

***LYDIA'S HOUSE, INC.***  
***CONSOLIDATED FINANCIAL STATEMENTS***  
***FOR THE YEARS ENDED***  
***SEPTEMBER 30, 2024 AND 2023***

***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, 2024 and 2023, 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, 2024 and 2023, 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 audits 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Prior Period Financial Statements***

The financial statements as of September 30, 2023, were audited by Botz, Deal & Company, P.C., who merged with UHY LLP as of January 1, 2025, and whose report dated April 3, 2024, expressed an unmodified opinion on those statements.

### ***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 20 through 26 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.

The image shows a handwritten signature in black ink. The letters 'UHY' are written in a large, stylized, cursive font, and 'LLP' is written in a smaller, simpler font to the right of 'UHY'.

St. Charles, Missouri  
June 12, 2025

***LYDIA'S HOUSE, INC.***  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2024 AND 2023**

**ASSETS**

	<u>2024</u>	<u>2023</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 629,413	\$ 606,804
Investments	3,379,393	2,484,884
Receivables:		
Contracts and grants	142,396	173,935
Promises-to-give	10,000	50,000
Accounts receivable	28,796	13,352
Prepaid expenses	34,126	35,372
Inventory	4,278	941
<b>TOTAL CURRENT ASSETS</b>	<u>4,228,402</u>	<u>3,365,288</u>
 <b>FIXED ASSETS</b>		
Land	524,887	524,887
Buildings and improvements	4,530,631	4,401,572
Furniture and equipment	82,855	70,120
Vehicles	102,195	102,195
Total Cost	<u>5,240,568</u>	<u>5,098,774</u>
Less: accumulated depreciation and amortization	<u>2,599,521</u>	<u>2,436,777</u>
<b>NET FIXED ASSETS</b>	<u>2,641,047</u>	<u>2,661,997</u>
 <b>OTHER ASSETS</b>		
Deposit	<u>500</u>	<u>500</u>
 <b>TOTAL ASSETS</b>	 <u><u>\$ 6,869,949</u></u>	 <u><u>\$ 6,027,785</u></u>

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

## LIABILITIES AND NET ASSETS

	<u>2024</u>	<u>2023</u>
<b>CURRENT LIABILITIES</b>		
Notes payable - amount due in one year	\$ 154,059	\$ 18,394
Accounts payable	37,693	38,841
Payroll taxes payable	2,571	2,573
Accrued expenses:		
Vacations	30,929	26,505
Salaries and wages	21,064	16,327
Other	-	237
Deferred revenue	26,390	7,440
<b>TOTAL CURRENT LIABILITIES</b>	<u>272,706</u>	<u>110,317</u>
<b>LONG-TERM LIABILITIES</b>		
Notes payable	154,059	249,324
Less: amount due in one year	154,059	18,394
<b>TOTAL LONG-TERM LIABILITIES</b>	<u>-</u>	<u>230,930</u>
<b>TOTAL LIABILITIES</b>	<u>272,706</u>	<u>341,247</u>
<b>NET ASSETS</b>		
Without donor restrictions:		
Undesignated	2,757,518	1,965,498
Invested in property and equipment, net of related debt	2,486,988	2,412,673
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	76,340	31,970
<b>TOTAL NET ASSETS</b>	<u>6,597,243</u>	<u>5,686,538</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 6,869,949</u></u>	<u><u>\$ 6,027,785</u></u>

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, 2024

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<b>REVENUES, GAINS AND SUPPORT</b>			
Government support	\$ 1,046,099	\$ -	\$ 1,046,099
Contributions	618,354	127,000	745,354
Merchandise and food sales	37,402	-	37,402
Less: cost of sales	(88,748)	-	(88,748)
Net income(loss) from sales	(51,346)	-	(51,346)
Special events	540,897	-	540,897
Less: direct benefits to donors	(109,728)	-	(109,728)
Net income from special events	431,169	-	431,169
Interest and dividend income, net of fees	56,136	-	56,136
Contributions of nonfinancial assets	28,374	-	28,374
Rental income	9,600	-	9,600
Miscellaneous	3,668	-	3,668
Unrealized gain (loss) on investments	530,635	-	530,635
Realized gain (loss) on investments	(61,571)	-	(61,571)
Net assets released from restrictions:			
Satisfaction of time restrictions	46,666	(46,666)	-
Satisfaction of purpose restrictions	35,964	(35,964)	-
<b>TOTAL REVENUES, GAINS AND SUPPORT</b>	<b>2,693,748</b>	<b>44,370</b>	<b>2,738,118</b>
<b>EXPENSES</b>			
Program	1,408,722	-	1,408,722
Supporting Services:			
Management and general	143,434	-	143,434
Building rental	5,452	-	5,452
Fundraising	288,829	-	288,829
Total Supporting Services	437,715	-	437,715
<b>TOTAL EXPENSES</b>	<b>1,846,437</b>	<b>-</b>	<b>1,846,437</b>
<b>OTHER NONOPERATING INCOME</b>			
Fire claim recoveries	10,967	-	10,967
Flood claim recoveries	8,057	-	8,057
<b>TOTAL OTHER NONOPERATING INCOME</b>	<b>19,024</b>	<b>-</b>	<b>19,024</b>
<b>CHANGE IN NET ASSETS</b>	<b>866,335</b>	<b>44,370</b>	<b>910,705</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>5,654,568</b>	<b>31,970</b>	<b>5,686,538</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 6,520,903</b>	<b>\$ 76,340</b>	<b>\$ 6,597,243</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, 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	49,799	-	49,799
Contributions of nonfinancial assets	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 FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	PROGRAM	MANAGEMENT AND GENERAL	BUILDING RENTAL	FUND - RAISING	TOTAL
Salaries and wages	\$ 641,268	\$ 61,200	\$ 3,602	\$ 165,135	\$ 871,205
Payroll taxes	47,563	4,379	276	11,877	64,095
Employee fringe benefits	96,596	5,330	311	9,854	112,091
Advertising and promotion	-	14,627	-	-	14,627
Amortization	1,474	-	-	-	1,474
Assistance/aid	77,845	-	-	-	77,845
Bank and credit card fees	40	4	-	5,814	5,858
Continuing education and training	1,584	60	-	-	1,644
Depreciation	175,160	1,476	251	4,215	181,102
Dues and subscriptions	6,718	100	-	733	7,551
Food costs	15,203	-	-	-	15,203
Information technology	11,215	771	-	10,097	22,083
Insurance	46,438	3,319	182	4,827	54,766
Interest	7,228	-	6	17	7,251
Kitchen supplies and equipment	2,637	-	-	-	2,637
Meetings	1,165	571	-	319	2,055
Mileage and parking	308	29	-	115	452
Miscellaneous	3,228	248	-	1,165	4,641
Packaging costs	11,395	-	-	-	11,395
Postage	1,527	146	-	6,616	8,289
Printing	1,583	152	-	7,258	8,993
Professional fees	-	41,381	-	5,470	46,851
Repairs and maintenance	89,791	2,608	223	7,451	100,073
Retirement plan contributions	26,129	2,918	179	8,094	37,320
Security	10,714	308	-	879	11,901
Special events	-	-	-	139,162	139,162
Supplies and furnishings	31,387	586	-	2,058	34,031
Telephone	32,286	614	37	1,209	34,146
Travel	1,001	435	-	-	1,436
Uniforms	8,176	-	-	-	8,176
Utilities	138,438	2,172	385	6,192	147,187
Vehicle costs	9,373	-	-	-	9,373
<b>TOTAL</b>	<b>1,497,470</b>	<b>143,434</b>	<b>5,452</b>	<b>398,557</b>	<b>2,044,913</b>
Less direct benefits to donors expense included with revenues on the statement of activities	-	-	-	(109,728)	(109,728)
Less cost of sales expense included with revenues on the statement of activities	(88,748)	-	-	-	(88,748)
<b>Total included in expenses on statement of activities</b>	<b>\$ 1,408,722</b>	<b>\$ 143,434</b>	<b>\$ 5,452</b>	<b>\$ 288,829</b>	<b>\$ 1,846,437</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

	PROGRAM	MANAGEMENT AND GENERAL	BUILDING RENTAL	FUND - RAISING	TOTAL
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>	<b>1,491,509</b>	<b>135,652</b>	<b>7,076</b>	<b>322,093</b>	<b>1,956,330</b>
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	(76,883)	-	-	-	(76,883)
<b>Total included in expenses on statement of activities</b>	<b>\$ 1,414,626</b>	<b>\$ 135,652</b>	<b>\$ 7,076</b>	<b>\$ 245,519</b>	<b>\$ 1,802,873</b>

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, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Public support and contributions received	\$ 1,212,763	\$ 1,177,925
Government support received	1,077,638	1,059,557
Cash paid to suppliers and employees	(1,899,952)	(1,714,084)
Miscellaneous income received	3,668	3,642
Rental income received	9,600	17,100
Interest and dividends received	56,136	49,799
Interest paid	(7,251)	(10,236)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>452,602</u>	<u>583,703</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	2,174,824	4,310,750
Purchase of investments	(2,430,430)	(4,674,432)
Proceeds from insurance	-	205,080
Proceeds from sale of fixed assets	-	750
Purchase of fixed assets	(79,122)	(222,075)
NET CASH USED BY INVESTING ACTIVITIES	<u>(334,728)</u>	<u>(379,927)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on notes payable	<u>(95,265)</u>	<u>(27,371)</u>
<b>NET INCREASE IN CASH</b>	22,609	176,405
<b>CASH - BEGINNING OF YEAR</b>	<u>606,804</u>	<u>430,399</u>
<b>CASH - END OF YEAR</b>	<u>\$ 629,413</u>	<u>\$ 606,804</u>

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

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

	<u>2024</u>	<u>2023</u>
<b>CHANGE IN NET ASSETS</b>	<b>\$ 910,705</b>	<b>\$ 766,688</b>
<b>ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Stock donations	(169,840)	(210,115)
Depreciation and amortization	182,576	169,673
Fire damage repairs	(82,503)	-
Gain (loss) on disposal of assets	-	12,155
Realized (gain) loss on sales of investments	61,571	67,085
Unrealized (gain) loss on investments	(530,635)	(166,489)
(Increase) decrease in assets:		
Receivables	56,095	(70,825)
Prepaid expenses	1,246	(5,969)
Inventory	(3,337)	10,423
Increase (decrease) in liabilities:		
Accounts payable	(1,148)	17,634
Accrued expenses	8,922	(3,012)
Deferred revenue	18,950	(2,545)
Security deposits	-	(1,000)
<b>TOTAL ADJUSTMENTS</b>	<b><u>(458,103)</u></b>	<b><u>(182,985)</u></b>
 <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	 <b><u>\$ 452,602</u></b>	 <b><u>\$ 583,703</u></b>

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

Contributions of nonfinancial assets in the amount of \$28,374 and \$47,443 were received during the years ended September 30, 2024 and 2023, respectively.

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

***LYDIA'S HOUSE, INC.***  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023

**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 almost 30 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 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** – The Organization recognizes approximately 2% of revenue from food product sales from Lydia's Ladle. The Organization's performance obligations are satisfied at a point in time when the food product is picked up and the customer is billed. Revenues are recognized (performance obligation is met) when earned (the food product is picked up) in an amount that reflects the consideration the Organization expects to be entitled to in exchange for the food product. Terms and conditions are set at the time the food product is purchased, and do not include any financing component. There is no variable consideration and no right of return. 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 credit losses is not deemed necessary by management as, historically, few balances have been written off. As of September 30, 2024, approximately 81% of contracts, accounts, and pledges receivable were due from federal, state and local agencies and one foundation. As of September 30, 2023, all contracts, accounts and pledges receivable were due from federal, state and local agencies, a local business and a health care company.

**Cash** - The Organization maintains its cash in accounts at one commercial banks and one brokerage firm. The Organization from time to time may have bank balances in excess of its insured limits. Management has deemed this as normal business risk.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

**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. Realized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

**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:

Major Group	Method	Life
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 \$181,102 and \$168,198 for the years ended September 30, 2024 and 2023, 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.

**Contributions of Nonfinancial Assets** - 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. Contributed 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 are recorded as support at their estimated values at the date of receipt.

**Concentration of Revenue** - For the fiscal year ended September 30, 2024 and 2023, the Organization received approximately 36% and 40%, respectively, of its revenue from local, state, and federal agencies, through grant/contract agreements. Additionally, for the year ended September 30, 2024 and 2023, approximately 17% and 12%, respectively 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.



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

**Advertising** - The Organization follows the policy of charging the cost of advertising to expense as incurred. Advertising expense was \$14,627 and \$8,491 for the years ended September 30, 2024 and 2023, respectively.

**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:

	2024	2023
Cash	\$ 629,413	\$ 606,804
Contracts and accounts receivable and promises-to-give	181,192	237,287
Investments	3,379,393	2,484,884
Less: donor-imposed restrictions		
Purpose	(53,423)	(27,387)
Time	(22,917)	(4,583)
Less: board designations		
Maintenance reserve	(26,397)	(26,397)
Debt reserve	(275,000)	(275,000)
Operating reserve	(975,000)	(975,000)
Financial assets available to meet cash needs for expenditures within one year	\$ 2,837,261	\$ 2,020,608

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. The goal of having cash on hand to meet expenses and liabilities for twelve months may be a longer period than deemed necessary by some other not-for-profits; however, management believe is it appropriate since the residents can stay at Lydia's House for up to two years.

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:

	2024			2023		
	COST	FAIR VALUE	UNREALIZED GAIN(LOSS)	COST	FAIR VALUE	UNREALIZED GAIN(LOSS)
Corporate stocks	\$ 657,665	\$ 893,896	\$ 236,231	\$ 992,709	\$ 986,408	\$ (6,301)
Mutual funds	943,834	1,009,773	65,938	666,628	651,678	(14,950)
Exchange traded funds	1,311,354	1,475,724	164,370	770,865	750,564	(20,302)
REIT's	-	-	-	118,778	96,234	(22,543)
TOTAL	<u>\$ 2,912,853</u>	<u>\$ 3,379,393</u>	<u>\$ 466,539</u>	<u>\$ 2,548,980</u>	<u>\$ 2,484,884</u>	<u>\$ (64,096)</u>

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

*Level 1* - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

*Level 2* - Inputs and values are generally provided by dealer quotations and incorporate the bid price, ask price, or the price spread between the two.

*Level 3* - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

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:

	2024	2023
Investment income	\$ 86,011	\$ 69,300
Realized gain (loss) on investments	(61,571)	(67,085)
Unrealized gain (loss) on investments	530,635	166,489
Investment fees	(29,875)	(23,448)
	<u>\$ 525,200</u>	<u>\$ 145,256</u>

## 5. PROMISES-TO-GIVE

Unconditional promises-to-give at September 30 were as follows:

	<u>2024</u>	<u>2023</u>
Receivable in less than one year	\$ 10,000	\$ 50,000
Receivable in one to five years	<u>-</u>	<u>-</u>
Total unconditional promise- to-give	10,000	50,000
Less: discounts to net present value	<u>-</u>	<u>-</u>
Net unconditional promises-to-give	\$ <u>10,000</u>	\$ <u>50,000</u>

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, 2024. That lease has since been renewed for one year, through September 30, 2025.

Future minimum lease payments expected to be received under the noncancellable operating lease is \$9,600 for the year ending September 30, 2025.

## 7. NOTES PAYABLE

Notes payable consists of:

	<u>2024</u>	<u>2023</u>
Midwest BankCentre - mortgage	\$ 154,059	\$ 249,324
Collateral - deed of trust on property		
Interest rate - 3.75%		
Maturity - June 5, 2025		
Payments - \$1,186 per month, which includes principal and interest		

Management intends to refinance this loan on a long-term basis and is in discussions with its lender to finalize the new financing agreement. The Organization believes it has a strong relationship with its lenders and is confident in its ability to obtain favorable refinancing terms if they choose to refinance.

## 8. CONTRIBUTIONS OF NONFINANCIAL ASSETS

Contributions of nonfinancial assets 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 donations of household items to be used by the residents in the transitional housing. For the years ended September 30, 2024 and 2023 the Organization recognized \$28,374 and \$47,443, 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:

	2024	2023
Family support	\$ 49,116	\$ 6,080
Furniture, equipment, building renovations	4,307	21,307
General support - time	22,917	4,583
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	\$ 76,340	\$ 31,970

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors. Net assets were released for the following purposes:

	2024	2023
Family support	\$ 18,964	\$ 17,583
Furniture, equipment, building renovations	17,000	2,958
General support - time	46,666	41,667
	\$ 82,630	\$ 62,208

## 10. BOARD DESIGNATED NET ASSETS

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

	2024	2023
Operations reserve	\$ 975,000	\$ 975,000
Debt reserve	275,000	275,000
Repairs reserve	26,397	26,397
TOTAL NET ASSETS WITH BOARD DESIGNATIONS	\$ 1,276,397	\$ 1,276,397

## **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, 2024 and 2023 was \$37,320 and \$33,290, 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, 2024 and 2023, management believes there are no material uncertain tax positions. The Organization files form 990 Return of Organization Exempt From Income Tax. Returns prior to 2020 are closed.

## **13. NONOPERATING INCOME**

The Organization sustained substantial damage to a building due to a fire. On a separate occasion, the Organization sustained flood damages. Nonoperating revenues have been recorded in the amount of \$19,024 and \$-0- for the years ended September 30, 2024 and 2023, respectively, for the net gain related to insurance proceeds received for damages to the properties.

## **14. 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, 2024**

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 617,620
Investments	3,379,393
Receivables:	
Contracts and grants	142,396
Promises-to-give	10,000
Other	24,183
Prepaid expenses	34,126
TOTAL CURRENT ASSETS	<u>4,207,718</u>

**FIXED ASSETS**

Land	524,887
Buildings and improvements	4,530,631
Furniture and equipment	82,855
Vehicles	102,195
Total Cost	<u>5,240,568</u>
Less: accumulated depreciation and amortization	<u>2,599,521</u>
NET FIXED ASSETS	<u>2,641,047</u>

**OTHER ASSETS**

Deposit	500
Member's capital contribution - Lydia's Ladle, LLC	100
Due from Lydia's Ladle	368,975
TOTAL OTHER ASSETS	<u>369,575</u>

TOTAL ASSETS	<u><u>\$ 7,218,340</u></u>
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See Independent Auditors' Report.

## **LIABILITIES AND NET ASSETS**

### **CURRENT LIABILITIES**

Notes payable - amount due in one year	\$ 154,059
Accounts payable	36,962
Payroll taxes payable	2,007
Accrued expenses:	
Vacations	30,929
Salaries and wages	19,349
Other	-
Deferred revenue	26,390
<b>TOTAL CURRENT LIABILITIES</b>	<b><u>269,696</u></b>

### **NET ASSETS**

Without donor restrictions:	
Undesignated	3,108,919
Invested in property and equipment, net of related debt	2,486,988
Board designated - operating reserve	975,000
Board designated - debt reserve	275,000
Board designated - repairs reserve	26,397
With donor restrictions	76,340
<b>TOTAL NET ASSETS</b>	<b><u>6,948,644</u></b>

<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u><u>\$ 7,218,340</u></u></b>
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See Independent Auditors' Report.



**LYDIA'S HOUSE, INC.**  
SCHEDULE OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<b>REVENUES, GAINS AND SUPPORT</b>			
Government support	\$ 1,046,099	\$ -	\$ 1,046,099
Contributions	618,269	127,000	745,269
Special events	540,897	-	540,897
Less: direct benefits to donors	(109,728)	-	(109,728)
Net income from special events	431,169	-	431,169
Interest and dividend income, net of fees	56,136	-	56,136
Contributions of nonfinancial assets	28,374	-	28,374
Rental income	9,600	-	9,600
Miscellaneous	3,668	-	3,668
Realized gain (loss) on investments	(61,571)	-	(61,571)
Unrealized gain (loss) on investments	530,635	-	530,635
Net assets released from restrictions:			
Satisfaction of time restrictions	46,666	(46,666)	-
Satisfaction of purpose restrictions	35,964	(35,964)	-
<b>TOTAL REVENUES, GAINS AND SUPPORT</b>	<b>2,745,009</b>	<b>44,370</b>	<b>2,789,379</b>
<b>EXPENSES</b>			
Program	1,408,722	-	1,408,722
Supporting Services:			
Management and general	140,702	-	140,702
Building rental	5,452	-	5,452
Fundraising	286,097	-	286,097
Total Supporting Services	432,251	-	432,251
<b>TOTAL EXPENSES</b>	<b>1,840,973</b>	<b>-</b>	<b>1,840,973</b>
<b>OTHER NONOPERATING INCOME</b>			
Fire claim recoveries	10,967	-	10,967
Flood claim recoveries	8,057	-	8,057
<b>TOTAL OTHER NONOPERATING INCOME</b>	<b>19,024</b>	<b>-</b>	<b>19,024</b>
<b>CHANGE IN NET ASSETS</b>	<b>923,060</b>	<b>44,370</b>	<b>967,430</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>5,949,244</b>	<b>31,970</b>	<b>5,981,214</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 6,872,304</b>	<b>\$ 76,340</b>	<b>\$ 6,948,644</b>

See Independent Auditors' Report.

**LYDIA'S HOUSE, INC.**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>BUILDING RENTAL</u>	<u>FUND - RAISING</u>	<u>TOTAL</u>
Salaries and wages	\$ 594,874	\$ 58,662	\$ 3,602	\$ 162,597	\$ 819,735
Payroll taxes	43,647	4,185	276	11,683	59,791
Employee fringe benefits	96,596	5,330	311	9,854	112,091
Advertising and promotion	-	14,627	-	-	14,627
Amortization - acquisition costs	1,474	-	-	-	1,474
Assistance/aid	77,845	-	-	-	77,845
Bank and credit card fees	40	4	-	5,814	5,858
Continuing education and training	1,584	60	-	-	1,644
Depreciation	175,160	1,476	251	4,215	181,102
Dues and subscriptions	6,718	100	-	733	7,551
Information technology	11,215	771	-	10,097	22,083
Insurance	46,438	3,319	182	4,827	54,766
Interest	7,228	-	6	17	7,251
Meetings	1,165	571	-	319	2,055
Mileage and parking	308	29	-	115	452
Miscellaneous	3,098	248	-	1,165	4,511
Postage	1,527	146	-	6,616	8,289
Printing	1,583	152	-	7,258	8,993
Professional fees		41,381	-	5,470	46,851
Repairs and maintenance	88,894	2,608	223	7,451	99,176
Retirement plan contributions	26,129	2,918	179	8,094	37,320
Security	10,714	308	-	879	11,901
Special events	-	-	-	139,162	139,162
Supplies and furnishings	31,387	586	-	2,058	34,031
Telephone	32,286	614	37	1,209	34,146
Travel	1,001	435	-	-	1,436
Utilities	138,438	2,172	385	6,192	147,187
Vehicle costs	9,373	-	-	-	9,373
TOTAL	<u>1,408,722</u>	<u>140,702</u>	<u>5,452</u>	<u>395,825</u>	<u>1,950,701</u>
Less direct benefits to donors expense included with revenues on the schedule of activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(109,728)</u>	<u>(109,728)</u>
Total included in expenses on schedule of activities	<u>\$ 1,408,722</u>	<u>\$ 140,702</u>	<u>\$ 5,452</u>	<u>\$ 286,097</u>	<u>\$ 1,840,973</u>

See Independent Auditors' Report.

***LYDIA'S LADLE, LLC***  
SCHEDULE OF FINANCIAL POSITION  
SEPTEMBER 30, 2024

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 11,793
Accounts receivable	4,613
Inventory	4,278
TOTAL ASSETS	<u>\$ 20,684</u>

**LIABILITIES AND NET DEFICIT**

**CURRENT LIABILITIES**

Accounts payable	\$ 731
Payroll taxes payable	564
Accrued salaries and wages	1,715
TOTAL CURRENT LIABILITIES	<u>3,010</u>

**LONG-TERM LIABILITY**

Due to Lydia's House, Inc.	<u>368,975</u>
TOTAL LIABILITIES	<u>371,985</u>

**NET DEFICIT**

Member capital contribution	100
Deficit without donor restrictions	<u>(351,401)</u>
TOTAL NET DEFICIT	<u>(351,301)</u>

TOTAL LIABILITIES AND NET DEFICIT	<u>\$ 20,684</u>
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See Independent Auditors' Report.

***LYDIA'S LADLE, LLC***  
**SCHEDULE OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

**REVENUES, GAINS AND SUPPORT**

Sales - food products	\$ 37,402
Donation	85
TOTAL REVENUES, GAINS AND SUPPORT	<u>37,487</u>

**COST OF SALES**

**Direct Expenses**

Wages	46,394
Payroll taxes	3,916
Food costs	15,203
Packaging costs	11,395
Total Direct Expenses	<u>76,908</u>

**Indirect Expenses**

Kitchen supplies and equipment	2,637
Repairs and maintenance	897
Uniforms	8,176
Other	130
Total Indirect Expenses	<u>11,840</u>

TOTAL COST OF SALES	<u>88,748</u>
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GROSS PROFIT (LOSS)	<u>(51,261)</u>
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**EXPENSES**

Management and general	2,732
Fundraising	2,732
TOTAL EXPENSES	<u>5,464</u>

**CHANGE IN NET DEFICIT WITHOUT  
DONOR RESTRICTIONS**

(56,725)

**NET DEFICIT WITHOUT DONOR RESTRICTIONS -  
BEGINNING OF YEAR**

(294,676)

**NET DEFICIT WITHOUT DONOR RESTRICTIONS -  
END OF YEAR**

\$ (351,401)

See Independent Auditors' Report.

***LYDIA'S LADLE, LLC***  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Salaries and wages	\$ 46,394	\$ 2,538	\$ 2,538	\$ 51,470
Payroll taxes	3,916	194	194	4,304
Food costs	15,203	-	-	15,203
Kitchen supplies and equipment	2,637	-	-	2,637
Packaging costs	11,395	-	-	11,395
Repairs and maintenance	897	-	-	897
Uniforms	8,176	-	-	8,176
Other	130	-	-	130
TOTAL	<u>88,748</u>	<u>2,732</u>	<u>2,732</u>	<u>94,212</u>
Less cost of sales expense included with revenues on the schedule of activities	<u>(88,748)</u>	<u>-</u>	<u>-</u>	<u>(88,748)</u>
Total included in expenses on schedule of activities	<u>\$ -</u>	<u>\$ 2,732</u>	<u>\$ 2,732</u>	<u>\$ 5,464</u>

See Independent Auditors' Report.