

Lighthouse for Children, Inc. | Fresno, CA

Financial Statements

For the Year Ended June 30, 2025



PRICE PAIGE & COMPANY
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Lighthouse for Children, Inc.
Fresno, California

Opinion

We have audited the accompanying financial statements of Lighthouse for Children, Inc. (the Organization), a nonprofit organization and blended component unit of the Children and Families Commission of Fresno County (the Commission), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year 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 the Organization as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 generally accepted 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.

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In performing an audit in accordance with generally accepted auditing standards, 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 the Organization'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 the Organization'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.

Price Pange & Company

Clovis, California
October 15, 2025

FINANCIAL STATEMENTS

LIGHTHOUSE FOR CHILDREN, INC.

Statement of Financial Position

June 30, 2025

	<u>2025</u>
ASSETS	
Current assets:	
Cash and cash equivalents:	\$ <u>208,398</u>
Restricted cash and cash equivalents	
Total current assets	<u>208,398</u>
 Total assets	 <u>\$ 208,398</u>
LIABILITIES AND NET ASSETS	
Current liabilities:	
Total current liabilities	\$ <u>-</u>
 Net assets without donor restrictions	 61,490
Net assets with donor restrictions	<u>146,908</u>
Total net assets	<u>208,398</u>
 Total liabilities and net assets	 <u>\$ 208,398</u>

See Independent Auditor's Report and Notes to the Financial Statements.

LIGHTHOUSE FOR CHILDREN, INC.

Statement of Activities

For the Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and support:			
Grant Revenue	\$ -	\$ 102,688	\$ 102,688
Contributions	<u>10,500</u>	<u>134,220</u>	<u>144,720</u>
Total revenues, gains and support before net assets released from restrictions	10,500	236,908	247,408
Net assets released from restrictions	<u>90,000</u>	<u>(90,000)</u>	<u>-</u>
Total revenues, gains and support after net assets released from restrictions	<u>100,500</u>	<u>146,908</u>	<u>247,408</u>
Expenses:			
Fundraising	90,000	-	90,000
Management and general	<u>10,259</u>	<u>-</u>	<u>10,259</u>
Total expenses	<u>100,259</u>	<u>-</u>	<u>100,259</u>
Changes in net assets	241	146,908	147,149
Net assets, beginning of year	<u>61,249</u>	<u>-</u>	<u>61,249</u>
Net assets, end of year	<u>\$ 61,490</u>	<u>\$ 146,908</u>	<u>\$ 208,398</u>

See Independent Auditor's Report and Notes to the Financial Statements.

LIGHTHOUSE FOR CHILDREN, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2025

	Management and General	Fundraising	Total
Expenses:			
Insurance and taxes	\$ 4,033	\$ -	\$ 4,033
Legal and professional services	6,067	-	6,067
DPIL (Dolly Parton Imagination Library)	-	90,000	90,000
Management and administrative services	159	-	159
Total expenses	<u>\$ 10,259</u>	<u>\$ 90,000</u>	<u>\$ 100,259</u>

See Independent Auditor's Report and Notes to the Financial Statements.

LIGHTHOUSE FOR CHILDREN, INC.

Statement of Cash Flows

For the Year Ended June 30, 2025

	<u>2025</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 147,149
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	<u>-</u>
Net cash provided by (used in) operating activities	<u>147,149</u>
Net increase (decrease) in cash and cash equivalents	147,149
Cash and cash equivalents, beginning of year	<u>61,249</u>
Cash and cash equivalents, end of year	<u>\$ 208,398</u>

See Independent Auditor's Report and Notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

LIGHTHOUSE FOR CHILDREN, INC.

Notes to the Financial Statements

June 30, 2025

NOTE 1 – ORGANIZATION AND OPERATIONS

Lighthouse for Children, Inc. (the Organization) is a California not-for-profit public benefit corporation and is considered a blended component unit of the Children and Families Commission of Fresno County (the Commission), also known as First 5 Fresno County, and as such is included in the Commission’s Annual Financial Report as a blended component unit.

The Organization was created by the Commission as a Qualified Active Low Income Community Business (QALICB) to take advantage of a New Markets Tax Credit (NMTC) financing structure in order to build a facility within a low-income community. The Organization was created as a 501(c)(3) not-for-profit public benefit corporation to act as the QALICB, as the Commission did not qualify to be the QALICB.

The Organization exists for the following specific charitable purposes: to provide a vision and means for Fresno County children to enter school in good health, ready and able to learn, and emotionally well-developed by providing culturally, individually and developmentally appropriate parenting and nurturing support and access to resources regarding healthcare, nutrition and smoking prevention and cessation; to serve as an incubator for knowledge in the community regarding child welfare and development; to generally carry out the goals of the Commission and to develop an infrastructure that promotes the social welfare of Fresno County children and their parents.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (U.S. 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 restriction – 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. These net assets may be used at the discretion of the Organization’s management and the Board.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers cash accounts and all highly liquid debt instruments available for current use with an initial maturity of three months or less to be cash and cash equivalents.

In-Kind Contributions

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased, if not provided by donation, are recorded at their fair values in the period received. The Organization did not receive any in-kind donations for the year ended June 30, 2025.

LIGHTHOUSE FOR CHILDREN, INC.

Notes to the Financial Statements

June 30, 2025

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

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-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets with donor restrictions and net assets released from restriction if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of 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 are reported in the Statement of Activities as net assets released from restrictions.

Advertising Costs

Advertising costs, except for costs associated with direct-response advertising, are charged to operations when incurred. The costs of direct-expense advertising are capitalized and amortized over the period during which future benefits are expected to be received. There were no capitalized costs or advertising costs for the year ended June 30, 2025.

Income Tax Status

The Organization is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the State of California Corporate Code. The Organization is subject to taxation on any unrelated business income.

Fair Value of Financial Instruments

Financial instruments include cash and cash equivalents, accounts payable and accrued expenses, and interest payable, none of which are held for trading purposes. The fair values of all financial instruments do not differ materially from the aggregate carrying values of the financial instruments recorded in the accompanying Statement of Financial Position. The carrying amounts of these financial instruments approximate fair value because of the short-term maturities of those instruments.

Use of Estimates

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

Concentration of Credit Risk

The Organization maintains cash balances in several financial institutions. Cash balances in interest-bearing transaction accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. As of June 30, 2025, the Organization's cash balances were fully insured.

Functional Allocation of Expenses

The costs of providing the Organization's various charitable and general services have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, direct and indirect expenses have been allocated to program services or other activities based on their specific identification or the personnel resources utilized in the function.

Supporting services consist primarily of general, administrative and management costs, not directly allocable to program services.

See Independent Auditor's Report.

LIGHTHOUSE FOR CHILDREN, INC.

Notes to the Financial Statements

June 30, 2025

NOTE 3 – AVAILABILITY AND LIQUIDITY

The following represents the Organization’s financial assets as of June 30, 2025:

Financial assets at year end:	
Cash and cash equivalents	\$ 208,398
Total financial assets	<u>208,398</u>
Less amounts not available to be used within one year:	
Net assets with donor restrictions	<u>146,908</u>
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$ 61,490</u></u>

As part of the Organization’s liquidity management plan, cash in excess of daily requirements are maintained in cash and cash equivalent accounts for immediate access should those funds be needed. Funds in excess of daily cash requirements may be used to meet unexpected liquidity needs.

NOTE 4 – INCOME TAXES

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax positions included the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the fiscal year ended June 30, 2025.

Generally accepted accounting principles provide accounting and disclosures guidance about positions taken by an entity in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Organization’s returns are subject to examination by federal and state taxing authorities, generally for three years to four years, respectively, after they are filed.

NOTE 5 – UNCERTAINTY

The Lighthouse for Children Board and the First 5 Fresno County Commission intend to further engage in discussions regarding the future of the non-profit. Subsequent Board meetings will include options, brought forth by management of the Organization, for consideration.

NOTE 6 – SUBSEQUENT EVENTS

Management has evaluated and concluded that there were no subsequent events that have occurred from June 30, 2025 through the date the financial statements were available to be issued at October 15 , 2025, that would require disclosure or adjustment.

See Independent Auditor’s Report.