

LYDIA'S HOUSE, INC.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
SEPTEMBER 30, 2014 AND 2013

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, 2014 and 2013, 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.

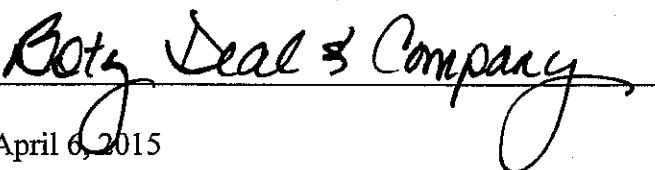
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2014 and 2013, 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 16 through 22 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.


April 6, 2015

LYDIA'S HOUSE, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2014 AND 2013

ASSETS

	2014	2013
CURRENT ASSETS		
Cash	\$ 450,582	\$ 272,896
Receivables:		
Contracts	15,411	13,539
Promise to give	19,000	-
Other	9,589	-
Prepaid expenses	15,577	13,910
Inventory	29,762	29,117
TOTAL CURRENT ASSETS	539,921	329,462
 FIXED ASSETS		
Land	200,666	200,666
Buildings and improvements	3,143,900	3,143,900
Furniture and equipment	25,575	29,020
Vehicles	35,099	30,096
Total Cost	3,405,240	3,403,682
Less: accumulated depreciation and amortization	1,202,087	1,086,593
NET FIXED ASSETS	2,203,153	2,317,089
 OTHER ASSETS		
Deposits	6,859	6,719
Loan cost, net of amortization	44	305
TOTAL OTHER ASSETS	6,903	7,024
 TOTAL ASSETS	 \$ 2,749,977	 \$ 2,653,575

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

LIABILITIES AND NET ASSETS

	2014	2013
CURRENT LIABILITIES		
Note payable - amount due in one year	\$ 15,194	\$ 14,523
Accounts payable	24,781	14,536
Payroll taxes payable	5,342	6,581
Accrued expenses:		
Vacations	13,891	15,522
Salaries and wages	17,631	10,889
Retirement plan	2,498	1,005
Other	-	2,230
Deferred revenue	13,085	14,987
Resident CCS payments	16,642	7,248
Security deposits	4,863	3,495
TOTAL CURRENT LIABILITIES	113,927	91,016
LONG-TERM LIABILITIES		
Note payable	247,691	262,298
Less: amount due in one year	15,194	14,523
TOTAL LONG-TERM LIABILITIES	232,497	247,775
TOTAL LIABILITIES	346,424	338,791
NET ASSETS		
Unrestricted:		
Undesignated	2,330,169	2,246,574
Board designated - operating reserve	12,500	12,500
Board designated - repairs	26,397	26,397
Board designated - Lydia's Ladle	3,812	-
Temporarily restricted	30,675	29,313
TOTAL NET ASSETS	2,403,553	2,314,784
TOTAL LIABILITIES AND NET ASSETS	\$ 2,749,977	\$ 2,653,575

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, 2014

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
REVENUES, GAINS AND SUPPORT			
Government support	\$ 271,980	\$ 15,000	\$ 286,980
Contributions	595,274	26,675	621,949
Merchandise and food sales	12,319	-	12,319
Less: cost of sales	(7,296)	-	(7,296)
Net income from sales	5,023	-	5,023
Special events	272,552	-	272,552
Interest and dividend income	714	-	714
In-kind contributions	65,917	-	65,917
Miscellaneous	7,179	-	7,179
Loss on sales of assets	(739)	-	(739)
Net assets released from restriction	40,313	(40,313)	-
TOTAL REVENUES, GAINS AND SUPPORT	<u>1,258,213</u>	<u>1,362</u>	<u>1,259,575</u>
EXPENSES			
Program	865,061	-	865,061
Management and general	47,802	-	47,802
Fundraising	257,943	-	257,943
TOTAL EXPENSES	<u>1,170,806</u>	<u>-</u>	<u>1,170,806</u>
CHANGE IN NET ASSETS	87,407	1,362	88,769
NET ASSETS - BEGINNING OF YEAR	<u>2,285,471</u>	<u>29,313</u>	<u>2,314,784</u>
NET ASSETS - END OF YEAR	<u>\$ 2,372,878</u>	<u>\$ 30,675</u>	<u>\$ 2,403,553</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, 2013

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
REVENUES, GAINS AND SUPPORT			
Government support	\$ 238,921	\$ -	\$ 238,921
Contributions	461,616	82,362	543,978
Merchandise sales	18,715	-	18,715
Less: cost of sales	(8,716)	-	(8,716)
Net income from sales	9,999	-	9,999
Special events	232,419	-	232,419
Interest and dividend income	756	-	756
In-kind contributions	63,739	-	63,739
Miscellaneous	5,554	-	5,554
Gain on sale of assets	171	-	171
Net assets released from restriction	92,520	(92,520)	-
TOTAL REVENUES, GAINS AND SUPPORT	1,105,695	(10,158)	1,095,537
EXPENSES			
Program	853,357	-	853,357
Management and general	39,370	-	39,370
Fundraising	185,303	-	185,303
TOTAL EXPENSES	1,078,030	-	1,078,030
CHANGE IN NET ASSETS	27,665	(10,158)	17,507
NET ASSETS - BEGINNING OF YEAR	2,257,806	39,471	2,297,277
NET ASSETS - END OF YEAR	\$ 2,285,471	\$ 29,313	\$ 2,314,784

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, 2014

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUND - RAISING</u>	<u>TOTAL</u>
Salaries	\$ 368,120	\$ 30,496	\$ 101,915	\$ 500,531
Payroll taxes and fringe benefits	94,713	6,841	24,508	126,062
Amortization	1,270	26	27	1,323
Assistance/aid	65,198	-	-	65,198
Bank and credit card fees	-	80	2,494	2,574
Continuing education	611	-	-	611
Depreciation	119,688	1,161	971	121,820
Dues and subscriptions	5,472	10	544	6,026
Equipment rental	1,200	-	-	1,200
Information technology	11,071	759	5,723	17,553
Insurance	17,773	2,437	5,247	25,457
Interest	10,966	243	229	11,438
Meetings	748	132	390	1,270
Mileage	911	62	275	1,248
Miscellaneous	1,385	220	665	2,270
Postage	1,419	89	481	1,989
Printing	1,725	118	5,720	7,563
Professional fees	21,161	1,214	3,693	26,068
Rent	3,400	-	-	3,400
Repairs and maintenance	16,924	199	198	17,321
Retirement plan contributions	6,261	527	1,750	8,538
Security	1,642	-	-	1,642
Special events	-	-	97,953	97,953
Supplies and furnishings	12,439	156	688	13,283
Telephone	14,949	729	3,210	18,888
Travel	911	-	-	911
Utilities	79,071	1,262	1,262	81,595
Vehicle costs	5,378	1,041	-	6,419
Volunteer program	655	-	-	655
TOTAL	\$ 865,061	\$ 47,802	\$ 257,943	\$ 1,170,806

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, 2013

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUND - RAISING</u>	<u>TOTAL</u>
Salaries	\$ 357,607	\$ 23,938	\$ 81,527	\$ 463,072
Payroll taxes and fringe benefits	86,057	6,167	18,548	110,772
Amortization	1,270	26	27	1,323
Assistance/aid	65,834	-	-	65,834
Bank and credit card fees	-	80	1,211	1,291
Continuing education	490	-	198	688
Depreciation	122,748	775	966	124,489
Dues and subscriptions	5,317	-	662	5,979
Equipment rental	1,200	-	-	1,200
Information technology	8,106	412	3,830	12,348
Insurance	19,772	2,528	4,622	26,922
Interest	13,136	498	273	13,907
Meetings	310	286	222	818
Mileage	1,944	170	1,154	3,268
Miscellaneous	298	299	639	1,236
Postage	1,181	72	1,545	2,798
Printing	1,743	114	4,157	6,014
Professional fees	13,036	684	2,460	16,180
Rent	3,750	-	-	3,750
Repairs and maintenance	24,604	330	330	25,264
Retirement plan contributions	6,381	389	1,111	7,881
Security	3,971	-	-	3,971
Special events	-	-	56,806	56,806
Supplies and furnishings	11,660	360	668	12,688
Telephone	14,349	716	2,577	17,642
Travel	780	204	449	1,433
Utilities	81,649	1,322	1,321	84,292
Vehicle costs	5,087	-	-	5,087
Volunteer program	1,077	-	-	1,077
TOTAL	<u>\$ 853,357</u>	<u>\$ 39,370</u>	<u>\$ 185,303</u>	<u>\$ 1,078,030</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, 2014 AND 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Public support and contributions received	\$ 832,715	\$ 772,599
Government support received	285,108	241,240
Cash paid to suppliers and employees	(965,502)	(882,911)
Miscellaneous income received	7,179	5,554
Interest and dividends received	714	756
Interest paid	(11,439)	(13,907)
NET CASH PROVIDED BY OPERATING ACTIVITIES	148,775	123,331
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of stock	52,465	41,436
Purchase of fixed assets	(8,947)	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	43,518	41,436
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	22,500
Payments on notes payable	(14,607)	(35,781)
NET CASH USED BY FINANCING ACTIVITIES	(14,607)	(13,281)
NET INCREASE IN CASH	177,686	151,486
CASH - BEGINNING OF YEAR	272,896	121,410
CASH - END OF YEAR	\$ 450,582	\$ 272,896

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

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

	2014	2013
CHANGE IN NET ASSETS	\$ 88,769	\$ 17,507
 ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Stock donations	(53,203)	(39,501)
Depreciation	121,820	124,489
Amortization	1,323	1,323
Realized (gain) loss on sales of assets	739	(171)
(Increase) decrease in assets:		
Receivables	(11,461)	2,939
Promises to give	(19,000)	7,201
Prepaid expenses	(1,667)	(1,095)
Inventory	(645)	4,017
Deposits	(140)	(1,279)
Increase (decrease) in liabilities:		
Accounts payable	10,245	7,837
Accrued expenses	3,135	(692)
Deferred revenue	(1,902)	9,787
Resident CCS payments	9,394	(8,776)
Security deposits	1,368	(255)
TOTAL ADJUSTMENTS	60,006	105,824
 NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 148,775	\$ 123,331

SUPPLEMENTAL DISCLOSURE OF NON-CASH INFORMATION:

In-kind donations of program supplies and assistance items in the amount of \$65,917 and \$63,739 were received during the years ended September 30, 2014 and 2013, respectively.

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

LYDIA'S HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

1. DESCRIPTION OF OPERATIONS

Lydia's House, Inc. (the Organization) was established in 1995 by a small church group concerned about the issues of domestic violence. The Organization became one of only two organizations providing transitional housing exclusively for abused women in the metropolitan St. Louis area. Women and their children may stay at Lydia's House, Inc. as long as 24 months. Services have expanded to include advocacy for residents, outreach services for former residents, children's programs and spiritual support groups. In addition, support and referral services are provided in the areas of housing, employment and childcare.

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

In August 2013 Lydia's House created a new entity, Lydia's Ladle, LLC, to provide employment for residents, some of whom find it difficult to find employment after leaving their abusers. The year ended September 30, 2014 was spent finalizing recipes, streamlining kitchen procedures, training staff (who are residents), creating the packaging, developing record-keeping and accounting procedures, obtaining approval from the USDA, and marketing the product. The Lydia's Ladle pot pies are now being sold in selected stores of two local supermarket companies and two other locations.

Lydia's Ladle offers confidentially-located employment, assistance with general work skills, and specific job training. The work schedule is during their children's school hours allowing them the freedom to parent before and after school without the additional burden of childcare expenses.

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. 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. 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, 2014 and 2013, the Organization did not have any permanently restricted net assets.

The financial statements include assets of a grantor trust held for the benefit of the Organization.

Contracts Receivable - Receivables consist of contract revenue earned and not yet received.

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

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 two commercial banks and one brokerage firm. A summary of the total insured and uninsured amounts as of September 30, 2014 follows:

Total cash held	\$ 454,640
Portion secured by FDIC	<u>(454,640)</u>
Uninsured cash balance	<u>\$ -</u>

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 - 27.5 years
Furniture and equipment	Accelerated and Straight-line	5 - 7 years
Vehicles	Straight-line	3 - 5 years

As in prior 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 \$2,500 or more are capitalized. Depreciation was \$121,820 and \$124,489 for the years ended September 30, 2014 and 2013, respectively.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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.

Concentration of Revenue - For the fiscal year ended September 30, 2014, the Organization received approximately 23% 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.

All the direct expenses for the creation, printing, and mailing of the newsletters and other direct mail solicitations and website costs are considered fundraising expenses. The only activity involving a combined educational campaign and fundraising solicitation that qualified for allocation between program and fundraising expenses (per SOP 98-2) was speaking at certain events. This activity met the requirements of audience, content, and purpose. The approximate cost of these speaking engagements, for salary and benefits, was \$2,070. For the year ended September 30, 2014, the Organization allocated \$725, \$518, and \$827 of those joint costs to program services, management and general, and fundraising, respectively.

3. **INVESTMENTS**

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

	<u>2014</u>	<u>2013</u>
Investment income	\$ -	\$ 203
Realized gain (loss) on investments	(739)	171
	<u>\$ (739)</u>	<u>\$ 374</u>

4. **PROMISE TO GIVE**

An unconditional promise to give at September 30, 2014 was as follows:

	<u>2014</u>	<u>2013</u>
Receivable in less than one year	\$ 19,000	\$ -
Receivable in one to five years	-	-
Total unconditional promise to give	<u>19,000</u>	<u>-</u>
Less: discounts to net present value	-	-
Net unconditional promise to give	<u>\$ 19,000</u>	<u>\$ -</u>

5. **NOTE PAYABLE**

Note payable consists of:

	<u>2014</u>	<u>2013</u>
Southern Commercial Bank - mortgage	\$ 247,691	\$ 262,298
Collateral - deed of trust on property		
Interest rate - 4.50%		
Maturity - April 23, 2016		
Payments - \$2,169 per month, which include principal and interest		

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

2015	\$ 15,194
2016	<u>232,497</u>
TOTAL	<u>\$ 247,691</u>

6. **LINE OF CREDIT**

The Organization had a line of credit with a bank for up to \$50,000 at an interest rate of 4.5% through December 23, 2013. It was not renewed due to increased stability of funding and the amount of cash on hand. There were no advances on this line of credit prior to its maturity. The line of credit was secured by real estate.

7. **RESTRICTIONS ON NET ASSETS**

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

	<u>2014</u>	<u>2013</u>
Family support	\$ 25,215	\$ 23,528
Furniture and equipment	1,710	2,035
General support - time	3,750	3,750
TOTAL RESTRICTED NET ASSETS	<u>\$ 30,675</u>	<u>\$ 29,313</u>

8. **RETIREMENT PLAN**

The Organization has a retirement plan that provides for an employer contribution of 2% of an eligible employee's compensation. In addition, employees can contribute to the plan up to the annual limit allowed by the Internal Revenue Service. Retirement plan contributions for the years ended September 30, 2014 and 2013 was \$8,538 and \$7,881, 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, 2014 and 2013, management believes there are no material uncertain tax positions. The Organization files form 990 Return of Organization Exempt From Income Tax. Returns prior to 2010 are closed.

10. **SUBSEQUENT EVENTS**

As of April 6, 2015, 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, 2014

ASSETS

CURRENT ASSETS

Cash	\$	447,358
Receivables:		
Contracts		15,411
Promise to give		19,000
Other		9,589
Prepaid expenses		15,577
Inventory - merchandise		27,962
TOTAL CURRENT ASSETS		534,897

FIXED ASSETS

Land		200,666
Buildings and improvements		3,143,900
Furniture and equipment		25,575
Vehicles		35,099
Total Cost		3,405,240
Less: accumulated depreciation and amortization		1,202,087
NET FIXED ASSETS		2,203,153

OTHER ASSETS

Deposits		6,759
Loan cost, net of amortization		44
Due from Lydia's Ladle		36,338
TOTAL OTHER ASSETS		43,141

TOTAL ASSETS	\$	2,781,191
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See Independent Auditors' Report.

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Note payable - amount due in one year	\$ 15,194
Accounts payable	24,644
Payroll taxes payable	2,616
Accrued expenses:	
Vacations	13,891
Salaries and wages	12,992
Retirement plan	2,498
Deferred revenue	13,085
Resident CCS payments	16,642
Security deposits	4,863
TOTAL CURRENT LIABILITIES	<u>106,425</u>

LONG-TERM LIABILITIES

Note payable	247,691
Less: amount due in one year	<u>15,194</u>
TOTAL LONG-TERM LIABILITIES	<u>232,497</u>

TOTAL LIABILITIES 338,922

NET ASSETS

Unrestricted:	
Undesignated	2,368,885
Board designated - operating reserve	12,500
Board designated - repairs	26,397
Board designated - Lydia's Ladle	3,812
Temporarily restricted	<u>30,675</u>
TOTAL NET ASSETS	<u>2,442,269</u>

TOTAL LIABILITIES
AND NET ASSETS \$ 2,781,191

See Independent Auditors' Report.

LYDIA'S HOUSE, INC.
SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
REVENUES, GAINS AND SUPPORT			
Government support	\$ 271,980	\$ 15,000	\$ 286,980
Contributions	595,274	26,675	621,949
Sales - merchandise	10,784	-	10,784
Less: cost of sales	(4,889)	-	(4,889)
Net income from sales	5,895	-	5,895
Special events	272,552	-	272,552
Interest income	714	-	714
In-kind contributions	65,917	-	65,917
Miscellaneous	7,179	-	7,179
Gain (loss) on sales of assets	(739)	-	(739)
Net assets released from restriction	40,313	(40,313)	-
TOTAL REVENUES, GAINS AND SUPPORT	1,259,085	1,362	1,260,447
EXPENSES			
Program	831,394	-	831,394
Management and general	43,762	-	43,762
Fundraising	257,943	-	257,943
TOTAL EXPENSES	1,133,099	-	1,133,099
 CHANGE IN NET ASSETS	 125,986	 1,362	 127,348
 NET ASSETS - BEGINNING OF YEAR	 2,285,608	 29,313	 2,314,921
 NET ASSETS - END OF YEAR	 \$ 2,411,594	 \$ 30,675	 \$ 2,442,269

See Independent Auditors' Report.

LYDIA'S HOUSE, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUND - RAISING</u>	<u>TOTAL</u>
Salaries	\$ 339,111	\$ 26,690	\$ 101,915	\$ 467,716
Payroll taxes and fringe benefits	90,903	6,607	24,508	122,018
Amortization	1,270	26	27	1,323
Assistance/aid	65,198	-	-	65,198
Bank and credit card fees	-	80	2,494	2,574
Continuing education	611	-	-	611
Depreciation	119,688	1,161	971	121,820
Dues and subscriptions	5,472	10	544	6,026
Equipment rental	1,200	-	-	1,200
Information technology	11,071	759	5,723	17,553
Insurance	17,413	2,437	5,247	25,097
Interest	10,966	243	229	11,438
Meetings	748	132	390	1,270
Mileage	911	62	275	1,248
Miscellaneous	1,342	220	665	2,227
Postage	1,293	89	481	1,863
Printing	1,725	118	5,720	7,563
Professional fees	21,161	1,214	3,693	26,068
Rent	3,400	-	-	3,400
Repairs and maintenance	16,924	199	198	17,321
Retirement plan contributions	6,261	527	1,750	8,538
Security	1,642	-	-	1,642
Special events	-	-	97,953	97,953
Supplies and furnishings	12,120	156	688	12,964
Telephone	14,949	729	3,210	18,888
Travel	911	-	-	911
Utilities	79,071	1,262	1,262	81,595
Vehicle costs	5,378	1,041	-	6,419
Volunteer program	655	-	-	655
TOTAL	\$ 831,394	\$ 43,762	\$ 257,943	\$ 1,133,099

See Independent Auditors' Report.

LYDIA'S LADLE, LLC
SCHEDULE OF FINANCIAL POSITION
SEPTEMBER 30, 2014

ASSETS

CURRENT ASSETS

Cash	\$ 3,224
Inventory - food products	1,800
TOTAL CURRENT ASSETS	<u>5,024</u>

OTHER ASSET

Deposit	<u>100</u>
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TOTAL ASSETS	<u><u>\$ 5,124</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 137
Payroll taxes payable	2,726
Accrued salaries and wages	4,639
TOTAL CURRENT LIABILITIES	<u>7,502</u>

LONG-TERM LIABILITY

Due to Lydia's House	<u>36,338</u>
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TOTAL LIABILITIES	<u>43,840</u>
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NET DEFICIT

Unrestricted deficit	<u>(38,716)</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 5,124</u></u>
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See Independent Auditors' Report.

LYDIA'S LADLE, LLC
SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

REVENUES, GAINS AND SUPPORT

Sales - food products	\$ 1,535
Less: cost of sales	(2,407)
Net loss from sales	<u>(872)</u>

EXPENSES

Program	33,667
Management and general	4,040
TOTAL EXPENSES	<u>37,707</u>

CHANGE IN NET ASSETS (38,579)

**NET DEFICIT -
BEGINNING OF YEAR** (137)

**NET DEFICIT -
END OF YEAR** \$ (38,716)

See Independent Auditors' Report.

LYDIA'S LADLE, LLC
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>TOTAL</u>
Salaries and wages	\$ 29,009	\$ 3,806	\$ 32,815
Payroll taxes and fringe benefits	3,810	234	4,044
Insurance	360	-	360
Miscellaneous	43	-	43
Postage	126	-	126
Supplies	319	-	319
TOTAL	<u>\$ 33,667</u>	<u>\$ 4,040</u>	<u>\$ 37,707</u>

See Independent Auditors' Report.