

# **Lighthouse Guild International, Inc. and Affiliates**

**Consolidated Financial Statements and  
Supplemental Schedules**  
Years Ended December 31, 2021 and 2020

# **Lighthouse Guild International, Inc. and Affiliates**

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Consolidated Financial Statements and Supplemental Schedules  
Years Ended December 31, 2021 and 2020

# Lighthouse Guild International, Inc. and Affiliates

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## Independent Auditor's Report

The Board of Directors  
Lighthouse Guild International, Inc. and Affiliates  
New York, New York

### *Opinion*

We have audited the consolidated financial statements of Lighthouse Guild International, Inc. and Affiliates (collectively, LGI), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of LGI as of December 31, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of LGI 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.

### *Emphasis of Matter*

As described in Note 1 to the consolidated financial statements, GuildNet, Inc. ceased operations effective January 1, 2019. Detailed in Note 2 to the consolidated financial statements, are the certain assets and liabilities of GuildNet Inc.'s discontinued operations, as of December 31, 2021 and 2020. Additionally, detailed in Note 2 are the major classes of revenues and expenses from discontinued operations for the years ended December 31, 2021 and 2020.

### *Responsibilities of Management for the Consolidated Financial Statements*

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



In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about LGI's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.

### ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated 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 consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of LGI'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about LGI'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.



***Other Matters***

*Supplementary Information*

Our audit of the consolidated financial statements was conducted for the purpose of forming an opinion on those consolidated statements as a whole. The accompanying supplementary consolidating balance sheet as of December 31, 2021, consolidating schedule of operations and changes in net assets for the year ended December 31, 2021 and consolidating schedule of operations and changes in net assets by program for the year ended December 31, 2021, are presented for purposes of additional analysis and are not required parts of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and to certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and to other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

*BDO USA, LLP*

May 13, 2022

# Lighthouse Guild International, Inc. and Affiliates

## Consolidated Balance Sheets (in thousands)

December 31,	2021	2020
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 16,896	\$ 19,160
Asset limited as to use (Note 5)	1,067	1,067
Investments, current portion (Note 5)	325,413	309,521
Accounts receivable, net	1,852	1,661
Prepaid expenses and other current assets (Note 6)	2,844	3,098
Statutory reserve assets (Notes 5 and 15)	8,893	8,891
<b>Total Current Assets</b>	<b>356,965</b>	<b>343,398</b>
<b>Endowment Investments</b> (Notes 5 and 11)	<b>24,038</b>	<b>25,316</b>
<b>Beneficial Interest in Perpetual Trusts</b> (Notes 5 and 17)	<b>14,935</b>	<b>13,723</b>
<b>Investments, net of current portion</b> (Note 5)	<b>90,505</b>	<b>59,483</b>
<b>Fixed Assets, Net</b> (Note 7)	<b>114,186</b>	<b>117,486</b>
<b>Other Assets</b>	<b>5,567</b>	<b>9,589</b>
<b>Total Assets</b>	<b>\$ 606,196</b>	<b>\$ 568,995</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 18,056	\$ 22,753
Claims payable (Note 19)	6,116	6,116
Accrued salaries and related expenses	1,999	2,227
Due to third-party payors, net (Note 12)	26,048	32,945
Current portion of notes payable (Note 8)	79,300	5,000
Current portion of capital lease payable (Note 9)	1,194	748
Current portion of accrued pension and postretirement medical benefits (Notes 13 and 14)	74	81
Current portion of annuity obligations (Note 19)	300	345
Other current liabilities	800	1,456
<b>Total Current Liabilities</b>	<b>133,887</b>	<b>71,671</b>
<b>Long-Term Liabilities</b>		
Notes payable, net of current portion (Note 8)	-	74,300
Loan payable - Paycheck Protection Program (Note 4)	-	3,345
Capital lease payable, net of current portion (Note 9)	110,321	111,515
Accrued pension and postretirement medical benefits, net of current portion (Notes 13 and 14)	8,823	23,203
Annuity obligations, net of current portion (Note 18)	1,155	1,427
<b>Total Liabilities</b>	<b>254,186</b>	<b>285,461</b>
<b>Commitments and Contingencies</b> (Notes 8, 10, 11, 12, 13, 14, 15, 16, 17, 19, 20 and 22)		
<b>Net Assets</b> (Notes 10 and 11)		
Without donor restrictions	294,179	226,706
With donor restrictions	57,831	56,828
<b>Total Net Assets</b>	<b>352,010</b>	<b>283,534</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 606,196</b>	<b>\$ 568,995</b>

*See accompanying notes to consolidated financial statements.*

**Lighthouse Guild International, Inc. and Affiliates**  
**Consolidated Statements of Operations and Changes in Net Assets**  
(in thousands)

December 31,	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Other Support from Operations</b>						
Program revenue	\$ 2,820	\$ -	\$ 2,820	\$ 1,920	\$ -	\$ 1,920
Capitation retrospective premiums	7,694	-	7,694	23	-	23
Net patient service revenue	4,636	-	4,636	4,819	-	4,819
Other revenue	3,690	-	3,690	1,106	-	1,106
Net assets released from restrictions	3,324	(3,324)	-	3,396	(3,396)	-
<b>Total Revenue and Other Support from Operations</b>	<b>22,164</b>	<b>(3,324)</b>	<b>18,840</b>	<b>11,264</b>	<b>(3,396)</b>	<b>7,868</b>
<b>Operating Expenses</b>						
Program services:						
Provider services	11,714	-	11,714	16,984	-	16,984
<b>Total Program Services</b>	<b>11,714</b>	<b>-</b>	<b>11,714</b>	<b>16,984</b>	<b>-</b>	<b>16,984</b>
Supporting services:						
Management and general	23,298	-	23,298	28,071	-	28,071
<b>Total Operating Expenses</b>	<b>35,012</b>	<b>-</b>	<b>35,012</b>	<b>45,055</b>	<b>-</b>	<b>45,055</b>
<b>Deficiency of Revenue and Other Support from Operations Under Expense</b>	<b>(12,848)</b>	<b>(3,324)</b>	<b>(16,172)</b>	<b>(33,791)</b>	<b>(3,396)</b>	<b>(37,187)</b>
<b>Nonoperating Revenue, Gains and Losses</b>						
Contributions and grants	1,984	798	2,782	1,168	553	1,721
Special events, net	199	-	199	7	-	7
Legacies and bequests	5,273	4,550	9,823	2,939	-	2,939
Interest and dividend income, net	7,339	497	7,836	3,514	293	3,807
Net realized and unrealized gain on investments	55,539	3,402	58,941	35,412	2,455	37,867
Distributions from perpetual trusts	453	-	453	455	-	455
Loss on impairment of fixed assets	-	-	-	(1,696)	-	(1,696)
Loss on disposal of fixed assets	(64)	-	(64)	-	-	-
Change in value of annuity obligations	80	-	80	(156)	-	(156)
Change in value of beneficial interest in trusts	-	1,538	1,538	-	1,586	1,586
Pension and postretirement benefit changes other than net periodic benefit cost	6,173	-	6,173	(1,059)	-	(1,059)
Gain on forgiveness of debt	3,345	-	3,345	-	-	-
Contribution expense (Note 11)	-	(6,458)	(6,458)	-	-	-
<b>Total Nonoperating Revenue, Gains, and Losses, Net</b>	<b>80,321</b>	<b>4,327</b>	<b>84,648</b>	<b>40,584</b>	<b>4,887</b>	<b>45,471</b>
<b>Change in Net Assets</b>	<b>67,473</b>	<b>1,003</b>	<b>68,476</b>	<b>6,793</b>	<b>1,491</b>	<b>8,284</b>
<b>Net Assets, beginning of year</b>	<b>226,706</b>	<b>56,828</b>	<b>283,534</b>	<b>219,913</b>	<b>55,337</b>	<b>275,250</b>
<b>Net Assets, end of year</b>	<b>\$ 294,179</b>	<b>\$ 57,831</b>	<b>\$ 352,010</b>	<b>\$ 226,706</b>	<b>\$ 56,828</b>	<b>\$ 283,534</b>

*See accompanying notes to consolidated financial statements.*

# Lighthouse Guild International, Inc. and Affiliates

## Consolidated Statements of Cash Flows (in thousands)

<i>December 31,</i>	2021	2020
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 68,476	\$ 8,284
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	4,956	5,346
Provision for bad debts	633	1,830
Pension and postretirement benefit changes other than net periodic benefit cost	(6,173)	1,059
Net realized and unrealized gains on investments	(58,941)	(37,867)
Loss on impairment of fixed assets	-	1,696
Loss on disposal of fixed assets	64	-
Change in value of annuity obligations	(80)	156
Change in value of beneficial interest in irrevocable trusts	(326)	(284)
Change in value of beneficial interest in perpetual trusts	(1,212)	(1,311)
Gain on forgiveness of debt - PPP Loan	(3,345)	-
Change in operating assets and liabilities:		
Accounts receivables, net	(824)	46
Prepaid expenses, other current assets, and other assets	4,602	105
Accounts payable and accrued expenses	(4,697)	(1,046)
Accrued claims payable	-	(62)
Accrued salaries and related expenses	(228)	(3,017)
Accrued pension and postretirement medical benefits	(8,214)	(2,828)
Due to third-party payors	(6,897)	10,232
Other current and other liabilities	(656)	(580)
<b>Net Cash Used in Operating Activities</b>	<b>(12,862)</b>	<b>(18,241)</b>
<b>Cash Flows from Investing Activities</b>		
Purchases of fixed assets	(1,720)	(1,926)
Proceeds from sales of investments	143,599	133,018
Purchases of investments	(130,296)	(81,915)
<b>Net Cash Provided by Investing Activities</b>	<b>11,583</b>	<b>49,177</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from loan payable - Paycheck Protection Program	-	3,345
Payments on notes payable	-	(25,000)
Payments on capital leases	(748)	(256)
Payments of annuity obligations	(237)	(343)
<b>Net Cash Used in Financing Activities</b>	<b>(985)</b>	<b>(22,254)</b>
<b>Net (Decrease) Increase in Cash, Cash Equivalents, and Assets Limited as to Use</b>	<b>(2,264)</b>	<b>8,682</b>
Cash, Cash Equivalents, and Assets Limited as to Use, beginning of year	20,227	11,545
Cash, Cash Equivalents, and Assets Limited as to Use, end of year	\$ 17,963	\$ 20,227
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash paid during the year for interest	\$ 4,516	\$ 5,337

*See accompanying notes to consolidated financial statements.*

# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

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### 1. Nature of Organization

Lighthouse Guild International, Inc. (Lighthouse Guild) was incorporated on November 7, 2013 to improve the operational effectiveness of the Jewish Guild for the Blind (JGB) and Lighthouse International (the Lighthouse) by providing administrative and consulting services, as well as funding to promote the good health and well-being of visually impaired and other persons in need.

LGI Services, LLC and LGI Programs, LLC were both formed to advance and support the charitable, educational, and scientific purposes of JGB; the Lighthouse; and Lighthouse Guild. They are considered disregarded entities for federal income tax purposes. LGI Services, LLC's sole member is JGB. LGI Programs, LLC's sole member is Lighthouse Guild.

The Lighthouse, founded in 1905, helps people of all ages overcome the challenges of vision loss. Through its various programs and services, education, research, and advocacy, the Lighthouse assists people with low vision and blindness to enjoy safe, independent, and productive lives. The Lighthouse's primary sources of revenue are government and foundation grants.

JGB was incorporated on October 23, 1916 and provides services to visually impaired persons. In 2012, the JGB filed a certificate of assumed name in order to do business as Jewish Guild Healthcare. JGB's primary sources of revenue are grants and contributions from the general public.

The JGB affiliates include GuildNet, Inc. (GuildNet); J.G.B. Health Facilities Corporation (H.F.C.); J.G.B. Rehabilitation Corporation (Rehab); J.G.B. Education Services (EDS); Greater Boston Guild for the Blind, Inc. (GBGB); J.G.B. Mental Health and Mental Retardation Services, Inc. (MHS); and National Association of Parents of Children with Visual Impairments, Inc. (NAPVI) (collectively, the Guild or Affiliates).

Lighthouse Guild and its affiliates, JGB and Affiliates d/b/a Jewish Guild Healthcare and Affiliates and the Lighthouse (collectively, LGI) are tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code (the Code) and have been classified as organizations that are not private foundations under Section 509(a).

GuildNet operated three health plans, Partially Capitated Medicaid Managed Long-Term Care (MLTC), Medicaid Advantage Plus (MAP), and Fully Integrated Dual Advantage Plan (FIDA). During 2018, GuildNet requested and received approval from the New York State Department of Health (NYSDOH) to cease providing MLTC services in all counties of New York City effective January 1, 2019, and all members have transferred to other MLTC plans. GuildNet also received approval from Centers for Medicare & Medicaid Services (CMS) to cease providing services effective January 1, 2019.

JGB is the sole member of GuildNet. Lighthouse Guild is the sole member of the Guild. The financial statements of GuildNet are included in these consolidated financial statements.

#### *Nature of Affiliates*

H.F.C. was incorporated on September 18, 1979 and operated adult day healthcare programs in New York City, Buffalo, Albany, and Niagara Falls through September 27, 2017. Rehab requested and received approval from NYSDOH to take over the operation of the four adult day healthcare programs run by H.F.C. commencing on September 28, 2017. H.F.C.'s mission is serviced by other programs within LGI and is in the process of closing the corporate entity.

# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

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Rehab was incorporated on June 23, 1987 and operates a diagnostic and treatment center, an optical dispensary, and four adult day healthcare programs in New York City, Buffalo, Albany, and Niagara Falls beginning September 28, 2017. Rehab's primary sources of revenue are reimbursements from Medicaid, Medicare, other third-party payors, and clients.

EDS provided functional, academic, sensory motor, and prevocational training for visually impaired children with additional disabilities. During 2018, EDS requested and received approval from the New York City Department of Education (NYCDOE) to cease providing services effective December 31, 2018 and all students have transferred to other schools. EDS's mission is serviced by other programs within LGI and is in the process of closing the corporate entity.

GBGB provided programs and materials designed to provide blind and visually impaired people with help and support that will enhance their physical, emotional, and intellectual functioning. GBGB's mission is serviced by other programs within the organization and LGI is in the process of closing the corporate entity.

MHS was incorporated on April 22, 2004. MHS commenced operations July 1, 2004 and operates a mental health clinic for individuals with vision loss. MHS's primary sources of revenue are reimbursement for services rendered from Medicaid, Medicare, and private insurance companies.

NAPVI is a nonprofit membership organization whose purpose is to provide support to parents and families of visually impaired children. NAPVI's mission is serviced by other programs within the organization and LGI is in the process of closing the corporate entity.

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# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

### 2. Discontinued Operations

As described in Note 1 to the consolidated financial statements, GuildNet ceased operations effective January 1, 2019. The following tables detail the certain assets and liabilities and major classes of revenues and expenses from GuildNet's discontinued operations.

December 31,	2021		2020	
	Current	Long-term	Current	Long-term
Carrying amounts of major classes of assets included as part of discontinued operations:				
Cash and cash equivalents	\$ 9,442	\$ -	\$ 9,093	\$ -
Asset limited to use	1,067	-	1,067	-
Prepaid expenses and other current assets	10	-	19	-
Statutory reserve assets	8,893	-	8,891	-
<b>Total Major Classes of Assets of the Discontinued Operation</b>	<b>\$ 19,412</b>	<b>\$ -</b>	<b>\$ 19,070</b>	<b>\$ -</b>
Carrying amounts of major classes of liabilities included as part of discontinued operations:				
Accounts payable and accrued expenses	\$ 234	\$ -	\$ 915	\$ -
Claims payable	6,116	-	6,116	-
Due to third-party payors, net	25,809	-	32,600	-
Subordinated surplus note (Due to parent)	-	47,089	-	47,089
Subordinated surplus note - interest payable (Due to parent)	-	12,278	-	10,277
Due to affiliates	-	35,391	-	34,788
<b>Total Major Classes of Liabilities of the Discontinued Operation</b>	<b>\$ 32,159</b>	<b>\$ 94,758</b>	<b>\$ 39,631</b>	<b>\$ 92,154</b>
<i>Year ended December 31,</i>	<b>2021</b>		<b>2020</b>	
Major classes of line items constituting deficiency of revenues under expenses of discontinued operations:				
Capitation retrospective premiums		\$ 7,694	\$	23
Net investment (loss) income		(38)		1
Other revenue		5		10
<b>Total Revenues from Discontinued Operations</b>		<b>7,661</b>		<b>34</b>
Less:				
Managed care (recovery)		-		(10)
Management and general		2,451		7,101
<b>Total Expenses from Discontinued Operations</b>		<b>2,451</b>		<b>7,091</b>
<b>Excess of Revenues Over (Under) Expenses of Discontinued Operations Related to Major Classes of Line Items</b>		<b>\$ 5,210</b>		<b>\$ (7,057)</b>

GuildNet reported an excess of revenues over expenses of discontinued operations of \$5,210 for the year ended December 31, 2021 and a net capital and deficit of \$(58,574) at December 31, 2021, which does not meet the New York State contingent reserve surplus reserve requirement. As discussed in Note 3, the subordinated surplus note and related interest reflects a payable to JGB. As such, these amounts are eliminated in LGI's consolidated financial statements.

# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

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### 3. Summary of Significant Accounting Policies

#### *Basis of Consolidation*

The accompanying consolidated financial statements include Lighthouse Guild International, Inc. and its affiliates, JGB and the Guild, and the Lighthouse. All significant intercompany balances and transactions have been eliminated in these consolidated financial statements.

#### *Basis of Accounting*

The accompanying consolidated financial statements have been prepared on the accrual basis and conform to accounting principles generally accepted in the United States of America (U.S. GAAP) and include the accounts of LGI. In the consolidated balance sheets, assets and liabilities are presented in order of liquidity or conversion to cash and their maturity resulting in the use of cash, respectively.

#### *Financial Statement Presentation*

The classification of LGI's net assets and its support, revenue, and expenses are based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the two classes of net assets—net assets without donor restrictions and net assets with donor restrictions—be displayed in the consolidated balance sheets and that the amounts of change in each of those classes of net assets be displayed in the consolidated statements of operations and changes in net assets.

These classes are defined as follows:

*Net Assets Without Donor Restrictions* - This class consists of the part of net assets that is not subject to donor-imposed stipulations and, therefore, is available for the general operations of LGI and net assets set aside to meet regulatory requirements for GuildNet (statutorily restricted).

*Net Assets with Donor Restrictions* - These net assets include resources for use limited by donor-imposed time and/or purpose restrictions. Some donor restrictions are temporary in nature; those restrictions will be met by actions of LGI or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of operations and changes in net assets. Donor-restricted contributions whose restrictions are met in the same reporting period have been reported as without donor restrictions in the consolidated statements of operations and changes in net assets.

Income from investment gains and losses, including unrealized gains and losses, dividends, and interest, are reported as increases (or decreases) in net assets without donor restrictions, unless the use of the income received is limited by donor-imposed restrictions. Net investment income is presented net of direct external expenses when incurred. For the years ended December 31, 2021 and 2020, investment management fees totaling \$1,163 and \$1,675, respectively, are included in interest and dividend income, net in the consolidated statements of operations and changes in net assets.

# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

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### *Cash and Cash Equivalents*

LGI considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents include cash in bank accounts, certificate of deposits, and money market accounts.

### *Investments and Fair Value Measurements*

Accounting Standards Codification (ASC) 820, *Fair Value Measurement*, establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that inputs that are most observable be used when available. Observable inputs are inputs that market participants operating within the same marketplace as LGI would use in pricing LGI's asset or liability based on independently derived and observable market data. Unobservable inputs are inputs that cannot be sourced from a broad active market in which assets or liabilities identical or similar to those of LGI are traded. LGI estimates the price of any assets for which there are only unobservable inputs by using assumptions that market participants who have investments in the same or similar assets would use, as determined by the money managers for each investment based on best information available in the circumstances. The input hierarchy is broken down into three levels based on the degree to which the exit price is independently observable or determinable, as follows:

*Level 1* - Valuation is based on quoted market prices in active markets for identical assets or liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

*Level 2* - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3* - Valuation is based on inputs that are unobservable and reflect management's best estimate of what market participants would use as fair value.

### *Accounts Receivable, Net*

LGI records receivables based on established rates or contracts for services provided. For nonexchange transactions, an allowance for doubtful accounts is recorded if a receivable is determined to be uncollectible based on periodic review by management. Factors used to determine whether an allowance should be recorded include the age of the receivable, historical collection experience and write-offs, and a review of payments subsequent to year-end.

# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

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Periodically, past-due receivables are reviewed and evaluated as to their collectability. A receivable balance is considered past due once it has not been received by its scheduled due date. If necessary, doubtful accounts are written off as they are deemed by management to be uncollectible. For the years ended December 31, 2021 and 2020, LGI wrote off to bad debt expense \$633 and \$1,830, respectively, of accounts receivable that were deemed to be uncollectible.

### ***Contributions Receivable and Special Events***

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. Contributions receivable are reported net of an allowance for doubtful accounts. Factors used to determine whether an allowance for doubtful accounts should be recorded include the age of the receivable, historical collection experience and write-offs, and a review of payments subsequent to year-end. Contributions receivable are reported within prepaid expenses and other current assets.

### ***Statutory Reserve Assets***

Statutory reserve assets represent the escrow deposit required for New York state's statutory reserve requirement. GuildNet invests its escrow deposit funds in money market funds.

### ***Fixed Assets, Net***

Fixed assets are stated at cost. Capital acquisitions, leasehold improvements, and computer equipment, which have an estimated useful life of greater than one year, are subject to capitalization. Depreciation and amortization of fixed assets are provided on the straight-line method over their estimated useful lives.

	Years
Buildings and building improvements	5-50
Furniture and equipment	3-15
Leasehold improvements	1-10
Computer equipment	3-15

Leasehold improvements are amortized over the lesser of the term of the lease or the estimated useful lives of the improvements.

### ***Impairment of Assets***

ASC 360, *Property, Plant, and Equipment*, provides a single accounting model for long-lived assets to be disposed of. ASC 360 also changes the criteria for classifying an asset as held-for-sale and broadens the scope of businesses to be disposed of that qualify for reporting as discontinued operations and changes the timing of recognizing losses on such operations.

In accordance with ASC 360, long-lived assets, such as property, plant, and equipment, and purchased intangible assets subject to amortization are reviewed for impairment whenever events

# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

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or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated undiscounted future net cash flows expected to be generated by the asset.

If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of would be separately presented in the consolidated balance sheets and reported at the lower of the carrying amount or fair value less costs to sell and are no longer depreciated. The assets and liabilities of a disposed group classified as held-for-sale would be presented separately in the appropriate asset and liability sections of the consolidated balance sheets. Rehab recognized impairment of fixed assets for the year ended December 31, 2020 totaling \$1,696.

### ***Due to/from Third-Party Payors and Due to Providers***

Due to/from third-party payors represents amounts due to/from NYSDOH and CMS for capitation payments, retroactive rate adjustments, quality incentive payments, Health Recruitment and Retention funds, high-cost/high-needs pool, payable for minimum loss ratio requirement, minimum wage adjustments, and the NYSDOH's independent Office of the Medicaid Inspector General (OMIG) estimated settlements. Also included are amounts due to/from NYCDOE. As the above amounts are estimates, it is at least reasonably possible that a change in the estimate will occur in the near term.

### ***Claims Payable***

GuildNet contracted with various healthcare providers for the provision of certain medical care services to its enrollees. Unpaid claims and unpaid claims adjustment expenses include reported claims and claims incurred but not reported (IBNR) to GuildNet. The estimated expense of processing these claims is included in accounts payable and accrued expenses. The liabilities are estimated based upon assumptions and estimates developed from prior claims experience. Although there is variability in such estimates, management believes that the unpaid claims and unpaid claims adjustment expense liabilities are adequate. The estimates are continually reviewed and adjusted as experience develops or new information becomes known.

### ***Split-Interest Agreements***

LGI holds assets under split-interest agreements consisting of charitable remainder trusts and charitable gift annuities for which LGI serves as the trustee. Such agreements provide for payments to the donors or their stipulated beneficiaries of either income earned on related investments or specified annuity amounts.

Assets held under these agreements are reported as prepaid expenses and other current assets on the consolidated balance sheets. A portion of the contributed assets is considered to be a charitable contribution for income tax purposes and has been recognized as a contribution at the date of gift. When the terms of the gift instrument have been met, the remaining amount of the gift may be used for general or specific purposes as stipulated by the respective donor.

Under LGI's charitable remainder trusts and charitable gift annuities programs where LGI is the trustee, liabilities are recorded for the present value of the estimated future payments expected to be made to the donors and/or beneficiaries, as long as they live, after which time the remaining assets, if any, are available for the unrestricted use of LGI unless otherwise stipulated by the donor.

# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

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Under LGI's pooled life income funds program, the difference between the fair value of the assets when received and the revenue recognized is recorded as an obligation, representing the amount of the discount for future interest, on the consolidated balance sheets. Upon termination of a life interest, the share of the corpus attributable to the life tenant becomes available to LGI. Changes in the life expectancy of the donor or beneficiary, amortization of the discount, and other changes in the estimates of future payments are reported as change in value of split-interest agreements on the consolidated statements operations and changes in net assets in the period the changes occur.

### ***Beneficial Interest in Trusts Held by Others***

Donors have established and funded trusts, which are administered by organizations other than LGI. Under the terms of these trusts, LGI has the irrevocable right to receive all or a portion of the income earned on the trust assets either in perpetuity or for the life of the trust. LGI does not control the assets held by outside trusts. The value of the beneficial interest is estimated by discounting the estimated future cash flows using a risk-adjusted interest rate.

### ***Program and Net Patient Service Revenue***

Program and net patient service revenue include premium capitation, outpatient fees, and fee-for-service reimbursements that are reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Laws and regulations governing the programs and services provided are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Additionally, noncompliance with such laws and regulations could result in fines, penalties, and exclusion from the Medicare and Medicaid programs. Program revenue includes state funded initiatives provided to the customers of LGI of \$2,820 and \$1,920 for the years ended December 31, 2021 and 2020, respectively. Net patient service revenue includes third-party payors of \$4,623 and \$4,803 and self-pay of \$13 and \$16 for the years ended December 31, 2021 and 2020, respectively.

Ambulatory Patient Groups is a patient classification system designed to characterize the amount and type of resources used in an ambulatory care visit for patients with similar clinical characteristics. Rehab's Article 28 Diagnostic and Treatment Center and MHS's freestanding Article 31 Mental Health Clinic are reimbursed based on this methodology.

As substantially all of its performance obligations relate to established rate agreements with a duration of less than one year, LGI has elected, as part of their adoption of the new revenue standard, to apply the optional exemption provided in Accounting Standards Update (ASU) 2014-09 *Revenue from Contracts with Customers (Topic 606)* and, therefore, is not required to disclose the aggregate amount of the revenues and receivables.

As a practical expedient, LGI utilizes the portfolio approach for analyzing the revenue contracts in accordance with *Topic 606*. LGI accounts for the fee-for-service arrangements within each portfolio collectively, rather than individually, based on each revenue stream. LGI considers the similar nature and characteristics of the fee-for-service arrangement and payors in using the portfolio approach. LGI believes that the use of the portfolio approach to analyze fee-for-service arrangements will not differ materially than if they were analyzed individually.

# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

The following table shows LGI's fee-for-services revenue disaggregated by payor:

<i>December 31,</i>	2021 (%)	2020 (%)
Medicare	4	6
Medicaid	67	39
Private/other	29	55

The following table shows LGI's mix of receivables disaggregated by payor:

<i>December 31,</i>	2021 (%)	2020 (%)
Medicare	4	4
Medicaid	16	17
Private/other	80	79

### ***Concentrations of Credit Risk***

Financial instruments that potentially subject LGI to concentration of credit risk consist primarily of cash and cash equivalents. At various times, LGI has cash deposits at financial institutions, which exceed the Federal Depository Insurance Corporation insurance limits. These financial institutions have strong credit ratings and management believes that credit risk related to these accounts is minimal.

### ***Leases***

Leases are classified as operating or capital leases, in accordance with the terms of the underlying agreements. Capital leases are recorded at the lower of the fair value of the assets or the present value of the minimum lease payments and are amortized over the lease term or estimated useful life of the assets, whichever is shorter, unless the lease provides for transfer of title or includes a bargain purchase option, in which case the lease is amortized over the estimated useful life of the asset. Operating lease payments are charged to rent expense, which is included in management and general expense on the consolidated statements of operations and changes in net assets. Rent expense is recorded on a straight-line basis. Deferred rent is recorded where there are material differences between the fixed payment and the rent expense.

### ***Measure of Operations***

LGI includes in its definition of operations all revenue and expenses associated with its program services. Excluded from operations are contributions and grants, special events (net of direct benefit expenses), legacies and bequests, investment income, net, distributions from perpetual trusts, loss on impairment of fixed assets, loss on disposal of fixed assets, change in value of annuity obligations, change in value of beneficial interest in trusts, pension and postretirement benefit changes other than net periodic benefit cost, gain on forgiveness of debt, and contribution expense.

### ***In-Kind Contributions and Expenses***

In-kind contributions and expenses are for professional service fees and rentals, which are reported at fair value at the date the contributions are received. For the years ended December 31, 2021

# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

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and 2020, respectively, \$26 and \$7 are recorded as contributions and grants revenue in the consolidated statements of operations and changes in net assets.

### **Grants**

Grants revenues are nonexchange transactions in which no commensurate value is exchanged. Accordingly, contribution accounting is applied under ASC Topic 598, *Not-for-Profit Entities*. Grant revenues are evaluated for contributions that are conditional. Factors indicating the existence of a conditional contribution include the presence of a barrier that must be overcome and either a right-of-return of assets transferred or a right-of-release of a funder's obligation to transfer the assets. Grant revenues are recognized when the conditions are satisfied, which is generally when the expenditures for each contract are incurred. Grant funds received in excess of revenue earned are recorded as deferred revenue. As of December 31, 2021 and 2020, LGI did not have any deferred revenue balances on the consolidated balance sheets. Grants are included in contributions and grants in consolidated statements of operations and changes in net assets

### **Advertising Costs**

Advertising costs are expensed as incurred. LGI incurred advertising costs of \$48 and \$72 in the fiscal years ended December 31, 2021 and 2020, respectively, which are included in management and general expense on the consolidated statements of operations and changes in net assets.

### **Subordinated Surplus Note**

During 2016, GuildNet issued a subordinated surplus note (the Surplus Note) to JGB, made under and governed by the laws of the State of New York, in the aggregate amount of \$47,089. The unpaid, outstanding principal amount of the Surplus Note bears interest at a variable annual rate equal to the Prime Rate plus 1%. As of December 31, 2021, the interest payable associated with the Surplus Note amounted to \$12,278. The Surplus Note is repayable, subject to the approval of the Commissioner of NYSDOH, in whole or in part, only if such payment will not reduce GuildNet's surplus below the applicable NYSDOH regulatory minimum contingent reserve requirement in effect at the time of such payment.

### **Use of Estimates**

The preparation of consolidated financial statements, in conformity with U.S. GAAP, requires management to make a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

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### *Income Taxes*

Lighthouse Guild International, Inc. and its affiliates, JGB and Affiliates d/b/a Jewish Guild Healthcare and Affiliates and the Lighthouse, qualify as a tax-exempt, not-for-profit organizations under Section 501(c)(3) of the Code and as non-profit corporations in New York State. Accordingly, no provision for federal or state income taxes is required. All entities have been determined by the Internal Revenue Service (IRS) not to be a “private foundation” within the meaning of Section 509(a) of the Code. There was no unrelated business income for 2021 and 2020.

LGI adopted the provisions of ASC 740, *Accounting for Uncertainty in Income Taxes*. Under ASC 740, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not that the position will not be sustained. The implementation of ASC 740 had no impact on LGI’s consolidated financial statements. LGI does not believe there are any material uncertain tax positions. LGI has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, LGI has filed IRS Form 990 tax returns, as required, and all other applicable returns in jurisdictions where it is required. For the years ended December 31, 2021 and 2020, there was no interest or penalties recorded or included in the consolidated statements of operations and changes in net assets. LGI is subject to routine audits by taxing authorities.

### *Accounting Pronouncements Issued but Not Yet Adopted*

#### *Leases (Topic 842)*

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases (Topic 842)*, with effective dates deferred for all entities by ASU 2019-10, and further deferred for nonpublic entities by ASU 2020-05. The core principle of ASU 2016-02 is to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use (ROU) model that requires, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded. The ASU is effective for LGI’s fiscal years beginning after December 15, 2021, with early adoption permitted. Management is currently evaluating the impact of this ASU on its consolidated financial statements.

## **4. Impact of COVID-19**

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

As a result of the COVID-19 outbreak, LGI has incurred, and is expected to incur for the foreseeable future, incremental and other COVID-19 pandemic related expenses. COVID-19 related expenses consist of additional costs that are incurred to protect its employees to support social distancing requirements resulting from the COVID-19 pandemic. These costs include, but are not limited to, new or added benefits provided to consumers and employees, the purchase of additional personal protection equipment and disinfecting supplies, additional facility-cleaning services, initiated

# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

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programs and communications to customers on utility response, and increased technology expenses to support remote working, where possible.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full impact that the pandemic will have on LGI's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce.

On March 17, 2020, the NYSDOH issued a directive to direct all adult day health care programs to immediately suspend all adult day health care program services until further notice. As a result, Rehab ceased operations of its adult day health care program, GuildCare. On March 25, 2021, the NYSDOH approved the re-opening of GuildCare beginning April 1, 2021.

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security Act (the CARES Act) was enacted. The CARES Act, among other things, has apportioned funds for the United States Small Business Administration (SBA) Paycheck Protection Program (PPP) loans that are forgivable in certain situations to promote continued employment. In April 2020, LGI received a PPP loan in the amount of \$3,345 which was fully forgiven by the SBA in September 2021.

As part of the CARES Act, the Health Care Enhancement Act, enacted on April 24, 2020, provided \$175 billion in funding to be distributed to eligible providers through the Public Health and Social Services Emergency Fund (the Provider Relief Fund or PRF). The Department of Health and Human Services (HHS) has allocated the Provider Relief Fund among eligible health care providers through multiple phases of general distributions and a number of targeted distributions which began in April 2020.

During the years ended December 31, 2021 and 2020, LGI received \$1,545 and \$250, respectively, and has recorded it as other revenue within the consolidated statements of operations and changes in net assets. As part of the terms and conditions of the Provider Relief Fund program, LGI must adhere to certain reporting requirements associated with payments received from the Provider Relief Fund. Recipients must report to HHS on their use of Provider Relief Fund payments by specified deadlines; these deadlines differ depending on when the payments were received by the recipient. LGI has adhered with these reporting requirements established by HHS.

The recognition of amounts received is conditioned upon the provision of care for individuals with possible or actual cases of COVID-19 after January 31, 2020, certification that payment will be used to prevent, prepare for and respond to the coronavirus and shall reimburse the recipient only for healthcare related expenses or lost revenues that are attributable to coronavirus. These monies have been recognized following the grant accounting model, recognizing income over the applicable reporting period as management becomes reasonably assured of meeting the required criteria. LGI has utilized and accounted for all such funds as of the year ended December 31, 2021.

### 5. Fair Value Financial Assets and Instruments

LGI's assets recorded at fair value have been categorized based upon a fair value hierarchy, in accordance with ASC 820. See Note 3 for the discussion of LGI's policies regarding this hierarchy. A description of the valuation techniques applied to LGI's major categories of assets measured at fair value are as follows. There have been no changes in the methodologies utilized for December 31, 2021 or 2020.

# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

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*Cash Equivalents, Money Market Mutual Funds, Equity Securities, Mutual Funds, and Exchange-Traded Funds* - These are valued at the closing price reported on the active market on which the individual securities are traded.

*U.S. Government Securities, U.S. Corporate Bonds, Municipal Bond, and International Corporate Bond* - These are valued based on prices obtained from independent pricing service.

*Beneficial Interest in Perpetual Trusts and Common Collective Trusts* - This is valued using the fair values of the underlying assets held by the trusts. See Note 17 for further discussion of the beneficial interest in perpetual trusts.

*Alternative Investments* - These are investments made in equity hedge, multi-strategy hedge, and private equity, all of which are valued based on the net asset value (NAV) of the interest owned by LGI at year-end.

Given the absence of market quotations, their fair value is estimated using information provided to LGI by the investment advisor. The values are based on estimates that require varying degrees of judgment and, for fund of funds investments, are primarily based on financial data supplied by the investment managers of the underlying funds. Individual investment holdings within the alternative investments may include investments in both nonmarketable and market-traded securities. Nonmarketable securities may include equity in private companies, real estate, thinly traded securities, and other investment vehicles. The investments may indirectly expose LGI to the effects of securities lending, short sales of securities, and trading in futures and forward contracts, options, swap contracts, and other derivative products. While these financial instruments entail varying degrees of risk, LGI's exposure with respect to each such investment is limited to its carrying amount (fair value as described above) in each investment plus LGI's commitment to provide additional funding, as described in the following paragraph. The financial statements of the investees are audited annually by nationally recognized firms of independent auditors. LGI does not directly invest in the underlying securities of the investment funds and, due to restrictions on transferability and timing of withdrawals from the different funds, the amounts ultimately realized upon liquidation could differ from reported values that are based on current conditions.

Investments are made under the authority and oversight of an Investment Committee in consultation with an outside consultant. Together, they have established investment guidelines and developed a diversified asset allocation structure, which includes high-cap equities, low-cap equities, international equities, fixed-income securities, and alternative investments. LGI engages individual managers who specialize in each asset category, and each manager is monitored for compliance with guidelines and performance is evaluated against appropriate benchmarks.

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# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

Investments, assets limited as to use, statutory reserve assets, and beneficial interest in perpetual trusts consist of the following:

*December 31, 2021*

	Total	Level 1	Level 2	Level 3
<b>Assets</b>				
<b>Investments, including endowments</b>				
Cash and cash equivalents	\$ 23,852	\$ 23,852	\$ -	\$ -
Money market mutual funds	64	64	-	-
Equity securities:				
International	251	251	-	-
Real estate and infrastructure	39	39	-	-
U.S. small/mid-cap	104	104	-	-
U.S. large-cap	286	286	-	-
<b>Total Equity Securities</b>	<b>680</b>	<b>680</b>	<b>-</b>	<b>-</b>
Mutual funds:				
Fixed income	31,643	31,643	-	-
U.S. small/mid-cap	489	489	-	-
U.S. large-cap equity	62,031	62,031	-	-
International equity	22,167	22,167	-	-
Real estate and infrastructure	42	42	-	-
Balanced/asset allocation	292	292	-	-
Government Obligations	4	-	4	-
Alternatives	6,154	6,154	-	-
Equities	20,951	20,951	-	-
<b>Total Mutual Funds</b>	<b>143,773</b>	<b>143,769</b>	<b>4</b>	<b>-</b>
Exchange-traded funds:				
Commodities	5,231	5,231	-	-
Government Obligations	9,299	9,299	-	-
U.S. large-cap equity	19,494	19,494	-	-
U.S. small/mid-cap equity	22,562	22,562	-	-
Emerging markets	18,157	18,157	-	-
International	26,332	26,332	-	-
Fixed Income	3,296	3,296	-	-
Equities	16,771	16,771	-	-
<b>Total Exchange-Traded Funds</b>	<b>121,142</b>	<b>121,142</b>	<b>-</b>	<b>-</b>
Fixed income:				
Municipal bond	583	-	583	-
<b>Total Fixed Income</b>	<b>583</b>	<b>-</b>	<b>583</b>	<b>-</b>
<b>Total Investments Measured at Fair Value</b>	<b>290,094</b>	<b>\$ 289,507</b>	<b>\$ 587</b>	<b>\$ -</b>
<b>Alternative Investments at NAV*</b>	<b>149,862</b>			
<b>Total Investments, including endowments</b>	<b>\$ 439,956</b>			
<b>Assets Limited as to Use and Statutory Reserve Assets:</b>				
Money market mutual funds	\$ 9,960	\$ 9,960	\$ -	\$ -
<b>Beneficial Interest in Perpetual Trusts</b>	<b>14,935</b>	<b>-</b>	<b>-</b>	<b>14,935</b>
	<b>\$ 24,895</b>	<b>\$ 9,960</b>	<b>\$ -</b>	<b>\$ 14,935</b>

\* Certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated balance sheet.

# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

December 31, 2020

	Total	Level 1	Level 2	Level 3
<b>Assets</b>				
<b>Investments, including endowments</b>				
Cash and cash equivalents	\$ 9,352	\$ 9,352	\$ -	\$ -
Money market mutual funds	48	48	-	-
Equity securities:				
International	274	274	-	-
Real estate and infrastructure	40	40	-	-
U.S. small/mid-cap	114	114	-	-
U.S. large-cap	295	295	-	-
<b>Total Equity Securities</b>	<b>723</b>	<b>723</b>	<b>-</b>	<b>-</b>
Mutual funds:				
Fixed income	39,897	39,897	-	-
U.S. small/mid-cap	468	468	-	-
U.S. large-cap equity	57,424	57,424	-	-
International equity	34,735	34,735	-	-
Balanced/asset allocation	246	246	-	-
Government Obligations	2	-	2	-
Alternatives	2,985	2,985	-	-
Equities	25,758	25,758	-	-
<b>Total Mutual Funds</b>	<b>161,515</b>	<b>161,513</b>	<b>2</b>	<b>-</b>
Exchange-traded funds:				
Commodities	13,322	13,322	-	-
Government Obligations	13,011	13,011	-	-
U.S. large-cap equity	21,429	21,429	-	-
U.S. small/mid-cap equity	17,082	17,082	-	-
Emerging markets	11,437	11,437	-	-
International	6,562	6,562	-	-
Equities	13,692	13,692	-	-
<b>Total Exchange-Traded Funds</b>	<b>96,535</b>	<b>96,535</b>	<b>-</b>	<b>-</b>
Fixed income:				
Municipal bond	570	-	570	-
International bond	2	-	2	-
<b>Total Fixed Income</b>	<b>572</b>	<b>-</b>	<b>572</b>	<b>-</b>
<b>Total Investments Measured at Fair Value</b>	<b>268,745</b>	<b>\$ 268,171</b>	<b>\$ 574</b>	<b>\$ -</b>
<b>Alternative Investments at NAV*</b>	<b>125,575</b>			
<b>Total Investments, including endowments</b>	<b>\$ 394,320</b>			
<b>Assets Limited as to Use and Statutory Reserve Assets:</b>				
Money market mutual funds	\$ 9,958	\$ 9,958	\$ -	\$ -
<b>Beneficial Interest in Perpetual Trusts</b>	<b>13,723</b>	<b>-</b>	<b>-</b>	<b>13,723</b>
	<b>\$ 23,681</b>	<b>\$ 9,958</b>	<b>\$ -</b>	<b>\$ 13,723</b>

\* Certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated balance sheets.

# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

LGI uses, as a practical expedient, for fair value, a reported NAV per share or its equivalent for purposes of valuing the alternative investments within its investment portfolio, as detailed below.

### Year ended December 31, 2021

	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period (Days)
Equity hedge <sup>(a)</sup>	\$ 3,350	\$ -	1-3 years	60-65
Equity hedge <sup>(a)</sup>	41,554	-	Monthly/quarterly	15-180
Multi-strategy hedge <sup>(b)</sup>	152	-	Monthly/quarterly/ biennial/semi- annually	0-92
Multi-strategy hedge <sup>(b)</sup>	16,404	-	Semi-annually	120
Private equity <sup>(c)</sup>	88,402	14,877	Private/illiquid	N/A
<b>Total Funds</b>	<b>\$ 149,862</b>	<b>\$ 14,877</b>		

### Year ended December 31, 2020

	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period (Days)
Equity hedge <sup>(a)</sup>	\$ 3,473	\$ -	1-3 years	60-65
Equity hedge <sup>(a)</sup>	41,432	-	Monthly/quarterly	15-180
Multi-strategy hedge <sup>(b)</sup>	721	-	Monthly/quarterly/ biennial/semi- annually	0-92
Multi-strategy hedge <sup>(b)</sup>	15,217	-	Semi-annually	120
Private equity <sup>(c)</sup>	64,732	25,493	Private/illiquid	N/A
<b>Total Funds</b>	<b>\$ 125,575</b>	<b>\$ 25,493</b>		

(a) *Equity Hedge* - Hedged equity investments are focused on managers that have the ability to purchase companies long, as well as sell short. The primary role of these investments is to complement the traditional equity investments by providing access to a growth-oriented return stream with a reduced dependence on upwardly trending equity markets and lower volatility.

(b) *Multi-Strategy Hedge* - Investments are typically focused in credit, market-neutral, global macro, and arbitrage strategies. In combination, these strategies are designed to produce a consistent return stream with volatility modestly higher than a diversified core, high-quality, and fixed-income portfolio. Multi-strategy funds would, therefore, be utilized primarily as a complement to the traditional fixed-income allocation.

(c) *Private Equity* - Private equity consists of investments directly into private companies, or buyouts of public companies that result in a delisting of public equity. Other strategies involve investing in the secondary markets and co-investing into private companies. Private equity is not quoted on a public exchange and is illiquid in nature. These agreements expire in 13 years.

Investments with redemption provisions greater than one year have been classified as noncurrent assets.

# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

### 6. Contributions, Grants, and Legacies Receivable

Included in prepaid expenses and other current assets are contributions, grants, and legacies receivable, which are expected to be collected as follows:

<i>December 31,</i>		2021		2020
Due within one year	\$	510	\$	365
Due in one to five years		113		167
<b>Total Contributions, Grants, and Legacies Receivable</b>	<b>\$</b>	<b>623</b>	<b>\$</b>	<b>532</b>

### 7. Fixed Assets, Net

Fixed assets are summarized as follows:

<i>December 31,</i>		2021		2020
Buildings and building improvements	\$	113,489	\$	114,444
Furniture and equipment		7,543		10,791
Leasehold improvements		24,505		25,859
Computer software		2,335		4,582
		147,872		155,676
Less: accumulated depreciation and amortization		(35,603)		(39,366)
		112,269		116,310
Project in progress		1,917		1,176
	\$	114,186	\$	117,486

Projects in progress at December 31, 2021 and 2020 represent costs associated with projects intended to restore and repair façade outside the building at 80 West End Avenue, which is jointly leased by LGI. The estimated additional costs to complete this project is approximately \$1,917 as of December 31, 2021.

### 8. Notes Payable

LGI entered into an \$80,000 multiple disbursement note agreement (Note) with a bank on June 28, 2016 secured by LGI's investment portfolio. The Note bears interest at 0.65% above the London Interbank Offered Rate (LIBOR) 30-day rate. The term of the Note is six years, for which interest-only payments commenced on August 1, 2016, with a balloon payment of the amount advanced and outstanding due on July 1, 2022. LGI may request a five-year extension at such time. As of both December 31, 2021 and 2020, respectively, \$74,300 principal has been drawn on the loan, of which \$30,000 was used to purchase five leasehold condominium units at 80 West End Avenue, New York City for a new office facility and \$44,300 was used to fund the construction of the new office facility.

# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

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On June 28, 2016, LGI also entered into a \$35,000 revolving note with the same bank, bearing interest at 0.65% above the LIBOR 30-day rate. The revolving note expired on June 30, 2020 and was renewed for another year, expiring on July 1, 2022. The total outstanding balance of the revolving note as of both December 31, 2021 and 2020 was \$5,000. Borrowing up to \$35,000 is secured by LGI's investment portfolio.

Interest expense for the years ended December 31, 2021 and 2020 was \$689 and \$1,347, respectively, and is included in management and general expenses on the consolidated statements of operations and changes in net assets.

### 9. Capital Lease Payable

In February 2016, LGI acquired the leasehold interests in five leasehold condominium units and some common space from an unrelated not-for-profit entity for a purchase price of \$30,000, plus rental payments for the remainder of the lease term. As part of the agreement for the units it acquired, LGI assumed all rights and obligations of the unrelated not-for-profit entity under the lease it has with the owner of the property. The unrelated not-for-profit entity was the sole leasehold interest in the property and had a 30-year lease with the landlord. LGI is jointly and severally liable with the not-for-profit entity under the lease agreement. Pursuant to an impairment analysis, the balance of the purchase price of \$30,000 was impaired in 2018.

On February 28, 2019, LGI agreed to sell two leasehold condominium units to United Cerebral Palsy of New York City, Inc. Actual transactions occurred in May and October 2019 for the 5<sup>th</sup> floor and 2<sup>nd</sup> floor, respectively. As a result of the transactions, values of fixed assets and lease payable were adjusted. A gain of \$6,420 on the sale of the related fixed assets was recorded within nonoperating revenue for the year ended December 31, 2019. Total annual rent payments under the lease are approximately \$4,900, with annual rent increases of 2%. The lease will expire May 31, 2047, with the option to extend it to May 31, 2055.

LGI accounted for the transaction as a capital lease and recognized an asset and liability on its consolidated balance sheets, measured at the present value of the minimum lease payments discounted at a 3.41% incremental borrowing rate. The asset is being amortized over 30.9 years or 371 months, which is the life of the lease.

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# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

The future lease payments are as follows:

*Year ending December 31,*

2022	\$	4,982
2023		5,058
2024		5,136
2025		5,293
2026		5,445
Thereafter		149,307
		175,221
Less: amount representing interest		(63,706)
<b>Present Value of Net Minimum Lease Payments</b>		<b>111,515</b>
Less: current portion		(1,194)
<b>Long-Term Obligation Under Capital Lease</b>	<b>\$</b>	<b>110,321</b>

### 10. Net Assets with Donor Restrictions

Net assets with donor restrictions are for the following:

<i>December 31,</i>	<b>2021</b>	<b>2020</b>
Subject to expenditure for a specified purpose or period:		
Scholarships	\$ 7,394	\$ 7,048
Research	2,885	3,196
Purchase of equipment	183	22
Other purposes	4,183	3,743
Time restricted	4,214	3,780
<b>Total Subject to Expenditure for Specified Purpose or Period</b>	<b>18,859</b>	<b>17,789</b>
Held as endowed assets to generate income to be used for specified purposes:		
Patient care	1,055	1,055
Education	1,483	7,104
Research	181	181
Awards	3,123	3,123
Scholarships	1,303	1,303
Rehabilitation and youth services	500	500
Various projects	16,392	12,050
<b>Total Held as Endowed Fund Corpus</b>	<b>24,037</b>	<b>25,316</b>
Beneficial interest in fair value of trust funds held in perpetuity by others	14,935	13,723
<b>Total Net Assets with Donor Restrictions</b>	<b>\$ 57,831</b>	<b>\$ 56,828</b>

# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors, as follows:

<i>Year ended December 31,</i>	<b>2021</b>	<b>2020</b>
Patient care	\$ 47	\$ 47
Scholarships	602	554
Various projects	1,175	1,157
Purchase of equipment	-	21
Education	406	109
Low vision	270	220
Rehabilitation and youth	365	259
Research	383	427
Time restriction	76	602
	<b>\$ 3,324</b>	<b>\$ 3,396</b>

### 11. Endowment Funds

#### *General*

LGI's endowments consist of individual perpetual endowment funds established to support activities of LGI. As required by U.S. GAAP, net assets associated with perpetual endowment funds are classified and reported based on the existence of donor-imposed restrictions.

#### *Interpretation of Relevant Law - New York*

On September 17, 2010, New York State adopted the New York Prudent Management of Institutional Funds Act (NYPMIFA). NYPMIFA moves away from the "historic dollar value" standard and permits charities to apply a spending policy to endowments based on certain specified standards of prudence. The NYPMIFA spending policy defines typical prudent management to include a standard maximum prudent spending limit of 7% of the average of its previous five years' balances. As a result, LGI classifies as net assets with donor restrictions (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the accumulated earnings is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the organization in a manner consistent with the standards of prudence prescribed by NYPMIFA.

#### *Interpretation of Relevant Law - Massachusetts*

The state of Massachusetts adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) on July 2, 2009, effective June 30, 2009. The Board of Directors of GBGB has interpreted UPMIFA as requiring preservation of the fair value of a gift as of the gift date of the perpetual endowment funds (historic dollar value), absent explicit donor stipulations to the contrary. As a result, and in accordance with the direction of the original donor gift instruments, GBGB classifies as net assets with donor restrictions (a) the original value of gifts donated to the perpetual endowment, (b) the original value of any subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining

# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

portion of the accumulated earnings is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate perpetual endowment funds: (1) the duration and preservation of the fund, (2) the purposes of the organization and the perpetual endowment fund, (3) general economic conditions, (4) the possible effects of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the organization, and (7) the investment policies of the organization.

### *Return Objectives, Strategies Employed, and Spending Policy*

LGI aims to maintain the principal of perpetual endowment funds at the original amount designated by donors while generating income for the specified programs. The investment policy is designed to achieve this objective. Investment earnings, in relation to the perpetual endowment funds, are recorded as donor-restricted income and released from restriction upon expenditure for the program for which the perpetual endowment fund was established.

LGI relies on a total return strategy in which active equity managers/funds are expected to achieve an annualized total rate of return over a five-year period, which exceeds an agreed-upon benchmark rate of return, net of costs and fees. Total return is defined as dividend and interest income plus realized and unrealized capital appreciation or depreciation. Active fixed-income managers are expected to exceed appropriate market indices, net of costs and fees. When index funds are used, the return should closely track the appropriate index.

The Board-approved spending rate for both the years ended December 31, 2021 and 2020 of up to 7%, not to exceed actual or accumulated earnings.

### *Funds with Deficiencies*

The fair value of assets associated with perpetual endowment funds may fall below the value of the initial and subsequent donor gift amounts. LGI does not have any funds with deficiencies as of December 31, 2021 and 2020.

### *Changes in Endowment Net Assets*

<i>Year ended December 31, 2021</i>	Restricted for a Specific Purpose	Restricted in Perpetuity	Total
<b>Endowment Net Assets</b> , beginning of year	\$ 3,313	\$ 25,316	\$ 28,629
Investment income, net	3,102	-	3,102
Endowment contribution	-	4,344	4,344
Contribution to the Music School	(836)	(5,622)	(6,458)
Appropriation of endowment assets for expenditure	(1,510)	-	(1,510)
<b>Endowment Net Assets</b> , end of year	\$ 4,069	\$ 24,038	\$ 28,107

# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

<i>Year ended December 31, 2020</i>	Restricted for a Specific Purpose	Restricted in Perpetuity	Total
<b>Endowment Net Assets</b> , beginning of year	\$ 2,407	\$ 25,316	\$ 27,723
Investment income, net	2,275	-	2,275
Appropriation of endowment assets for expenditure	(1,369)	-	(1,369)
<b>Endowment Net Assets</b> , end of year	\$ 3,313	\$ 25,316	\$ 28,629

### *Contribution Expense - the Music School*

LGI filed a verified petition with the Supreme Court of the State of New York (the Court) dated July 14, 2021 that sought approval from the Court to transfer endowment and restricted funds used in operating a music school for the visually impaired to the Filomen M. D’Acostino Greenberg Music School, Inc. (the “Music School”). The Music School is a New York State not-for-profit charitable corporation exempt from federal income tax under IRC Section 501(c)(3). LGI sought no consideration for the transfer. The verified petition stated that LGI no longer operated a music school and that the Music School provides music education for the visually impaired and currently carried out school programs previously conducted by LGI. The original donors of the endowment and restricted funds consented and had no objection to the Court for the transfer. The verified petition was approved by the Court, as so ordered, on July 30, 2021. During August, 2021, LGI transferred net assets totaling \$6,458 to the Music School. This transaction is reported as contribution expense in the consolidated statements of operations and changes in net assets.

## **12. Due to/from Third-Party Payors, Due to Providers, Other Contingencies, and Capitation Payments**

GuildNet is responsible to report to various governmental third parties, among which are CMS and NYSDOH. These agencies, as well as the New York State Office of Attorney General’s Medicaid Fraud Control Unit, the Internal Revenue Service, the New York State Office of the Attorney General’s Charities Bureau, OMIG, and other agencies, have the right to audit fiscal, as well as programmatic compliance, clinical documentation, and other areas. As a result of revision to the capitation rates and other changes in estimates, GuildNet recognized a liability of \$23,091 and \$29,882 reported in due to third party payors, net in the consolidated balance sheet for MLTC, FIDA, and MAP at December 31, 2021 and 2020.

### *Capitation Payments for Managed, Long-Term Care Plans (including Partial MLTC, FIDA, and MAP)*

During the year ended December 31, 2021 and 2020, NYSDOH issued revision to rates for years ended on or prior to December 31, 2018. These premium rates retrospectively adjusted premium revenue recognized in prior year statutory basis financial statements and are reflected on both the 2021 and 2020 statutory basis financial statements as retrospective premiums. The rates included adjustments to include, among others, minimum wage funding and high-cost, high-need (HCHN) pool. GuildNet recorded a favorable adjustment as retrospective adjusted premiums of \$7,694 reflected in the consolidated schedule of operations and changes in net assets for the year ended December 31, 2021. GuildNet recorded a favorable adjustment as retrospective adjusted premiums of \$23 reflected in the consolidated schedule of operations and changes in net assets for the year ended December 31, 2020.

# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

### OMIG Audits

OMIG conducts audits of GuildNet's members for capitation paid for retroactively disenrolled members, deceased members, non-eligible members, and other erroneous payments made to GuildNet. A liability in the amount of \$2,718 related to OMIG audits is included in due to third-party payors at both December 31, 2021 and 2020.

### 13. Pension Plans

#### Defined-Benefit Plans

LGI has three defined-benefit pension plans: The Jewish Guild for the Blind Bargaining Unit Employees' Pension Plan (Bargaining), The Jewish Guild for the Blind Non-Bargaining Unit Employees' Pension Plan (Non-Bargaining), and Retirement Plan for Employees of Lighthouse International (Lighthouse Retirement Plan) (collectively, the Plans). No contributions are required from employees. Each plan covers all of its eligible employees and were frozen as of June 30, 2011, 2010, and 2007, respectively.

The following table sets forth the Plans' funded status under U.S. GAAP and amounts recognized in the consolidated balance sheet as of and for the year ended December 31, 2021:

	Bargaining	Non-Bargaining	Lighthouse Retirement Plan
Projected benefit obligation	\$ (25,629)	\$ (23,828)	\$ (41,661)
Plan assets at fair value	23,144	22,922	37,306
<b>Funded Status Recognized in Consolidated Balance Sheet</b>	<b>\$ (2,485)</b>	<b>\$ (906)</b>	<b>\$ (4,355)</b>
Pension cost (income)	\$ (98)	\$ 330	\$ (694)
Employer contributions	2,302	-	1,157
Benefits paid	962	944	3,182
Increase recognized in other changes in net assets without donor restrictions:			
Net actuarial gain	\$ 1,552	\$ 547	\$ 3,253
Impact of settlements and curtailments	84	258	-
Amortization of net actuarial loss	151	120	302
	<b>\$ 1,787</b>	<b>\$ 925</b>	<b>\$ 3,555</b>
Amounts recognized in accumulated net assets without donor restrictions:			
Actuarial loss	\$ (6,166)	\$ (5,249)	\$ (5,993)

The net actuarial loss for the Plans that will be amortized from accumulated net assets without donor restrictions into net periodic pension cost in 2022 is as follows:

Bargaining	\$ 151
Non-Bargaining	120
Lighthouse Retirement Plan	302

# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

The following table sets forth the key actuarial assumptions used by the Plans as of and for the year ended December 31, 2021:

	Bargaining (%)	Non-Bargaining (%)	Lighthouse Retirement Plan (%)
Weighted-average assumptions used for net pension cost:			
Discount rate	2.10	2.05	2.20
Expected return on plan assets	6.75	5.75	6.75
Rate of compensation increase	N/A	N/A	N/A
Discount rate used to calculate the effect of plan settlement as of December 31, 2021			
	2.45	2.70	N/A
Weighted-average assumptions used for pension obligations:			
Discount rate	2.55	2.50	2.60
Expected return on plan assets	N/A	N/A	N/A
Rate of compensation increase	N/A	N/A	N/A

The following table sets forth the Plans' funded status under U.S. GAAP and amounts recognized in the consolidated balance sheets as of and for the year ended December 31, 2020:

	Bargaining	Non-Bargaining	Lighthouse Retirement Plan
Projected benefit obligation	\$ (26,831)	\$ (26,723)	\$ (45,086)
Plan assets at fair value	20,159	21,057	35,324
<b>Funded Status Recognized in Consolidated Balance Sheets</b>			
	\$ (6,672)	\$ (5,666)	\$ (9,762)
Pension cost (income)	\$ 677	\$ 854	\$ (161)
Employer contributions	1,626	-	2,329
Benefits paid	918	989	3,116
Increase recognized in other changes in net assets without donor restrictions:			
Net actuarial loss	\$ (636)	\$ (947)	\$ (836)
Impact of settlements and curtailments	453	205	-
Amortization of net actuarial loss	209	693	271
	\$ 26	\$ (49)	\$ (565)
Amounts recognized in accumulated net assets without donor restrictions:			
Actuarial loss	\$ (7,953)	\$ (6,175)	\$ (9,547)

The net actuarial loss for the Plans that will be amortized from accumulated net assets without donor restrictions into net periodic pension cost in 2021 is as follows:

Bargaining	\$	209
Non-Bargaining		693
Lighthouse Retirement Plan		271

# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

The following table sets forth the key actuarial assumptions used by the Plans as of and for the year ended December 31, 2020:

	Bargaining (%)	Non-Bargaining (%)	Lighthouse Retirement Plan (%)
Weighted-average assumptions used for net pension cost:			
Discount rate	3.00	2.95	3.05
Expected return on plan assets	6.75	5.75	6.75
Rate of compensation increase	N/A	N/A	N/A
Discount rate used to calculate the effect of plan settlement as of December 31, 2020			
	2.30	2.20	N/A
Weighted-average assumptions used for pension obligations:			
Discount rate	2.10	2.05	2.20
Expected return on plan assets	N/A	N/A	N/A
Rate of compensation increase	N/A	N/A	N/A

The following tables present the Plans' assets, including the level in the fair value hierarchy for assets measured at fair value on a recurring basis:

December 31,	2021		2020	
	Total	Level 2	Total	Level 2
<b>Bargaining Plan Assets</b>				
Common collective trust	\$ 23,108	\$ 23,108	\$ 20,022	\$ 20,022
<b>Total Investments Measured at Fair Value</b>	<b>23,108</b>	<b>\$ 23,108</b>	20,022	<b>\$ 20,022</b>
Alternative investments measured at NAV (or equivalent)	48		135	
Net accrued income and expenses	(12)		2	
<b>Bargaining Plan Total</b>	<b>\$ 23,144</b>		<b>\$ 20,159</b>	

December 31,	2021		2020	
	Total	Level 2	Total	Level 2
<b>Non-Bargaining Plan Assets</b>				
Common collective trust	\$ 22,844	\$ 22,844	\$ 20,776	\$ 20,776
<b>Total Investments Measured at Fair Value</b>	<b>22,844</b>	<b>\$ 22,844</b>	20,776	<b>\$ 20,776</b>
Alternative investments measured at NAV (or equivalent)	90		271	
Net accrued income and expenses	(12)		10	
<b>Non-Bargaining Plan Total</b>	<b>\$ 22,922</b>		<b>\$ 21,057</b>	

# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

### *December 31, 2021*

	Total	Level 1	Level 2
<b>Lighthouse Retirement Plan Assets</b>			
Cash and cash equivalents	\$ 1	\$ 1	\$ -
Equity securities	3	3	-
Common collective trust	37,324	-	37,324
<b>Total Investments Measured at Fair Value</b>	<b>37,328</b>	<b>\$ 4</b>	<b>\$ 37,324</b>
Alternative investments measured at NAV (or equivalent)	-		
Net accrued income and expenses	(22)		
<b>Total</b>	<b>\$ 37,306</b>		

### *December 31, 2020*

	Total	Level 1	Level 2
<b>Lighthouse Retirement Plan Assets</b>			
Cash and cash equivalents	\$ 1	\$ 1	\$ -
Equity securities	2	2	-
Common collective trust	35,330	-	35,330
<b>Total Investments Measured at Fair Value</b>	<b>35,333</b>	<b>\$ 3</b>	<b>\$ 35,330</b>
Alternative investments measured at NAV (or equivalent)	1		
Net accrued income and expenses	(10)		
<b>Total</b>	<b>\$ 35,324</b>		

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# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

### Plans' Assets - Alternative Investments

#### December 31, 2021

	Bargaining	Non-Bargaining	Lighthouse Retirement Plan	Redemption Frequency	Redemption Notice Period (Days)
Multi-strategy hedge <sup>(a)</sup>	\$ 27	\$ 55	\$ -	Semi-annually	90
Private equity <sup>(b)</sup>	-	-	-	Illiquid	N/A
Limited partnership <sup>(c)</sup>	21	35	-	Quarterly	0-60
<b>Total</b>	<b>\$ 48</b>	<b>\$ 90</b>	<b>\$ -</b>		

#### December 31, 2020

	Bargaining	Non-Bargaining	Lighthouse Retirement Plan	Redemption Frequency	Redemption Notice Period (Days)
Multi-strategy hedge <sup>(a)</sup>	\$ 116	\$ 240	\$ -	Semi-annually	90
Private equity <sup>(b)</sup>	-	-	-	Illiquid	N/A
Limited partnership <sup>(c)</sup>	19	31	1	Quarterly	0-60
<b>Total</b>	<b>\$ 135</b>	<b>\$ 271</b>	<b>\$ 1</b>		

There are no unfunded commitments as of December 31, 2021 or 2020.

- (a) *Multi-Strategy Hedge* - Investments are typically focused in credit, market neutral, global macro, and arbitrage strategies. In combination, these strategies are designed to produce a consistent return stream with volatility modestly higher than a diversified core, high-quality, and fixed-income portfolio. Multi-strategy funds would, therefore, be utilized as a complement to the traditional fixed-income allocation.
- (b) *Private Equity* - Private equity consists of investments directly into private companies, or buyouts of public companies that result in a delisting of public equity. Other strategies involve investing in the secondary markets and coinvesting into private companies. Private equity is not quoted on a public exchange and is illiquid in nature.
- (c) *Limited Partnership* - Investments are primarily in marketable equity securities; debt instruments, convertible securities; options, warrants, futures, swaps, and other derivatives; and nonpublic securities for the benefit of tax-exempt U.S. persons.

JGB's investment policies are designed to ensure adequate plan assets are available to provide future payments of pension benefits to eligible participants of the Bargaining and Non-Bargaining plans. JGB formulates its investment portfolio at the discretion of the investment committee in conjunction with actuaries and investment advisors, taking into account long-term expectations for future returns, investment strategy, and cash demands on the plans. Amounts are compared to historical averages for reasonableness. JGB's target plan assets allocations are 60% equity, 32% fixed income, and 8% alternative investments.

# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

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The Lighthouse's investment policies are designed to improve the Lighthouse Retirement Plan's funded status and to mitigate funded status volatility. The Lighthouse sets target allocations of assets at the discretion of the investment committee in conjunction with investment advisors to achieve this goal. Amounts are compared to benchmarks of the funds in the portfolio for reasonableness. The Lighthouse's target plan assets allocations are 37% equity, 60% fixed income, and 3% alternative investments.

### ***Cash Flows***

#### *Contribution*

The Bargaining and Non-Bargaining pension plans are on a June 30 fiscal year-end. The Lighthouse Retirement Plan is on a December 31 calendar year-end. In January 2021, JGB elected to make an additional discretionary contribution of \$4,164 into the Plan.

#### *Estimated Future Benefit Payments*

Benefit payments are expected to be paid as follows:

Year Ending December 31,	Bargaining	Non-Bargaining	Lighthouse Retirement Plan
2022	\$ 3,035	\$ 2,465	\$ 3,198
2023	1,840	1,667	3,120
2024	1,690	1,714	3,044
2025	1,480	1,719	2,952
2026	1,495	2,040	2,880
2027-2031	7,313	7,295	12,714

### ***Defined-Contribution Plan***

LGI has a defined-contribution 403(b) plan, for all eligible employees. The expense for the years ended December 31, 2021 and 2020 was \$762 and \$834, respectively.

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# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

### 14. Postretirement Medical Benefit Plans

JGB has noncontributory postretirement medical benefit plans for non-bargaining unit employees hired prior to November 1994 and bargaining unit employees who are members of 1199 SEIU United Healthcare Workers East. The following table sets forth the two plans' combined unfunded status and amounts recognized in the consolidated balance sheets:

<i>December 31,</i>	<b>2021</b>		<b>2020</b>	
Benefit obligation	\$	(1,150)	\$	(1,185)
Fair value of plan assets		-		-
<b>Unfunded Status</b>	<b>\$</b>	<b>(1,150)</b>	<b>\$</b>	<b>(1,185)</b>
Amounts recognized in the consolidated balance sheets:				
Current liability	\$	(74)	\$	(81)
Long-term liability		(1,076)		(1,104)
	<b>\$</b>	<b>(1,150)</b>	<b>\$</b>	<b>(1,185)</b>
Net periodic benefit expense	\$	(54)	\$	(170)
Employer contributions		76		73
Benefits paid		76		73
Decrease recognized in other changes in net assets without donor restrictions:				
Net actuarial loss	\$	(4)	\$	(331)
Prior service credit		60		92
Effect of curtailment		-		(2)
Amortization of net actuarial gain		(58)		(104)
	<b>\$</b>	<b>(2)</b>	<b>\$</b>	<b>(345)</b>
Amounts recognized in accumulated net assets without donor restrictions:				
Prior service credit	\$	60	\$	92
Actuarial gain		702		764
	<b>\$</b>	<b>762</b>	<b>\$</b>	<b>856</b>

The net actuarial gain and prior-service credit that will be amortized from net assets without donor restrictions into net periodic benefit cost in 2022 are \$64 and \$58, respectively.

During 2021, there were no active participants that were terminated from the Bargaining Unit plan prior to being eligible for postretirement health care benefits, therefore, there were variances in expected future working lifetime and benefit obligation for the year ended December 31, 2021.

During 2020, 13 active participants were terminated from the Bargaining Unit plan prior to being eligible for postretirement health care benefits, resulting in a decrease in expected future working lifetime of approximately 24%. This event has been accounted for as a curtailment and resulted in a decrease in the benefit obligation of approximately \$69 for the year ended December 31, 2020.

# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

Weighted-average assumptions:

<i>December 31,</i>	2021 (%)	2020 (%)
Discount rate:		
Used for benefit obligation, bargaining	2.70	2.40
Used for benefit obligation, non-bargaining	2.55	2.10
Used for net benefit cost, bargaining	2.40	3.15
Used for net benefit cost, non-bargaining	2.10	2.95
Healthcare cost trend assumed for next year	4.70	1.70

As of December 31, 2021 and 2020, the liability for the Bargaining plan was remeasured at 2.7% and 2.4%, respectively, as a result of the curtailment.

The healthcare cost trend rate is assumed to change annually until the ultimate rate of 4.00% is reached in 2074 for the Bargaining plan and 3.9% for the Non-Bargaining plan.

Benefit payments expected to be paid are as follows:

<i>Year ending December 31,</i>		
2022	\$	74
2023		75
2024		75
2025		74
2026		72
2027-2031		354

## 15. Regulatory Requirements

### *New York State Regulatory Requirements*

GuildNet is required to maintain an escrow account for the protection of enrollees. The escrow account shall be adjusted annually by the last day of March of each calendar year and shall be equal to the greater of 5% of the unaudited management projections of medical expenses for the subsequent year or \$100,000.

NYSDOH requires the escrow deposit to be invested in accordance with Section 1404(a) of the New York Insurance Law. GuildNet has requested and is approved for withdrawal of certain escrow funds to meet obligations during the wind-down process. As of December 31, 2021, \$8,893 is pending approval.

### *CMS Regulatory Requirements*

Organizations contracting with CMS for Medicare Advantage and certain other programs are required to satisfy all applicable state licensure and state and CMS fiscal soundness requirements. Those requirements help protect Medicare beneficiaries from potential harm and make sure that organizations contracting with CMS are financially viable. CMS monitors an organization's compliance with fiscal soundness requirements.

# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

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The following specific condition results in a “does not meet” fiscal soundness review: a negative net income (loss), which is greater than ½ of the entity’s net worth. GuildNet is not in compliance with this condition.

### 16. Commitments and Contingencies

#### *Operating Leases*

LGI rents space at various locations. In February 2016, LGI signed a ten-year lease agreement for additional space in New York City. Rent expense is recorded based on the terms of the various lease agreements.

During the years 2017 and 2018, GuildNet ceased use of leased facilities in Melville, Long Island and Brooklyn, New York. Remaining lease obligations of \$4,031 for these facilities were recorded as accounts payable and accrued expenses as of December 2018. During 2019, GuildNet negotiated releases for such lease obligations for a value lower than the remaining obligations. As a result, a gain of \$2,739 was realized and recorded as credit to the rental expense.

In 2019, GuildNet ceased use of a leased facility at 57<sup>th</sup> street in New York, New York. The remaining lease obligation of \$17,250 was recorded as rental expense and liability in accounts payable and accrued expenses at December 31, 2019. As of December 31, 2021, the remaining lease obligation is \$12,759. In April 2020, LGI signed a seven-year agreement to sublet a portion of the space at 57<sup>th</sup> street with rent commencing January 1, 2021. Rental income of \$1,192 is recognized as other revenue in the consolidated statement of operations and changes in net assets for the period ended December 31, 2021.

Rent expense, including in-kind rent, was \$329 and \$(237) for 2021 and 2020, respectively.

The following are the future minimum rental payments required under operating leases that have initial or remaining lease terms in excess of one year:

#### *Year ending December 31,*

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2022	\$	2,780
2023		2,798
2024		2,700
2025		2,704
2026		2,692
Thereafter		1,287
<b>Total Lease Commitments</b>	<b>\$</b>	<b>14,961</b>

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#### *Litigation*

LGI is subject to various legal proceedings and claims that arise in the ordinary course of business, inclusive of failure to timely or appropriately pay or administer claims and minimum wage distributions. However, based upon available information, management believes that ultimately, they will not have a material adverse impact on the financial position.

# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

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### *Letter of Credit*

LGI has a letter of credit of \$1,093 with City National Bank that expires on July 31, 2027. As of December 31, 2021 and 2020, this letter of credit remained undrawn.

### **17. Beneficial Interest in Trusts**

LGI has irrevocable remainder interests in various trust agreements established by donors. The assets are under the control of third-party trustees who act as a fiduciary of the assets and, upon the death of the annuitants or income beneficiaries, distribute the assets to LGI and other named beneficiaries. Using the age of the surviving beneficiaries, actuarial life expectancy tables, the assets in the trusts and conservative investment return, and discount rate assumption of 2.0%, LGI determined the present value of its future irrevocable interest in these trusts to be \$3,591 and \$3,297 at December 31, 2021 and 2020, respectively. The amounts are recorded in other assets on the consolidated balance sheets.

The Guild and the Lighthouse are income beneficiaries of various trust funds held in perpetuity by others. As a result, the Guild and the Lighthouse have recorded assets based upon their respective percentage interest in the fair value of the underlying assets of the trusts, which, at the trust level, are predominantly Level 3 investments. See Note 3 for the discussion of LGI's policies regarding the fair value hierarchy, in accordance with ASC 820. Changes to the estimated net present value of income to be received are recognized as gains or losses in net assets with donor restrictions in the accompanying consolidated statements of operations and changes in net assets. During the years ended December 31, 2021 and 2020, the change in present value and unrealized gain or loss on the beneficial interest in perpetual trusts amounted to \$1,212 and \$1,311, respectively. The present value of the trust funds as of December 31, 2021 and 2020 is \$14,935 and \$13,723, respectively, and is recorded in beneficial interest in perpetual trusts.

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# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

### 18. Split-Interest Agreements

LGI has numerous split-interest agreements, which include various charitable gift annuities and beneficial interests in trusts. The interest rates used to determine the discount range from 2.0% to 7.25%.

The consolidated statements of operations and changes in net assets and the consolidated balance sheets include the various split-interest agreements at fair market value, as follows:

#### *December 31, 2021*

	Charitable Gift Annuities - Net Assets Without Donor Restrictions	Trusts - Net Assets with Donor Restrictions
Consolidated statements of operations and changes in net assets:		
Change in value of annuity obligations	\$ 80	\$ -
Actuarial gain on beneficial interest in trusts	-	327
Consolidated balance sheets:		
Investments	\$ 5,436	\$ -
Beneficial interest in irrevocable trusts (other assets)	-	3,591
Annuity obligations	1,454	-

#### *December 31, 2020*

	Charitable Gift Annuities - Net Assets Without Donor Restrictions	Trusts - Net Assets with Donor Restrictions
Consolidated statements of operations and changes in net assets:		
Change in value of annuity obligations	\$ (156)	\$ -
Actuarial gain on beneficial interest in trusts	-	274
Consolidated balance sheets:		
Investments	\$ 5,065	\$ -
Beneficial interest in irrevocable trusts (other assets)	-	3,297
Annuity obligations	1,772	-

### 19. Claims Payable

GuildNet has discontinued operations from all service areas, effective January 1, 2019. As of December 31, 2021, GuildNet has reported total claims payable of \$6,116 which has remained unchanged from the prior year. During the year ended December 31, 2021, GuildNet did not incur any expense related to prior year nor current year claim activity and no claims were submitted for payment. There were no significant changes in methodologies or assumptions used in the calculation of the liability for the year ended December 31, 2021.

# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

Claims payable include a \$5,099 settlement with EmblemHealth, Inc. (Emblem) that was finalized in October 2019, for years 2018 and prior. In addition, as part of the settlement with Emblem, GuildNet segregated out \$1,067 in cash funds due to a cancellation of a letter of credit with Emblem that is limited as to use.

### 20. Liquidity and Availability of Resources

The tables below include the financial assets and liquidity resources available to fund general expenditures due within one year for GuildNet on a stand-alone basis, and all other LGI operations.

#### December 31, 2021

	LGI, Excluding GuildNet	GuildNet	Total
Cash and cash equivalents	\$ 7,454	\$ 9,442	\$ 16,896
Investments, current portion	323,329	-	323,329
Accounts receivable, net	1,852	-	1,852
Statutory reserve assets	-	8,893	8,893
	\$ 332,635	\$ 18,335	\$ 350,970

#### December 31, 2020

	LGI, Excluding GuildNet	GuildNet	Total
Cash and cash equivalents	\$ 10,067	\$ 9,093	\$ 19,160
Investments, current portion	309,521	-	309,521
Accounts receivable, net	1,661	-	1,661
Statutory reserve assets	-	8,891	8,891
	\$ 321,249	\$ 17,984	\$ 339,233

LGI and GuildNet manage their liquidity by developing and adopting annual operating and capital budgets that provide funds for general expenditures. Cash in excess of daily requirements is invested in current investments. Cash and cash equivalents, investments, and current receivables are the primary liquid resources. GuildNet has requested release of the statutory reserve assets from NYSDOH, and the remaining balances in escrow funds as of December 31, 2021 and 2020 are \$8,893 and \$8,891, respectively. LGI also has \$30,000 available under a revolving note as of December 31, 2021 and 2020. The revolving note expires on July 1, 2022. In addition, LGI has private equity investments of \$59,483 classified as long-term assets that, although not traded on public markets, a private buyer could be identified should the funds be required for operations.

GuildNet's licenses with the State of New York require segregation of its assets. Therefore, LGI manages its cash, investments, and other resources in separate cash and investment accounts.

### 21. Functional Expenses

The costs of providing the various program services and other activities have been summarized below. Managed care includes GuildNet. Provider services include Rehab, EDS, MHS, NAPVI, and GBGB. Expenses directly attributable to a specific functional area of LGI (e.g., managed care or

# Lighthouse Guild International, Inc. and Affiliates

## Notes to Consolidated Financial Statements (in thousands)

provider services) are reported as expenses of those functional areas. The majority of expenses are directly identified with the program or supporting services to which they relate and are charged accordingly. Other direct expenses have been allocated to the programs on the basis of square footage of office space occupied, time reports, and other bases determined by the management of LGI. Expenses by functional classification consist of the following:

### *Year ended December 31, 2021*

	Managed Care	Program Services	Management and General	Total
Salaries and benefits	\$ (55)	\$ 7,959	\$ 10,216	\$ 18,120
Purchased services and other	-	2,352	3,688	6,040
Rent and occupancy	-	942	567	1,509
Depreciation and amortization	-	49	4,907	4,956
Interest	-	467	3,920	4,387
<b>Total</b>	<b>\$ (55)</b>	<b>\$ 11,769</b>	<b>\$ 23,298</b>	<b>\$ 35,012</b>

### *Year ended December 31, 2020*

	Managed Care	Program Services	Management and General	Total
Salaries and benefits	\$ 55	\$ 10,512	\$ 13,472	\$ 24,039
Purchased services and other	(10)	3,737	6,260	9,987
Rent and occupancy	-	1,890	(1,345)	545
Depreciation and amortization	-	103	5,243	5,346
Interest	-	697	4,441	5,138
<b>Total</b>	<b>\$ 45</b>	<b>\$ 16,939</b>	<b>\$ 28,071</b>	<b>\$ 45,055</b>

## 22. Subsequent Events

LGI's management has performed subsequent event procedures through May 13, 2022, which is the date the consolidated financial statements were available to be issued. Other than events disclosed below, there were no other subsequent events requiring adjustment to the consolidated financial statements or disclosures as stated herein.

On February 11, 2022, GuildNet received approval from the NYSDOH to release the remaining escrow monies, totaling \$8,893. A portion of the released escrow was utilized to pay the settlement with Emblem (Note 20) in the amount of \$5,099 on February 15, 2022.

On April 21, 2022, OMIG provided GuildNet with the final settlement amount in relation to their audits being conducted as further described in Note 12. The total settlement amount due and payable to the NYSDOH by May 21, 2022 is \$2,337.

The outstanding balance on the Note, terms and conditions further described in Note 8, totaled \$79,300 as of December 31, 2021. The Note matures on July 1, 2022, at which time the outstanding balance plus accrued interest are to be paid in full. LGI and the bank have begun discussions to extend the Note. The outstanding balance is reported as a current liability on the consolidated balance sheets.

## Supplemental Schedules

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# Lighthouse Guild International, Inc. and Affiliates

## Consolidating Balance Sheet (In thousands)

December 31, 2021

	Lighthouse Guild International, Inc.	Jewish Guild Healthcare and Affiliates	Lighthouse International	J.G.B. Rehabilitation Corporation	J.G.B. Mental Health & Mental Retardation Services, Inc.	Greater Boston Guild for the Blind, Inc. & Affiliate	80 WEA Leasehold Condominium	Eliminations	Subtotal	GuildNet, Inc.	Eliminations	Total
<b>Assets</b>												
<b>Current Assets</b>												
Cash and cash equivalents	\$ 5,293	\$ 282	\$ 644	\$ 608	\$ 337	\$ -	\$ 290	\$ -	\$ 7,454	\$ 9,442	\$ -	\$ 16,896
Asset limited to use	-	-	-	-	-	-	-	-	-	1,067	-	1,067
Investments, current portion	315,191	5,642	4,580	-	-	-	-	-	325,413	-	-	325,413
Accounts receivable, net	-	675	44	655	137	-	341	-	1,852	-	-	1,852
Prepaid expenses and other current assets	2,616	101	8	101	8	-	-	-	2,834	10	-	2,844
Statutory reserve assets	-	-	-	-	-	-	-	-	-	8,893	-	8,893
Due from LGI endowment investment pool	-	8,332	15,575	-	-	131	-	(24,038)	-	-	-	-
<b>Total Current Assets</b>	<b>323,100</b>	<b>15,032</b>	<b>20,851</b>	<b>1,364</b>	<b>482</b>	<b>131</b>	<b>631</b>	<b>(24,038)</b>	<b>337,553</b>	<b>19,412</b>	<b>-</b>	<b>356,965</b>
Endowment Investments	24,038	-	-	-	-	-	-	-	24,038	-	-	24,038
Beneficial interest in perpetual trusts	-	716	14,219	-	-	-	-	-	14,935	-	-	14,935
Investment, net of current portion	90,505	-	-	-	-	-	-	-	90,505	-	-	90,505
Fixed Assets, Net	113,001	68	10	1,020	87	-	-	-	114,186	-	-	114,186
Other Assets	710	1,439	3,418	-	-	-	-	-	5,567	-	-	5,567
<b>Total Assets</b>	<b>\$ 551,354</b>	<b>\$ 17,255</b>	<b>\$ 38,498</b>	<b>\$ 2,384</b>	<b>\$ 569</b>	<b>\$ 131</b>	<b>\$ 631</b>	<b>\$ (24,038)</b>	<b>\$ 586,784</b>	<b>\$ 19,412</b>	<b>\$ -</b>	<b>\$ 606,196</b>
<b>Liabilities and Net Assets (Deficit)</b>												
<b>Current Liabilities</b>												
Accounts payable and accrued expenses	\$ 15,728	\$ 465	\$ 1,088	\$ 442	\$ 12	\$ -	\$ 87	\$ -	\$ 17,822	\$ 234	\$ -	\$ 18,056
Claims payable	-	-	-	-	-	-	-	-	-	6,116	-	6,116
Accrued salaries and related expenses	383	1,616	-	-	-	-	-	-	1,999	-	-	1,999
Due to third-party payers, net	-	2	2	100	135	-	-	-	239	25,809	-	26,048
Current portion of notes payable	79,300	-	-	-	-	-	-	-	79,300	-	-	79,300
Current portion of capital lease payable	1,194	-	-	-	-	-	-	-	1,194	-	-	1,194
Current portion of accrued pension and postretirement medical benefits	-	74	-	-	-	-	-	-	74	-	-	74
Current portion of annuity obligations	-	200	100	-	-	-	-	-	300	-	-	300
Other current liabilities	371	37	7	138	247	-	-	-	800	-	-	800
Due to JGB and the Lighthouse endowment fund	24,038	-	-	-	-	-	-	(24,038)	-	-	-	-
<b>Total Current Liabilities</b>	<b>121,014</b>	<b>2,394</b>	<b>1,197</b>	<b>680</b>	<b>394</b>	<b>-</b>	<b>87</b>	<b>(24,038)</b>	<b>101,728</b>	<b>32,159</b>	<b>-</b>	<b>133,887</b>
<b>Long-Term Liabilities</b>												
Loan payable - Paycheck Protection Program	110,321	-	-	-	-	-	-	-	110,321	-	-	110,321
Accrued pension and postretirement medical benefits, net of current portion	-	4,467	4,356	-	-	-	-	-	8,823	-	-	8,823
Annuity obligations, net of current portion	-	786	369	-	-	-	-	-	1,155	-	-	1,155
Subordinated surplus note	-	-	-	-	-	-	-	-	-	47,089	(47,089)	-
Subordinated surplus note interest payable	-	-	-	-	-	-	-	-	-	12,278	(12,278)	-
Due to (from) affiliates	147,601	(51,281)	(24,895)	105,989	36,097	-	544	(249,446)	(35,391)	35,391	-	-
<b>Total Liabilities</b>	<b>378,936</b>	<b>(43,634)</b>	<b>(18,973)</b>	<b>106,669</b>	<b>36,491</b>	<b>-</b>	<b>631</b>	<b>(273,484)</b>	<b>186,636</b>	<b>126,917</b>	<b>(59,367)</b>	<b>254,186</b>
<b>Net Assets (Deficit)</b>	<b>172,418</b>	<b>60,889</b>	<b>57,471</b>	<b>(104,285)</b>	<b>(35,922)</b>	<b>131</b>	<b>-</b>	<b>249,446</b>	<b>400,148</b>	<b>(107,505)</b>	<b>59,367</b>	<b>352,010</b>
<b>Total Liabilities and Net Assets (Deficit)</b>	<b>\$ 551,354</b>	<b>\$ 17,255</b>	<b>\$ 38,498</b>	<b>\$ 2,384</b>	<b>\$ 569</b>	<b>\$ 131</b>	<b>\$ 631</b>	<b>\$ (24,038)</b>	<b>\$ 586,784</b>	<b>\$ 19,412</b>	<b>\$ -</b>	<b>\$ 606,196</b>

See accompanying independent auditors report.

**Lighthouse Guild International, Inc. and Affiliates**  
**Consolidating Schedule of Operations and Changes in Net Assets**  
(In thousands)

For the year ended December 31, 2021

	Lighthouse Guild International, Inc.	Jewish Guild Healthcare and Affiliates	Lighthouse International	J.G.B. Rehabilitation Corporation	J.G.B. Mental Health & Mental Retardation Services, Inc.	Greater Boston Guild for the Blind, Inc. & Affiliate	Eliminations	Subtotal	GuildNet, Inc.	Eliminations	Total
<b>Revenue and Other Support from Operations</b>											
Program revenue	\$ -	\$ 2,524	\$ 296	\$ -	\$ -	\$ -	\$ -	\$ 2,820	\$ -	\$ -	\$ 2,820
Capitation retrospective premiums	-	-	-	-	-	-	-	-	7,694	-	7,694
Net patient service revenue	-	-	-	3,184	1,452	-	-	4,636	-	-	4,636
Other revenue	2,221	2,001	13	1,996	10	-	(2,556)	3,685	5	-	3,690
<b>Total Revenue and Other Support from Operations</b>	<b>2,221</b>	<b>4,525</b>	<b>309</b>	<b>5,180</b>	<b>1,462</b>	<b>-</b>	<b>(2,556)</b>	<b>11,141</b>	<b>7,699</b>	<b>-</b>	<b>18,840</b>
<b>Operating Expenses</b>											
Program services:											
Provider services	194	3,740	452	4,456	2,872	-	-	11,714	-	-	11,714
<b>Total Program Services</b>	<b>194</b>	<b>3,740</b>	<b>452</b>	<b>4,456</b>	<b>2,872</b>	<b>-</b>	<b>-</b>	<b>11,714</b>	<b>-</b>	<b>-</b>	<b>11,714</b>
Supporting services:											
Management and general	16,790	1,229	69	4,271	1,044	-	-	23,403	2,451	(2,556)	23,298
<b>Total Operating Expenses</b>	<b>16,984</b>	<b>4,969</b>	<b>521</b>	<b>8,727</b>	<b>3,916</b>	<b>-</b>	<b>-</b>	<b>35,117</b>	<b>2,451</b>	<b>(2,556)</b>	<b>35,012</b>
<b>Excess (Deficiency) of Revenue and Other Support from Operations Over (Under) Expense</b>	<b>(14,763)</b>	<b>(444)</b>	<b>(212)</b>	<b>(3,547)</b>	<b>(2,454)</b>	<b>-</b>	<b>(2,556)</b>	<b>(23,976)</b>	<b>5,248</b>	<b>2,556</b>	<b>(16,172)</b>
<b>Nonoperating Revenues, Gains (Losses), and Other Support (Expense)</b>											
Contributions and grants	2,140	72	192	378	-	-	-	2,782	-	-	2,782
Special events, net	199	-	-	-	-	-	-	199	-	-	199
Legacies and bequests	3,349	667	5,807	-	-	-	-	9,823	-	-	9,823
Interest and dividend income, net	7,347	298	229	-	-	-	-	7,874	(38)	-	7,836
Net realized and unrealized gain on investments	54,481	2,113	2,347	-	-	-	-	58,941	-	-	58,941
Distributions from perpetual trusts	-	9	444	-	-	-	-	453	-	-	453
Loss on disposal of fixed assets	(64)	-	-	-	-	-	-	(64)	-	-	(64)
Change in value of annuity obligations	-	(129)	209	-	-	-	-	80	-	-	80
Change in value of beneficial interest in trusts	-	108	1,430	-	-	-	-	1,538	-	-	1,538
Pension and postretirement benefit changes other than net periodic benefit cost	-	1,924	4,249	-	-	-	-	6,173	-	-	6,173
Gain on forgiveness of debt	3,345	-	-	-	-	-	-	3,345	-	-	3,345
Contribution expense	-	-	(6,458)	-	-	-	-	(6,458)	-	-	(6,458)
(Loss) Gain on related party forgiveness of debt	253,497	(130,798)	(122,699)	-	-	-	-	-	-	-	-
Reserve for affiliates	(35,861)	(23,497)	-	-	-	-	59,358	-	-	-	-
Intercompany program support	(13,776)	2,717	1,968	5,911	3,180	-	-	-	-	-	-
<b>Total Nonoperating Revenue, Gains (Losses), and Other Support (Expense)</b>	<b>274,657</b>	<b>(146,516)</b>	<b>(112,282)</b>	<b>6,289</b>	<b>3,180</b>	<b>-</b>	<b>59,358</b>	<b>84,686</b>	<b>(38)</b>	<b>-</b>	<b>84,648</b>
<b>Change in Net Assets</b>	<b>259,894</b>	<b>(146,960)</b>	<b>(112,494)</b>	<b>2,742</b>	<b>726</b>	<b>-</b>	<b>56,802</b>	<b>60,710</b>	<b>5,210</b>	<b>2,556</b>	<b>68,476</b>
<b>Net Assets (Deficit), beginning of year</b>	<b>(87,476)</b>	<b>207,849</b>	<b>169,965</b>	<b>(107,027)</b>	<b>(36,648)</b>	<b>131</b>	<b>192,644</b>	<b>339,438</b>	<b>(112,715)</b>	<b>56,811</b>	<b>283,534</b>
<b>Net Assets (Deficit), end of year</b>	<b>\$ 172,418</b>	<b>\$ 60,889</b>	<b>\$ 57,471</b>	<b>\$ (104,285)</b>	<b>\$ (35,922)</b>	<b>\$ 131</b>	<b>\$ 249,446</b>	<b>\$ 400,148</b>	<b>\$ (107,505)</b>	<b>\$ 59,367</b>	<b>\$ 352,010</b>

See accompanying independent auditors report.

**Lighthouse Guild International, Inc. and Affiliates**  
**Consolidating Schedule of Operations and Change in Net Assets by Program**  
(In thousands)

*For the year ended December 31, 2021*

	GuildCare	Health Center	Rehabilitation	Behavioral Health	Total Lighthouse Guild Vision and Health	Lighthouse Guild Research Awards & Technology	Corporate and Endowment	Total
<b>Revenue</b>								
Program revenue	\$ 2,200	\$ 1,298	\$ 2,666	\$ 980	\$ 7,144	\$ 5	\$ 20	\$ 7,169
Contributions and grants	1	376	140	-	517	246	2,999	3,762
Legacies and gifts	-	-	-	-	-	45	9,778	9,823
Investment income	-	-	-	-	-	-	66,777	66,777
Intercompany program support	935	4,976	2,717	3,180	11,808	1,968	(13,776)	-
<b>Total Revenue</b>	<b>3,136</b>	<b>6,650</b>	<b>5,523</b>	<b>4,160</b>	<b>19,469</b>	<b>2,264</b>	<b>65,798</b>	<b>87,531</b>
<b>Expenses</b>								
Direct program expenses	2,037	2,947	2,827	1,968	9,779	1,581	1,352	12,712
Rent expense	417	931	511	421	2,280	98	6,138	8,516
Support services	656	1,594	1,245	1,044	4,539	279	7,061	11,879
<b>Total Expenses</b>	<b>3,110</b>	<b>5,472</b>	<b>4,583</b>	<b>3,433</b>	<b>16,598</b>	<b>1,958</b>	<b>14,551</b>	<b>33,107</b>
<b>Total Surplus</b>	<b>26</b>	<b>1,178</b>	<b>940</b>	<b>727</b>	<b>2,871</b>	<b>306</b>	<b>51,247</b>	<b>54,424</b>
GuildNet	-	-	-	-	-	-	7,894	7,894
Federal stimulus payment	443	1,101	-	-	1,544	-	-	1,544
Gain (loss) on impairment of fix assets	-	-	-	-	-	-	(64)	(64)
Change in value of annuity and trust obligations	-	-	-	-	-	-	1,618	1,618
Pension and postretirement benefit changes other than net periodic benefit cost	-	-	-	-	-	-	6,173	6,173
Payment Protection Plan loan forgiveness	-	-	-	-	-	-	3,345	3,345
Contribution expense	-	-	-	-	-	-	(6,458)	(6,458)
<b>Change in Net Assets</b>	<b>\$ 469</b>	<b>\$ 2,279</b>	<b>\$ 940</b>	<b>\$ 727</b>	<b>\$ 4,415</b>	<b>\$ 306</b>	<b>\$ 63,755</b>	<b>\$ 68,476</b>