

***LYDIA'S HOUSE, INC.***  
***CONSOLIDATED FINANCIAL STATEMENTS***  
***FOR THE YEARS ENDED***  
***SEPTEMBER 30, 2018 AND 2017***

***LYDIA'S HOUSE, INC.***

ST. LOUIS, MISSOURI

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## INDEPENDENT AUDITORS' REPORT



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

We have audited the accompanying consolidated financial statements of Lydia's House, Inc. (a nonprofit organization), which comprise the consolidated statements of financial position as of September 30, 2018 and 2017, 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.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

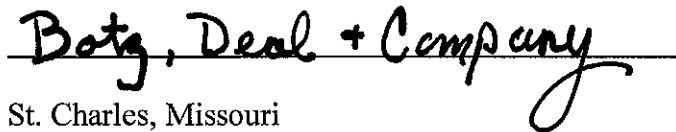
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

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, 2018 and 2017, 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.

***Other Matter***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information on pages 18 through 24 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 "Batz, Deal + Company". The signature is written over a horizontal line.

St. Charles, Missouri  
June 3, 2019

**LYDIA'S HOUSE, INC.**  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
SEPTEMBER 30, 2018 AND 2017

**ASSETS**

	2018	2017
<b>CURRENT ASSETS</b>		
Cash	\$ 1,488,091	\$ 1,069,790
Receivables:		
Contracts	46,823	250,262
Promises to give	50,834	66,667
Accounts receivable	12,769	8,611
Prepaid expenses	37,083	44,991
Inventory	14,499	17,166
<b>TOTAL CURRENT ASSETS</b>	<b>1,650,099</b>	<b>1,457,487</b>
 <b>FIXED ASSETS</b>		
Land	524,887	524,887
Buildings and improvements	4,284,248	4,131,050
Furniture and equipment	62,798	61,699
Vehicles	107,198	92,203
Total Cost	4,979,131	4,809,839
Less: accumulated depreciation and amortization	1,568,842	1,412,136
Construction in progress	-	65,657
<b>NET FIXED ASSETS</b>	<b>3,410,289</b>	<b>3,463,360</b>
 <b>OTHER ASSETS</b>		
Deposits	500	5,683
 <b>TOTAL ASSETS</b>	 <b>\$ 5,060,888</b>	 <b>\$ 4,926,530</b>

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

## LIABILITIES AND NET ASSETS

	2018	2017
<b>CURRENT LIABILITIES</b>		
Notes payable - amount due in one year	\$ 43,399	\$ 40,450
Accounts payable	13,164	31,229
Payroll taxes payable	280	5,075
Accrued expenses:		
Vacations	15,320	15,061
Salaries and wages	29,574	24,895
Interest	-	168
Other	968	820
Deferred revenue	3,380	2,948
Resident CCS payments	10	6,932
Security deposits	-	1,800
<b>TOTAL CURRENT LIABILITIES</b>	<b>106,095</b>	<b>129,378</b>
<b>LONG-TERM LIABILITIES</b>		
Notes payable	752,313	793,474
Less: amount due in one year	43,399	40,450
Less: loan fees, net of accumulated amortization	3,179	4,586
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>705,735</b>	<b>748,438</b>
<b>TOTAL LIABILITIES</b>	<b>811,830</b>	<b>877,816</b>
<b>NET ASSETS</b>		
Unrestricted:		
Undesignated	3,853,115	3,471,747
Board designated - operating reserve	250,000	250,000
Board designated - repairs	26,397	26,397
Temporarily restricted	119,546	300,570
<b>TOTAL NET ASSETS</b>	<b>4,249,058</b>	<b>4,048,714</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 5,060,888</b>	<b>\$ 4,926,530</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, 2018

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
<b>REVENUES, GAINS AND SUPPORT</b>			
Government support	\$ 701,745	\$ 15,000	\$ 716,745
Contributions	621,016	82,100	703,116
Merchandise and food sales	31,147	-	31,147
Less: cost of sales	(26,424)	-	(26,424)
Net income from sales	4,723	-	4,723
Special events	330,577	-	330,577
Less: direct benefits to donors	(52,492)	-	(52,492)
Net income from special events	278,085	-	278,085
Interest and dividend income	2,897	-	2,897
In-kind contributions	52,734	-	52,734
Miscellaneous	7,359	-	7,359
Net gain on sales of assets	2,358	-	2,358
Net assets released from restriction	278,124	(278,124)	-
<b>TOTAL REVENUES, GAINS     AND SUPPORT</b>	<b>1,949,041</b>	<b>(181,024)</b>	<b>1,768,017</b>
<b>EXPENSES</b>			
Program	1,222,222	-	1,222,222
Management and general	70,212	-	70,212
Fundraising	275,239	-	275,239
<b>TOTAL EXPENSES</b>	<b>1,567,673</b>	<b>-</b>	<b>1,567,673</b>
<b>CHANGE IN NET ASSETS</b>	381,368	(181,024)	200,344
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>3,748,144</b>	<b>300,570</b>	<b>4,048,714</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 4,129,512</b>	<b>\$ 119,546</b>	<b>\$ 4,249,058</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, 2017**

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
<b>REVENUES, GAINS AND SUPPORT</b>			
Government support	\$ 899,966	\$ 15,000	\$ 914,966
Contributions	476,768	155,500	632,268
Merchandise sales	20,305	-	20,305
Less: cost of sales	(19,751)	-	(19,751)
Net income from sales	554	-	554
Special events	283,800	-	283,800
Less: direct benefits to donors	(21,600)	-	(21,600)
Net income from special events	262,200	-	262,200
Interest and dividend income	2,530	-	2,530
Rental income	26,517	-	26,517
In-kind contributions	35,262	-	35,262
Miscellaneous	16,908	-	16,908
Loss on sale of assets	(3,317)	-	(3,317)
Net assets released from restriction	199,248	(199,248)	-
<b>TOTAL REVENUES, GAINS     AND SUPPORT</b>	<b>1,916,636</b>	<b>(28,748)</b>	<b>1,887,888</b>
 <b>EXPENSES</b>			
Program	1,113,781	-	1,113,781
Management and general	82,058	-	82,058
Fundraising	238,981	-	238,981
<b>TOTAL EXPENSES</b>	<b>1,434,820</b>	<b>-</b>	<b>1,434,820</b>
 <b>CHANGE IN NET ASSETS</b>	 481,816	 (28,748)	 453,068
 <b>NET ASSETS - BEGINNING OF YEAR</b>	 3,266,328	 329,318	 3,595,646
 <b>NET ASSETS - END OF YEAR</b>	 \$ 3,748,144	 \$ 300,570	 \$ 4,048,714

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, 2018

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUND - RAISING</u>	<u>TOTAL</u>
Salaries and wages	\$ 512,866	\$ 41,975	\$ 105,863	\$ 660,704
Payroll taxes and fringe benefits	129,727	9,627	18,050	157,404
Amortization	2,041	77	361	2,479
Assistance/aid	81,177	-	-	81,177
Bank and credit card fees	-	-	8,365	8,365
Depreciation	162,601	1,855	4,516	168,972
Dues and subscriptions	7,920	108	551	8,579
Equipment rental	406	37	84	527
Information technology	12,957	1,177	2,692	16,826
Insurance	29,490	1,941	2,269	33,700
Interest	31,896	655	2,559	35,110
Meetings	402	884	318	1,604
Mileage and parking	744	-	32	776
Miscellaneous	3,327	645	1,731	5,703
Postage	259	130	2,008	2,397
Printing	958	80	12,913	13,951
Professional fees	21,481	1,774	4,106	27,361
Repairs and maintenance	45,294	2,338	8,963	56,595
Retirement plan contributions	10,362	1,107	2,706	14,175
Security	3,325	-	-	3,325
Special events	-	-	134,527	134,527
Supplies and furnishings	25,534	1,703	4,252	31,489
Telephone	21,077	1,377	3,147	25,601
Travel	6,348	-	-	6,348
Utilities	100,331	2,205	7,718	110,254
Vehicle costs	11,699	517	-	12,216
TOTAL	<u>1,222,222</u>	<u>70,212</u>	<u>327,731</u>	<u>1,620,165</u>
Less direct benefits to donors expense included with revenues on the statement of activities:	<u>-</u>	<u>-</u>	<u>(52,492)</u>	<u>(52,492)</u>
Total included in expenses on statement of activities	<u>\$ 1,222,222</u>	<u>\$ 70,212</u>	<u>\$ 275,239</u>	<u>\$ 1,567,673</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, 2017**

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUND - RAISING</u>	<u>TOTAL</u>
Salaries and wages	\$ 479,548	\$ 41,001	\$ 80,942	\$ 601,491
Payroll taxes and fringe benefits	115,803	8,853	15,104	139,760
Amortization	1,606	450	199	2,255
Assistance/aid	48,285	-	-	48,285
Bank and credit card fees	-	80	4,614	4,694
Depreciation	138,343	7,892	4,130	150,365
Dues and subscriptions	4,464	372	435	5,271
Equipment rental	1,842	52	103	1,997
Information technology	6,001	532	3,969	10,502
Insurance	26,467	3,635	4,684	34,786
Interest	29,541	5,525	2,276	37,342
Meetings	213	150	1,122	1,485
Mileage and parking	510	-	26	536
Miscellaneous	2,229	434	1,132	3,795
Postage	1,173	104	1,271	2,548
Printing	1,385	123	13,105	14,613
Professional fees	35,631	1,575	19,054	56,260
Repairs and maintenance	39,619	2,360	3,138	45,117
Retirement plan contributions	12,350	1,177	2,189	15,716
Security	1,147	102	203	1,452
Special events	-	-	94,950	94,950
Supplies and furnishings	37,314	1,108	1,587	40,009
Telephone	18,564	1,212	2,309	22,085
Travel	688	-	-	688
Utilities	101,710	4,250	4,039	109,999
Vehicle costs	9,348	1,071	-	10,419
TOTAL	<u>1,113,781</u>	<u>82,058</u>	<u>260,581</u>	<u>1,456,420</u>
Less direct benefits to donors expense included with revenues on the statement of activities:	<u>-</u>	<u>-</u>	<u>(21,600)</u>	<u>(21,600)</u>
Total included in expenses on statement of activities	<u>\$ 1,113,781</u>	<u>\$ 82,058</u>	<u>\$ 238,981</u>	<u>\$ 1,434,820</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, 2018 AND 2017**

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Public support and contributions received	\$ 944,060	\$ 823,500
Government support received	920,184	766,769
Cash paid to suppliers and employees	(1,402,190)	(1,245,428)
Miscellaneous income received	7,359	16,908
Rental income received	-	26,517
Interest and dividends received	2,897	2,530
Interest paid	(33,870)	(36,998)
NET CASH PROVIDED BY OPERATING ACTIVITIES	438,440	353,798
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	135,627	41,752
Proceeds from insurance claim	3,778	-
Purchase of fixed assets	(118,383)	(458,996)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	21,022	(417,244)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on notes payable	(41,161)	(40,465)
<b>NET INCREASE (DECREASE) IN CASH</b>	418,301	(103,911)
<b>CASH - BEGINNING OF YEAR</b>	1,069,790	1,173,701
<b>CASH - END OF YEAR</b>	\$ 1,488,091	\$ 1,069,790

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

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

	2018	2017
<b>CHANGE IN NET ASSETS</b>	\$ 200,344	\$ 453,068
<b>ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Stock donations	(137,045)	(42,547)
Depreciation and amortization	171,451	152,620
Amortization of loan fees	1,408	1,408
Realized (gain) loss on sales of assets	(2,358)	3,317
(Increase) decrease in assets:		
Receivables	199,281	(146,676)
Promises to give	15,833	(61,667)
Prepaid expenses	7,908	5,670
Inventory	2,667	1,690
Deposits	5,183	(91)
Increase (decrease) in liabilities:		
Accounts payable	(18,065)	10,581
Accrued expenses	123	(11,567)
Deferred revenue	432	(8,659)
Resident CCS payments	(6,922)	(1,941)
Security deposits	(1,800)	(1,408)
<b>TOTAL ADJUSTMENTS</b>	<b>238,096</b>	<b>(99,270)</b>
 <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	 <b>\$ 438,440</b>	 <b>\$ 353,798</b>

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

In-kind donations of program supplies and assistance items in the amount of \$52,734 and \$35,262 were received during the years ended September 30, 2018 and 2017, respectively.

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

***LYDIA'S HOUSE, INC.***  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

**1. DESCRIPTION OF OPERATIONS**

Lydia's House, Inc. (the Organization) was 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 22 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. 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 the Lydia's Ladle's inception, 26 women have been provided with employment and job training.

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 began renovation this year in order to serve 5 more families bringing our support to 50 women and their children who are victims of domestic violence and are in need of safe housing.

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.

**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.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

**Basis of Presentation** - Financial statement presentation follows the recommendations of the FASB Accounting Standard Codification Topic 958, Not-for-Profit Entities. Under Topic 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As of September 30, 2018 and 2017, the Organization did not have any permanently restricted net assets.

**Contracts and Accounts Receivable** - Receivables consist of 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.

**Cash** - The Organization maintains its cash in accounts at six commercial banks and one brokerage firm. As of September 30, 2018, all funds held in these accounts were insured by either the FDIC or SPIC.

**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.

**Promises to Give** - Unconditional promises to give are recognized as revenues or gains in the period awarded and as assets, decreases of liabilities or expenses depending on the form of the benefits received. Conditional promises to give are recognized as revenue only when the conditions are substantially met and the promises become unconditional.

**Inventory** - The Organization's inventories, which are stated at cost, consist of items that are sold to help fund the programs and 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 \$168,972 and \$150,365 for the years ended September 30, 2018 and 2017, respectively.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

**Contributions** - Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

**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 donation of services.

**Concentration of Revenue** - For the fiscal year ended September 30, 2018, the Organization received approximately 39% of its revenue from local, state, and federal agencies, through grant/contract agreements.

**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.

**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).

**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, certain costs have been allocated among the programs and supporting services based on management's analysis of time and expense. 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.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

**Change in Accounting Principle** - Effective for the year ended September 30, 2017, the Organization elected to change its method of presentation relating to loan origination fees in accordance with FASB ASU 2015-03. Prior to fiscal year 2017, the Organization's policy was to present these loan origination fees in Other Assets on the Statement of Financial Position, net of accumulated amortization. Beginning in fiscal year 2017, the Organization has presented these fees as a direct deduction to the related note payable. The prior period information presented has been retrospectively adjusted to reflect this change for comparability of information presented. ASU 2015-03 is limited to the presentation of debt issuance costs and will not affect the recognition and measurement of debt issuance costs. Since ASU 2015-03 involves Statement of Financial Position presentation only, its adoption will not have any impact on the Organization's net assets.

## 3. INVESTMENTS

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

	<u>2018</u>	<u>2017</u>
Investment income	\$ 7	\$ 45
Realized gain (loss) on investments	<u>(1,420)</u>	<u>(795)</u>
	<u>\$ (1,413)</u>	<u>\$ (750)</u>

## 4. PROMISES TO GIVE

Unconditional promises to give at September 30, 2018 and 2017 were as follows:

	<u>2018</u>	<u>2017</u>
Receivable in less than one year	\$ 50,834	\$ 33,333
Receivable in one to five years	<u>-</u>	<u>33,334</u>
Total unconditional promises to give	50,834	66,667
Less: discounts to net present value	<u>-</u>	<u>-</u>
Net unconditional promises to give	<u>\$ 50,834</u>	<u>\$ 66,667</u>

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.



## 5. NOTES PAYABLE

Notes payable consists of:

	<u>2018</u>	<u>2017</u>
Midwest BankCentre - mortgage Collateral - deed of trust on property Interest rate - 4.50% Maturity - April 23, 2019 Payments - \$2,169 per month, which includes principal and interest	\$ 160,763	\$ 179,011
Midwest BankCentre - mortgage Collateral - deed of trust on property Interest rate - 4.25% Maturity - June 5, 2020 Payments - \$2,366 per month, which includes principal and interest	337,047	350,600
Midwest BankCentre - mortgage Collateral - deed of trust on property Interest rate - 4.25% Maturity - June 20, 2021 Payments - \$1,712 per month, which includes principal and interest	254,503	263,863
TOTAL	\$ <u>752,313</u>	\$ <u>793,474</u>

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

2019	\$ 43,399
2020	474,685
2021	<u>234,229</u>
TOTAL	<u>\$ 752,313</u>

## 6. LINE OF CREDIT

The Organization had available at September 30, 2017 a line-of-credit with Midwest BankCentre, which bore interest at 4.50% per annum and matured April 23, 2018. The line of credit was not renewed when it matured. The Organization did not have any borrowings on the line in the years ended September 30, 2018 or 2017.

## 7. RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are available for the following as of September 30:

	<u>2018</u>	<u>2017</u>
Family support	\$ 67,702	\$ 98,054
Furniture, equipment, building renovations	33,662	187,099
General support - time	18,182	15,417
TOTAL RESTRICTED NET ASSETS	<u>\$ 119,546</u>	<u>\$ 300,570</u>

## 8. RETIREMENT PLANS

The Organization's retirement plan, adopted as of January 1, 2016, is a defined contribution plan that provides for an employer contribution of 3% of an eligible employee's compensation. Eligibility begins in the fiscal year after the employee has worked in at least one of the preceding five years. Retirement plan expense for the years ended September 30, 2018 and 2017 was \$14,175 and \$15,716, respectively.

## 9. 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, 2018 and 2017, management believes there are no material uncertain tax positions. The Organization files form 990 Return of Organization Exempt From Income Tax. Returns prior to 2014 are closed.

## 10. RECLASSIFICATION

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation of the current year financial statements.

## 11. 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, 2018**

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 1,463,690
Receivables:	
Contracts	46,823
Promises to give	50,834
Account receivable	10,469
Prepaid expenses	37,083
Inventory - merchandise	12,140
<b>TOTAL CURRENT ASSETS</b>	<b>1,621,039</b>

**FIXED ASSETS**

Land	524,887
Buildings and improvements	4,284,248
Furniture and equipment	62,798
Vehicles	107,198
Total Cost	4,979,131
Less: accumulated depreciation and amortization	1,568,842
<b>NET FIXED ASSETS</b>	<b>3,410,289</b>

**OTHER ASSETS**

Deposits	500
Member's capital contribution - Lydia's Ladle, LLC	100
Due from Lydia's Ladle	177,518
<b>TOTAL OTHER ASSETS</b>	<b>178,118</b>

<b>TOTAL ASSETS</b>	<b>\$ 5,209,446</b>
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See Independent Auditors' Report.

## LIABILITIES AND NET ASSETS

### CURRENT LIABILITIES

Notes payable - amount due in one year	\$ 43,399
Accounts payable	13,164
Payroll taxes payable	166
Accrued expenses:	
Vacations	15,320
Salaries and wages	28,634
Other	968
Deferred revenue	3,380
Resident CCS payments	10
TOTAL CURRENT LIABILITIES	<u>105,041</u>

### LONG-TERM LIABILITIES

Notes payable	752,313
Less: amount due in one year	43,399
Less: loan fees, net of amortization	3,179
TOTAL LONG-TERM LIABILITIES	<u>705,735</u>

TOTAL LIABILITIES 810,776

### NET ASSETS

Unrestricted:	
Undesignated	4,002,727
Board designated - operating reserve	250,000
Board designated - repairs	26,397
Temporarily restricted	119,546
TOTAL NET ASSETS	<u>4,398,670</u>

TOTAL LIABILITIES  
AND NET ASSETS \$ 5,209,446

See Independent Auditors' Report.

**LYDIA'S HOUSE, INC.**  
**SCHEDULE OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
<b>REVENUES, GAINS AND SUPPORT</b>			
Government support	\$ 701,745	\$ 15,000	\$ 716,745
Contributions	621,016	82,100	703,116
Special events	330,577	-	330,577
Less: direct benefits to donors	(52,492)	-	(52,492)
Net income from special events	278,085	-	278,085
Interest and dividend income	2,897	-	2,897
In-kind contributions	52,734	-	52,734
Miscellaneous	7,353	-	7,353
Net gain on sales of assets	2,358	-	2,358
Net assets released from restriction	278,124	(278,124)	-
<b>TOTAL REVENUES, GAINS     AND SUPPORT</b>	<u>1,944,312</u>	<u>(181,024)</u>	<u>1,763,288</u>
<b>EXPENSES</b>			
Program	1,191,297	-	1,191,297
Management and general	69,568	-	69,568
Fundraising	274,595	-	274,595
<b>TOTAL EXPENSES</b>	<u>1,535,460</u>	<u>-</u>	<u>1,535,460</u>
<b>CHANGE IN NET ASSETS</b>	408,852	(181,024)	227,828
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>3,870,272</u>	<u>300,570</u>	<u>4,170,842</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 4,279,124</u>	<u>\$ 119,546</u>	<u>\$ 4,398,670</u>

See Independent Auditors' Report.

**LYDIA'S HOUSE, INC.**

**SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUND - RAISING</u>	<u>TOTAL</u>
Salaries and wages	\$ 485,233	\$ 41,399	\$ 105,287	\$ 631,919
Payroll taxes and fringe benefits	126,983	9,570	17,993	154,546
Amortization	2,041	77	361	2,479
Assistance/aid	81,177	-	-	81,177
Bank and credit card fees	-	-	8,365	8,365
Depreciation	162,601	1,855	4,516	168,972
Dues and subscriptions	7,920	108	551	8,579
Equipment rental	406	37	84	527
Information technology	12,957	1,177	2,692	16,826
Insurance	29,490	1,941	2,269	33,700
Interest	31,896	655	2,559	35,110
Meetings	402	884	318	1,604
Mileage and parking	744	-	32	776
Miscellaneous	2,963	638	1,724	5,325
Postage	259	130	2,008	2,397
Printing	958	80	12,913	13,951
Professional fees	21,481	1,774	4,106	27,361
Repairs and maintenance	45,294	2,338	8,963	56,595
Retirement plan contributions	10,362	1,107	2,706	14,175
Security	3,325	-	-	3,325
Special events	-	-	134,527	134,527
Supplies and furnishings	25,350	1,699	4,248	31,297
Telephone	21,077	1,377	3,147	25,601
Travel	6,348	-	-	6,348
Utilities	100,331	2,205	7,718	110,254
Vehicle costs	11,699	517	-	12,216
TOTAL	<u>1,191,297</u>	<u>69,568</u>	<u>327,087</u>	<u>1,587,952</u>
Less direct benefits to donors expense included with revenues on the schedule of activities:	<u>-</u>	<u>-</u>	<u>(52,492)</u>	<u>(52,492)</u>
Total included in expenses on schedule of activities	<u>\$ 1,191,297</u>	<u>\$ 69,568</u>	<u>\$ 274,595</u>	<u>\$ 1,535,460</u>

See Independent Auditors' Report.

**LYDIA'S LADLE, LLC**  
**SCHEDULE OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2018**

**ASSETS**

**CURRENT ASSETS**

Cash	\$	24,401
Accounts receivable		2,300
Inventory		2,359
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>29,060</b>

**LIABILITIES AND NET DEFICIT**

**CURRENT LIABILITIES**

Payroll taxes payable	\$	114
Accrued salaries and wages		940
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,054</b>

**LONG-TERM LIABILITY**

Due to Lydia's House, Inc.		177,518
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<b>TOTAL LIABILITIES</b>		<b>178,572</b>
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**NET DEFICIT**

Member capital contribution		100
Unrestricted deficit		(149,612)
<b>TOTAL NET DEFICIT</b>		<b>(149,512)</b>

<b>TOTAL LIABILITIES AND NET DEFICIT</b>	<b>\$</b>	<b>29,060</b>
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See Independent Auditors' Report.



**LYDIA'S LADLE, LLC**  
**SCHEDULE OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

**REVENUES, GAINS AND SUPPORT**

Sales - food products	\$	31,147
Miscellaneous		6
TOTAL REVENUES, GAINS AND SUPPORT		31,153

**COST OF SALES**

Food costs		13,779
Packaging costs		5,922
Kitchen supplies and equipment		3,135
Repair and maintenance		1,028
Uniforms		2,366
Other		194
TOTAL COST OF SALES		26,424

GROSS PROFIT		4,729
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**EXPENSES**

Program		30,925
Management and general		644
Fundraising		644
TOTAL EXPENSES		32,213

CHANGE IN NET DEFICIT		(27,484)
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NET DEFICIT - BEGINNING OF YEAR		(122,128)
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NET DEFICIT - END OF YEAR		\$ (149,612)
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See Independent Auditors' Report.

***LYDIA'S LADLE, LLC***  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Salaries and wages	\$ 27,633	\$ 576	\$ 576	\$ 28,785
Payroll taxes	2,744	57	57	2,858
Supplies	184	4	4	192
Miscellaneous	364	7	7	378
TOTAL	<u>\$ 30,925</u>	<u>\$ 644</u>	<u>\$ 644</u>	<u>\$ 32,213</u>

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