

**LUTHERAN CHILD AND FAMILY SERVICES
OF ILLINOIS AND AFFILIATES**

CONSOLIDATED FINANCIAL STATEMENTS

**YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR
YEAR ENDED JUNE 30, 2024)**



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LUTHERAN CHILD AND FAMILY SERVICES OF ILLINOIS AND AFFILIATES
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(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2024)

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Lutheran Child and Family Services of Illinois and Affiliates
Oakbrook Terrace, Illinois

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Lutheran Child and Family Services of Illinois and Affiliates, which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year 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 financial position of Lutheran Child and Family Services of Illinois and Affiliates as of June 30, 2025, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Lutheran Child and Family Services of Illinois and Affiliates 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.

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 Lutheran Child and Family Services of Illinois and Affiliates' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' 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 auditors' 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:

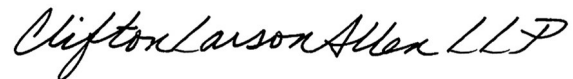
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures 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 Lutheran Child and Family Services of Illinois and Affiliates' 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 Lutheran Child and Family Services of Illinois and Affiliates' 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.

Board of Trustees
Lutheran Child and Family Services of Illinois and Affiliates

Report on Summarized Comparative Information

We have previously audited Lutheran Child and Family Services of Illinois and Affiliates' 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated March 14, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.



CliftonLarsonAllen LLP

Oak Brook, Illinois
February 12, 2026

LUTHERAN CHILD AND FAMILY SERVICES OF ILLINOIS AND AFFILIATES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	2025	2024
ASSETS		
Cash and Cash Equivalents	\$ 4,628,208	\$ 7,764,159
Accounts Receivable, Net	5,188,246	5,722,768
Contributions Receivable, Net	678,910	965,590
Prepaid Expenses	1,178,134	365,392
Investments	14,158,289	11,194,929
Operating Right-of-Use Assets	5,448,996	4,814,006
Property and Equipment, Net	3,594,279	5,050,124
Other Assets	97,429	123,436
Net Pension Asset	-	709,958
Cash Held for Long-Term Purposes - Endowments	-	150,000
Beneficial Interests in Perpetual Trusts	5,372,438	5,006,203
	\$ 40,344,929	\$ 41,866,565
Total Assets		
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 1,464,123	\$ 219,719
Accrued Expenses	2,443,995	4,220,717
Operating Lease Liabilities	5,765,494	5,147,507
Long-Term Debt	-	2,379,770
Deferred Revenue	6,050,508	5,966,984
Other Liabilities	313,997	401,243
Total Liabilities	16,038,117	18,335,940
NET ASSETS		
Without Donor Restrictions:		
Other	17,269,799	15,850,298
Net Actuarial Pension Loss	-	960,725
Total Without Donor Restrictions	17,269,799	16,811,023
With Donor Restrictions	7,037,013	6,719,602
Total Net Assets	24,306,812	23,530,625
Total Liabilities and Net Assets	\$ 40,344,929	\$ 41,866,565

See accompanying Notes to Consolidated Financial Statements.

LUTHERAN CHILD AND FAMILY SERVICES OF ILLINOIS AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	2025			2024 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
REVENUE				
Contributions	\$ 720,725	\$ 633,655	\$ 1,354,380	\$ 1,211,821
Fees and Grants from Governmental Agencies	46,342,713	-	46,342,713	44,386,137
In-Kind Contributions	397,320	-	397,320	412,004
Other Revenue:				
Program Service Fees	1,525,694	-	1,525,694	1,780,649
Program Grants	754,720	-	754,720	1,230,102
Income from Thrift Shops	387,696	-	387,696	400,275
Other Income	159,321	-	159,321	203,472
Net Assets Released From Restrictions	723,382	(723,382)	-	-
Total Other Revenue	<u>3,550,813</u>	<u>(723,382)</u>	<u>2,827,431</u>	<u>3,614,498</u>
Total Revenue	<u>51,011,571</u>	<u>(89,727)</u>	<u>50,921,844</u>	<u>49,624,460</u>
EXPENSES				
Program Services	44,257,675	-	44,257,675	41,951,455
Supporting Services:				
Management and General Expenses	6,597,559	-	6,597,559	7,537,222
Fundraising	1,060,261	-	1,060,261	1,255,986
Total Supporting Services	<u>7,657,820</u>	<u>-</u>	<u>7,657,820</u>	<u>8,793,208</u>
Total Expenses	<u>51,915,495</u>	<u>-</u>	<u>51,915,495</u>	<u>50,744,663</u>
DECREASE IN NET ASSETS BEFORE OTHER CHANGES IN NET ASSETS	(903,924)	(89,727)	(993,651)	(1,120,203)
OTHER CHANGES IN NET ASSETS				
Investment Return, Net	1,450,095	40,903	1,490,998	1,254,350
Change in Value of Perpetual Trusts	-	366,235	366,235	188,381
Loss on Sale of Fixed Assets	(87,395)	-	(87,395)	(9,766)
Components of Net Periodic Benefit Cost	-	-	-	161,620
Pension-Related Changes Other Than Net Periodic Benefit Costs	-	-	-	(521,576)
Total Other Changes in Net Assets	<u>1,362,700</u>	<u>407,138</u>	<u>1,769,838</u>	<u>1,073,009</u>
INCREASE (DECREASE) IN NET ASSETS	458,776	317,411	776,187	(47,194)
Net Assets - Beginning of Year	<u>16,811,023</u>	<u>6,719,602</u>	<u>23,530,625</u>	<u>23,577,819</u>
NET ASSETS - END OF YEAR	<u>\$ 17,269,799</u>	<u>\$ 7,037,013</u>	<u>\$ 24,306,812</u>	<u>\$ 23,530,625</u>

See accompanying Notes to Consolidated Financial Statements.

LUTHERAN CHILD AND FAMILY SERVICES OF ILLINOIS AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	Core Programs										Total Core Programs	Supporting		Total LCFS Operations	2024 Total
	Adoption	Home-Based	Foster Care	STAC	Camp Wartbug	Best Start For Families	Cornerstone	Counseling	Housing	Prevention		Management and General	Fundraising		
Salaries	\$ 595,668	\$ 518,494	\$ 14,935,928	\$ 1,455,464	\$ 896,139	\$ 338,461	\$ 648,231	\$ 314,320	\$ 818,384	\$ 329,677	\$ 20,850,766	\$ 3,103,095	\$ 625,030	\$ 24,578,891	\$ 23,216,228
Taxes and Benefits	116,366	103,169	2,887,851	295,809	179,433	62,906	114,902	61,888	140,475	62,530	4,025,329	772,117	90,248	4,887,694	3,475,020
Total Salaries, Taxes and Benefits	712,034	621,663	17,823,779	1,751,273	1,075,572	401,367	763,133	376,208	958,859	392,207	24,876,095	3,875,212	715,278	29,466,585	26,691,248
Professional Fees	5,928	324,416	299,790	30,073	19,030	68,898	52,857	11,444	94,752	448	907,636	1,211,012	76,092	2,194,740	2,363,932
Supplies	6,088	7,434	117,505	160,364	199,481	10,041	90,254	8,391	110,338	28,295	738,191	354,268	94,864	1,187,323	1,262,513
Telephone	12,046	10,553	284,908	8,423	13,383	5,288	7,084	7,448	19,336	5,527	373,996	173,280	3,674	550,950	484,698
Software and Technology	3,070	2,296	75,498	8,877	15,679	1,965	2,431	1,988	3,054	1,232	116,090	430,668	25,404	572,162	134,621
Postage and Shipping	768	69	9,809	27	2,279	2,138	16	109	182	109	15,506	18,460	2,374	36,340	41,922
Occupancy	48,692	42,978	1,220,114	147,660	243,580	34,707	126,567	28,898	137,281	28,278	2,058,755	175,338	19,515	2,253,608	2,161,285
Outside Printing and Artwork	1,443	-	26,295	136	15,746	7,902	-	43	1,683	35,837	89,085	56,702	4,264	150,051	105,322
Local Transportation	11,509	27,979	1,230,047	15,777	48,555	9,345	15,194	2,950	58,200	6,349	1,425,905	288,705	15,008	1,729,618	1,962,121
Conferences and Meetings	625	-	14,228	400	10,888	941	4,411	1,552	3,166	2,580	38,791	95,605	10,937	145,333	149,508
Specific Assistance	6,184	122,696	10,758,804	3,092	-	114,013	33,180	2,450	1,163,631	10	12,204,060	4,746	1,304	12,210,110	12,800,919
Membership Dues	790	-	456	18	6,797	768	1,271	21	603	400	11,124	36,459	2,693	50,276	66,827
Equipment Rental, Repairs and Maintenance	8,068	4,634	136,105	11,144	14,557	1,739	2,074	1,752	3,823	1,872	185,768	62,590	2,280	250,638	358,627
Insurance	5,438	9,546	288,569	39,466	134,529	6,165	13,445	6,779	40,210	6,512	550,659	24,433	2,784	577,876	439,994
Interest	-	-	-	-	-	-	-	-	-	-	-	47,438	-	47,438	181,803
Depreciation and Amortization	-	-	-	-	208,917	-	8,707	-	7,572	-	225,196	20,095	-	245,291	250,013
Bad Debt	-	-	82,970	-	-	-	-	-	-	-	82,970	-	-	82,970	805,664
Other	9,583	14,279	69,874	1,762	41,926	241	36,349	-	2,378	181,456	357,848	(277,452)	83,790	164,186	483,646
Total Expenses by Function	\$ 832,266	\$ 1,188,543	\$ 32,438,751	\$ 2,178,492	\$ 2,050,919	\$ 665,518	\$ 1,156,973	\$ 450,033	\$ 2,605,068	\$ 691,112	\$ 44,257,675	\$ 6,597,559	\$ 1,060,261	\$ 51,915,495	\$ 50,744,663

See accompanying Notes to Consolidated Financial Statements.

LUTHERAN CHILD AND FAMILY SERVICES OF ILLINOIS AND AFFILIATES
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$ 776,187	\$ (47,194)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	245,291	250,013
(Gain) Loss on Sale of Fixed Assets	87,395	(9,766)
Bad Debt Expense	82,970	805,664
Gain on Investments	(1,490,998)	(1,254,350)
Non-Cash Lease Expense	(17,003)	185,916
Change in Value of Perpetual Trusts	(366,235)	(188,381)
Components of Net Periodic Benefit Cost	-	(161,620)
Pension-Related Changes Other Than Net Periodic Benefit Costs	-	(521,576)
Changes in:		
Accounts/Contributions Receivable	738,232	258,874
Prepaid Expenses	(812,742)	(107,576)
Other Assets	735,965	172,070
Accounts Payable and Accrued Expenses	(532,318)	714,738
Deferred Revenue Other Liabilities	(3,722)	1,759,485
Net Cash Provided (Used) by Operating Activities	(556,978)	1,856,297
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Fixed Assets	1,283,515	27,535
Purchases of Property and Equipment	(160,356)	(63,647)
Proceeds from Sales of Investments	724,384	130,579
Purchases of Investments	(2,196,746)	(172,631)
Net Cash Used by Investing Activities	(349,203)	(78,164)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of Long-Term Debt	(2,379,770)	(213,438)
Proceeds from Endowment Contributions	-	150,000
Net Cash Used by Financing Activities	(2,379,770)	(63,438)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS AND IN RESTRICTED CASH AND CASH EQUIVALENTS	(3,285,951)	1,714,695
Cash and Cash Equivalents and Restricted Cash and Cash Equivalents - Beginning of Year	7,914,159	6,199,464
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 4,628,208	\$ 7,914,159
RECONCILIATION OF CASH		
Cash and Cash Equivalents	\$ 4,628,208	\$ 7,764,159
Cash Held for Long-Term Purposes - Endowments	-	150,000
Total	\$ 4,628,208	\$ 7,914,159
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid	\$ 47,438	\$ 181,803

See accompanying Notes to Consolidated Financial Statements.

LUTHERAN CHILD AND FAMILY SERVICES OF ILLINOIS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lutheran Child and Family Services of Illinois (LCFS) is a nonprofit statewide social service agency whose mission is to attract, develop, mobilize, and provide resources to improve the well-being of children, individuals, families, congregations, and communities so that their lives are improved. Its corporate office is in Oakbrook Terrace, Illinois.

LCFS confronts neglect, abuse, isolation, and poverty by providing safe homes for children, fostering self-reliance in families, strengthening connectivity in communities, and promoting the dignity of all people. LCFS accomplishes its mission through the following services and programs:

- Children Placement Services, including international and domestic adoption, foster care and licensing, and Regenerations—foster care for incarcerated youth.
- Youth Residential Services and Southern Thirty Adolescent Center.
- Clinical Services, including individual, marital and family counseling, preventive workshops and seminars, crisis counseling, and information and referral services.
- Community Services, including disaster response services, food and clothing distribution, Nice Twice Thrift Stores, and youth camp and retreat center at Camp Wartburg.

As summary of significant accounting policies is summarized below:

Basis of Presentation

The consolidated financial statements have been prepared in accordance with accounting principles applicable to nonprofit organizations in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Therefore, activities are classified as without donor restrictions or with donor restrictions based on the existence or absence of donor-imposed restrictions. The consolidated financial statements include the accounts of the LCFS and the following separate entities (collectively the Agency):

- Lutheran Child and Family Services of Illinois Foundation in Oak Brook, Illinois (Investment Fund)
- 360 Youth Services in Naperville, Illinois

The Agency is the sole member of Lutheran Child and Family Services of Illinois Foundation. Effective April 1, 2022, the Agency has board control of 360 Youth Services.

All significant intercompany accounts and transactions are eliminated in consolidation.

LUTHERAN CHILD AND FAMILY SERVICES OF ILLINOIS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of Net Assets

Net Assets Without Donor Restrictions – Net assets available for support of the Agency’s operations that are not subject to donor-imposed restrictions. Net assets without donor restrictions include all resources over which the board of trustees has control for use in carrying out the Agency’s activities or for such other purposes as the board of trustees may direct.

Net Assets With Donor Restrictions – Net assets with donor restrictions include both those that are available for support, with donor-imposed restrictions, that may, or will, be met either by actions of the Agency or the passage of time, as well as those for which the principal must remain intact per donor restriction and the earnings can be used for specified purposes or general operations to the extent of its investment income. Included in this category is the Agency’s interest in perpetual trusts. When donor restrictions are met or have expired, net assets with donor restrictions are reclassified to net assets without donor restrictions. These reclassifications are reported in the consolidated statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without donor restrictions.

Accounting Policies

The Agency follows accounting standards established by the Financial Accounting Standards Board (FASB) to ensure consistent reporting of financial condition, results of activities, and cash flows. References to U.S. GAAP in these footnotes are to the Accounting Standards Codification (ASC).

Revenue Recognition

The majority of funding for the Agency’s operations is provided by governmental agencies which represent conditional promises to give. Revenue from government grants is recognized as the related conditions and barriers have been substantially met, generally when services are performed or expenses are incurred, and all other grant requirements have been met. At June 30, 2025, the Agency has unexpended grants which have not yet been recognized. The Agency has elected the simultaneous release policy for government grants, which allows the Agency to recognize restricted conditional contributions directly in net assets without donor restrictions when the condition is met, which is generally when services are performed, or qualifying expenditures have been incurred. Government support is subject to retroactive review and adjustment by the funding agency.

The Agency recognizes program service fee revenue in accordance with ASC Topic 606, Revenue from Contracts with Customers. Revenue from contracts with clients is reported at the amount that reflects the consideration to which the Agency expects to be entitled in exchange for providing services. Revenue is recognized as performance obligations are satisfied and is billed monthly to clients. Payments for these services are received after services are provided and are recorded as accounts receivable when billed. The beginning and ending balance of contractual accounts receivable for fiscal year 2025 was approximately \$95,000 and \$91,000, respectively.

LUTHERAN CHILD AND FAMILY SERVICES OF ILLINOIS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

The Agency recognizes donors' unconditional promises to give cash and other assets as revenue in the period the promises are made. Contributions receivable have been recorded for amounts expected to be collected in the future. Donors' promises to give cash and other assets that are conditional are not recognized until the conditions on which they depend are substantially met.

Donated Materials and Services

Donated materials and services are reflected as in-kind contributions at their estimated fair values at date of receipt. In-kind revenue in fiscal year 2025, consisted of unrestricted donated advertising and goods provided for the Agency's event. The goods and services are valued at estimated cost to acquire. In-kind revenue in fiscal year 2024, consisted solely of unrestricted professional services provided to develop a strategic plan; the related expense is reflected in the fundraising function. The services are reported at fair value estimated by the professional service firm based on the services performed. There were no related restrictions on these donated materials and services.

A substantial number of volunteers have donated their time to the Agency's program services and fundraising campaigns, but none of these amounts have been recorded as contributions because the services do not meet the criteria for recognition in the consolidated financial statements.

Cash and Cash Equivalents

The Agency considers all liquid investments with maturities of three months or less at date of acquisition to be cash and cash equivalents, except for certain cash equivalents that are included with investment funds because these amounts are used for investment purposes. The Agency maintains its cash in bank accounts which, at times, may exceed the federally insured limits. The Agency has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash. Uninsured cash at June 30, 2025 was approximately \$4,080,000.

Accounts Receivable

Receivables are valued at management's estimate of the amount that will ultimately be collected. The allowance for doubtful accounts is based on specific identification of uncollectible accounts and the Agency's historical collection experience. The allowance at June 30, 2025 is \$1,473,321.

LUTHERAN CHILD AND FAMILY SERVICES OF ILLINOIS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are presented in the consolidated financial statements at fair value. Investment income, realized gains (losses), and change in unrealized gains (losses) are reflected in the consolidated statement of activities net of related investment fees as investment return, net. Investments received as contributions are recorded at fair value at the date of receipt.

The Agency's investment portfolio is subject to various risks, such as interest rate, credit and overall market volatility. Because of these risks, it is possible that changes in the fair value of investments may occur and that such changes could materially affect the Agency's consolidated financial statements.

Property and Equipment

Property and equipment is recorded at cost when purchased, or at fair value when contributed. Additions and improvements to existing property over \$5,000 during the year are capitalized, while general maintenance and repairs are charged to expense. The cost and accumulated depreciation of items sold or retired are removed from the property and equipment account and any gain or loss upon disposition is recognized at that time.

Provisions for depreciation of buildings and equipment have been computed using the straight-line method over the estimated useful lives of the assets, as follows:

Buildings	15 to 40 Years
Building Improvements	10 to 15 Years
Furniture and Equipment	3 to 10 Years
Vehicles	5 Years

The Agency reviews long-lived assets for impairment whenever events or changes in circumstances indicate 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 future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. There were no long-lived assets considered impaired during the year ended June 30, 2025. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

Leases

The Agency leases office facilities and certain office equipment and determines if an arrangement is a lease at inception. Leases are included in right-of-use (ROU) assets and lease liability in the consolidated statements of financial position.

LUTHERAN CHILD AND FAMILY SERVICES OF ILLINOIS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

ROU assets represent the Agency's right to use an underlying asset for the lease term and lease liabilities represent the Agency's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Agency will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Agency has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the consolidated statements of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Agency has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of all lease liabilities.

For lease arrangements with lease and nonlease components, the Agency has made a policy election to account for lease and nonlease components, separately, for all classes of assets.

Functional Allocation of Expenses

The costs of providing programs and other activities have been presented on a functional basis in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Operating expenses directly identified with a functional core program are charged to that program and, where these expenses affect more than one program, they are allocated on the basis of ratios estimated by management. Personnel costs are allocated based on estimates of time and effort. Occupancy costs are allocated based on estimated usage of space. Other administrative costs are allocated according to estimated use of time and resources, which is approximated by total direct costs.

Use of Estimates

In preparing consolidated financial statements in conformity with U.S. GAAP, management makes estimates and assumptions affecting the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

LUTHERAN CHILD AND FAMILY SERVICES OF ILLINOIS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates (Continued)

The liability for excess revenues is based on management's assessment of the estimated amounts due to funding sources for program revenues in excess of program expenses. If actual excess revenues are higher than the historical experience, management's estimates of the amounts due from the Agency could be adversely affected. A liability of \$5,753,342 as of June 30, 2025 has been included with deferred revenue on the consolidated statements of financial position. The balance includes amounts for various state of Illinois agency program surpluses generated in the current and prior fiscal years. The funder may require that the Agency return some or all of these surpluses.

Income Taxes

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the consolidated financial statements. Under this guidance, the Agency may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Agency and various positions related to the potential sources of unrelated business taxable income. For the reporting periods presented in these consolidated financial statements, there were no unrecognized tax benefits identified or recorded as liabilities. The Agency files Forms 990 in the U.S. federal jurisdiction and the state of Illinois.

Subsequent Events

The Agency has evaluated subsequent events for potential recognition and/or disclosure through February 12, 2026, the date the consolidated financial statements were available to be issued.

NOTE 2 CONTRIBUTIONS RECEIVABLE

Contributions receivable as of June 30, 2025, net of allowance, are \$678,910. An allowance for uncollectible contributions has been provided based upon management's analysis of various factors including prior collection history, type of contribution, and nature of fundraising activities. At June 30, 2025, contributions receivable includes multiyear pledges and are included in net assets with donor restrictions as time restricted until the point in time that collections are received from the donor.

Multiyear pledges at June 30, 2025, net of an allowance for doubtful accounts and a discount to present value using rates of up to 5%, consist of the following:

Receivable in Less Than One Year	\$ 526,295
Receivable in Two to Five Years	191,984
Total	718,279
Less: Discount to Present Value	(32,518)
Less: Allowance for Doubtful Accounts	(6,851)
Total	\$ 678,910

LUTHERAN CHILD AND FAMILY SERVICES OF ILLINOIS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 FAIR VALUE DISCLOSURES

Fair Value Measurements

The Agency follows the accounting guidance on fair value measurements and disclosures, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and sets out a fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined under the Topic as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 – Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Agency's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment. There were no transfers into or out of Level 3 during the year ended June 30, 2025.

The following is a description of the valuation methodologies used for instruments at fair value:

Investment Securities

U.S. equity securities and fixed income securities classified as Level 1 in the fair value hierarchy are recorded at fair value based on quoted market prices in an active market. The DuPage Foundation fund is valued at the fair market value of the Agency's shares of net assets of the DuPage Foundation fund as of June 30, 2025, as communicated by the DuPage Foundation. The DuPage Foundation determines fair value based on readily available pricing sources for market transactions involving identical assets for securities and using the net asset value (NAV) as a practical expedient for alternative investments. The investment in the DuPage Foundation is categorized as Level 3 due to the existence of certain unobservable inputs; there were no significant additions or redemptions in fiscal year 2025. Certain U.S. fixed-income funds are recorded at fair value using the NAV as a practical expedient. Changes in the fair value of securities are recorded as unrealized gains and losses.

LUTHERAN CHILD AND FAMILY SERVICES OF ILLINOIS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 FAIR VALUE DISCLOSURES (CONTINUED)

Beneficial Interest in Perpetual Trusts

The fair value of beneficial interest in trusts were provided by the respective trustees. The trustees determine fair value based on readily available pricing sources for market transactions involving identical assets for securities and based on an outside appraisal for farmland.

The table below presents the balances of assets measured at fair value on a recurring basis at June 30, 2025:

	<u>Level 1</u>	<u>Level 3</u>	<u>NAV*</u>	<u>Total</u>
Investments at Fair Value:				
Fixed Income Funds	\$ 2,738,768	\$ -	\$ 136,612	\$ 2,875,380
Equity Funds	9,978,801	-	-	9,978,801
DuPage Foundation Fund	-	739,441	-	739,441
	<u>\$ 12,717,569</u>	<u>\$ 739,441</u>	<u>\$ 136,612</u>	<u>13,593,622</u>
Cash and Equivalents				<u>564,667</u>
Total Investments				<u>\$ 14,158,289</u>
Other Assets at Fair Value:				
Beneficial Interest in Perpetual Trusts	<u>\$ -</u>	<u>\$ 5,372,438</u>	<u>\$ -</u>	<u>\$ 5,372,438</u>

*In accordance with ASC 820-10, certain investments measured at fair value using the NAV per share practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented above are to permit reconciliation of the fair value hierarchy to total investments.

Investment measured at NAV using the practical expedient as of June 30, 2025 consisted of the following:

	<u>Fair Value</u> <u>June 30, 2025</u>	<u>Unfunded</u> <u>Commitments</u>	<u>Redemption</u> <u>Frequency</u>	<u>Redemption</u> <u>Notice Period</u>
Balance Fund (1)	\$ 136,612	\$ -	Daily	None

(1) Represents a moderately balanced fund portfolio held at the LCMS Foundation that holds both fixed income and equity securities. This portfolio is evenly balanced between fixed income and equity, providing modest income generation and potential for growth.

LUTHERAN CHILD AND FAMILY SERVICES OF ILLINOIS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2025 consisted of:

Land	\$	1,028,987
Buildings and Improvements		2,392,012
Furniture and Equipment		131,912
Vehicles		216,007
Construction in Progress		20,000
Total		3,788,918
Accumulated Depreciation		(194,639)
Total	\$	3,594,279

Depreciation and amortization expense in fiscal year 2025 was \$245,291.

In August 2024, land and the related building were sold, resulting in a loss of approximately \$86,000.

NOTE 5 LINE OF CREDIT

In November 2024, the Agency obtained a \$3,500,000 line of credit with Bank of America, with a maturity date of August 31, 2025. Borrowings bear interest monthly at an annual rate equal to the greater of the Secured Overnight Financing Rate or 3.15%. The line is secured by equipment and receivables. Subsequent to year end, the line of credit was amended to extend the maturity date to October 31, 2026. There were no borrowings at June 30, 2025.

NOTE 6 LONG-TERM DEBT

The Agency had a term loan with Old National Bank with an initial balance of \$2,700,000. The loan agreement required monthly principal payments of \$9,987 plus interest at the Secured Overnight Financing Rate plus 1.85%. This loan was collateralized by certain of the Agency's properties. The remaining balance of the term loan was paid in full in October 2024.

NOTE 7 EMPLOYEE BENEFIT PLANS

The Agency administers the 403(b) Thrift Plan of Lutheran Child and Family Services (the Thrift Plan), a defined contribution plan. All employees become eligible to participate in the Thrift Plan upon achieving service level and age requirements. Employees are fully vested after three years of service. Full vesting also occurs at retirement age 65 or upon death or disability. The Agency's matching contribution is discretionary, for eligible participants employed by the Agency at year-end. The Agency made \$322,912 in matching contributions to the thrift plan for the year ended June 30, 2025.

LUTHERAN CHILD AND FAMILY SERVICES OF ILLINOIS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 EMPLOYEE BENEFIT PLANS (CONTINUED)

The Agency also had a defined benefit pension plan (the Plan), which covered all eligible full-time staff hired before September 30, 2004, and provided for monthly pension payments to eligible employees upon retirement. Benefits were based upon earnings and eligible years of service. The Agency's funding policy was to contribute amounts necessary to maintain the long-term stability of the Plan. Effective September 30, 2004, the Agency froze the Plan for future benefit accruals. No further benefits accrued under the Plan after this date. This action did not affect benefits accrued prior to September 30, 2004, or participants' vesting in benefits accrued prior to that date. Participants received benefits based on their final average salary as of September 30, 2004. The Agency's board of trustees voted on December 12, 2023 to terminate the plan effective February 28, 2024. The accrued benefits of the participants in the plan were 100% vested as of the termination date and all benefits held under the Plan were distributed to Plan participants during the year ended June 30, 2025.

NOTE 8 LEASES

The Agency enters into contracts to lease real estate and various equipment. Certain leases include renewal or termination options. Under FASB ASC Topic 842, the lease term at the lease commencement date is determined based on the noncancellable period for which the Agency has the right to use the underlying asset, together with any periods covered by an option to extend the lease if the Agency is reasonably certain to exercise that option, periods covered by an option to terminate the lease if the Agency is reasonably certain not to exercise that option, and periods covered by an option to extend (or not to terminate) the lease in which the exercise of the option is controlled by the lessor. The Agency considered a number of factors when evaluating whether the options in its lease contracts were reasonably certain of exercise, such as length of time before option exercise, expected value of the leased asset at the end of the initial lease term, importance of the lease to overall operations, costs to negotiate a new lease, and any contractual or economic penalties.

FASB ASC Topic 842 includes a number of reassessment and re-measurement requirements for lessees based on certain triggering events or conditions, including whether a contract is or contains a lease, assessment of lease term and purchase options, measurement of lease payments, assessment of lease classification and assessment of the applicable discount rate. The Agency reviewed the reassessment and re-measurement requirements and did not identify any events or conditions during fiscal year 2025, that required a reassessment or re-measurement. In addition, there were no impairment indicators identified during fiscal year 2025 that required an impairment test for the Agency's ROU assets or other long-lived assets in accordance with ASC 360-10.

Subsequent to year end, the Agency renewed one of its real estate leases. The renewed lease term commences on February 1, 2026, and extends through July 31, 2031, with escalating monthly lease payments and no material variable lease components.

LUTHERAN CHILD AND FAMILY SERVICES OF ILLINOIS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 LEASES (CONTINUED)

Upon commencement of the renewed lease, the Agency expects to record an additional operating lease right-of-use asset and corresponding lease liability of approximately \$750,000, measured as the present value of future lease payments using a risk-free discount rate determined using a period comparable with that of the lease term liabilities at the lease commencement date.

The components of lease expense and supplemental cash flow information related to leases for fiscal year 2025, are as follows:

Operating Lease Cost	<u>\$ 1,514,421</u>
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Lease-related information as of and for the fiscal year ended June 30, 2025 is as follows:

Cash Paid for Amounts Included in Measurement of Lease Liabilities:	
Operating Cash Outflows - Payments on Operating Leases	<u>\$ 1,533,060</u>
Right-of-Use Assets Obtained in Exchange for:	
New Lease Obligations:	
Operating Leases	<u>\$ 1,796,581</u>
Operating Leases:	
Operating Lease Right-of-Use Assets	<u>\$ 5,448,996</u>
Operating Lease Liabilities	<u>\$ 5,765,494</u>
Weighted-Average Remaining Lease Term:	
Operating Leases	5.5 Years
Weighted-Average Discount Rate:	
Operating Leases	4.16 %

Future undiscounted cash flows for each of the next five fiscal years and thereafter and reconciliation to the lease liabilities recognized on the statement of financial position as of June 30, 2025 is as follows:

<u>Year Ending June 30,</u>	Operating Leases
2026	\$ 1,502,450
2027	1,305,037
2028	1,255,189
2029	746,663
2030	539,895
Thereafter	<u>1,125,328</u>
Total Lease Payments	6,474,562
Less: Imputed Interest	<u>(709,068)</u>
Present Value of Lease Liabilities	<u>\$ 5,765,494</u>

LUTHERAN CHILD AND FAMILY SERVICES OF ILLINOIS AND AFFILIATES
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JUNE 30, 2025

NOTE 9 CONTINGENCIES AND CONCENTRATIONS

Contracts from the state of Illinois are subject to audit and the Agency could become liable for any expenditures disallowed upon any such audit. Management believes; however, any possible disallowance would not be material to the consolidated financial statements.

In the normal course of its activities, the Agency may be named in lawsuits filed by its clients or their representatives. As an employer, the Agency is from time to time subject to allegations of violations of various laws related to employment. The Agency does not believe that any current claims will result in a material impact on the consolidated financial statements.

The Agency received a substantial portion of support from state of Illinois agencies totaling approximately 87% of the total revenue for the fiscal year ended June 30, 2025. As of June 30, 2025, the Agency has total gross receivables from state of Illinois agencies totaling approximately \$5,900,000.

NOTE 10 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2025 consisted of the following:

Subject to the Passage of Time:	
General Operations	\$ 68,207
Subject to Expenditure for a Specific Purpose:	
Camp Wartburg	77,609
Direct Work With Children	624,227
Total	<u>701,836</u>
Subject to Appropriation in Accordance with Endowment Spending Policy:	
Endowment Earnings	154,028
Required to Be Maintained in Perpetuity:	
Donor-Restricted Endowment	740,504
Beneficial Interest in Irrevocable Trusts	5,372,438
Total	<u>6,112,942</u>
Total Net Assets with Donor Restrictions	<u><u>\$ 7,037,013</u></u>

Net assets released from donor restrictions at June 30, 2025 consisted of the following:

Passage of Time	\$ 228,659
Expenditure for a Specific Purpose	494,723
Total	<u><u>\$ 723,382</u></u>

LUTHERAN CHILD AND FAMILY SERVICES OF ILLINOIS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 ENDOWMENT FUNDS

The Agency's endowment consists of beneficial interests in perpetual trusts, certain donor-restricted endowments, as well as funds without donor restrictions that have been designated by the board of trustees to function as endowments established for a variety of purposes. The board-designated endowment represents the investment portfolio held by the LCFS Foundation. These funds are intended to be retained and invested for the long-term benefit of the Agency but can be appropriated through action by the board of trustees.

As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Agency's management has interpreted the Illinois Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Agency classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent 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 donor-restricted endowment fund that is not required to be maintained in perpetuity is included in net assets with donor restrictions until those amounts are appropriated for expenditure by the Agency in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Agency considers the following factors in making a determination to appropriate or accumulate earnings on donor-restricted endowment funds:

1. The duration and preservation of the fund.
2. The purpose of the Agency and the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the Agency; and
7. The investment policies of the Agency.

LUTHERAN CHILD AND FAMILY SERVICES OF ILLINOIS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 ENDOWMENT FUNDS (CONTINUED)

Interpretation of Relevant Law (Continued)

The Agency's endowment net asset composition by type of fund is as follows for the year ended June 30, 2025:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-Restricted	\$ -	\$ 6,214,213	\$ 6,214,213
Board-Designated	11,166,970	-	11,166,970
Total	<u>\$ 11,166,970</u>	<u>\$ 6,214,213</u>	<u>\$ 17,381,183</u>

The changes in endowment net assets for the Agency were as follows for the year ended June 30, 2025:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Net Assets - Beginning of Year	\$ 9,826,631	\$ 5,831,558	\$ 15,658,189
Additions	311,909	150,600	462,509
Transfers to Board-Designated Fund	-	-	-
Investment Return, Net	1,082,171	407,138	1,489,309
Other Changes	(53,741)	(175,083)	(228,824)
Total	<u>\$ 11,166,970</u>	<u>\$ 6,214,213</u>	<u>\$ 17,381,183</u>

Return Objectives and Risk Parameters

The Agency has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Agency must hold in perpetuity or for a donor-specified period(s), as well as board-designated funds. Under this policy, as approved by the board of trustees, the long-term return objective is to maintain the endowment fund's purchasing power while covering the annual payout and investment expenses.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Agency relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Agency targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

LUTHERAN CHILD AND FAMILY SERVICES OF ILLINOIS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 ENDOWMENT FUNDS (CONTINUED)

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Agency has a policy of appropriating for distribution each year a percentage of its board-designated endowment fund's fair value calculated off of the prior fiscal year-end balance for use in the current year. In establishing distribution rates, the Agency considers the long-term expected return on its endowment. This policy is consistent with the Agency objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return. For the year ended June 30, 2025, the Agency did appropriate a distribution from the board-designated endowment fund. The Agency's spending policy related to the beneficial interest in perpetual trusts is to utilize any income distributed for operating purposes.

NOTE 12 BENEFICIAL INTEREST IN PERPETUAL TRUSTS

The Agency is the income beneficiary of the Arthur D. Day and Armilda A. Day Memorial Trust, which is a perpetual trust. The fair value of the trust assets is included in the Agency's net assets with donor restrictions as a beneficial interest in perpetual trust. The trust's assets consist of \$1,800,486 of securities and investable cash, and 224 acres of farmland and buildings with an approximated fair market value of \$3,360,000. The income from the trust is to be paid quarterly. During fiscal year 2025, the Agency received approximately \$136,000 of income from the trust and this amount is recorded within contributions without donor restrictions on the consolidated statement of activities, as the use of the income is not restricted.

The Agency is one of the income beneficiaries of two other perpetual trusts with assets of \$979,925 and \$619,339, respectively, at June 30, 2025, consisting of marketable securities. The Agency's proportionate share of trusts' assets was \$130,653 and \$82,576, respectively. The income from the trusts is to be paid quarterly. During fiscal year 2025, the Agency received \$5,656 and \$1,509 of income, respectively, from the trusts and these amounts are included within legacies and bequests without donor restrictions on the consolidated statement of activities, as the use of the income is not restricted.

LUTHERAN CHILD AND FAMILY SERVICES OF ILLINOIS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 13 LIQUIDITY AND AVAILABILITY

The Agency regularly monitors liquidity required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investment of its funds not required for annual operations. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Agency considers all expenditures related to its ongoing activities of providing services to the children and families of Illinois, as well as the conduct of services undertaken to support those activities, to be general expenditures.

The table below represents financial assets and liquidity resources available for general expenditures within one year of June 30, 2025:

Financial Assets at Year-End:	
Cash and Cash Equivalents	\$ 4,628,208
Cash Held for Long-Term Purposes - Endowment	-
Accounts Receivable, Net	5,188,246
Contributions Receivable, Net	678,910
Investments	14,158,289
Beneficial Interest in Perpetual Trusts	5,372,438
Total	30,026,091
Less: Amount Not Available for Spending Within One Year:	
Contributions Receivable, Net Due in More Than One Year	191,984
Board-Designated Investments Functioning as an Endowment	11,166,970
Donor-Restricted Endowment Funds	894,532
Beneficial Interest in Perpetual Trusts	5,372,438
Net Assets Restricted for Specific Purposes	7,037,013
Total	24,662,937
Assets Available for Use Within the Next Year	\$ 5,363,154

Investment income without donor restrictions, earnings appropriated from endowments with donor restrictions and board-designated endowments (quasi-endowments), contributions without donor restrictions and contributions with donor restrictions for use in current activities and programs are considered to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses and fundraising expenses.

In addition to financial assets available to meet general expenditures over the next 12 months, the Agency operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by public unrestricted donations.

LUTHERAN CHILD AND FAMILY SERVICES OF ILLINOIS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 COMPARATIVE TOTALS FOR PRIOR YEAR

The consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Agency's consolidated financial statements for the fiscal year ended June 30, 2024, from which the summarized information was derived.



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