903,697</u>	<u>-</u>	<u>34,903,697</u>
Change in net assets	4,963,759	(373,340)	4,590,419
Net assets, beginning of year	<u>39,082,540</u>	<u>1,831,634</u>	<u>40,914,174</u>
Net assets, end of year	\$ <u>44,046,299</u>	<u>1,458,294</u>	<u>45,504,593</u>

See accompanying notes to the consolidated financial statements.

Lighthouse Youth Services, Inc and Affiliates
Consolidated Statement of Functional Expenses
Year Ended June 30, 2025

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 13,887,454	2,988,257	262,931	17,138,642
Benefits and payroll taxes	3,553,787	976,361	59,505	4,589,653
Professional fees	8,709,690	794,936	38,952	9,543,578
Equipment and supplies	734,923	475,524	289,456	1,499,903
Insurance	364,149	68,488	-	432,637
Occupancy	1,741,857	68,680	-	1,810,537
Travel and meetings	354,861	177,725	5,514	538,100
Depreciation	1,004,935	166,938	15,643	1,187,516
Individual assistance	2,751,012	16,544	4,469	2,772,025
Other expenses	<u>50,447</u>	<u>51,789</u>	<u>8,143</u>	<u>110,379</u>
Total expenses	\$ <u>33,153,115</u>	<u>5,785,242</u>	<u>684,613</u>	<u>39,622,970</u>

See accompanying notes to the consolidated financial statements.

Lighthouse Youth Services, Inc. and Affiliates
Consolidated Statement of Functional Expenses
Year Ended June 30, 2024

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 13,181,369	2,666,143	237,223	16,084,735
Benefits and payroll taxes	2,838,171	927,471	60,829	3,826,471
Professional fees	6,310,987	535,592	47,477	6,894,056
Equipment and supplies	835,268	419,351	223,214	1,477,833
Insurance	223,139	85,718	-	308,857
Occupancy	1,541,502	65,872	-	1,607,374
Travel and meetings	351,977	185,303	4,658	541,938
Depreciation	1,029,326	170,990	16,023	1,216,339
Individual assistance	2,627,936	13,727	-	2,641,663
Other expenses	<u>165,445</u>	<u>127,805</u>	<u>11,181</u>	<u>304,431</u>
Total expenses	\$ <u>29,105,120</u>	<u>5,197,972</u>	<u>600,605</u>	<u>34,903,697</u>

See accompanying notes to the consolidated financial statements.

Lighthouse Youth Services, Inc. and Affiliates
Consolidated Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Change in net assets	\$ 12,249,891	4,590,419
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,187,516	1,216,339
Realized and unrealized gain on investments	(1,736,141)	(1,159,707)
Imputed interest on debt issuance costs	-	9,732
Gain on sale of assets	-	(6,000)
Forgiveness of long-term debt	(9,873,074)	(2,596)
Provision for credit losses on notes receivable	6,164,500	-
Effects of change in operating assets and liabilities:		
Accounts and grants receivable	644,467	(55,450)
Pledges receivable	(563,087)	598,559
Other current assets	(33,503)	(187,541)
Accounts payable	566,564	(248,557)
Liabilities accrued and withheld	(37,157)	316,121
Refundable advances	-	51,500
Accrued deferred compensation	(174,441)	(50,751)
Net cash provided by operating activities	<u>8,395,535</u>	<u>5,072,068</u>
Cash flows from investing activities		
Purchase of property and equipment	(5,726,665)	(757,297)
Proceeds from sale of property and equipment	-	6,000
Net purchases of investments	<u>(8,443,786)</u>	<u>(235,944)</u>
Net cash used by investing activities	<u>(14,170,451)</u>	<u>(987,241)</u>
Cash flows from financing activities		
Proceeds from issuance of mortgage payable	<u>900,000</u>	<u>-</u>
Change in cash, cash equivalents and restricted cash	(4,874,916)	4,084,827
Cash, cash equivalents and restricted cash, beginning of year	<u>10,497,654</u>	<u>6,412,827</u>
Cash, cash equivalents and restricted cash, end of year	\$ <u>5,622,738</u>	<u>10,497,654</u>
Supplemental disclosures:		
Interest paid	\$ <u>-</u>	<u>101,063</u>
Property and equipment in accounts payable	\$ <u>319,661</u>	<u>6,029</u>

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 4,000 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: 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. Effective January 1, 2023, Lighthouse acquired a 99% 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.

See Note 16 regarding the end of the compliance period during 2025 for the NMTC arrangement and the closure of IDEAFOR, MSA, and EYH.

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., McMillan Street Associates, LLC and EYH Iowa LLC (collectively referred to as the "Agency"). All inter-agency accounts and transactions have been eliminated.

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, 2025 and 2024.

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. Prior to 2025, the Agency recorded Medicaid revenue as a percentage of these established rates based on historical experience and known trends. Starting in 2025, the Agency started to record

Medicaid revenue at the full established rates. Medicaid revenue for the years ended June 30, 2025 and 2024 is \$12,202,348 and \$9,758,261, 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 \$62,000 and \$38,000 for the years ended June 30, 2025 and 2024, respectively. Revenue from special events is recognized at the time the event takes place.

Accounts receivables are considered to be contract receivables. Accounts receivable as of June 30, 2025 and 2024 and July 1, 2024, was \$4,088,674, \$3,274,368 and \$3,829,055, respectively.

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, money market funds and other highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents.

At June 30, 2024 long-term restricted cash was held as a requirement of the Operating Agreement for MSA of \$16,777. The restricted cash related to MSA was 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:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 5,622,738	10,480,877
Restricted cash, long-term	<u>-</u>	<u>16,777</u>
	<u>\$ 5,622,738</u>	<u>10,497,654</u>

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.

Accounts receivable and allowance for credit losses

Accounts receivable are uncollateralized customer obligations due under normal trade terms. The Agency does not assess interest on past-due accounts. An allowance for credit losses is an estimate based upon historical account write-off trends, facts about the current financial condition of the debtor, forecasts of future operating results based upon current trends, and macroeconomic factors. Credit quality is monitored through the timing of payments compared to payment terms and known facts regarding the financial condition of debtors. Accounts receivable balances are charged off against the allowance for credit losses after recovery efforts have ceased. Management has reviewed the Agency's accounts receivable and determined that expected credit losses are not material.

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 \$5,391,000 and \$5,732,000, respectively, and approximately \$1,256,000 and \$1,564,000, respectively, as of June 30, 2025 and 2024, respectively. SCYLP's net loss for the years ended June 30, 2025 and 2024 was approximately \$310,000 and \$233,000 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, 2025 and 2024.

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:

	<u>2025</u>	<u>2024</u>
Receivable in less than one year	\$ 252,500	83,334
Receivable in one to five years	716,543	218,209
Receivable in more than five years	<u>700,000</u>	<u>800,000</u>
	1,669,043	1,101,543
Less unamortized discounts at 0.87% - 4.33%	<u>(117,207)</u>	<u>(112,794)</u>
	<u>\$ 1,551,836</u>	<u>988,749</u>

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:

<u>Expense</u>	<u>Allocation Method</u>
Salaries	Time and effort
Benefit 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, was a taxable entity and filed federal and local income tax returns for its calendar year. Effective July 31, 2024, MSA filed to become a disregarded entity under NLP. No provision for income tax is reflected in the accompanying consolidated financial statements as the subsidiary experienced net losses during its fiscal years.

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, 2024 and 2023 and subsequently through the six months ended June 30, 2025.

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 November 26, 2025, 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. Interest on these notes accrued 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. A provision for credit losses was recognized in 2025 for the full notes receivable balance (Note 16).

3. INVESTMENTS:

The Agency's investments consist of the following funds:

	<u>2025</u>	<u>2024</u>
Operating reserve fund	\$ 1,992,838	947,119
Deferred compensation accounts	82,422	176,863
Capital reserve fund	1,673,312	1,566,847
Endowment fund	<u>22,450,883</u>	<u>13,328,699</u>
Total investments	\$ <u>26,199,455</u>	<u>16,019,528</u>

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. These funds are designated by the Board of Trustees and require approval by the Board of Trustees for withdrawals.

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 years ended June 30:

	<u>2025</u>	<u>2024</u>
Endowment investments at beginning of year	\$ 13,328,699	11,382,574
Contributions	7,022,974	1,107,206
Net investment return	<u>2,099,210</u>	<u>838,919</u>
Endowment investments at end of year	\$ <u>22,450,883</u>	<u>13,328,699</u>

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. During 2025 and 2024, no distributions were made from the endowment. 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, 2025:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market funds	\$ 2,189,812	2,189,812	-	-
Mutual funds:				
Fixed income funds	7,216,176	7,216,176	-	-
Equity funds	<u>16,793,467</u>	<u>16,793,467</u>	<u>-</u>	<u>-</u>
Total investments at fair value	\$ <u>26,199,455</u>	<u>26,199,455</u>	<u>-</u>	<u>-</u>

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, 2024:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market funds	\$ 69,063	69,063	-	-
Mutual funds:				
Fixed income funds	5,576,739	5,576,739	-	-
Equity funds	<u>10,373,726</u>	<u>10,373,726</u>	<u>-</u>	<u>-</u>
Total investments at fair value	\$ <u>16,019,528</u>	<u>16,019,528</u>	<u>-</u>	<u>-</u>

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 concentrations for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Department of Job and Family Services - Hamilton County, Ohio	29%	29%
Ohio Department of Medicaid	29%	27%
Ohio Department of Youth Services	12%	14%

Relating to the above support concentrations, the Agency also has receivables with corresponding public agencies. The following is a summary of the Agency's receivables concentrations as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Department of Job and Family Services - Hamilton County, Ohio	26%	27%
Ohio Department of Medicaid	10%	6%

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 2026 and provides for interest payable at the daily Bloomberg Short-Term Yield ("BSBY") plus 2.25% (6.57% at June 30, 2025) with assignment of all receivables as collateral. At June 30, 2025 and 2024, there was no balance outstanding on the line of credit.

7. NET ASSETS WITH DONOR RESTRICTIONS:

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

	<u>2025</u>	<u>2024</u>
Subject to expenditure for a specific purpose:		
Other programs	\$ 651,241	469,545
Subject to the passage of time:		
Pledges receivable	<u>1,551,836</u>	<u>988,749</u>
	<u>\$ 2,203,077</u>	<u>1,458,294</u>

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:

	<u>2025</u>	<u>2024</u>
Time restrictions	\$ 569,205	708,559
Program restrictions	<u>29,289,573</u>	<u>24,715,617</u>
	<u>\$ 29,858,778</u>	<u>25,424,176</u>

8. MORTGAGES PAYABLE:

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

	<u>2025</u>	<u>2024</u>
Mortgage to Ohio Department of Mental Health and Addiction Services, forgivable in monthly installments of \$216 without interest. Mortgage is due May 2041. Secured by a building.	\$ 67,051	69,647
Mortgage to Ohio Department of Mental Health and Addiction Services, forgivable in full when due August 2044. Secured by a building.	<u>900,000</u>	<u>—</u>
	967,051	69,647
Less current portion	<u>(2,596)</u>	<u>(2,596)</u>
	<u>\$ 964,455</u>	<u>67,051</u>

Aggregate annual maturities of mortgages payable at June 30, 2025 are:

2026	\$ 2,596
2027	2,596
2028	2,596
2029	2,596
2030	2,596
Thereafter	<u>954,071</u>
	<u>\$ 967,051</u>

9. NOTES PAYABLE, NET:

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

	<u>2025</u>	<u>2024</u>
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. Forgiven in full in August 2024 (Note 16).	\$ -	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. Forgiven in full in August 2024 (Note 16).	-	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. Forgiven in full in August 2024 (Note 16).	-	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. Forgiven in full in August 2024 (Note 16).	<u>-</u>	<u>1,377,648</u>
Total notes payable	-	10,106,250
Unamortized debt issuance costs	<u>-</u>	<u>(235,772)</u>
	\$ <u>-</u>	<u>9,870,478</u>

Notes payable include \$10,106,250 due to the Catalyst CDE-9, LLC at June 30, 2024. A portion of these notes payable correlated to the \$6,164,500 due from 2134 Iowa Investment Fund, LLC included in notes receivable at June 30, 2024 (Notes 2 and 16).

Debt issuance costs were recorded at cost and were amortized over the term of the related debt. At June 30, 2024, amortized debt issuance costs of \$235,772 were reported net of related notes payable on the consolidated statements of financial position. Amortization expense of \$9,732 for the year ended June 30, 2024 was classified as interest expense and reported within other expenses on the consolidated statements of functional expenses.

10. 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 \$615,958 and \$520,683 for the years ended June 30, 2025 and 2024, respectively.

11. 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.

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, 2025 and 2024 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, 2025 and 2024 were approximately \$1,851,000 and \$2,468,000, 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, 2025 and 2024.

The Agency has been made aware of a certain personal injury claim against it involving an event occurring in 2022. This claim will be covered up to \$6,000,000 by the Agency's liability insurance. At the present time, management is unable to estimate a probable outcome of this matter and accordingly no provision for liabilities, if any, has been made in the accompanying consolidated financial statements.

12. RELATED PARTY TRANSACTIONS:

A member of the Board of Trustees owns a company that provides printing services to the Agency. During years ended June 30, 2025 and 2024, the Agency paid \$11,831 and \$19,011 for these services, respectively. At June 30, 2025 and 2024, there were no amounts payable to this company for these services.

13. 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 \$242,567 and \$359,430 at June 30, 2025 and 2024, 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 \$2,075,000 in the aggregate.

14. CONDITIONAL PROMISES TO GIVE:

At June 30, 2025 and 2024, the Agency has conditional promises to give of approximately \$1,340,000 and \$2,082,000, respectively, primarily from governmental contracts.

15. 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:

	<u>2025</u>	<u>2024</u>
Financial assets:		
Cash and cash equivalents	\$ 5,622,738	10,480,877
Accounts and grants receivable, net	4,768,822	5,413,289
Pledges receivable, current portion	252,500	83,334
Investments at fair value	<u>26,199,455</u>	<u>16,019,528</u>
Financial assets available at year-end	<u>36,843,515</u>	<u>31,997,028</u>
Less those unavailable for general expenditures within one year due to:		
Board – designated endowment	22,450,883	13,328,699
Capital reserve fund	1,673,312	1,566,847
Deferred compensation accounts	82,422	176,863
Restricted for donor purposes	<u>651,241</u>	<u>469,545</u>
Total limitations on available resources	<u>24,857,858</u>	<u>15,541,954</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>11,985,657</u>	<u>16,455,074</u>

16. TAX CREDIT ENTITIES:

The Agency's NMTC compliance period has ended. As explained in Note 2, the Agency (through IDEAFOR, Inc.) provided funds to 2134 Iowa Investment Fund, LLC in return for two notes receivable. The investor member of 2134 Iowa Investment Fund, LLC held a put option which was exercised in August 2024, which transferred 100% of the ownership interest from the investor member to NLP. 2134 Iowa Investment Fund, LLC became a disregarded entity of NLP at that time.

2134 Iowa Investment Fund, LLC was the sole member of Catalyst CDE-9 LLC. Catalyst CDE-9 LLC held the notes payable described in Note 9. In August 2024, Catalyst CDE-9 LLC was liquidated giving 2134 Iowa Investment Fund, LLC its interest in the notes payable. Effective August 15, 2024, the Agency owned the notes payable and notes receivable in their entirety. The Agency forgave the notes receivables and payable during 2025 and closed the related entities. This net result of all transactions relating to the unwinding of the NMTC entities was a gain of \$4,404,081 and is recorded within non-operating income on the consolidated statement of activities for the year ended June 30, 2025 and consisted of the following:

Forgiveness of notes payable	\$ 9,870,478
Provision for credit losses on notes receivable	(6,164,500)
Loss on investments in EYH and MSA	(552,717)
Reversal of prior year elimination of developer's fee	<u>1,250,820</u>
Total non-operating income	\$ <u>4,404,081</u>

Lighthouse Youth Services, Inc. and Affiliates
Consolidating Schedule of Financial Position
June 30, 2025

	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	\$ 2,485,569	2,958,910	178,259	-	-	-	-	5,622,738
Accounts and grants receivable	4,518,822	-	250,000	-	-	-	-	4,768,822
Accounts receivable - intercompany	376,075	-	-	-	-	-	(376,075)	-
Pledges receivable, current portion	-	252,500	-	-	-	-	-	252,500
Other current assets	546,899	4,728	-	-	-	-	-	551,627
Total current assets	7,927,365	3,216,138	428,259	-	-	-	(376,075)	11,195,687
Property and equipment:								
Land	-	-	1,410,851	-	-	-	-	1,410,851
Land improvements	-	-	885,743	-	-	-	-	885,743
Building and improvements	-	-	26,207,994	-	-	-	-	26,207,994
Furniture and fixtures	1,303,672	-	311,353	-	-	-	-	1,615,025
Transportation equipment	569,617	-	-	-	-	-	-	569,617
Construction in progress	-	-	4,784,854	-	-	-	-	4,784,854
	1,873,289	-	33,600,795	-	-	-	-	35,474,084
Accumulated depreciation	(1,495,554)	-	(10,387,349)	-	-	-	-	(11,882,903)
Total property and equipment	377,735	-	23,213,446	-	-	-	-	23,591,181
Long-term assets:								
Pledges receivable, net of current portion	-	1,299,336	-	-	-	-	-	1,299,336
Investment in unconsolidated entity	-	-	536,249	-	-	-	-	536,249
Investments	2,075,260	24,124,195	-	-	-	-	-	26,199,455
Total long-term assets	2,075,260	25,423,531	536,249	-	-	-	-	28,035,040
Total assets	\$ 10,380,360	28,639,669	24,177,954	-	-	-	(376,075)	62,821,908

See independent auditors' report.

Lighthouse Youth Services, Inc. and Affiliates
Consolidating Schedule of Financial Position (Continued)
June 30, 2025

	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	\$ 1,746,308	11,079	449,281	-	-	-	-	2,206,668
Accounts payable - intercompany	-	333,109	42,966	-	-	-	(376,075)	-
Liabilities accrued and withheld	1,759,783	-	-	-	-	-	-	1,759,783
Mortgages payable, current portion	-	-	2,596	-	-	-	-	2,596
Refundable advances	-	51,500	-	-	-	-	-	51,500
Total current liabilities	3,506,091	395,688	494,843	-	-	-	(376,075)	4,020,547
Long-term liabilities:								
Mortgages payable, net of current portion	-	-	964,455	-	-	-	-	964,455
Accrued deferred compensation	82,422	-	-	-	-	-	-	82,422
Total long-term liabilities	82,422	-	964,455	-	-	-	-	1,046,877
Total liabilities	3,588,513	395,688	1,459,298	-	-	-	(376,075)	5,067,424
Net assets:								
Without donor restrictions	6,791,847	26,040,904	22,718,656	-	-	-	-	55,551,407
With donor restrictions	-	2,203,077	-	-	-	-	-	2,203,077
Total net assets	6,791,847	28,243,981	22,718,656	-	-	-	-	57,754,484
Total liabilities and net assets	\$ 10,380,360	28,639,669	24,177,954	-	-	-	(376,075)	62,821,908

See independent auditors' report.

Lighthouse Youth Services, Inc. and Affiliates
Consolidating Schedule of Activities
Year Ended June 30, 2025

	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	\$ 1,246,091	9,545,985	2,573,374	-	-	-	(10,569,463)	2,795,987
Special events	-	476,516	-	-	-	-	-	476,516
Government grants	8,566,563	-	252,596	-	-	-	-	8,819,159
Government grants - per diem	19,461,957	-	-	-	-	-	-	19,461,957
Medicaid revenue	12,202,348	-	-	-	-	-	-	12,202,348
Rental income	-	-	910,727	-	-	-	(910,727)	-
Management fees	345,000	-	-	-	-	-	(345,000)	-
Net investment return	16,797	2,363,938	-	-	-	-	-	2,380,735
Interest income	178,169	-	-	1	-	2	-	178,172
Other income	1,108,755	20,100	3	12,071	12,977	-	-	1,153,906
Total revenues, gains and support	<u>43,125,680</u>	<u>12,406,539</u>	<u>3,736,700</u>	<u>12,072</u>	<u>12,977</u>	<u>2</u>	<u>(11,825,190)</u>	<u>47,468,780</u>
Expenses:								
Program services	39,607,554	3,819,463	1,169,231	-	29,753	7,304	(11,480,190)	33,153,115
Supporting services:								
Management and general	5,785,242	160,000	185,000	-	-	-	(345,000)	5,785,242
Fundraising	-	684,613	-	-	-	-	-	684,613
Total expenses	<u>45,392,796</u>	<u>4,664,076</u>	<u>1,354,231</u>	<u>-</u>	<u>29,753</u>	<u>7,304</u>	<u>(11,825,190)</u>	<u>39,622,970</u>
Non-operating income (expense)	<u>2,358</u>	<u>-</u>	<u>7,881,786</u>	<u>(5,777,310)</u>	<u>1,561,983</u>	<u>(515,556)</u>	<u>1,250,820</u>	<u>4,404,081</u>
Change in net assets:	<u>(2,264,758)</u>	<u>7,742,463</u>	<u>10,264,255</u>	<u>(5,765,238)</u>	<u>1,545,207</u>	<u>(522,858)</u>	<u>1,250,820</u>	<u>12,249,891</u>
Net assets (deficit), beginning of year	<u>9,056,605</u>	<u>20,501,518</u>	<u>12,454,401</u>	<u>5,765,238</u>	<u>(1,545,207)</u>	<u>522,858</u>	<u>(1,250,820)</u>	<u>45,504,593</u>
Net assets, end of year	\$ <u>6,791,847</u>	<u>28,243,981</u>	<u>22,718,656</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,754,484</u>

See independent auditors' report.

