

LIGHTHOUSE FAMILY RETREAT, INC.

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITORS' REPORT

Years Ended December 31, 2024 and 2023

LIGHTHOUSE FAMILY RETREAT, INC.

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT.....	1
FINANCIAL STATEMENTS	
Statements of Financial Position.....	3
Statements of Activities.....	4
Statements of Functional Expenses.....	5
Statements of Cash Flows.....	6
Notes to Financial Statements.....	7



Mersereau, Lazenby & Rockas, LLC

Certified Public Accountants

Laura E. Rockas, CPA, CFP®

Lois S. Lazenby, CPA, CFP®

Steven O. Wykoff, CFP®

Joel R. Mulkey, CPA

3469 Lawrenceville-Suwanee Rd., Suite B • Suwanee, GA 30024

Tel 770.614.6800 • Fax 770.614.5432 • www.CPAMLR.com

Independent Auditors' Report

Board of Directors
Lighthouse Family Retreat, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lighthouse Family Retreat, Inc., which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lighthouse Family Retreat, Inc. as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lighthouse Family Retreat, Inc. 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 opinion.

Responsibility of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lighthouse

Family Retreat, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lighthouse Family Retreat, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lighthouse Family Retreat, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Mersereau, Lazenby & Rockas, LLC

Mersereau, Lazenby & Rockas, LLC
Suwanee, Georgia

November 13, 2025

LIGHTHOUSE FAMILY RETREAT, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

ASSETS			
		2024	2023
CURRENT ASSETS			
Cash		\$ 1,086,687	\$ 1,538,819
Investments		4,126	-
Contributions receivable		20,000	-
Other receivables		22,100	15,049
Prepaid expenses		264,113	251,034
Total current assets		1,397,026	1,804,902
PROPERTY AND EQUIPMENT			
Property and equipment, net of accumulated depreciation of \$275,283 and \$250,856 in 2024 and 2023		626,392	635,584
NONCURRENT ASSETS			
Endowment funds		1,237,492	-
Security deposits		2,150	3,940
Right of use lease asset		147,232	84,531
Total noncurrent assets		1,386,874	88,471
TOTAL ASSETS		<u>3,410,292</u>	<u>2,528,957</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable		62,660	83,877
Accrued expenses		23,486	43,988
Right of use liability - current		56,874	52,885
Total current liabilities		143,020	180,750
NONCURRENT LIABILITIES			
Right of use liability - noncurrent		95,954	30,839
TOTAL LIABILITIES		238,974	211,589
NET ASSETS			
Without donor restrictions			
Without donor restrictions - expendable		868,118	1,258,854
Without donor restrictions - net investment in property and equipment		626,392	635,584
Total net assets without donor restrictions		1,494,510	1,894,438
With donor restrictions		1,676,808	422,930
TOTAL NET ASSETS		<u>3,171,318</u>	<u>2,317,368</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 3,410,292</u>	<u>\$ 2,528,957</u>

See auditors' report and accompanying notes to financial statements

LIGHTHOUSE FAMILY RETREAT, INC.
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	\$ 2,746,365	\$ 3,643,255	\$ 6,389,620	\$ 2,273,428	\$ 2,281,543	\$ 4,554,971
In-kind contributions	45,292	251,366	296,658	45,487	234,615	280,102
Donated securities	58,788	-	58,788	11,015	-	11,015
Investment loss	(32,300)	-	(32,300)	(389)	-	(389)
Other income	22,821	-	22,821	23,892	-	23,892
	<u>2,840,966</u>	<u>3,894,621</u>	<u>6,735,587</u>	<u>2,353,433</u>	<u>2,516,158</u>	<u>4,869,591</u>
Sales revenue	68,138	-	68,138	36,963	-	36,963
Cost of goods sold	<u>(39,140)</u>	<u>-</u>	<u>(39,140)</u>	<u>(14,767)</u>	<u>-</u>	<u>(14,767)</u>
Net sales revenue	28,998	-	28,998	22,196	-	22,196
Fundraising revenue	267,646	-	267,646	199,737	-	199,737
Direct fundraising expense	<u>(91,817)</u>	<u>-</u>	<u>(91,817)</u>	<u>(100,788)</u>	<u>-</u>	<u>(100,788)</u>
Net fundraising	175,829	-	175,829	98,949	-	98,949
Net assets released from restrictions:						
Satisfaction of program restrictions	<u>2,640,743</u>	<u>(2,640,743)</u>	<u>-</u>	<u>2,518,239</u>	<u>(2,518,239)</u>	<u>-</u>
Total support and revenue	<u>5,686,536</u>	<u>1,253,878</u>	<u>6,940,414</u>	<u>4,992,817</u>	<u>(2,081)</u>	<u>4,990,736</u>
EXPENSES						
Program services	4,763,577	-	4,763,577	4,201,024	-	4,201,024
Management and general	389,386	-	389,386	451,941	-	451,941
Fundraising	<u>933,501</u>	<u>-</u>	<u>933,501</u>	<u>769,600</u>	<u>-</u>	<u>769,600</u>
Total expenses	<u>6,086,464</u>	<u>-</u>	<u>6,086,464</u>	<u>5,422,565</u>	<u>-</u>	<u>5,422,565</u>
CHANGE IN NET ASSETS	(399,928)	1,253,878	853,950	(429,748)	(2,081)	(431,829)
NET ASSETS, Beginning of year	<u>1,894,438</u>	<u>422,930</u>	<u>2,317,368</u>	<u>2,324,186</u>	<u>425,011</u>	<u>2,749,197</u>
NET ASSETS, End of year	<u>\$ 1,494,510</u>	<u>\$ 1,676,808</u>	<u>\$ 3,171,318</u>	<u>\$ 1,894,438</u>	<u>\$ 422,930</u>	<u>\$ 2,317,368</u>

See auditors' report and accompanying notes to financial statements

LIGHTHOUSE FAMILY RETREAT, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2024 and 2023

	2024				2023			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Compensation	\$ 1,737,105	\$ 168,886	\$ 506,654	\$ 2,412,645	\$ 1,415,494	\$ 256,389	\$ 387,806	\$ 2,059,689
Bank fees	45,529	5,059	6,648	57,236	35,979	3,998	5,331	45,308
Cost of goods sold	39,140	-	-	39,140	14,767	-	-	14,767
Depreciation and amortization	43,954	5,137	7,992	57,083	26,640	3,114	4,844	34,598
Direct fundraising expense	-	-	91,817	91,817	-	-	100,788	100,788
Events and meetings	28,424	21,762	134,406	184,592	41,722	20,657	118,648	181,027
Insurance	57,196	6,685	10,399	74,280	42,136	4,925	7,661	54,722
Marketing and promotion	819	21,387	103,542	125,748	16,281	1,610	102,820	120,711
Miscellaneous expenses	1,984	39,372	24,668	66,024	4,849	30,764	2,938	38,551
Occupancy	112,797	29,349	13,604	155,750	97,389	30,032	17,334	144,755
Printing and postage	9,682	1,132	5,384	16,198	24,147	2,903	4,193	31,243
Professional fees	78,508	57,719	24,521	160,748	165,898	64,414	11,211	241,523
Retreat activities	746,605	-	-	746,605	657,894	-	-	657,894
Retreat housing	1,724,458	-	-	1,724,458	1,417,267	-	-	1,417,267
Supplies and materials	9,143	2,205	27,902	39,250	18,872	6,101	59,492	84,465
Telephone and technology	45,365	4,410	13,232	63,007	54,277	5,205	14,870	74,352
Travel	122,008	26,283	54,549	202,840	182,179	21,829	32,452	236,460
Total expenses by function	<u>\$ 4,802,717</u>	<u>\$ 389,386</u>	<u>\$ 1,025,318</u>	<u>\$ 6,217,421</u>	<u>\$ 4,215,791</u>	<u>\$ 451,941</u>	<u>\$ 870,388</u>	<u>\$ 5,538,120</u>
Less expenses included with revenues in the statement of activities								
Cost of goods sold	(39,140)	-	-	(39,140)	(14,767)	-	-	(14,767)
Direct fundraising expense	-	-	(91,817)	(91,817)	-	-	(100,788)	(100,788)
Total expenses included in the expense section in the statement of activities	<u>\$ 4,763,577</u>	<u>\$ 389,386</u>	<u>\$ 933,501</u>	<u>\$ 6,086,464</u>	<u>\$ 4,201,024</u>	<u>\$ 451,941</u>	<u>\$ 769,600</u>	<u>\$ 5,422,565</u>
Percentage of total expenses	78%	7%	15%	100%	78%	8%	14%	100%

See auditors' report and accompanying notes to financial statements

LIGHTHOUSE FAMILY RETREAT, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 853,950	\$ (431,829)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	57,083	34,598
Net amortization and payments on operating leases	6,403	801
Donated securities	(58,788)	(11,015)
Net realized and unrealized investment loss and dividends	32,300	389
Net (gain) loss on disposal of fixed assets	(2,594)	371
(Increase) decrease in assets:		
Contributions receivable	(20,000)	-
Other receivables	(7,051)	12,897
Prepaid expenses	(13,079)	(135,342)
Security deposits	1,790	(1,790)
(Decrease) increase in liabilities:		
Accounts payable	(21,217)	(4,855)
Accrued expenses	(20,502)	19,135
CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	808,295	(516,640)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(49,444)	(618,384)
Sale of property and equipment	4,147	275
Addition to endowment	(1,269,643)	-
Sale of investments	54,513	22,914
CASH USED FOR INVESTING ACTIVITIES	(1,260,427)	(595,195)
NET DECREASE IN CASH	(452,132)	(1,111,835)
CASH, Beginning of year	1,538,819	2,650,654
CASH, End of year	<u>\$ 1,086,687</u>	<u>\$ 1,538,819</u>
SUPPLEMENTAL DISCLOSURES		
Modification of right-of-use asset and operating lease liability (non-cash)	<u>\$ 118,670</u>	<u>\$ 60,009</u>

See auditors' report and accompanying notes to financial statements

LIGHTHOUSE FAMILY RETREAT, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

NOTE 1: NATURE OF ORGANIZATION

Lighthouse Family Retreat, Inc. (“Lighthouse” or “the Organization”) is a ministry that serves families living through childhood cancer. Lighthouse was established in 1999 under the laws of the State of Georgia as a not-for-profit corporation. The Organization designs programs to create environments on seaside retreats that provide a week away from the chaos of childhood cancer for families to rest, reconnect as a family, experience joy and find hope in God. Lighthouse is supported through the contributions of interested individuals, churches, foundations, and businesses.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization.

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

Basis of Accounting

The financial statements of Lighthouse have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Cash

Cash includes all monies in banks and is held in banks covered by the Federal Deposit Insurance Corporation up to \$250,000. Deposits in excess of federally insured limits totaled \$381,459 and \$391,666 as of December 31, 2024 and 2023, respectively. Management believes it is not exposed to any significant credit risk on cash, although its balances have exceeded federally insured limits. The Organization also maintains interest-bearing cash accounts which earned interest of approximately \$20,200 and \$23,800 as of December 31, 2024 and 2023, respectively.

Investments

Investments are reported at fair value and realized and unrealized gains and losses are reflected in the statements of activities. Note 9 describes how fair value is determined.

The endowment fund was donated in November 2024 with certain restrictions. This fund is managed by an investment committee designated by the board. Funds are available for withdrawal by the Organization to use to further its exempt purpose on an annual basis. On the first three withdrawal dates 4% of the lesser of the total balance on that date or initial balance donated is available for withdrawal. For all subsequent annual withdrawals, 4% of the rolling previous 12 quarters average balance of the endowment fund can be withdrawn and used as determined by the investment committee.

LIGHTHOUSE FAMILY RETREAT, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments (continued)

If the funds are no longer able to be used to further the exempt purpose of the Organization they must be returned to the donor.

Prepaid Expenses

Prepaid expenses include insurance premiums for coverage into the following year and facilities and supplies purchased for retreat and fundraising events in the subsequent period.

Property and Equipment

Lighthouse capitalizes all expenditures for property and equipment in excess of \$1,000. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the asset, which is generally three to seven years. Lighthouse charges maintenance and repairs to expense in the current period. Acquisitions are capitalized and depreciated each year. Gains and losses on dispositions are included in earnings in the period of disposition.

Revenue and Revenue Recognition

Contributions are recognized when cash, securities, unconditional promises to give, and other assets are received. They are recorded as increases to net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished) net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Lighthouse receives a considerable number of hours of non-professional services donated by volunteers in carrying out its ministry. The volunteer services received do not meet the criteria for recognition according to US GAAP. Accordingly, no amounts for contributed non-professional volunteer services have been recorded in the financial statements.

The Organization also receives a substantial amount of in-kind donations, such as food, housing, equipment rentals, supplies and professional services which are used during the retreats. In addition, they receive a discount on their office lease. These donations do meet the criteria for recognition and are reported in the statement of activities as in-kind contributions and functional expenses. See Note 10 for a schedule of contributed goods and services. In-kind donations are recorded as contributions at their estimated fair values at the date of donation.

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

LIGHTHOUSE FAMILY RETREAT, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue and Revenue Recognition (continued)

Lighthouse receives occasional contribution of stocks from donors. Donated marketable securities are recorded as contributions at their estimated fair values at the date of donation. It is the Organization's policy to sell donated securities as soon as practicable upon receipt. Accordingly, market value will approximate cost.

Marketing and Promotional Events

All costs for marketing and promotional events are expensed in the period they are incurred. Total marketing and promotional expenses for the years ended December 31, 2024 and 2023 were \$125,748 and \$120,711, respectively.

Income Taxes

The Organization is exempt from income taxes under Internal Revenue Code ("the Code") Section 501(c)(3) and the Georgia Revenue and Taxation Code, though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization has processes in place to ensure the maintenance of its tax-exempt status, to identify and report unrelated income, to determine its filing and tax obligations in jurisdictions for which it has nexus, and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Estimates in the Financial Statements

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Depreciation is estimated using the straight-line method in accordance with US GAAP. Certain amounts included in the statement of functional expenses are allocated based on actual use estimated by each program. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing various program services and supporting activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs, such as compensation, rent and communications, have been allocated among the program services and supporting activities benefited.

LIGHTHOUSE FAMILY RETREAT, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses (continued)

Below is a table listing the expenses that have been allocated:

Functional Expense	Allocation Method
Compensation	Time and effort
Bank fees	Usage
Depreciation expense	Square footage
Events and meetings	Usage
General office	Usage
Insurance	Square footage
Marketing and promotion	Usage
Occupancy	Square footage
Professional fees	Usage
Telephone and technology	Time and effort
Travel	Usage

NOTE 3: AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets available for general expenditures within one year of December 31:

	2024	2023
Financial assets at year-end		
Cash	\$ 1,086,687	\$ 1,538,819
Investments	4,126	-
Contributions receivable	20,000	-
Other receivables	22,100	15,049
	<u>1,132,913</u>	<u>1,553,868</u>
Less those unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions: restricted by donor with time or purpose restrictions	(1,676,808)	(422,930)
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$ (543,895)</u></u>	<u><u>\$ 1,130,938</u></u>

The Organization regularly monitors liquidity required to meet operating needs and other commitments. In addition to financial assets available to meet general expenditures over the next twelve months, Lighthouse anticipates collecting sufficient revenue to cover general expenditures which are not funded by donor restricted resources. Refer to the statement of cash flows which identifies the sources and uses of the Organization's cash.

LIGHTHOUSE FAMILY RETREAT, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

NOTE 4: INVESTMENTS

Current investments are presented at fair value and are composed of securities. The balance was \$4,126 and -\$0- as of December 31, 2024 and 2023, respectively.

Endowment funds are non-current investments that consist of the following:

	2024	2023
Cash	\$ 1,047	\$ -
Mutual funds	187,276	-
Exchange traded products	260,607	-
Stocks	777,183	-
Other securities	11,379	-
	<u>\$ 1,237,492</u>	<u>\$ -</u>

Investment income consists of:

	2024	2023
Interest and dividends	\$ 6,687	\$ 22
Realized and unrealized (losses) gains	(38,987)	(411)
Total investment gains (losses)	<u>\$ (32,300)</u>	<u>\$ (389)</u>

NOTE 5: PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31:

	2024	2023
Buildings	\$ 451,104	\$ 451,104
Land	115,000	115,000
Furniture and equipment	132,486	120,130
Office computers	58,831	61,775
Website	18,934	18,934
Computer software	23,200	23,200
Vehicles	102,120	96,297
	<u>901,675</u>	<u>886,440</u>
Less accumulated depreciation	(275,283)	(250,856)
Total property and equipment	<u>\$ 626,392</u>	<u>\$ 635,584</u>

Depreciation expense totaled \$57,083 and \$34,598 for the years ended December 31, 2024 and 2023, respectively.

The Organization purchased a condo in September 2023 to be used for staff housing during future retreats at Miramar Beach in Florida.

LIGHTHOUSE FAMILY RETREAT, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

NOTE 6: REVENUE FROM CONTRACTS WITH CUSTOMERS

Lighthouse has adopted Accounting Standards Update (ASU) No. 2014-09 – *Revenue from Contracts with Customers (Topic 606)*, as amended, as management believes the standard improves the usefulness and understandability of the Organization’s financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way Lighthouse recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

The disaggregation of revenue by type is depicted on the face of the statements of activities. No contract assets or contract liabilities (or changes thereto) were recorded for the periods ending December 31, 2024 and 2023. See the Revenue and Revenue Recognition section under Note 2 for further information.

NOTE 7: LEASES

As of January 1, 2022 the Organization adopted the Accounting Standards Update (ASU) No. 2016-02 – *Leases (Topic 842)*, which supersedes previous guidance on leases provided by US GAAP. The standard was adopted for the year ended December 31, 2022 and was not retrospectively applied. All leases held by the Organization have been classified as operating leases.

In February 2021 the Organization signed a 48-month lease for a postage meter in the Georgia office location. This lease requires payments of \$30 to be made on a monthly basis. The lease was extended subsequently in May 2025 for an additional 48 months through May 2029.

In December 2021 Lighthouse renewed a three-year lease agreement for the Florida office location which called for monthly payments of \$2,200, with a monthly in-kind rent amount of \$900. This lease was renewed subsequently in January 2025 for an additional 36 months. This agreement includes monthly payments of \$2,500 with an additional in-kind rent of \$900 per month.

A new lease agreement for a warehouse in Georgia commenced June 2023 with a 36-month term. The lease calls for monthly payments of \$1,665 for the first 12 months, increasing to \$1,726 for the next 12 months, and concluding with monthly payments of \$1,790 for the final 12 months.

A lease agreement was signed in February 2020 for the new Georgia office location with a term of 12 months and renewed for two additional 12-month terms, expiring in February 2023. The final lease term agreement included monthly payments of \$3,969, net of \$3,024 in-kind contributions. The lease has not been renewed and so continues as a month-to-month agreement. This Georgia office lease is excluded from the lease liability calculation below.

LIGHTHOUSE FAMILY RETREAT, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

NOTE 7: LEASES (continued)

The future minimum noncancelable lease payments required under these leases are as follows:

Year ending December 31,	
2025	\$ 58,852
2026	51,896
2027	41,156
2028	3,756
2029 and future	148
Total lease payments	155,808
Less imputed interest	(2,980)
Total lease liability	<u>\$ 152,828</u>

According to ASC 842, the discount rate is based on the discount rate implicit in the lease. However, the Organization has elected the option to use the risk-free rate determined using a period comparable to the lease terms, as the discount rate is not readily determinable. The risk-free rate option has been applied to the lease assets held by the Organization.

The following summarizes the weighted-average remaining lease term and weighted-average discount rate for the Organization's leases:

	2024	2023
Weighted-average remaining lease term in years	2.78	1.87
Weighted-average discount rate	1.75%	3.12%

Total lease expense for all long-term and monthly leases was \$149,789 and \$139,130 for the years ending December 31, 2024 and 2023, respectively.

NOTE 8: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions have the following time and purpose restrictions:

	Year Ended December 31, 2024			
	Balance 12/31/2023	Restricted Revenue	Restrictions Satisfied	Balance 12/31/2024
Family partner support	\$ 70,639	\$ 2,057,278	\$ (2,108,772)	\$ 19,145
Family resources	48,585	-	(7,281)	41,304
Fundraising	67,964	-	-	67,964
Retreat programming	175,578	430,551	(454,759)	151,370
Staff and partner development	23,669	169,300	(33,436)	159,533
Warehouse and vehicle	36,495	-	(36,495)	-
Endowment funds	-	1,237,492	-	1,237,492
Total net assets with donor restrictions	<u>\$ 422,930</u>	<u>\$ 3,894,621</u>	<u>\$ (2,640,743)</u>	<u>\$ 1,676,808</u>

LIGHTHOUSE FAMILY RETREAT, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

NOTE 8: NET ASSETS WITH DONOR RESTRICTIONS (continued)

	Year Ended December 31, 2023			
	Balance 12/31/2022	Restricted Revenue	Restrictions Satisfied	Balance 12/31/2023
Family partner support	\$ 52,762	\$ 1,980,379	\$ (1,962,502)	\$ 70,639
Family resources	64,522	43,000	(58,937)	48,585
Fundraising	-	67,964	-	67,964
Retreat programming	248,601	334,615	(407,638)	175,578
Staff and partner development	-	90,200	(66,531)	23,669
Warehouse and vehicle	59,126	-	(22,631)	36,495
Endowment funds	-	-	-	-
Total net assets with donor restrictions	<u>\$ 425,011</u>	<u>\$ 2,516,158</u>	<u>\$ (2,518,239)</u>	<u>\$ 422,930</u>

NOTE 9: FAIR VALUE MEASUREMENTS

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. US GAAP establishes a hierarchy of inputs to valuation of that price using three levels:

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

Level 2 inputs are those other than Level 1 inputs which are either directly or indirectly observable. These inputs include quoted prices for similar assets or liabilities, quoted prices in inactive markets for identical assets, or liabilities or model-derived valuations which rely on significant observable inputs.

Level 3 inputs are valuation techniques that are significant but unobservable to the Organization.

The fair value of current cash and investments approximate the carrying values on the statement of financial position as the nature of the assets held by Lighthouse are Level 1 on the fair value hierarchy. The fair value of endowment funds, the noncurrent investment assets of the Organization, are included in the table below, along with their respective level within the fair value hierarchy:

	As of December 31, 2024			
	Total	Level 1	Level 2	Level 3
Cash at broker	\$ 1,047	\$ 1,047	\$ -	\$ -
Mutual funds	187,276	187,276	-	-
Exchange traded products	260,607	260,607	-	-
Stocks	777,183	777,183	-	-
Other securities	11,379	11,379	-	-
Totals	<u>\$ 1,237,492</u>	<u>\$ 1,237,492</u>	<u>\$ -</u>	<u>\$ -</u>

LIGHTHOUSE FAMILY RETREAT, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

NOTE 9: FAIR VALUE MEASUREMENTS (continued)

	As of December 31, 2023			
	Total	Level 1	Level 2	Level 3
Cash at broker	\$ -	\$ -	\$ -	\$ -
Mutual funds	-	-	-	-
Exchange traded products	-	-	-	-
Stocks	-	-	-	-
Other securities	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 10: IN-KIND CONTRIBUTIONS

The Organization has adopted Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. Adoption of this standard did not have a significant impact on the financial statements, with the exception of the increased disclosure.

Lighthouse recognized the in-kind contributions below as a separate line item on the statement of activities. In-kind contributions consist of the following for the year ended December 31:

	2024	2023
Rental facilities for retreats	\$ 175,974	\$ 178,278
Activities for retreats	75,392	56,337
Georgia office lease donated amount	45,292	45,487
Total in-kind contributions	<u>\$ 296,658</u>	<u>\$ 280,102</u>

Contributions and discounts associated with rental facilities used on program retreat are valued based on the listed price of the facilities. The contributed portion of the Georgia office lease is included in the lease contract and is based on the market value of the office rental. Contributions related to program retreat activities are based on the market value of each contribution or cost as shown on the receipt. Retreat activity contributions include: food donated for retreat families; supplies purchased from Amazon wish list; gift cards to send to individuals on retreat waitlists; and bike rentals, golf cart rentals, and bonfire supplies for program retreats.

NOTE 11: RETIREMENT PLAN

Lighthouse provides a 403(b) retirement plan administered by Principal Financial Group which covers all qualified employees. Lighthouse's contributions to the plan are discretionary, and included contributions totaling \$87,134 and \$77,350 in the years ended December 31, 2024 and 2023, respectively.

NOTE 12: RELATED PARTY TRANSACTIONS

A spouse of an employee at Lighthouse is a sales representative for a vendor and the sole owner of another business that provides services to the Organization. Lighthouse paid these two businesses a total of \$98,630 in 2024. This included \$5,857 for services and \$92,773 for materials. In 2023, a total of \$141,745

LIGHTHOUSE FAMILY RETREAT, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

NOTE 12: RELATED PARTY TRANSACTIONS (continued)

was paid to these two related parties, all for materials. Management has chosen to conduct these transactions at arm's length and has received board approval. A board member is the president of a brokerage firm that manages some of the Organization's cash savings accounts. The board has approved this relationship, and it is conducted and managed at arm's length.

For the years ending December 31, 2024 and 2023, Board members contributed approximately 6% and 10% of the total revenue for Lighthouse, respectively.

NOTE 13: CONCENTRATIONS

A donor contributed toward the creation of an endowment fund for the year ended December 31, 2024. The amount was approximately 18% of total revenue for the year. More information about this donation is located under Note 4 and Note 2 under the Investments section.

A vendor who provides lodging for program retreats was paid \$678,038 and \$627,925 for the years ended December 31, 2024 and 2023, respectively, which was approximately 11% and 12% of total expenses for the respective years. The Organization does not anticipate any changes in the relationship with the vendor.

NOTE 14: SUBSEQUENT EVENTS

Lighthouse has evaluated subsequent events through November 13, 2025, which represents the date the financial statements were available to be issued.