

***LYDIA'S HOUSE, INC.***  
***CONSOLIDATED FINANCIAL STATEMENTS***  
***FOR THE YEARS ENDED***  
***SEPTEMBER 30, 2023 AND 2022***

***LYDIA’S HOUSE, INC.***

ST. LOUIS, MISSOURI

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## INDEPENDENT AUDITORS' REPORT



Board of Directors  
*LYDIA'S HOUSE, INC.*

### *Opinion*

We have audited the accompanying financial statements of Lydia's House, Inc. (a nonprofit organization), which comprise the consolidated statements of financial position as of September 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Lydia's House, Inc. as of September 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

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

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

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

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

## *Auditors' Responsibility for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

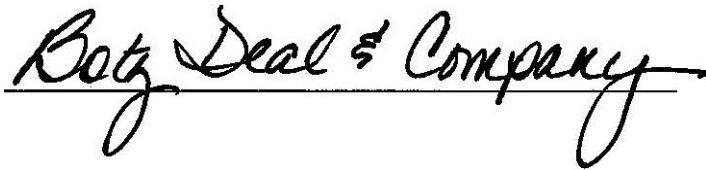
In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lydia's House, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lydia's House, Inc.'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.

***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information on pages 19 through 25 is presented for purposes of additional analysis and not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and 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 financial statements as a whole.

A handwritten signature in cursive script that reads "Betz Deal & Company". The signature is written in black ink and is positioned above a horizontal line.

St. Charles, Missouri  
April 3, 2024

**LYDIA'S HOUSE, INC.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2023 AND 2022**

**ASSETS**

	2023	2022
<b>CURRENT ASSETS</b>		
Cash	\$ 606,804	\$ 430,399
Receivables:		
Contracts and promises to give	223,935	156,292
Accounts receivable	13,352	10,170
Prepaid expenses	35,372	29,403
Inventory	941	11,364
<b>TOTAL CURRENT ASSETS</b>	<b>880,404</b>	<b>637,628</b>
 <b>FIXED ASSETS</b>		
Land	524,887	524,887
Buildings and improvements	4,401,572	4,395,839
Furniture and equipment	70,120	62,798
Vehicles	102,195	118,695
Total Cost	5,098,774	5,102,219
Less: accumulated depreciation and amortization	2,436,777	2,274,640
<b>NET FIXED ASSETS</b>	<b>2,661,997</b>	<b>2,827,579</b>
 <b>OTHER ASSETS</b>		
Investments	2,484,884	1,811,684
Deposit	500	500
<b>TOTAL OTHER ASSETS</b>	<b>2,485,384</b>	<b>1,812,184</b>
<b>TOTAL ASSETS</b>	<b>\$ 6,027,785</b>	<b>\$ 5,277,391</b>

The accompanying notes are an integral part of these financial statements.

## LIABILITIES AND NET ASSETS

	2023	2022
<b>CURRENT LIABILITIES</b>		
Notes payable - amount due in one year	\$ 18,394	\$ 17,350
Accounts payable	38,841	21,207
Payroll taxes payable	2,573	5,018
Accrued expenses:		
Vacations	26,505	27,310
Salaries and wages	16,327	15,309
Other	237	1,017
Deferred revenue	7,440	9,985
Security deposit	-	1,000
<b>TOTAL CURRENT LIABILITIES</b>	110,317	98,196
<b>LONG-TERM LIABILITIES</b>		
Notes payable	249,324	276,695
Less: amount due in one year	18,394	17,350
<b>TOTAL LONG-TERM LIABILITIES</b>	230,930	259,345
<b>TOTAL LIABILITIES</b>	341,247	357,541
<b>NET ASSETS</b>		
Without donor restrictions:		
Undesignated	1,965,498	1,046,391
Invested in property and equipment, net of related debt	2,412,673	2,550,884
Board designated - operating reserve	975,000	975,000
Board designated - debt reserve	275,000	275,000
Board designated - repairs	26,397	26,397
With donor restrictions	31,970	46,178
<b>TOTAL NET ASSETS</b>	5,686,538	4,919,850
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 6,027,785	\$ 5,277,391

The accompanying notes are an integral part of these financial statements.

**LYDIA'S HOUSE, INC.**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<b>REVENUES, GAINS AND SUPPORT</b>			
Government support	\$ 1,077,200	\$ -	\$ 1,077,200
Contributions	1,003,683	48,000	1,051,683
Merchandise and food sales	36,912	-	36,912
Less: cost of sales	(76,883)	-	(76,883)
Net income(loss) from sales	(39,971)	-	(39,971)
Special events	351,990	-	351,990
Less: direct benefits to donors	(76,574)	-	(76,574)
Net income from special events	275,416	-	275,416
Interest and dividend income, net of fees	49,799	-	49,799
In-kind contributions	47,443	-	47,443
Rental income	17,100	-	17,100
Miscellaneous	3,642	-	3,642
Unrealized gain (loss) on investments	166,489	-	166,489
Realized gain (loss) on investments	(67,085)	-	(67,085)
Gain (loss) on disposal of assets	(12,155)	-	(12,155)
Net assets released from restrictions:			
Satisfaction of time restrictions	41,667	(41,667)	-
Satisfaction of purpose restrictions	20,541	(20,541)	-
<b>TOTAL REVENUES, GAINS AND SUPPORT</b>	<b>2,583,769</b>	<b>(14,208)</b>	<b>2,569,561</b>
<b>EXPENSES</b>			
Program	1,414,626	-	1,414,626
Supporting Services:			
Management and general	135,652	-	135,652
Building rental	7,076	-	7,076
Fundraising	245,519	-	245,519
Total Supporting Services	388,247	-	388,247
<b>TOTAL EXPENSES</b>	<b>1,802,873</b>	<b>-</b>	<b>1,802,873</b>
<b>CHANGE IN NET ASSETS</b>	<b>780,896</b>	<b>(14,208)</b>	<b>766,688</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>4,873,672</b>	<b>46,178</b>	<b>4,919,850</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 5,654,568</b>	<b>\$ 31,970</b>	<b>\$ 5,686,538</b>

The accompanying notes are an integral part of these financial statements.



**LYDIA'S HOUSE, INC.**  
CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<b>REVENUES, GAINS AND SUPPORT</b>			
Government support	\$ 888,202	\$ -	\$ 888,202
Contributions	741,184	46,000	787,184
Merchandise and food sales	34,673	-	34,673
Less: cost of sales	(67,897)	-	(67,897)
Net income (loss) from sales	(33,224)	-	(33,224)
Special events	318,532	-	318,532
Less: direct benefits to donors	(52,028)	-	(52,028)
Net income from special events	266,504	-	266,504
Interest and dividend income, net	80,870	-	80,870
In-kind contributions	37,137	-	37,137
Rental income	21,600	-	21,600
Miscellaneous	2,697	-	2,697
Unrealized gain (loss) on investments	(312,203)	-	(312,203)
Realized gain (loss) on investments	(169,945)	-	(169,945)
Net assets released from restrictions:			
Satisfaction of time restrictions	30,278	(30,278)	-
Satisfaction of purpose restrictions	24,706	(24,706)	-
<b>TOTAL REVENUES, GAINS     AND SUPPORT</b>	<b>1,577,806</b>	<b>(8,984)</b>	<b>1,568,822</b>
<b>EXPENSES</b>			
Program	1,328,348	-	1,328,348
Supporting services:			
Management and general	111,458	-	111,458
Building rental	5,483	-	5,483
Fundraising	262,059	-	262,059
<b>Total Supporting Services</b>	<b>379,000</b>	<b>-</b>	<b>379,000</b>
<b>TOTAL EXPENSES</b>	<b>1,707,348</b>	<b>-</b>	<b>1,707,348</b>
<b>CHANGE IN NET ASSETS</b>	<b>(129,542)</b>	<b>(8,984)</b>	<b>(138,526)</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>5,003,214</b>	<b>55,162</b>	<b>5,058,376</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 4,873,672</b>	<b>\$ 46,178</b>	<b>\$ 4,919,850</b>

The accompanying notes are an integral part of these financial statements.

**LYDIA'S HOUSE, INC.**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>BUILDING RENTAL</u>	<u>FUND - RAISING</u>	<u>TOTAL</u>
Salaries and wages	\$ 636,783	\$ 58,334	\$ 3,138	\$ 134,983	\$ 833,238
Payroll taxes	47,637	4,130	240	10,271	62,278
Employee fringe benefits	109,110	5,648	307	10,427	125,492
Advertising and promotion	-	8,491	-	-	8,491
Amortization	1,475	-	-	-	1,475
Assistance/aid	87,694	-	-	-	87,694
Bank and credit card fees	39	4	-	5,841	5,884
Continuing education and training	3,241	-	-	-	3,241
Depreciation	162,371	1,464	807	3,556	168,198
Dues and subscriptions	6,513	100	-	733	7,346
Food costs	26,341	-	-	-	26,341
Information technology	14,875	1,004	55	12,196	28,130
Insurance	40,564	2,593	400	2,723	46,280
Interest	10,059	177	-	-	10,236
Kitchen supplies and equipment	2,224	-	-	-	2,224
Meetings	1,702	364	-	368	2,434
Mileage and parking	260	-	-	231	491
Miscellaneous	4,353	8,340	-	1,106	13,799
Packaging costs	8,840	-	-	-	8,840
Postage	1,526	140	-	1,512	3,178
Printing	4,158	330	-	7,273	11,761
Professional fees	-	38,372	-	-	38,372
Repairs and maintenance	44,002	1,286	816	3,123	49,227
Retirement plan contributions	24,749	2,425	151	5,965	33,290
Security	6,068	208	110	505	6,891
Special events	-	-	-	112,054	112,054
Supplies and furnishings	93,872	281	-	1,127	95,280
Telephone	19,554	401	71	832	20,858
Travel	2,572	-	-	3,477	6,049
Uniforms	5,699	-	-	-	5,699
Utilities	111,418	1,560	981	3,790	117,749
Vehicle costs	13,810	-	-	-	13,810
<b>TOTAL</b>	<u>1,491,509</u>	<u>135,652</u>	<u>7,076</u>	<u>322,093</u>	<u>1,956,330</u>
Less direct benefits to donors expense included with revenues on the statement of activities	-	-	-	(76,574)	(76,574)
Less cost of sales expense included with revenues on the statement of activities	<u>(76,883)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(76,883)</u>
Total included in expenses on statement of activities	<u>\$ 1,414,626</u>	<u>\$ 135,652</u>	<u>\$ 7,076</u>	<u>\$ 245,519</u>	<u>\$ 1,802,873</u>

The accompanying notes are an integral part of these financial statements.

**LYDIA'S HOUSE, INC.**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>BUILDING RENTAL</u>	<u>FUND - RAISING</u>	<u>TOTAL</u>
Salaries and wages	\$ 609,737	\$ 51,887	\$ 2,668	\$ 139,029	\$ 803,321
Payroll taxes	49,411	4,358	204	11,371	65,344
Employee fringe benefits	105,955	5,460	255	10,425	122,095
Advertising and promotion	-	2,750	-	-	2,750
Amortization	1,474	-	-	-	1,474
Assistance/aid	81,872	-	-	-	81,872
Bank and credit card fees	37	3	-	6,290	6,330
Continuing education and training	2,727	-	-	-	2,727
Depreciation	171,447	1,362	746	3,501	177,056
Dues and subscriptions	7,746	319	-	300	8,365
Equipment rental	1,541	94	-	240	1,875
Food costs	19,198	-	-	-	19,198
Information technology	16,171	747	32	19,578	36,528
Insurance	38,671	2,021	240	1,872	42,804
Interest	12,151	120	69	309	12,649
Kitchen supplies and equipment	1,869	-	-	-	1,869
Meetings	1,982	170	-	-	2,152
Mileage and parking	213	-	-	31	244
Miscellaneous	3,757	165	-	611	4,533
Packaging costs	8,865	-	-	-	8,865
Postage	1,492	139	-	1,690	3,321
Printing	499	47	-	7,482	8,028
Professional fees	-	37,003	-	-	37,003
Repairs and maintenance	38,818	993	302	2,556	42,669
Retirement plan contributions	17,862	1,637	89	4,471	24,059
Security	19,886	29	-	76	19,991
Special events	-	-	-	98,728	98,728
Supplies and furnishings	34,211	313	-	1,351	35,875
Telephone	16,813	428	-	543	17,784
Travel	3,062	-	-	-	3,062
Uniforms	5,781	-	-	-	5,781
Utilities	107,635	1,413	878	3,633	113,559
Vehicle costs	15,362	-	-	-	15,362
<b>TOTAL</b>	<u>1,396,245</u>	<u>111,458</u>	<u>5,483</u>	<u>314,087</u>	<u>1,827,273</u>
Less direct benefits to donors expense included with revenues on the statement of activities	-	-	-	(52,028)	(52,028)
Less cost of sales expense included with revenues on the statement of activities	<u>(67,897)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(67,897)</u>
<b>Total included in expenses on statement of activities</b>	<u><u>\$ 1,328,348</u></u>	<u><u>\$ 111,458</u></u>	<u><u>\$ 5,483</u></u>	<u><u>\$ 262,059</u></u>	<u><u>\$ 1,707,348</u></u>

The accompanying notes are an integral part of these financial statements.

**LYDIA'S HOUSE, INC.**  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Public support and contributions received	\$ 1,227,925	\$ 1,083,545
Government support received	1,009,557	840,723
Cash paid to suppliers and employees	(1,714,084)	(1,649,033)
Miscellaneous income received	3,642	2,697
Rental income received	17,100	21,600
Interest and dividends received	49,799	80,870
Interest paid	(10,236)	(12,649)
NET CASH PROVIDED BY OPERATING ACTIVITIES	583,703	367,753
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	4,310,750	3,875,787
Purchase of investments	(4,674,432)	(4,039,229)
Proceeds from fire insurance	205,080	-
Proceeds from sale of fixed assets	750	-
Purchase of fixed assets	(222,075)	(60,344)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(379,927)	(223,786)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on notes payable	(27,371)	(179,074)
<b>NET INCREASE (DECREASE) IN CASH</b>	176,405	(35,107)
<b>CASH - BEGINNING OF YEAR</b>	430,399	465,506
<b>CASH - END OF YEAR</b>	\$ 606,804	\$ 430,399

The accompanying notes are an integral part of these financial statements.

**RECONCILIATION OF CHANGE IN NET ASSETS TO NET  
CASH PROVIDED BY OPERATING ACTIVITIES**

	2023	2022
<b>CHANGE IN NET ASSETS</b>	<b>\$ 766,688</b>	<b>\$ (138,526)</b>
<b>ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Stock donations	(210,115)	(64,279)
Depreciation and amortization	169,673	178,530
Gain (loss) on disposal of assets	12,155	-
Realized (gain) loss on sales of investments	67,085	169,945
Unrealized (gain) loss on investments	(166,489)	312,203
(Increase) decrease in assets:		
Receivables	(70,825)	(54,200)
Prepaid expenses	(5,969)	18,793
Inventory	10,423	(8,212)
Increase (decrease) in liabilities:		
Accounts payable	17,634	575
Accrued expenses	(3,012)	(54,511)
Deferred revenue	(2,545)	7,435
Security deposits	(1,000)	-
<b>TOTAL ADJUSTMENTS</b>	<b>(182,985)</b>	<b>506,279</b>
 <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	 <b>\$ 583,703</b>	 <b>\$ 367,753</b>

**SUPPLEMENTAL DISCLOSURE OF NON-CASH INFORMATION:**

In-kind donations of program supplies and assistance items in the amount of \$47,443 and \$37,137 were received during the years ended September 30, 2023 and 2022, respectively.

The accompanying notes are an integral part of these financial statements.

***LYDIA’S HOUSE, INC.***  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023 AND 2022

**1. DESCRIPTION OF OPERATIONS**

Lydia’s House, Inc. (the Organization) is a not-for-profit organization founded in 1995 by a four-person mission group who, after research and discussions with domestic violence service providers in the St. Louis area, decided to address the urgent need of safe and confidential housing for battered women and their children. Lydia’s House continues to be the only confidentially-located, stand-alone transitional housing program in Missouri specifically for domestic violence victims. In the 23 years since Lydia’s House opened its first site, the Organization has grown from serving 2 families to serving 50 women and up to 80 children at a given time. Lydia’s House services include transitional housing, advocacy/case-management, legal advocacy, support groups, art therapy, counseling, children’s programs, community meals and outings, specialized services for immigrant survivors, follow-up services and the Ladle job training/employment program.

The Organization’s public support is currently funded by community and government organizations, St. Louis-based corporations, and individual donations.

In August 2013, Lydia’s House created a new entity, Lydia’s Ladle, LLC, a not-for-profit organization. Through this program, women gain practical work experience, make contacts for future job references, learn job skills that would make them a desirable job candidate in the food/restaurant business, and, most importantly, gradually transition into the full-time work force after leaving Lydia’s House. Lydia’s House is proud to say that, since Lydia's Ladle’s inception, 29 women have been provided with employment and job training. In partnership with Fox River Dairy, Lydia’s Ladle began expanding its distribution of its product outside of the St. Louis area.

In June of 2016, Lydia’s House purchased an additional property for the use of administrative offices, Lydia’s Ladle commercial kitchen, and the Educational Resource Center for Lydia’s House. Lydia’s House also began renovations to one of our housing locations to incorporate 5 more apartments. Lydia’s House went from serving 45 women and their children to 50 women and their children after renovations were completed.

In August 2018, Lydia’s House in collaboration with IFM Community Medicine started an in-house medical clinic that provides medical services to mothers and children residing at Lydia’s House. Through this program, residents can get school checkups, well and sick visits, blood work and immunizations at reduced or no cost if uninsured. In 2020, Lydia’s House medical clinic expanded its services to include specialized well woman care.

In 2020, Lydia’s House expanded in-house medical clinic services to specialized well woman care.

In 2023, Lydia’s House engaged in Strategic Planning sessions looking to the future to serve more survivors of domestic violence. Lydia’s Ladle-Social Enterprise continues to produce more product while providing information and resources for victims to obtain resources in our community.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Consolidated Financial Statements** - The consolidated financial statements include the accounts of the Organization and its wholly-owned subsidiary, Lydia's Ladle, LLC. The financial statements also include assets of a grantor trust held for the benefit of the Organization. All significant intercompany accounts and transactions have been eliminated in the consolidation.

**Basis of Presentation** - Financial statement presentation follows the recommendations of the FASB Accounting Standard Codification Topic 958, Not-for-Profit Entities.

**Net Assets** - Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Revenue and Revenue Recognition** - Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

**Contracts and Accounts Receivable** - Receivables consist of grant, contract and other revenue earned and not yet received. An allowance for doubtful accounts is not deemed necessary by management as, historically, few balances have been written off. As of September 30, 2023, all contracts, accounts, and pledges receivable were due from federal, state and local agencies, a local business, and a national health care company.

**Cash** - The Organization maintains its cash in accounts at two commercial banks and one brokerage firm. As of September 30, 2023, all but \$80,504 held in these accounts was insured by either the FDIC or SIPC.

**Investments** - The Organization carries investments in marketable securities with readily determinable fair values at their fair market value. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

**Inventory** - The Organization's inventory, which is stated at standard cost, consist of items that are sold to help fund the programs and to provide workforce training for residents.

**Fixed Assets** - Fixed assets are recorded at cost or fair market value at time of donation and depreciated over estimated useful lives as follows:

<u>Major Group</u>	<u>Method</u>	<u>Life</u>
Buildings and improvements	Straight-line	5 - 39 years
Furniture and equipment	Accelerated and Straight-line	5 - 7 years
Vehicles	Straight-line	3 - 5 years

Various items of furniture and equipment were donated to the Organization for which no fair market value was available and accordingly have not been recorded on the books.

All acquisitions of property and equipment of \$5,000 or more are capitalized. Depreciation was \$168,198 and \$177,056 for the years ended September 30, 2023 and 2022, respectively.

**Statement of Cash Flows** - For purposes of the Statement of Cash Flows, the Organization considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

**Donated Services** - The Organization pays for most services requiring specific expertise. However, a substantial number of hours have been contributed by unpaid volunteers to the various programs. These services are considered to add a dimension to the quality of program services over and above that which can be provided by salaried personnel. Donated services have not been reflected in the financial statements because they do not meet the criteria of FASB Accounting Standards Codification Topic 958 for recording in-kind donation of services.

**Donated Materials** - Donated materials are recorded as support at their estimated values at the date of receipt.

**Concentration of Revenue** - For the fiscal year ended September 30, 2023, the Organization received approximately 40% of its revenue from local, state, and federal agencies, through grant/contract agreements. Additionally, for the year ended September 30, 2023, approximately 12% of the revenues were from the Night for Hope and Healing fundraising event.

**Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Advertising** - The Organization follows the policy of charging the cost of advertising to expense as incurred. Advertising expense was \$8,491 and \$2,750 for the years ended September 30, 2023 and 2022, respectively.



2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

**Income Taxes** - The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a)2.

**Functional Allocation of Expenses** - The cost of providing the various programs and other activities has been summarized on a functional basis in the Statement of Activities. Accordingly, expenses require allocation on a reasonable basis that is consistently applied. The expenses allocated include salaries and benefits, payroll taxes, information technology, depreciation, insurance, interest, miscellaneous, office supplies, repairs and maintenance, utilities and telephone which are allocated on the basis of estimates of time and effort. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. Rental expenses relate to costs associated with lease management and overhead of the rental portion in one building.

3. **LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position date, comprise the following:

Cash	\$	606,804
Contracts and accounts receivable and promises to give		237,287
Investments		2,484,884
Less: donor-imposed restrictions		
Purpose		(27,387)
Time		(4,583)
Less: board designations		
Maintenance reserve		(26,397)
Debt reserve		(275,000)
Operating reserve		<u>(975,000)</u>
Financial assets available to meet cash needs for expenditures within one year	\$	<u><u>2,020,608</u></u>

Management has a goal to maintain cash on hand to meet twelve months of normal operating expenses and liabilities which are, on average, approximately \$1,750,000. Since the residents can stay at Lydia's House for up to two years, the goal of having cash on hand to meet expenses and liabilities for twelve months may be a longer period than deemed necessary by other not-for-profits.

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Board designated operating reserves could be made available if necessary.

#### 4. INVESTMENTS

Investments are stated at fair value and consist of the following:

	2023			2022		
	COST	FAIR VALUE	UNREALIZED GAIN(LOSS)	COST	FAIR VALUE	UNREALIZED GAIN(LOSS)
Corporate stocks	\$ 992,709	\$ 986,408	\$ (6,301)	\$ 649,739	\$ 544,295	\$ (105,444)
Mutual funds	666,628	651,678	(14,950)	688,967	646,553	(42,414)
Exchange traded funds	770,865	750,564	(20,302)	703,563	620,836	(82,727)
REIT's	118,778	96,234	(22,543)	-	-	-
<b>TOTAL</b>	<b>\$ 2,548,980</b>	<b>\$ 2,484,884</b>	<b>\$ (64,096)</b>	<b>\$ 2,042,269</b>	<b>\$ 1,811,684</b>	<b>\$ (230,585)</b>

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions (Level 1).

The following schedule summarizes the investment return included in the Statement of Activities for the years ended September 30:

	2023	2022
Investment income	\$ 69,300	\$ 101,497
Realized gain (loss) on investments	(67,085)	(169,945)
Unrealized gain (loss) on investments	166,489	(312,203)
Investment fees	(23,448)	(21,419)
	<b>\$ 145,256</b>	<b>\$ (402,070)</b>

#### 5. PROMISES TO GIVE

Unconditional promises to give at September 30 were as follows:

	2023	2022
Receivable in less than one year	\$ 50,000	\$ -
Receivable in one to five years	-	-
Total unconditional promises to give	50,000	-
Less: discounts to net present value	-	-
Net unconditional promises to give	<b>\$ 50,000</b>	<b>\$ -</b>

The promises to give receivable has not been discounted to its net present value as management has deemed the discount to be immaterial to the financial statements.

**6. LEASE COMMITMENTS**

The Organization leases a portion of one of its buildings to an outside entity under an operating lease that had an expiration date of September 30, 2023. That lease has since been renewed for one year, through September 30, 2024.

Future minimum lease payments expected to be received under the noncancellable operating lease is \$9,600 for the year ending September 30, 2024.

**7. NOTES PAYABLE**

Notes payable consists of:

	<u>2023</u>	<u>2022</u>
Midwest BankCentre - mortgage	\$ 249,324	\$ 276,695
Collateral - deed of trust on property		
Interest rate - 3.75%		
Maturity - June 5, 2025		
Payments - \$2,286 per month, which includes principal and interest		

Estimated maturities of the notes payable for the years ending September 30 are as follows:

2024	\$ 18,394
2025	<u>230,930</u>
TOTAL	<u>\$ 249,324</u>

**8. IN-KIND DONATIONS**

Donated materials and equipment are recorded as support income at their estimated fair market values at the time they are received. Such donations are reported as unrestricted support unless the donor has restricted these donations to a specific purpose. None of the donated items were restricted.

The Organization received in-kind donations of household items to be used by the residents in the transitional housing. For the years ended September 30, 2023 and 2022 the Organization recognized \$47,443 and \$37,137, respectively. These items are valued at the fair value of similar items available for purchase in the area.

## 9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following as of September 30:

	<u>2023</u>	<u>2022</u>
Family support	\$ 6,080	\$ 10,663
Furniture, equipment, building renovations	21,307	24,265
General support - time	<u>4,583</u>	<u>11,250</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 31,970</u>	<u>\$ 46,178</u>

## 10. BOARD DESIGNATED NET ASSETS

The board of directors has designated net assets for the following purposes as of September 30:

	<u>2023</u>	<u>2022</u>
Operations reserve	\$ 975,000	\$ 975,000
Debt reserve	275,000	275,000
Repairs reserve	<u>26,397</u>	<u>26,397</u>
TOTAL NET ASSETS WITH BOARD DESIGNATIONS	<u>\$ 1,276,397</u>	<u>\$ 1,276,397</u>

## 11. RETIREMENT PLANS

Effective January 1, 2019, the Organization adopted a new defined contribution plan that provided for an employer contribution of 3% of an eligible employee's compensation. Effective January 1, 2023, the employer contribution was increased to 5%. After the employee has worked at least one full year, eligibility begins at the next entry date of either January 1 or July 1. Retirement plan expense for the years ended September 30, 2023 and 2022 was \$33,290 and \$24,059, respectively.

## 12. INCOME TAX

FASB Accounting Standards Codification Topic 740, Income Taxes, provides for the recognition of tax benefits related to uncertain tax positions. For the years ended September 30, 2023 and 2022, management believes there are no material uncertain tax positions. The Organization files form 990 Return of Organization Exempt From Income Tax. Returns prior to 2019 are closed.

## 13. SUBSEQUENT EVENTS

As of the date of the Independent Auditors' Report, the date the financial statements were available to be issued, no subsequent events or transactions had occurred that would have materially impacted the financial statements as presented.

## **SUPPLEMENTAL INFORMATION**

**LYDIA'S HOUSE, INC.**  
**SCHEDULE OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2023**

**ASSETS**

**CURRENT ASSETS**

Cash	\$	593,557
Receivables:		
Contracts and promises to give		223,935
Other		7,604
Prepaid expenses		35,372
<b>TOTAL CURRENT ASSETS</b>		<b>860,468</b>

**FIXED ASSETS**

Land		524,887
Buildings and improvements		4,401,572
Furniture and equipment		70,120
Vehicles		102,195
Total Cost		5,098,774
Less: accumulated depreciation and amortization		2,436,777
<b>NET FIXED ASSETS</b>		<b>2,661,997</b>

**OTHER ASSETS**

Investments		2,484,884
Deposit		500
Member's capital contribution - Lydia's Ladle, LLC		100
Due from Lydia's Ladle		312,006
<b>TOTAL OTHER ASSETS</b>		<b>2,797,490</b>

<b>TOTAL ASSETS</b>	<b>\$</b>	<b>6,319,955</b>
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See Independent Auditors' Report.

## LIABILITIES AND NET ASSETS

### CURRENT LIABILITIES

Notes payable - amount due in one year	\$ 18,394
Accounts payable	37,617
Payroll taxes payable	2,118
Accrued expenses:	
Vacations	26,505
Salaries and wages	15,500
Other	237
Deferred revenue	7,440
TOTAL CURRENT LIABILITIES	<u>107,811</u>

### LONG-TERM LIABILITIES

Notes payable	249,324
Less: amount due in one year	18,394
TOTAL LONG-TERM LIABILITIES	<u>230,930</u>

TOTAL LIABILITIES	<u>338,741</u>
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### NET ASSETS

Without donor restrictions:	
Undesignated	2,260,174
Invested in property and equipment, net of related debt	2,412,673
Board designated - operating reserve	975,000
Board designated - debt reserve	275,000
Board designated - repairs reserve	26,397
With donor restrictions	31,970
TOTAL NET ASSETS	<u>5,981,214</u>

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,319,955</u>
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See Independent Auditors' Report.

**LYDIA'S HOUSE, INC.**  
**SCHEDULE OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<b>REVENUES, GAINS AND SUPPORT</b>			
Government support	\$ 1,077,200	\$ -	\$ 1,077,200
Contributions	1,003,683	48,000	1,051,683
Special events	351,990	-	351,990
Less: direct benefits to donors	<u>(76,574)</u>	<u>-</u>	<u>(76,574)</u>
Net income from special events	275,416	-	275,416
Interest and dividend income, net of fees	49,799	-	49,799
In-kind contributions	47,443	-	47,443
Rental income	17,100	-	17,100
Miscellaneous	3,642	-	3,642
Realized gain (loss) on investments	(67,085)	-	(67,085)
Unrealized gain (loss) on investments	166,489	-	166,489
Gain (loss) on disposal of assets	(12,155)	-	(12,155)
Net assets released from restrictions:			
Satisfaction of time restrictions	41,667	(41,667)	-
Satisfaction of purpose restrictions	<u>20,541</u>	<u>(20,541)</u>	<u>-</u>
<b>TOTAL REVENUES, GAINS     AND SUPPORT</b>	<u>2,623,740</u>	<u>(14,208)</u>	<u>2,609,532</u>
<b>EXPENSES</b>			
Program	<u>1,414,626</u>	<u>-</u>	<u>1,414,626</u>
Supporting Services:			
Management and general	132,865	-	132,865
Building rental	7,076	-	7,076
Fundraising	<u>242,739</u>	<u>-</u>	<u>242,739</u>
<b>Total Supporting Services</b>	<u>382,680</u>	<u>-</u>	<u>382,680</u>
<b>TOTAL EXPENSES</b>	<u>1,797,306</u>	<u>-</u>	<u>1,797,306</u>
<b>CHANGE IN NET ASSETS</b>	826,434	(14,208)	812,226
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>5,122,810</u>	<u>46,178</u>	<u>5,168,988</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 5,949,244</u>	<u>\$ 31,970</u>	<u>\$ 5,981,214</u>

See Independent Auditors' Report.



**LYDIA'S HOUSE, INC.**

**SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>BUILDING RENTAL</u>	<u>FUND - RAISING</u>	<u>TOTAL</u>
Salaries and wages	\$ 607,051	\$ 55,796	\$ 3,138	\$ 132,445	\$ 798,430
Payroll taxes	44,831	3,888	240	10,029	58,988
Employee fringe benefits	109,110	5,648	307	10,427	125,492
Advertising and promotion	-	8,491	-	-	8,491
Amortization - acquisition costs	1,475	-	-	-	1,475
Assistance/aid	87,694	-	-	-	87,694
Bank and credit card fees	39	4	-	5,841	5,884
Continuing education and training	3,241	-	-	-	3,241
Depreciation	162,371	1,464	807	3,556	168,198
Dues and subscriptions	6,513	100	-	733	7,346
Information technology	14,875	1,004	55	12,196	28,130
Insurance	40,564	2,593	400	2,723	46,280
Interest	10,059	177	-	-	10,236
Meetings	1,702	364	-	368	2,434
Mileage and parking	260	-	-	231	491
Miscellaneous	4,264	8,333	-	1,106	13,703
Postage	1,526	140	-	1,512	3,178
Printing	4,158	330	-	7,273	11,761
Professional fees	-	38,372	-	-	38,372
Repairs and maintenance	42,850	1,286	816	3,123	48,075
Retirement plan contributions	24,749	2,425	151	5,965	33,290
Security	6,068	208	110	505	6,891
Special events	-	-	-	112,054	112,054
Supplies and furnishings	93,872	281	-	1,127	95,280
Telephone	19,554	401	71	832	20,858
Travel	2,572	-	-	3,477	6,049
Utilities	111,418	1,560	981	3,790	117,749
Vehicle costs	13,810	-	-	-	13,810
TOTAL	<u>1,414,626</u>	<u>132,865</u>	<u>7,076</u>	<u>319,313</u>	<u>1,873,880</u>
Less direct benefits to donors expense included with revenues on the schedule of activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(76,574)</u>	<u>(76,574)</u>
Total included in expenses on schedule of activities	<u>\$ 1,414,626</u>	<u>\$ 132,865</u>	<u>\$ 7,076</u>	<u>\$ 242,739</u>	<u>\$ 1,797,306</u>

See Independent Auditors' Report.

**LYDIA'S LADLE, LLC**  
SCHEDULE OF FINANCIAL POSITION  
SEPTEMBER 30, 2023

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 13,247
Accounts receivable	5,748
Inventory	941
<b>TOTAL ASSETS</b>	<b>\$ 19,936</b>

**LIABILITIES AND NET DEFICIT**

**CURRENT LIABILITIES**

Accounts payable	\$ 1,224
Payroll taxes payable	455
Accrued salaries and wages	827
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,506</b>

**LONG-TERM LIABILITY**

Due to Lydia's House, Inc.	312,006
<b>TOTAL LIABILITIES</b>	<b>314,512</b>

**NET DEFICIT**

Member capital contribution	100
Deficit without donor restrictions	(294,676)
<b>TOTAL NET DEFICIT</b>	<b>(294,576)</b>

<b>TOTAL LIABILITIES AND NET DEFICIT</b>	<b>\$ 19,936</b>
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See Independent Auditors' Report.

**LYDIA'S LADLE, LLC**  
**SCHEDULE OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

<b>REVENUES, GAINS AND SUPPORT</b>	
Sales - food products	\$ 36,912
TOTAL REVENUES, GAINS AND SUPPORT	36,912
<b>COST OF SALES</b>	
<b>Direct Expenses</b>	
Wages	29,732
Payroll taxes	2,806
Food costs	26,341
Packaging costs	8,840
Total Direct Expenses	67,719
<b>Indirect Expenses</b>	
Kitchen supplies and equipment	2,224
Repairs and maintenance	1,152
Uniforms	5,699
Other	89
Total Indirect Expenses	9,164
TOTAL COST OF SALES	76,883
GROSS PROFIT (LOSS)	(39,971)
<b>EXPENSES</b>	
Management and general	2,787
Fundraising	2,780
TOTAL EXPENSES	5,567
<b>CHANGE IN NET DEFICIT WITHOUT DONOR RESTRICTIONS</b>	(45,538)
<b>NET DEFICIT WITHOUT DONOR RESTRICTIONS - BEGINNING OF YEAR</b>	(249,138)
<b>NET DEFICIT WITHOUT DONOR RESTRICTIONS - END OF YEAR</b>	\$ (294,676)

See Independent Auditors' Report.

**LYDIA'S LADLE, LLC**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	PROGRAM	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Salaries and wages	\$ 29,732	\$ 2,538	\$ 2,538	\$ 34,808
Payroll taxes	2,806	242	242	3,290
Food costs	26,341	-	-	26,341
Kitchen supplies and equipment	2,224	-	-	2,224
Packaging costs	8,840	-	-	8,840
Repairs and maintenance	1,152	-	-	1,152
Uniforms	5,699	-	-	5,699
Other	89	7	-	96
TOTAL	76,883	2,787	2,780	82,450
Less cost of sales expense included with revenues on the schedule of activities	(76,883)	-	-	(76,883)
Total included in expenses on schedule of activities	\$ -	\$ 2,787	\$ 2,780	\$ 5,567

See Independent Auditors' Report.