

LYDIA'S HOUSE, INC.

*CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
SEPTEMBER 30, 2022 AND 2021*

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, 2022 and 2021, 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, 2022 and 2021, 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.

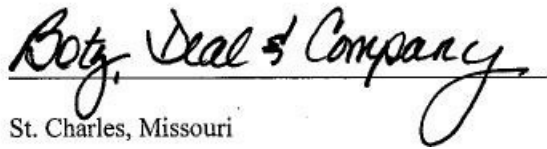
Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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 "Botz, Deal & Company". The signature is written in black ink and is positioned above a horizontal line.

St. Charles, Missouri

May 9, 2023

LYDIA'S HOUSE, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2022 AND 2021

ASSETS

	2022	2021
CURRENT ASSETS		
Cash	\$ 430,399	\$ 465,506
Receivables:		
Contracts and promises to give	156,292	108,813
Accounts receivable	10,170	3,449
Prepaid expenses	29,403	48,196
Inventory	11,364	3,152
TOTAL CURRENT ASSETS	637,628	629,116
 FIXED ASSETS		
Land	524,887	524,887
Buildings and improvements	4,395,839	4,335,494
Furniture and equipment	62,798	62,798
Vehicles	118,695	118,695
Total Cost	5,102,219	5,041,874
Less: accumulated depreciation and amortization	2,274,640	2,096,108
NET FIXED ASSETS	2,827,579	2,945,766
 OTHER ASSETS		
Investments	1,811,684	2,066,110
Deposit	500	500
TOTAL OTHER ASSETS	1,812,184	2,066,610
 TOTAL ASSETS	\$ 5,277,391	\$ 5,641,492

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

LIABILITIES AND NET ASSETS

	2022	2021
CURRENT LIABILITIES		
Notes payable - amount due in one year	\$ 17,350	\$ 25,289
Accounts payable	21,207	20,632
Payroll taxes payable	5,018	4,963
Accrued expenses:		
Vacations	27,310	29,313
Salaries and wages	15,309	68,328
Other	1,017	561
Deferred revenue	9,985	2,550
Security deposit	1,000	1,000
TOTAL CURRENT LIABILITIES	98,196	152,636
LONG-TERM LIABILITIES		
Notes payable	276,695	455,769
Less: amount due in one year	17,350	25,289
TOTAL LONG-TERM LIABILITIES	259,345	430,480
TOTAL LIABILITIES	357,541	583,116
NET ASSETS		
Without donor restrictions:		
Undesignated	1,046,391	1,236,820
Invested in property and equipment, net of related debt	2,550,884	2,489,997
Board designated - operating reserve	975,000	750,000
Board designated - debt reserve	275,000	500,000
Board designated - repairs	26,397	26,397
With donor restrictions	46,178	55,162
TOTAL NET ASSETS	4,919,850	5,058,376
TOTAL LIABILITIES AND NET ASSETS	\$ 5,277,391	\$ 5,641,492

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
REVENUES, GAINS AND SUPPORT			
Government support		\$ 888,202	\$ 888,202
Contributions		741,184	46,000
Merchandise and food sales		34,673	-
Less: cost of sales		(67,897)	-
Net income(loss) from sales		(33,224)	-
Special events		318,532	-
Less: direct benefits to donors		(52,028)	-
Net income from special events		266,504	-
Interest and dividend income, net of fees		80,870	-
In-kind contributions		37,137	-
Rental income		21,600	-
Miscellaneous		2,697	-
Unrealized gain (loss) on investments		(312,203)	-
Realized gain (loss) on investments		(169,945)	-
Net assets released from restrictions:		30,278	(30,278)
Satisfaction of time restrictions		1,577,806	(8,984)
Satisfaction of purpose restrictions			
TOTAL REVENUES, GAINS AND SUPPORT		1,328,348	-
EXPENSES			
Program		111,458	-
Supporting Services:		5,483	-
Management and general		262,059	-
Building rental		379,000	-
Fundraising		1,707,348	-
Total Supporting Services		(129,542)	(8,984)
TOTAL EXPENSES		1,328,348	-
CHANGE IN NET ASSETS			
NET ASSETS - BEGINNING OF YEAR		5,003,214	55,162
NET ASSETS - END OF YEAR		\$ 4,873,672	\$ 46,178
		\$ 4,919,850	-

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, 2021

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUES, GAINS AND SUPPORT			
Government support		\$ 999,598	\$ 999,598
Contributions	502,147	101,000	603,147
Merchandise and food sales		39,847	39,847
Less: cost of sales		(57,174)	(57,174)
Net income (loss) from sales		(17,327)	(17,327)
Special events		344,455	344,455
Less: direct benefits to donors		(24,261)	(24,261)
Net income from special events		320,194	320,194
Interest and dividend income, net		24,970	24,970
In-kind contributions		42,060	42,060
Rental income		21,600	21,600
Miscellaneous		1,690	1,690
Net gain (loss) on sale of assets		(21,490)	(21,490)
Unrealized gain (loss) on investments		30,525	30,525
Realized gain (loss) on investments		135,939	135,939
Net assets released from restrictions:			
Satisfaction of time restrictions		25,469	-
Satisfaction of purpose restrictions		84,314	-
TOTAL REVENUES, GAINS AND SUPPORT		2,149,689	(8,783) 2,140,906
EXPENSES		1,393,107	1,393,107
Program			
Supporting services:		122,643	122,643
Management and general		6,805	6,805
Building rental		264,547	264,547
Fundraising		1,787,102	1,787,102
TOTAL EXPENSES		362,587	(8,783) 353,804
CHANGE IN NET ASSETS			
NET ASSETS - BEGINNING OF YEAR		4,640,627	63,945 4,704,572
NET ASSETS - END OF YEAR		\$ 5,003,214	\$ 55,162 \$ 5,058,376

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

MANAGEMENT BUILDING FUND -

PROGRAM AND GENERAL RENTAL RAISING

					TOTAL
	\$ 609,737	\$ 51,887	\$ 2,668	\$ 139,029	
Salaries and wages					\$ 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			373	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	8,365
Equipment rental			1,541	94	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	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	4,533
Packaging costs			8,865	-	8,865
Postage	1,492	139	1,690	-	3,321
Printing			499	47	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	19,991
Special events			-	98,728	98,728
Supplies and furnishings	34,211	313	1,351	-	35,875
Telephone			16,813	428	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
TOTAL	1,396,245	111,458	5,483	314,087	1,827,273
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	(67,897)	-	-	-	(67,897)
Total included in expenses on statement of activities	\$ 1,328,348	\$ 111,458	\$ 5,483	\$ 262,059	\$ 1,707,348

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, 2021

MANAGEMENT BUILDING FUND -

PROGRAM AND GENERAL RENTAL RAISING

					TOTAL
	\$ 601,596	\$ 52,586	\$ 2,786	\$ 134,977	
Salaries and wages					\$ 791,945
Payroll taxes		43,342	3,814	213,947	56,843
Employee fringe benefits		99,647	5,437	232,117	117,084
Advertising and promotion			- 6,250	-	6,250
Amortization			1,840	34,218	1,977
Assistance/aid			103,246	-	103,246
Bank and credit card fees			- 55	- 3,785	3,840
Continuing education and training			2,055	-	2,055
Depreciation	175,085	1,307	698	3,171	180,261
Dues and subscriptions			3,386	439 - 600	4,425
Equipment rental			913	84 - 204	1,201
Food costs			16,565	-	16,565
Information technology			9,683	641 300 20,021	30,645
Insurance			36,420	1,809 237 1,251	39,717
Interest			19,060	754 317 1,289	21,420
Kitchen supplies and equipment			2,061	-	2,061
Meetings			584	-	584
Mileage and parking			- 10	- 20	30
Miscellaneous			1,509	361 - 232	2,102
Packaging costs			8,749	-	8,749
Postage			1,288	118 - 1,958	3,364
Printing			898	83 - 6,095	7,076
Professional fees			- 43,225	-	43,225
Repairs and maintenance			55,680	1,055 1,125 2,563	60,423
Retirement plan contributions			17,177	2,214 87 4,420	23,898
Security			4,614	3 1 7	4,625
Special events			-	- 81,593	81,593
Supplies and furnishings			95,906	356 - 873	97,135
Telephone			21,698	748 - 1,344	23,790
Uniforms			5,206	-	5,206
Utilities			106,079	1,260 788 3,081	111,208
Vehicle costs			15,994	-	15,994
TOTAL			1,450,281	122,643 6,805 288,808	<u>1,868,537</u>
Less direct benefits to donors expense included with revenues on the statement of activities	-	-	-	(24,261)	(24,261)
Less cost of sales expense included with revenues on the statement of activities	(57,174)	-	-	-	(57,174)
Total included in expenses on statement of activities	<u>\$ 1,393,107</u>	<u>\$ 122,643</u>	<u>\$ 6,805</u>	<u>\$ 264,547</u>	<u>\$ 1,787,102</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, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Public support and contributions received	\$ 1,083,545	\$ 848,829
Government support received	840,723	1,043,305
Cash paid to suppliers and employees	(1,649,033)	(1,607,279)
Miscellaneous income received	2,697	1,690
Rental income received	21,600	21,600
Interest and dividends received	80,870	24,970
Interest paid	(12,649)	(20,843)
NET CASH PROVIDED BY OPERATING ACTIVITIES	367,753	312,272
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	3,875,787	878,547
Proceeds from sale of fixed assets	-	500
Purchase of investments	(4,039,229)	(1,260,330)
Purchase of fixed assets	(60,344)	(59,657)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(223,786)	(440,940)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on notes payable	(179,074)	(209,519)
NET INCREASE (DECREASE) IN CASH	(35,107)	(338,187)
CASH - BEGINNING OF YEAR	465,506	803,693
CASH - END OF YEAR	\$ 430,399	\$ 465,506

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

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

	2022	2021
CHANGE IN NET ASSETS	\$ (138,526)	\$ 353,804
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Stock donations	(64,279)	(141,170)
Depreciation and amortization	178,530	182,239
Amortization of loan fees	-	577
Realized (gain) loss on sales of assets	-	21,490
Realized (gain) loss on sales of investments	169,945	(135,939)
Unrealized (gain) loss on investments	312,203	(30,525)
(Increase) decrease in assets:		
Receivables	(54,200)	47,726
Prepaid expenses	18,793	(26,453)
Inventory	(8,212)	(28)
Increase (decrease) in liabilities:		
Accounts payable	575	931
Accrued expenses	(54,511)	37,070
Deferred revenue	7,435	2,550
TOTAL ADJUSTMENTS	506,279	(41,532)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 367,753	\$ 312,272

SUPPLEMENTAL DISCLOSURE OF NON-CASH INFORMATION:

In-kind donations of program supplies and assistance items in the amount of \$37,137 and \$42,060 were received during the years ended September 30, 2022 and 2021, respectively.

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

LYDIA'S HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

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.

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,

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:

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 \$177,056 and \$180,261 for the years ended September 30, 2022 and 2021, 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, 2022, the Organization received approximately 53% of its revenue from local, state, and federal agencies, through grant/contract agreements. Additionally, for the year ended September 30, 2022, approximately 17% 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 \$2,750 and \$6,250 for the years ended September 30, 2022 and 2021, 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 \$ 407,972

Contracts, accounts receivable and promises to give 164,163

Investments 1,811,684

Less: donor-imposed restrictions

Purpose (34,928)

Time (11,250)

Less: board designations

Maintenance reserve (26,397)

Debt reserve (275,000)

Operating reserve (975,000)

Financial assets available to meet cash needs for expenditures
within one year \$ 1,061,244

Management has a goal to maintain cash on hand to meet nine months of normal operating expenses and liabilities which are, on average, approximately \$1,250,000. 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 nine months maybe 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:

	2022			2021		
	COST	FAIR VALUE	UNREALIZED GAIN (LOSS)	COST	FAIR VALUE	UNREALIZED GAIN (LOSS)
Corporate stocks	\$ 649,739	\$ 544,295	\$ (105,444)	\$ 169,521	\$ 184,904	\$ 15,383
Mutual funds	688,967	646,553	(42,414)	1,814,971	1,881,206	66,235
Exchange traded funds	703,563	620,836	(82,727)	-	-	-
TOTAL	\$ 2,042,269	\$ 1,811,684	\$ (230,585)	\$ 1,984,492	\$ 2,066,110	\$ 81,618

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:

2022 2021

Investment income \$ 101,497 \$ 41,152

Realized gain (loss) on investments (169,945) 135,939

Unrealized gain (loss) on investments (312,203) 30,525

Investment fees (21,419) ~~(16,182)~~

5. \$(402,070) \$ 191,434

PROMISES TO GIVE

Unconditional promises to give at September 30 were as follows:

2022 2021

Receivable in less than one year \$ - \$ 3,000

Receivable in one to five years - -

Total unconditional promises to give - 3,000

Less: discounts to net present value - -

Net unconditional promises to give \$ - \$ 3,000

The promises to give receivable has not been discounted to its net present value as management

has deemed the amount to be immaterial to the financial statements.

6. LEASE COMMITMENTS

The Organization leases a portion of one of its buildings to two outside entities under operating leases that have expiration dates through September 30, 2023.

Future minimum lease payments expected to be received under noncancellable operating leases are \$14,100 for the year ending September 30, 2023.

7. NOTES PAYABLE

:
~~2022 2021~~
 Notes payable consists of

Midwest BankCentre - mortgage \$276,695 \$ 293,264	_____	_____
Collateral - deed of trust on property		
Interest rate - 3.75%		
Maturity - June 5, 2025		
Payments - \$2,286 per month, which includes principal and interest		
Midwest BankCentre - mortgage - 162,505		
Collateral - deed of trust on property		
Interest rate - 3.75%		
Maturity - June 20, 2026		
Payments - \$1,210 per month, which includes principal and interest		
TOTAL \$ 276,695 \$455,769	_____	_____
	=====	=====

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

2023 \$ 17,350	
2024 18,012	
2025 241,333	_____
TOTAL \$ 276,695	=====

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, 2022 and 2021 the Organization recognized \$37,137 and \$42,060, 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:

2022	2021		
Family support	\$ 10,663	\$18,676	
Furniture, equipment, building renovations	24,265	24,958	
General support - time	11,250	11,528	
TOTAL NET ASSETS			
WITH DONOR RESTRICTIONS	\$ 46,178	\$ 55,162	

10. BOARD DESIGNATED NET ASSETS

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

2022	2021		
Operations reserve	\$975,000	\$750,000	
Debt reserve	275,000	500,000	
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 provides for an employer contribution of 3% of an eligible employee's compensation. 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, 2022 and 2021 was \$24,059 and \$23,898, 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, 2022 and 2021, management believes there are no material uncertain tax positions. The Organization files form 990 Return of Organization Exempt From Income Tax. Returns prior to 2018 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, 2022

ASSETS

CURRENT ASSETS	
Cash	\$ 407,970
Receivables:	
Contracts and promises to give	156,292
Other	7,871
Prepaid expenses	29,403
TOTAL CURRENT ASSETS	601,536
FIXED ASSETS	
Land	524,887
Buildings and improvements	4,395,839
Furniture and equipment	62,798
Vehicles	118,695
Total Cost	5,102,219
Less: accumulated depreciation and amortization	2,274,640
NET FIXED ASSETS	2,827,579
OTHER ASSETS	
Investments	1,811,684
Deposit	500
Member's capital contribution - Lydia's Ladle,	100
LLC Due from Lydia's Ladle	280,664
TOTAL OTHER ASSETS	2,092,948
TOTAL ASSETS	\$ 5,522,063

See Independent Auditors' Report.

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Notes payable - amount due in one year	\$ 17,350
Accounts payable	20,195
Payroll taxes payable	2,033
Accrued expenses:	
Vacations	27,310
Salaries and wages	14,840
Other	1,017
Deferred revenue	9,985
Security deposit	1,000
TOTAL CURRENT LIABILITIES	93,730

LONG-TERM LIABILITIES

Notes payable	276,695
Less: amount due in one year	17,350
TOTAL LONG-TERM LIABILITIES	259,345

TOTAL LIABILITIES	353,075
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NET ASSETS

Without donor restrictions:

Undesignated	1,295,529
Invested in property and equipment, net of related debt	2,550,884
Board designated - operating reserve	975,000
Board designated - debt reserve	275,000
Board designated - repairs reserve	26,397
With donor restrictions	46,178
TOTAL NET ASSETS	5,168,988

TOTAL LIABILITIES AND NET ASSETS	\$ 5,522,063
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See Independent Auditors' Report.

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

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUES, GAINS AND SUPPORT			
Government support		\$ 888,202 -	\$ 888,202
Contributions		741,184 46,000	787,184
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 of fees		80,870 -	80,870
In-kind contributions		37,137 -	37,137
Rental income		21,600 -	21,600
Miscellaneous		2,697 -	2,697
Realized gain (loss) on investments		(169,945) -	(169,945)
Unrealized gain (loss) on investments		(312,203) -	(312,203)
Net assets released from restrictions:		30,278 (30,278)	-
Satisfaction of time restrictions		24,706 (24,706)	-
Satisfaction of purpose restrictions			
TOTAL REVENUES, GAINS AND SUPPORT		1,611,030 (8,984)	1,602,046
EXPENSES			
Program		1,328,348 -	1,328,348
Supporting Services:		108,677 -	108,677
Management and general		5,483 -	5,483
Building rental		259,278 -	259,278
Fundraising		373,438 -	373,438
Total Supporting Services		1,701,786 -	1,701,786
TOTAL EXPENSES			
CHANGE IN NET ASSETS		(90,756) (8,984)	(99,740)
NET ASSETS - BEGINNING OF YEAR	5,213,566	55,162	5,268,728
NET ASSETS - END OF YEAR	\$ 5,122,810	\$ 46,178	\$ 5,168,988

See Independent Auditors' Report.

LYDIA'S HOUSE, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	MANAGEMENT BUILDING PROGRAM AND GENERAL RENTAL	FUND - RAISING	TOTAL
Salaries and wages \$ 580,890 \$ 49,349 \$ 2,668		\$ 136,491	\$ 769,398
Payroll taxes 46,365 4,115 204		11,128	61,812
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
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
Meetings 1,982 170-		-	2,152
Mileage and parking 213--		31	244
Miscellaneous 3,757 165-		611	4,533
Postage 1,492 139-		1,690	3,321
Printing 499 47-		7,482	8,028
Professional fees- 37,003-		-	37,003
Repairs and maintenance 38,527 993 302		2,556	42,378
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
Utilities 107,635 1,413 878		3,633	113,559
Vehicle costs 15,362--		-	15,362
<u>TOTAL</u> 1,328,348 108,677 5,483		<u>311,306</u>	<u>1,753,814</u>
Less direct benefits to donors expense included with revenues	on the schedule of activities - - -		
Total included in expenses		(52,028)	(52,028)
on schedule of activities \$ 1,328,348 \$ 108,677 \$ 5,483		\$ 259,278	\$ 1,701,786

See Independent Auditors' Report.

LYDIA'S LADLE, LLC
 SCHEDULE OF FINANCIAL POSITION
 SEPTEMBER 30, 2022

ASSETS

CURRENT ASSETS

Cash	\$ 22,429
Accounts receivable	2,299
Inventory	11,364
TOTAL ASSETS	<u><u>\$ 36,092</u></u>

LIABILITIES AND NET DEFICIT

CURRENT LIABILITIES

Accounts payable	\$ 1,012
Payroll taxes payable	2,985
Accrued salaries and wages	469
TOTAL CURRENT LIABILITIES	<u>4,466</u>

LONG-TERM LIABILITY

Due to Lydia's House, Inc.	<u>280,664</u>
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TOTAL LIABILITIES	<u>285,130</u>
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NET DEFICIT

Member capital contribution	100
Deficit without donor restrictions	(249,138)
TOTAL NET DEFICIT	<u>(249,038)</u>

TOTAL LIABILITIES AND NET DEFICIT	<u><u>\$ 36,092</u></u>
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See Independent Auditors' Report.

LYDIA'S LADLE, LLC
 SCHEDULE OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

REVENUES, GAINS AND SUPPORT	
Sales - food products	\$ 34,673
TOTAL REVENUES, GAINS AND SUPPORT	<u>34,673</u>
COST OF SALES	
Direct Expenses	
Wages	28,847
Payroll taxes	3,046
Food costs	19,198
Packaging costs	8,865
Total Direct Expenses	<u>59,956</u>
Indirect Expenses	
Kitchen supplies and equipment	1,868
Uniforms	5,781
Other	292
Total Indirect Expenses	<u>7,941</u>
	67,897
TOTAL COST OF SALES	<u>(33,224)</u>
GROSS PROFIT (LOSS)	<u>(33,224)</u>
EXPENSES	2,781
Management and general	2,781
Fundraising	5,562
TOTAL EXPENSES	<u>8,343</u>
CHANGE IN NET DEFICIT WITHOUT DONOR RESTRICTIONS	(38,786)
NET DEFICIT WITHOUT DONOR RESTRICTIONS - BEGINNING OF YEAR	<u>(210,352)</u>
NET DEFICIT WITHOUT DONOR RESTRICTIONS - END OF YEAR	<u><u>\$ (249,138)</u></u>

See Independent Auditors' Report.

LYDIA'S LADLE, LLC
 SCHEDULE OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Salaries and wages\$ 28,847	\$ 2,538	\$ 2,538	\$ 33,923
Payroll taxes 3,046	243	243	3,532
Food costs 19,198	-	-	19,198
Kitchen supplies and equipment 1,869	-	-	1,869
Packaging costs 8,865	-	-	8,865
Repairs and maintenance 291	-	-	291
Uniforms 5,781	-	-	5,781
TOTAL 67,897	2,781	2,781	73,459
Less cost of sales expense included with revenues on the schedule of activities (67,897)	-	-	(67,897)
Total included in expenses on schedule of activities\$ -	\$ 2,781	\$ 2,781	\$ 5,562

See Independent Auditors' Report.