LIGHTHOUSE CHARITIES
(A NONPROFIT ORGANIZATION)

FINANCIAL STATEMENTS

DECEMBER 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Lighthouse Charities
Las Vegas, Nevada

Opinion

We have audited the financial statements of Lighthouse Charities, which comprise the statement of financial position as of December 31, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Lighthouse Charities as of December 31, 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 (GAAS). 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 Lighthouse Charities 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.

Other Matter

The financial statements of Lighthouse Charities for the year ended December 31, 2024 were audited by another auditor who expressed an unmodified opinion on those statements on November 14, 2025.

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 Lighthouse Charities' ability to continue as a going concern for one year after the date that the financial statements are 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 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 Charities' 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 Charities' 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.

BD & Associates CPAs, PLLC

Henderson, Nevada
September 4, 2026

ASSETS		
Current Assets:		
Cash and cash equivalents	$	260,998
Accounts receivable, net		2,167
Inventory		108,220
Total current assets		371,385
Property and equipment, net		554,609
Other Assets:		
Deposits		7,478
Total Assets	$	933,472
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accrued expenses	$	9,640
Current portion of note payable		39,854
Total current liabilities		49,494
Long-term Liabilities:		
Note payable, net of current portion		53,146
Total liabilities		102,640
Net Assets:		
Without donor restrictions		830,832
With donor restrictions (Note 6)		-
Total Net Assets		830,832
Total Liabilities and Net Assets	$	933,472

See accompanying notes to the financial statements.

LIGHTHOUSE CHARITIES
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025

Changes in net assets without donor restrictions:	
Revenues and gains:	
In-kind donations (Note 7)	$ 1,406,696
Donations	581,835
Program income	556,882
Service income	680
Total revenues and gains without donor restrictions	2,546,093
Net assets released from restrictions	34,228
Total revenues, gains, and other support without donor restrictions	2,580,321
Expenses and losses:	
Program services	2,472,070
Management and general	155,351
Fundraising	82,597
Total expenses and losses	2,710,018
Decrease in net assets without donor restrictions	(129,697)
Changes in net assets with donor restrictions	
Net assets released from restrictions	(34,228)
Decrease in net assets with donor restrictions	(34,228)
Decrease in total net assets	(163,925)
Net assets, beginning of year	994,757
Net assets, end of year	$ 830,832

See accompanying notes to the financial statements.

LIGHTHOUSE CHARITIES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

	Program Services	Management and General	Fundraising	Total
Advertising	$ -	$ -	$ 23,772	$ 23,772
Automobile	5,748	5,748	-	11,496
Bad debt expense	10,377	-	-	10,377
Bank charges	852	852	-	1,704
Computer and internet	908	-	-	908
Cost of goods sold	1,436,381	-	-	1,436,381
Dues and subscriptions	518	1,032	-	1,550
ESL expense	21,870	-	-	21,870
Insurance	25,500	4,468	1,642	31,610
Interest	1,592	-	-	1,592
Meals and entertainment	151	151	-	302
Miscellaneous expenses	111	-	1,151	1,262
Office	11,134	7,556	-	18,690
People in need	2,978	-	-	2,978
Postage and shipping	377	377	-	754
Professional fees	53,988	25,887	16,861	96,736
Rent	134,734	23,469	-	158,203
Repairs and maintenance	35,309	6,539	-	41,848
Salaries and benefits	637,816	37,241	36,073	711,130
Taxes and licenses	43,367	4,337	3,098	50,802
Telephone	3,920	3,920	-	7,840
Travel	193	193	-	386
Utilities	12,950	2,285	-	15,235
	2,440,774	124,055	82,597	2,647,426
Depreciation expense	31,296	31,296	-	62,592
	$ 2,472,070	$ 155,351	$ 82,597	$ 2,710,018

See accompanying notes to the financial statements.

LIGHTHOUSE CHARITIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

Cash Flows from Operating Activities		
Change in net assets	$	(163,925)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation expense		62,592
Bad debt expense		10,377
Changes in:		
Accounts receivable		30,021
Inventory		(21,396)
Accrued expenses		(6,272)
Net cash used in operating activities		(88,603)
Cash Flows from Investing Activities		
Purchase of property and equipment		(30,600)
Net cash used in investing activities		(30,600)
Net decrease in Cash and Cash Equivalents		(119,203)
Cash and Cash Equivalents, beginning of year		380,201
Cash and Cash Equivalents, end of year	$	260,998
Supplemental disclosure of cash flow information		
Cash paid for:		
Interest	$	1,592

See accompanying notes to the financial statements.

NOTE 1 – NATURE OF ORGANIZATION, BUSINESS OPERATIONS, CONCENTRATIONS AND RISKS

Organization

Lighthouse Charities (the Organization), established in Las Vegas, Nevada, is a not-for-profit organization dedicated to welcoming, assisting, and empowering refugees and legal immigrants. The organization's mission is to transform lives and equip individuals to become integral members of society by providing compassionate services, building strong community networks, and fostering empowerment. Lighthouse Charities is committed to promoting self-sufficiency, personal growth, healing, and restoring hope among refugees to help them thrive and integrate successfully into the local community.

Concentration and Economic Risks and Uncertainties

A substantial portion of the Organization's receivables and other operating assets and activities are concentrated in southern Nevada. Accordingly, changes in the southern Nevada economy or the financial condition of its grantors or donors could adversely affect the realization of its assets and future operations.

In addition, the Organization often carries cash on deposit with financial institutions in excess of federal insured limits. The extent of loss to be incurred in the event of a financial institution failure, if any, is not subject to estimation at this time but could be substantial. The Organization has not experienced any losses in these accounts.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Accounting Standards Board (the FASB) sets generally accepted accounting principles in the United States of America (GAAP) to ensure consistent reporting. References to GAAP issued by the FASB in the accompanying footnotes are to the FASB Accounting Standards Codification (ASC).

Basis of Presentation

The accompanying financial statements are presented in accordance with FASB ASC 958, Not-for-Profit Organizations. Under FASB ASC 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. All available contributions are considered to be available without restriction unless specifically restricted by the donor. Net assets with donor restrictions are those whose use by the Organization has been limited by donors to a specific time period or purpose.

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 the reported amount of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements. Such estimates also affect the reported amounts of revenues and expenses during the reporting period. Management periodically evaluates the Organization's policies, and the estimates and assumptions related to such policies.

Cash and cash equivalents

The Organization considers all highly liquid investments with a remaining maturity of three months or less at the time of purchase to be cash equivalents.

Accounts Receivable

Receivables are recorded at their estimated fair value less an appropriate allowance for uncollectible amounts. Allowances are based on historical experience and management's analysis of specific balances. An account is written off when it is determined that all collection efforts have been exhausted.

Inventory

Inventory is comprised of in-kind donations of goods held for distribution as part of the Organization's charitable activities. Inventory is initially recognized at the fair market value of the contributed goods on the date of the donation. The cost of goods distributed is determined on a first-in, first-out basis.

Automobiles, furniture and equipment, and leasehold improvements

Purchased automobiles, furniture and equipment, and leasehold improvements are stated at cost. Depreciation is calculated using the straight-line method. Useful lives are applicable to the various categories of assets as follows:

Automobiles	3 to 5 years
Furniture and equipment	5 to 7 years
Leasehold improvements	Shorter of the lease term or life of the improvements

Revenue Recognition

Bakery Sales and Linen Services

Lighthouse generates revenue through the sale of bakery goods to support feeding refugees and by providing linen services to major casinos in Las Vegas, Nevada. The revenue from these activities is recognized as follows:

Bakery Sales Revenue: Revenue from the sale of bakery goods is recognized when the goods are delivered to customers.

Linen Services Revenue: Revenue from providing linen services to major casinos is recognized as services are rendered.

Fundraising and Special Events

Event driven sponsorship and fundraising revenues are recognized when designated events occur. Amounts received prior to events are recorded as deferred revenue.

Donor Contributions

Contributions received are recorded as net assets without donor restriction or with donor restriction, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the support is recognized. All other donor- restricted support is reported as an increase net asset with donor 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 restriction.

In-kind Contributions

Donated services are recognized as contributions in accordance with FASB Codification, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provided project services throughout the year that are not recognized as contributions in the financial statements since the criteria above are not met.

Donated goods and services are reported in-kind contributions at their estimated fair value on the date of receipt and reported as expense when utilized or capitalized as assets if applicable. See Note 7.

Advertising

Advertising costs are expensed the first time such advertising appears. Total advertising costs included in program services, fundraising and management and general was $23,772 for the year ended December 31, 2025.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the services benefited.

Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). Accordingly, no income tax is reflected in the accompanying financial statements. In addition, the Organization is classified as an organization that is not a private foundation under IRC Section 509(a); therefore, donations qualify for maximum charitable contribution deduction under IRC Section 170(c) of the Code. As of December 31, 2025, the Organization had not identified any uncertain tax positions under ASC Topic 740, *Income Taxes*, requiring adjustments to its financial statements. In the event the Organization were to recognize interest and penalties related to uncertain tax positions, it would be recognized in the financial statements as interest expense for interest and miscellaneous for penalties. Generally, 2022 through 2024 are open to examination by the federal and state taxing authorities. There are no income tax examinations currently in process.

Fair Value Measurements

Fair value is defined as 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. Generally accepted accounting principles have established a framework for measuring fair value and established a fair value hierarchy based on the inputs used to measure fair value. This framework maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market dates obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in circumstances. The hierarchy is broken down into three levels based on the transparency of input as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the report date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the report date. The nature of these securities includes investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed.

Level 3 – Securities that have little to no pricing observability as of the report date. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics and other factors.

New Accounting Pronouncements

There are no new accounting pronouncements that have an effect on the financial statements.

Subsequent Events

Management of the Organization has evaluated subsequent events for possible recognition of disclosure through September 4, 2026, the date these financial statements were available for issuance, and there are no subsequent events requiring disclosure.

NOTE 3 – LIQUIDITY

The Organization considers contributions restricted for programs or expenses which are ongoing, major, or central to its operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

As of December 31, 2025 the Organization has $371,385 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash and cash equivalents of $260,998, accounts receivable of $2,167 meet at least sixty days of normal operating expenses, which are, on average, approximately $450,000 this excludes in-kind expenses as no cash is paid for those items. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

As part of the liquidity management plan, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization is working to build its reserve funding.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2025:

Automobiles	$	32,500
Furniture and equipment		11,392
Leasehold improvements		861,575
		905,467
Less: accumulated depreciation		(350,858)
	$	554,609

Depreciation expenses for the year ended December 31, 2025 was $62,592.

NOTE 5 – NOTE PAYABLE

Note payable consists of the following at December 31, 2025:

Note payable, due in monthly installments of $3,795, with an interest rate of 2.75%, maturing in February 2028, collateralized by the property and equipment of the Organization.	$	93,000
Less current portion		(39,854)
	$	53,146

Note payable as of December 31, 2025, matures as follows:

2026	$	39,854
2027		44,637
2028		8,509
	$	93,000

NOTE 6 – DONOR RESTRICTED NET ASSETS

The Organization had no Net Assets with donor restrictions as of December 31, 2025. The Organization had $34,228 of donor restricted net assets that were released from restriction during the year ended December 31, 2025.

NOTE 7 – IN-KIND CONTRIBUTIONS

For the year ended December 31, 2025, in-kind contributions recognized on the statement of activities consisted of the following:

		2025	Utilization in Programs or Other Activities	Donor Restrictions	Valuation Techniques and Inputs
Rags	$	381,344	Program Services	None	Market Research
Food		658,934	Program Services	None	Market Research
Household items		366,418	Program Services	None	Market Research
Total	$	1,406,696			

NOTE 8 – COMMITMENTS AND CONTINGENCIES

The Organization is party to various general legal proceedings which have arisen in the ordinary course of operations. While the results of these matters cannot be predicted with certainty, the Organization’s management believes that losses, if any, resulting from the ultimate resolution of these matters will not have a material adverse effect on the Organization’s financial position, results of activities or cash flows.