

**LIGHTHOUSE FAMILY RETREAT, INC.**

**FINANCIAL STATEMENTS**

**AND**

**INDEPENDENT AUDITORS' REPORT**

**Years Ended December 31, 2019 and 2018**

**MLR** Mersereau, Lazenby & Rockas, LLC  
*Certified Public Accountants*

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Principled | Personal | Professional

LIGHTHOUSE FAMILY RETREAT, INC.

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Board of Directors  
Lighthouse Family Retreat, Inc.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Lighthouse Family Retreat, Inc., which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lighthouse Family Retreat, Inc. as of December 31, 2019 and 2018, 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.

*Mersereau, Lazenby & Rockas, LLC*

Mersereau, Lazenby & Rockas, LLC  
Suwanee, GA 30024

November 16, 2020

LIGHTHOUSE FAMILY RETREAT, INC.  
STATEMENTS OF FINANCIAL POSITION  
December 31, 2019 and 2018

ASSETS		
	2019	2018
<b>CURRENT ASSETS</b>		
Cash	\$ 1,496,819	\$ 932,234
Investments	-	15,703
Contributions receivable	32,850	10,881
Other receivables	16,279	14,485
Inventory	12,547	9,986
Prepaid expenses and other assets	37,790	70,607
<b>TOTAL CURRENT ASSETS</b>	<b>1,596,285</b>	<b>1,053,896</b>
<b>PROPERTY AND EQUIPMENT</b>		
Property and equipment, net of accumulated depreciation of \$126,761 and \$109,517 in 2019 and 2018	101,391	105,849
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<b>101,391</b>	<b>105,849</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,697,676</b>	<b>\$ 1,159,745</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 49,310	\$ 42,346
Accrued expenses	45,514	28,244
<b>TOTAL LIABILITIES</b>	<b>94,824</b>	<b>70,590</b>
<b>NET ASSETS</b>		
Without donor restrictions		
Without donor restrictions - expendable	1,351,200	748,001
Without donor restrictions - net investment in property & equipment	101,391	105,849
<b>TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>1,452,591</b>	<b>853,850</b>
With donor restrictions	150,261	235,305
<b>TOTAL NET ASSETS</b>	<b>1,602,852</b>	<b>1,089,155</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,697,676</b>	<b>\$ 1,159,745</b>

See auditors' report and accompanying notes to financial statements

LIGHTHOUSE FAMILY RETREAT, INC.  
STATEMENTS OF ACTIVITIES  
Years Ended December 31, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>						
Contributions	\$ 3,874,582	\$ 133,807	\$ 4,008,389	\$ 2,877,711	\$ 331,534	\$ 3,209,245
In-kind contributions	477,487	-	477,487	353,838	-	353,838
Other income	11,611	-	11,611	490	-	490
	<u>4,363,680</u>	<u>133,807</u>	<u>4,497,487</u>	<u>3,232,039</u>	<u>331,534</u>	<u>3,563,573</u>
Sales revenue	38,506	-	38,506	16,986	-	16,986
Cost of goods sold	(25,239)	-	(25,239)	(8,933)	-	(8,933)
Net sales revenue	13,267	-	13,267	8,053	-	8,053
Fundraising revenue	147,795	-	147,795	99,260	-	99,260
Direct fundraising expense	(71,712)	-	(71,712)	(68,388)	-	(68,388)
Net fundraising	76,083	-	76,083	30,872	-	30,872
Net assets released from restrictions:						
Satisfaction of program restrictions	218,851	(218,851)	-	156,456	(156,456)	-
	<u>4,671,881</u>	<u>(85,044)</u>	<u>4,586,837</u>	<u>3,427,420</u>	<u>175,078</u>	<u>3,602,498</u>
<b>EXPENSES</b>						
Program services	3,241,620	-	3,241,620	2,510,055	-	2,510,055
Management and general	278,403	-	278,403	200,135	-	200,135
Fundraising	553,117	-	553,117	448,809	-	448,809
	<u>4,073,140</u>	<u>-</u>	<u>4,073,140</u>	<u>3,158,999</u>	<u>-</u>	<u>3,158,999</u>
CHANGE IN NET ASSETS	598,741	(85,044)	513,697	268,421	175,078	443,499
NET ASSETS, Beginning of year	853,850	235,305	1,089,155	585,429	60,227	645,656
NET ASSETS, End of year	<u>\$ 1,452,591</u>	<u>\$ 150,261</u>	<u>\$ 1,602,852</u>	<u>\$ 853,850</u>	<u>\$ 235,305</u>	<u>\$ 1,089,155</u>

See auditors' report and accompanying notes to financial statements

LIGHTHOUSE FAMILY RETREAT, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES  
Years Ended December 31, 2019 and 2018

	2019				2018			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Compensation	\$ 774,064	\$ 95,270	\$ 321,535	\$ 1,190,869	\$ 564,302	\$ 83,143	\$ 237,000	\$ 884,445
Bank fees	31,005	3,352	11,587	45,944	24,126	3,555	10,133	37,814
Conferences and meetings	6,259	27,900	2,743	36,902	6,593	10,524	502	17,619
Cost of goods sold	25,239	-	-	25,239	8,933	-	-	8,933
Depreciation	27,638	2,988	10,284	40,910	16,398	2,416	6,887	25,701
Direct fundraising expense	-	-	71,712	71,712	-	-	68,388	68,388
Insurance	14,909	1,835	6,193	22,937	13,754	2,026	5,777	21,557
Marketing and promotion	2,494	10,043	108,518	121,055	3,652	5,372	36,986	46,010
Miscellaneous expenses	1,593	8,437	2,556	12,586	6,235	7,478	3,623	17,336
Occupancy	56,001	6,892	23,263	86,156	51,252	8,068	21,525	80,845
Printing and postage	4,675	5,449	515	10,639	272	3,127	164	3,563
Professional fees	27,791	81,543	14,438	123,772	24,415	56,248	41,178	121,841
Retreat activities	796,337	-	-	796,337	604,612	-	-	604,612
Retreat housing	1,310,078	-	-	1,310,078	1,072,158	-	-	1,072,158
Supplies and materials	10,174	8,957	21,427	40,558	6,662	12,911	67,363	86,936
Telephone and technology	41,286	5,082	17,149	63,517	15,564	2,293	6,537	24,394
Travel	137,316	20,655	12,909	170,880	100,060	2,974	11,134	114,168
<b>Total expenses by function</b>	<b>\$ 3,266,859</b>	<b>\$ 278,403</b>	<b>\$ 624,829</b>	<b>\$ 4,170,091</b>	<b>\$ 2,518,988</b>	<b>\$ 200,135</b>	<b>\$ 517,197</b>	<b>\$ 3,236,320</b>
Less expenses included with revenues in the statement of activities								
Cost of goods sold	(25,239)	-	-	(25,239)	(8,933)	-	-	(8,933)
Direct fundraising expense	-	-	(71,712)	(71,712)	-	-	(68,388)	(68,388)
<b>Total expenses included in the expense section in the statement of activities</b>	<b>\$ 3,241,620</b>	<b>\$ 278,403</b>	<b>\$ 553,117</b>	<b>\$ 4,073,140</b>	<b>\$ 2,510,055</b>	<b>\$ 200,135</b>	<b>\$ 448,809</b>	<b>\$ 3,158,999</b>
<i>Percentage of total expenses</i>	<i>80%</i>	<i>7%</i>	<i>13%</i>	<i>100%</i>	<i>80%</i>	<i>6%</i>	<i>14%</i>	<i>100%</i>

See auditors' report and accompanying notes to financial statements

LIGHTHOUSE FAMILY RETREAT, INC.  
 STATEMENTS OF CASH FLOWS  
 Years Ended December 31, 2019 and 2018

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 513,697	\$ 443,499
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	40,910	25,701
Investments contributed	(29,840)	(16,056)
Net realized and unrealized investment (gain) loss	(6,612)	654
Dividends received as investments	-	(301)
Net (gain)/loss on disposal of fixed assets	31,254	(1,001)
(Increase) decrease in assets:		
Contributions receivable	-	(10,881)
Other receivables	(23,763)	(14,485)
Inventory	(2,561)	(8,678)
Prepaid expenses and other assets	32,817	(22,663)
Increase (decrease) in liabilities:		
Accounts payable	6,964	(23,951)
Accrued expenses	17,270	9,961
	<b>580,136</b>	<b>381,799</b>
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(67,706)	(49,060)
Sale of property and equipment	-	2,100
Sale of investments	52,155	-
	<b>(15,551)</b>	<b>(46,960)</b>
<b>CASH USED FOR INVESTING ACTIVITIES</b>		
<b>NET INCREASE IN CASH</b>	<b>564,585</b>	<b>334,839</b>
<b>CASH, Beginning of Year</b>	<b>932,234</b>	<b>597,395</b>
<b>CASH, End of Year</b>	<b>\$ 1,496,819</b>	<b>\$ 932,234</b>

See auditors' report and accompanying notes to financial statements



LIGHTHOUSE FAMILY RETREAT, INC.  
NOTES TO FINANCIAL STATEMENTS  
Years Ended December 31, 2019 and 2018

**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 the 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: Net assets that 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: Net assets 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 \$658,628 and \$390,315 as of December 31, 2019 and 2018, respectively. Management believes it is not exposed to any significant credit risk on cash, although its balances have exceeded federally insured limits.

*Investments*

Investments are reported at fair value and realized and unrealized gains and losses are reflected in the statements of activities. Note 8 describes how fair value is determined.

*Inventory*

Inventory is recorded for merchandise sold through an online store. The inventory is generally sold or used within the next program year and may be purchased or donated. Inventory is recorded at cost and reflects the amount remaining at year end.

*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.

LIGHTHOUSE FAMILY RETREAT, INC.  
NOTES TO FINANCIAL STATEMENTS  
Years Ended December 31, 2019 and 2018

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (continued)**

*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.

*Donated Assets*

Donated marketable securities are recorded as contributions at their estimated fair values at the date of donation. These donated securities are either held for an investment or sold, depending on the discretion of management. Donated fixed assets are recorded as contributions at their estimated fair value at the date of donation. These assets are either sold or put into use as soon as feasible upon receipt of the donation.

*Revenue Recognition*

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in net assets with donor restrictions. 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: satisfaction of program restrictions.

*Contributed Goods and Services*

Lighthouse receives a substantial amount 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.

Lighthouse 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. They also receive discounts on housing costs for retreat rentals. These donations do meet the criteria for recognition and are reported in the statement of activities as non-cash contributions and functional expenses. See Note 9 for a schedule of contributed goods and services.

*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.

LIGHTHOUSE FAMILY RETREAT, INC.  
NOTES TO FINANCIAL STATEMENTS  
Years Ended December 31, 2019 and 2018

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (continued)**

*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, 2019 and 2018 were \$121,055 and \$46,010, respectively.

*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.

<u>Functional Expense</u>	<u>Allocation Method</u>
Bank Fees	Time and effort
Compensation	Time and effort
Depreciation Expense	Time and effort
General Office	Time and effort
Insurance	Time and effort
Occupancy	Time and effort
Telephone and technology	Time and effort

LIGHTHOUSE FAMILY RETREAT, INC.  
NOTES TO FINANCIAL STATEMENTS  
Years Ended December 31, 2019 and 2018

**NOTE 3: AVAILABILITY AND LIQUIDITY**

The following represents the Organization’s financial assets available within one year of the balance sheet for general expenditures at December 31:

	2019	2018
Financial assets at year-end		
Cash	\$ 1,496,819	\$ 932,234
Investments	-	15,703
Contributions receivable	32,850	10,881
Other receivables	16,279	14,485
Inventory	12,547	9,986
Prepaid expenses and other assets	37,790	70,607
Financial assets at year-end	\$ 1,596,285	\$ 1,053,896
Less those unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions: restricted by donor with time or purpose restrictions	(150,261)	(235,305)
Financial assets available to meet general expenditures over the next twelve months	\$ 1,446,024	\$ 818,591

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, the Organization 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.

**NOTE 4: INVESTMENTS**

Investments are presented at fair value and are composed of securities. There was no balance as of December 31, 2019 and the balance was \$15,703 as of December 31, 2018.

Investment income consists of:

	2019	2018
Interest and dividends	\$ 446	\$ 100
Realized gains (losses)	6,166	(572)
Unrealized losses	-	(654)
Total investment gain (loss)	\$ 6,612	\$ (1,126)

LIGHTHOUSE FAMILY RETREAT, INC.  
NOTES TO FINANCIAL STATEMENTS  
Years Ended December 31, 2019 and 2018

**NOTE 5: PROPERTY AND EQUIPMENT**

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

	2019	2018
Furniture and equipment	\$ 57,294	\$ 44,757
Office computers	43,161	25,497
Website	18,934	18,934
Computer software	23,200	69,450
Vehicles	85,563	56,728
	228,152	215,366
Less accumulated depreciation	(126,761)	(109,517)
Total property and equipment	\$ 101,391	\$ 105,849

Depreciation expense totaled \$40,910 and \$25,701 for the years ended December 31, 2019 and 2018, respectively.

**NOTE 6: OPERATING LEASE**

On December 15, 2018 Lighthouse renewed a new three-year lease agreement for the Florida office location. The new lease called for monthly payments of \$2,000.

Lighthouse entered into a lease agreement for their Georgia office space in 2016. The lease commenced in March 2016 with a term of 62 months. Monthly payments specified in the lease were \$3,268. On March 1, 2020 Lighthouse moved office locations in Georgia and signed a new lease agreement with a term of 12 months, to expire on February 28, 2021. The lease terms specify monthly payments of \$3,800, net of \$2,714 per month in-kind. A payout of the remaining term of the 2016 lease was required and disbursed in 2020, resulting in an unusually high lease expense for Georgia in that year.

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

Year ending December 31,	
2020	69,691
2021	30,600
	\$ 100,291

Rent expense was \$51,868 and \$44,103 for the years ending December 31, 2019 and 2018, respectively.

LIGHTHOUSE FAMILY RETREAT, INC.  
NOTES TO FINANCIAL STATEMENTS  
Years Ended December 31, 2019 and 2018

**NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS**

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

	Year Ended December 31, 2019			
	Balance	Restricted	Restrictions	Balance
	12/31/2018	Revenue	Satisfied	12/31/2019
Travel costs	\$ 25,000	\$ 52,856	\$ 39,889	\$ 37,967
Vehicle purchase and maintenance	8,771	-	4,973	3,798
Retreat sponsorships	-	10,000	10,000	-
Warehouse maintenance	97,000	-	47,455	49,545
Use in subsequent year	104,534	58,951	104,534	58,951
Golf cart	-	12,000	12,000	-
Total net assets with donor restrictions	<u>\$ 235,305</u>	<u>\$ 133,807</u>	<u>\$ 218,851</u>	<u>\$ 150,261</u>

	Year Ended December 31, 2018			
	Balance	Restricted	Restrictions	Balance
	12/31/2017	Revenue	Satisfied	12/31/2018
Travel costs	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Vehicle purchase and maintenance	13,000	-	4,229	8,771
Staff support	-	100,000	100,000	-
Welcome baskets	-	5,000	5,000	-
Warehouse maintenance	-	97,000	-	97,000
Use in subsequent year	22,227	104,534	22,227	104,534
Total net assets with donor restrictions	<u>\$ 60,227</u>	<u>\$ 331,534</u>	<u>\$ 156,456</u>	<u>\$ 235,305</u>

**NOTE 8: 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 that the Organization can access at the measurement date. Level 2 inputs are those other than Level 1 inputs which are either directly or indirectly observable. Level 3 inputs are unobservable to the Organization.

The fair value of cash and investments approximate the carrying values on the statement of financial position as the nature of the assets held by the Organization are Level 1 on the fair value scale.

LIGHTHOUSE FAMILY RETREAT, INC.  
NOTES TO FINANCIAL STATEMENTS  
Years Ended December 31, 2019 and 2018

**NOTE 9: IN-KIND CONTRIBUTIONS**

In-kind contributions consist of the following as of the year ended December 31:

	2019	2018
Rental facilities for retreats	\$ 229,715	\$ 160,071
Activities for retreats	217,932	169,086
Stock donations	29,840	16,056
Florida office lease donated amount	-	8,625
Total in-kind contributions	\$ 477,487	\$ 353,838

**NOTE 10: RETIREMENT PLAN**

Lighthouse provides a 401(k) retirement plan administered by Ameritas which covers all qualified employees. Lighthouse's contributions to the plan are discretionary. Discretionary contributions of \$29,495 and \$20,187 were made in the years ended December 31, 2019 and 2018, respectively.

**NOTE 11: 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 \$135,812 in 2019, of which \$12,412 was for services and \$123,400 was for materials. In 2018 a total of \$87,263 was paid to these two related parties, \$10,815 for services and \$76,448 for materials.

**NOTE 12: CONCENTRATIONS**

In 2019 and 2018, one vendor, who provides lodging for program retreats, was paid a significant amount compared to total expenses for the period. The vendor was paid \$653,683 and \$533,575 respectively, which was approximately 18% and 17% of total expenses for the corresponding years.

**NOTE 13: RECLASSIFICATIONS**

Certain items in the prior year financial statements have been reclassified to conform to current year presentation. The reclassification had no effect on the previously reported total net assets and total changes in net assets.

**NOTE 14: SUBSEQUENT EVENTS**

In December 2019, a novel strain of coronavirus (“COVID-19”) was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a “Public Health Emergency of International Concern.” The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on operational and financial performance will depend on certain developments: including the duration and spread of the outbreak, impact on donors, volunteers and vendors, all of which are uncertain and cannot be predicted.

As part of the response to the impact of COVID-19, the Organization applied for a Payroll Protection Program (“PPP”) loan, administered by the Small Business Administration (“SBA”), under the Coronavirus Aid, Relief and Economic Security (“CARES”) Act, which was signed into law in March 2020. The Organization was approved for a PPP loan from the SBA of \$222,200. Based on the provisions

LIGHTHOUSE FAMILY RETREAT, INC.  
NOTES TO FINANCIAL STATEMENTS  
Years Ended December 31, 2019 and 2018

**NOTE 14: SUBSEQUENT EVENTS (continued)**

of the CARES Act, the Organization anticipates that this amount will be fully forgiven.

Due to the vulnerability of the individuals served by the program, all retreats in 2020 were cancelled and other programs were implemented. At this point, the extent to which COVID-19 may continue to impact financial condition or results of operations is uncertain.

Lighthouse has evaluated subsequent events through November 16, 2020, which represents the date the financial statements were available to be issued. Lighthouse is not aware of any material subsequent events.