

**Grace Smith House, Inc.**

Financial Statements

December 31, 2024 and 2023

## **Independent Auditors' Report**

**Board of Directors**  
**Grace Smith House, Inc.**

### ***Opinion***

We have audited the accompanying financial statements of the Grace Smith House, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related 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 financial statements referred to above present fairly, in all material respects, the financial position of Grace Smith House, Inc. as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

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

### ***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 Grace Smith 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' Responsibilities 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 auditors' 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.

***Auditors' Responsibilities for the Audit of the Financial Statements (continued)***

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 Grace Smith 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 Grace Smith 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 Supplemental Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of revenue and support on pages 20 and 21 are presented for purposes of additional analysis and are 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.

*PKF O'Connor Davies, LLP*

Newburgh, New York  
June 25, 2025

**Grace Smith House, Inc.**  
Statements of Financial Position

	December 31,	
	2024	2023
<b>ASSETS</b>		
Cash and cash equivalents	\$ 436,849	\$ 381,021
Investments	6,385,985	5,222,217
Grants receivable	663,900	391,721
Promises to give, net	153,400	230,100
Accounts receivable (less allowance for credit losses of \$60,000 in 2024 and 2023)	80,702	91,055
Prepaid expenses	7,560	8,015
Land, property and equipment, net	<u>1,374,320</u>	<u>1,594,980</u>
	<u>\$ 9,102,716</u>	<u>\$ 7,919,109</u>
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 269,636	\$ 188,288
Deferred revenue	18,299	42,062
Security deposits payable	<u>23,978</u>	<u>23,266</u>
Total Liabilities	<u>311,913</u>	<u>253,616</u>
 Net Assets		
Without donor restrictions	6,471,187	5,239,551
With donor restrictions	<u>2,319,616</u>	<u>2,425,942</u>
Total Net Assets	<u>8,790,803</u>	<u>7,665,493</u>
	<u>\$ 9,102,716</u>	<u>\$ 7,919,109</u>

See notes to financial statements

**Grace Smith House, Inc.**  
Statement of Activities  
Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE, SUPPORT AND RECLASSIFICATIONS</b>			
Fees for service	\$ 878,781	\$ -	\$ 878,781
Government grants	1,456,339	-	1,456,339
Contributions	160,298	245,143	405,441
Special events	157,685	-	157,685
Contributed nonfinancial assets	64,100	-	64,100
Rental	253,448	-	253,448
Investment return, net	605,930	-	605,930
Miscellaneous	1,836	-	1,836
Net assets released from restrictions	<u>351,469</u>	<u>(351,469)</u>	<u>-</u>
Total Revenue, Support and Reclassifications	<u>3,929,886</u>	<u>(106,326)</u>	<u>3,823,560</u>
<b>EXPENSES</b>			
Program Services			
MLHR	902,639	-	902,639
Follow Up	339,067	-	339,067
Outreach	523,747	-	523,747
Brookhaven Apartments	<u>367,545</u>	<u>-</u>	<u>367,545</u>
Total Program Services	<u>2,132,998</u>	<u>-</u>	<u>2,132,998</u>
Supporting Services			
Management and general	455,857	-	455,857
Fundraising	<u>157,748</u>	<u>-</u>	<u>157,748</u>
Total Supporting Services	<u>613,605</u>	<u>-</u>	<u>613,605</u>
Total Expenses	<u>2,746,603</u>	<u>-</u>	<u>2,746,603</u>
Change in Net Assets Before Other Changes in Net Assets	1,183,283	(106,326)	1,076,957
<b>OTHER CHANGES IN NET ASSETS</b>			
Gain on sale of land, property and equipment	<u>48,353</u>	<u>-</u>	<u>48,353</u>
Change in Net Assets After Other Changes in Net Assets	1,231,636	(106,326)	1,125,310
<b>NET ASSETS</b>			
Beginning of year	<u>5,239,551</u>	<u>2,425,942</u>	<u>7,665,493</u>
End of year	<u>\$ 6,471,187</u>	<u>\$ 2,319,616</u>	<u>\$ 8,790,803</u>

See notes to financial statements

**Grace Smith House, Inc.**

Statement of Activities  
Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE, SUPPORT AND RECLASSIFICATIONS</b>			
Fees for service	\$ 866,570	\$ -	\$ 866,570
Government grants	1,085,781	-	1,085,781
Contributions	216,745	516,879	733,624
Special events	138,413	-	138,413
Contributed nonfinancial assets	78,177	-	78,177
Rental	217,614	-	217,614
Investment return, net	443,849	-	443,849
Miscellaneous	1,594	-	1,594
Net assets released from restrictions	210,037	(210,037)	-
Total Revenue, Support and Reclassifications	<u>3,258,780</u>	<u>306,842</u>	<u>3,565,622</u>
<b>EXPENSES</b>			
Program Services			
MLHR	859,697	-	859,697
Follow Up	328,485	-	328,485
Outreach	439,533	-	439,533
Brookhaven Apartments	338,263	-	338,263
Total Program Services	<u>1,965,978</u>	<u>-</u>	<u>1,965,978</u>
Supporting Services			
Management and general	462,220	-	462,220
Fundraising	137,508	-	137,508
Total Supporting Services	<u>599,728</u>	<u>-</u>	<u>599,728</u>
Total Expenses	<u>2,565,706</u>	<u>-</u>	<u>2,565,706</u>
Change in Net Assets Before Other Changes in Net Assets	693,074	306,842	999,916
<b>OTHER CHANGES IN NET ASSETS</b>			
Loss on impairment of construction in progress	(203,132)	-	(203,132)
Change in Net Assets	489,942	306,842	796,784
<b>NET ASSETS</b>			
Beginning of year	<u>4,749,609</u>	<u>2,119,100</u>	<u>6,868,709</u>
End of year	<u>\$ 5,239,551</u>	<u>\$ 2,425,942</u>	<u>\$ 7,665,493</u>

**Grace Smith House, Inc.**  
Statement of Functional Expenses  
Year Ended December 31, 2024

	Program Services					Supporting Services			
	MLHR	Follow Up	Outreach	Brookhaven Apartments	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
<b>PERSONNEL COSTS</b>									
Salaries	\$ 526,541	\$ 202,431	\$ 373,837	\$ 90,970	\$ 1,193,779	\$ 338,156	\$ 100,377	\$ 438,533	\$ 1,632,312
FICA and MCTMT	40,312	15,498	28,621	6,965	91,396	25,889	7,685	33,574	124,970
Health benefits	56,047	21,548	39,793	9,683	127,071	35,995	10,685	46,680	173,751
Retirement plan contributions	18,237	7,011	12,948	3,151	41,347	11,713	3,477	15,190	56,537
Workers compensation/disability/NYS UI	13,575	5,219	9,638	2,345	30,777	8,718	2,588	11,306	42,083
Total Personnel Costs	<u>654,712</u>	<u>251,707</u>	<u>464,837</u>	<u>113,114</u>	<u>1,484,370</u>	<u>420,471</u>	<u>124,812</u>	<u>545,283</u>	<u>2,029,653</u>
<b>OTHER EXPENSES</b>									
Transportation	2,632	60	4,047	4	6,743	-	-	-	6,743
Activities	676	14,994	4,505	1,133	21,308	204	85	289	21,597
Contracted services	-	-	-	15,820	15,820	-	-	-	15,820
Purchased services	47,648	12,944	21,697	28,409	110,698	5,675	21,139	26,814	137,512
Food	12,667	514	-	-	13,181	-	-	-	13,181
Household supplies and equipment	7,162	144	232	258	7,796	-	-	-	7,796
Utilities	34,812	1,131	152	40,938	77,033	1,185	205	1,390	78,423
Repairs - plant	5,135	416	52	18,790	24,393	404	85	489	24,882
Repairs - equipment	3,325	-	-	1,229	4,554	-	-	-	4,554
Repairs - vehicles	497	-	-	-	497	-	-	-	497
Telephone and internet	11,153	2,120	2,885	811	16,969	848	354	1,202	18,171
Postage	151	27	49	83	310	70	602	672	982
Dues, licenses and permits	2,138	387	577	440	3,542	-	-	-	3,542
Office supplies	1,566	601	1,302	130	3,599	226	525	751	4,350
Conference	343	119	215	44	721	111	47	158	879
Administrative	884	328	44	1,484	2,740	344	73	417	3,157
Staff development	722	164	351	100	1,337	153	64	217	1,554
Contributed goods and services	27,497	6,443	10,380	10,118	54,438	-	-	-	54,438
Employee recognition	101	35	64	13	213	33	14	47	260
Professional fees	11,201	4,160	560	21,314	37,235	4,360	920	5,280	42,515
Insurance	12,716	4,740	638	21,467	39,561	4,968	1,048	6,016	45,577
Loss on asset disposal	-	-	-	17,934	17,934	-	-	-	17,934
Depreciation	43,169	16,034	2,158	72,462	133,823	16,805	3,546	20,351	154,174
Client assistance	15,732	21,582	7,130	1,308	45,752	-	-	-	45,752
Public relations	388	417	1,872	142	2,819	-	4,229	4,229	7,048
Credit losses	5,612	-	-	-	5,612	-	-	-	5,612
Total Other Expenses	<u>247,927</u>	<u>87,360</u>	<u>58,910</u>	<u>254,431</u>	<u>648,628</u>	<u>35,386</u>	<u>32,936</u>	<u>68,322</u>	<u>716,950</u>
Total Expenses	<u>\$ 902,639</u>	<u>\$ 339,067</u>	<u>\$ 523,747</u>	<u>\$ 367,545</u>	<u>\$ 2,132,998</u>	<u>\$ 455,857</u>	<u>\$ 157,748</u>	<u>\$ 613,605</u>	<u>\$ 2,746,603</u>

**Grace Smith House, Inc.**

Statement of Functional Expenses  
Year Ended December 31, 2023

	Program Services					Supporting Services			
	MLHR	Follow Up	Outreach	Brookhaven Apartments	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
<b>PERSONNEL COSTS</b>									
Salaries	\$ 473,525	\$ 200,208	\$ 291,998	\$ 77,900	\$ 1,043,631	\$ 323,995	\$ 82,185	\$ 406,180	\$ 1,449,811
FICA and MCTMT	35,528	15,022	21,909	5,845	78,304	24,308	6,166	30,474	108,778
Health benefits	63,598	26,890	39,218	10,463	140,169	43,515	11,038	54,553	194,722
Retirement plan contributions	32,472	13,729	20,024	5,342	71,567	22,217	5,636	27,853	99,420
Workers compensation/disability/NYS UI	15,299	6,468	9,434	2,517	33,718	10,467	2,655	13,122	46,840
Total Personnel Costs	<u>620,422</u>	<u>262,317</u>	<u>382,583</u>	<u>102,067</u>	<u>1,367,389</u>	<u>424,502</u>	<u>107,680</u>	<u>532,182</u>	<u>1,899,571</u>
<b>OTHER EXPENSES</b>									
Transportation	2,007	726	4,418	3	7,154	-	21	21	7,175
Activities	1,567	2,025	4,258	2,855	10,705	482	165	647	11,352
Contracted services	-	-	-	15,418	15,418	-	-	-	15,418
Purchased services	57,509	15,314	25,031	35,291	133,145	9,090	17,627	26,717	159,862
Food	16,318	534	-	252	17,104	-	-	-	17,104
Household supplies and equipment	11,610	192	197	2,332	14,331	-	-	-	14,331
Utilities	21,321	1,032	139	36,919	59,411	1,081	228	1,309	60,720
Repairs - plant	4,006	95	13	14,996	19,110	100	21	121	19,231
Repairs - equipment	601	-	-	1,903	2,504	-	-	-	2,504
Repairs - vehicles	1,512	-	-	-	1,512	-	-	-	1,512
Telephone and internet	9,834	1,391	2,668	827	14,720	852	292	1,144	15,864
Postage	400	85	149	101	735	93	737	830	1,565
Dues, licenses and permits	2,840	743	726	725	5,034	-	126	126	5,160
Office supplies	1,161	979	1,997	133	4,270	247	740	987	5,257
Conference	1,771	165	286	67	2,289	180	61	241	2,530
Administrative	838	311	42	1,407	2,598	326	115	441	3,039
Staff development	273	125	478	35	911	93	32	125	1,036
Contributed goods and services	33,380	7,278	9,361	8,330	58,349	-	1,478	1,478	59,827
Employee recognition	204	67	117	27	415	73	25	98	513
Professional fees	13,040	4,843	652	21,888	40,423	5,076	1,071	6,147	46,570
Insurance	12,066	4,482	603	20,254	37,405	4,697	991	5,688	43,093
Loss on asset disposal	-	-	-	1,326	1,326	-	-	-	1,326
Depreciation	39,378	14,626	1,969	66,098	122,071	15,328	3,235	18,563	140,634
Client assistance	5,785	11,040	2,916	2,548	22,289	-	-	-	22,289
Public relations	546	115	930	132	1,723	-	2,863	2,863	4,586
Credit losses	1,308	-	-	2,329	3,637	-	-	-	3,637
Total Other Expenses	<u>239,275</u>	<u>66,168</u>	<u>56,950</u>	<u>236,196</u>	<u>598,589</u>	<u>37,718</u>	<u>29,828</u>	<u>67,546</u>	<u>666,135</u>
Total Expenses	<u>\$ 859,697</u>	<u>\$ 328,485</u>	<u>\$ 439,533</u>	<u>\$ 338,263</u>	<u>\$ 1,965,978</u>	<u>\$ 462,220</u>	<u>\$ 137,508</u>	<u>\$ 599,728</u>	<u>\$ 2,565,706</u>



**Grace Smith House, Inc.**

Statements of Cash Flows

	Year Ended December 31,	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,125,310	\$ 796,784
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	154,174	140,634
Change in discount on promises to give	(3,300)	4,900
Credit losses	5,612	3,637
Loss on impairment of construction in progress	-	203,132
Loss on disposal of land, property and equipment	17,934	1,326
Gain on sale of land, property and equipment	(48,193)	-
Donated stock	(9,052)	-
Donated land, property and equipment	-	(18,350)
Realized and unrealized gains on investments	(476,898)	(336,214)
Changes in operating assets and liabilities		
Grants receivable	(272,179)	(82,772)
Promises to give	80,000	(235,000)
Accounts receivable	4,741	23,630
Prepaid expenses	455	(1,302)
Accounts payable and accrued expenses	81,348	30,066
Deferred revenue	(23,763)	(5,676)
Security deposits payable	712	672
Net Cash from Operating Activities	<u>636,901</u>	<u>525,467</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	2,270,325	492,940
Purchase of investments	(2,948,143)	(1,049,833)
Proceeds from sale of land, property and equipment	353,003	-
Purchase of land, property and equipment	<u>(256,258)</u>	<u>(82,535)</u>
Net Cash from Investing Activities	<u>(581,073)</u>	<u>(639,428)</u>
Net Change in Cash and Cash Equivalents	55,828	(113,961)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>381,021</u>	<u>494,982</u>
End of year	<u>\$ 436,849</u>	<u>\$ 381,021</u>

See notes to financial statements

## **Grace Smith House, Inc.**

Notes to Financial Statements  
December 31, 2024 and 2023

### **1. Organization and Taxation**

Grace Smith House, Inc. (the "Organization") is a not-for-profit organization incorporated in New York State in 1981. The mission of the Organization is to empower individuals and families to live free from domestic violence by providing shelter and apartments, advocacy, counseling and education; raising the consciousness of the community regarding the extent, type and seriousness of domestic violence and by taking positions on public policies in order to provide options which empower victims. The Organization provides a full spectrum of client centered, trauma informed assistive services to victims of domestic violence and their minor children. Services include a 24/7/365 domestic violence crisis hotline; the Mary Lou Heissenbuttel Residence ("MLHR"), which is a 25 bed emergency shelter; 15 transitional housing apartments; non-residential services for victims residing in the community; children's programming; and a prevention and education program. Advocates and counselors provide crisis intervention, intensive case management, safety planning, risk assessment, information and referral, counseling and emotional support, support groups, legal advocacy, court advocacy and accompaniment, and transportation. The Organization has advocates embedded in Dutchess County Family Court and Child Protective Services offices. The Organization also has specialized advocates working with Latina victims and collaborates with various community service providers to assist victims as needed. The outreach program educates the community, service providers, healthcare personnel, church groups, high school and middle school students and school administrators on issues of abuse in relationships. All services are based on an empowerment philosophy, are conducted in a trauma informed manner and are free and confidential to victims of domestic violence.

The Organization has been granted tax-exempt status under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for federal and state income taxes has been recognized in the accompanying financial statements. The Organization has been classified as an organization that is not a private foundation under Section 509(a) and has been designated as a publicly supported organization under Section 170(b)(1)(A)(vi). Contributions to the Organization are tax-deductible within the limitations prescribed by the Internal Revenue Code.

### **2. Summary of Significant Accounting Policies**

#### ***Basis of Presentation and Use of Estimates***

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

## **Grace Smith House, Inc.**

Notes to Financial Statements  
December 31, 2024 and 2023

### **2. Summary of Significant Accounting Policies (*continued*)**

#### ***Net Asset Presentation***

Net assets are classified based on the presence or absence of donor imposed restrictions. Resources for various purposes are classified for accounting and reporting purposes into net asset categories established according to nature and purpose as follows:

*Without donor restrictions* – consist of resources available for the general support of the Organization's operations. Net assets without donor restrictions may be used at the discretion of the Organization's management and Board of Directors (the "Board").

*With donor restrictions* – represent amounts contributed by donors for specific activities of the Organization or to be used at some future date. The Organization records contributions as with donor restrictions if they are received with donor stipulations that limit their use either through purpose or time restrictions. When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are classified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Amounts restricted by donors for the Organization's operating programs whose restrictions are met in the same reporting period are reported as net assets without donor restrictions.

#### ***Revenue Recognition***

Fees for service is the revenue stream that is accounted for as an exchange transaction. Because the Organization's performance obligations relate to contracts with a duration of one year or less, the Organization has elected to apply the optional exemption provided by the guidance and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

The Organization uses a portfolio approach as a practical expedient to account for categories of contracts as collective groups, rather than recognizing revenue on an individual contract basis. The financial statement effects of using this practical expedient are not materially different from an individual contract approach.

The Organization has elected the practical expedient and does not adjust the promised amount of consideration from fees for services for the effects of a significant financing component due to the Organization's expectation that the period between the time the service is provided to a client and the time that the revenue is received for that service will be one year or less.

#### ***Grants and Contributions***

Government grants are third-party reimbursement contracts for specific programs. Revenue is recognized when the service is provided and the corresponding expense is incurred. Unconditional contributions are recognized as revenue in the period received or pledged.

## **Grace Smith House, Inc.**

Notes to Financial Statements  
December 31, 2024 and 2023

### **2. Summary of Significant Accounting Policies *(continued)***

#### ***Grants and Contributions (continued)***

Grants receivable balances are stated at the amount that management expects to collect from outstanding balances. Balances that remain outstanding after management has used reasonable collection efforts are written off through a reduction in the valuation allowance and a reduction in grants receivable. At December 31, 2024 and 2023, there was no allowance for uncollectable grants.

#### ***Promises to Give***

Promises to give that are expected to be collected in future years are recorded at the present value of the estimated future cash flows, net of a discount using a risk-adjusted rate of interest. The discount is amortized using an effective yield over the expected collection period of the receivables.

#### ***Fees for Service***

Fees for service revenue consist primarily of funding from the Local Districts of Social Services ("LDSS"). Payments are generally paid based upon per diem county rates for the number of bed nights provided.

#### ***Rental Income***

Rental income is recognized in the period it is earned and is reported at estimated net realizable amounts. Rental payments received in advance are deferred until earned. All leases between the Organization and the tenants of the Transitional Housing Program are operating leases.

#### ***Contributed Nonfinancial Assets and Services***

Donated services that require specialized skills, provided by individuals possessing those skills, that would typically need to be purchased if not provided by donation, and donated goods, are recorded at their fair values in the period received.

#### ***Cash and Cash Equivalents***

Except for those cash equivalents which are included in the Organization's investment portfolio which are held for long-term investment purposes, cash and cash equivalents include cash balances held in bank accounts and highly liquid debt instruments with maturities of three months or less at the time of purchase.

#### ***Investment Income Valuation and Recognition***

Investments are measured at fair value with changes therein recognized in the statements of activities. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of the change in net assets.

## **Grace Smith House, Inc.**

Notes to Financial Statements  
December 31, 2024 and 2023

### **2. Summary of Significant Accounting Policies (*continued*)**

#### ***Fair Value of Financial Instruments***

The Organization follows U.S. GAAP guidance on *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

#### ***Accounts Receivable and Allowance for Credit Losses***

Accounts receivable are recorded at amortized cost less an allowance for credit losses that are not expected to be recovered. The Organization recognizes the allowance for credit losses at inception of the receivable and reassesses at every reporting date based on the asset's expected collectability. The allowance is based on multiple factors including historical experience uncollectible accounts, the credit quality of the customer base, the aging of such receivables and current macroeconomic conditions, as well as expectations of conditions in the future, if applicable. The Organization's allowance for credit losses is based on the assessment of the collectability of assets pooled together with similar risk characteristics.

The Organization records a provision for expected credit losses using a historical loss-rate method based on the ratio of its historical write-offs to its average trade accounts receivable. At each reporting period, the Organization assesses whether financial assets in a pool continue to display similar risk characteristics. If particular receivables no longer display risk characteristics that are similar to those of the receivables in the pool, the Organization may determine that it should move those receivables to a different pool or perform an individual assessment of expected credit losses for those specific receivables.

The Organization writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with the Organization's accounting policy election. The total amount of write offs was immaterial to the financial statements as a whole for the years ended December 31, 2024 and 2023.

#### ***Land, Property and Equipment***

Land, property and equipment purchases over \$1,000 with useful lives greater than one year are capitalized and stated at cost, less accumulated depreciation. Donated assets are capitalized at fair value at the time of the donation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. Maintenance, routine repairs and minor replacements are charged to operations as incurred, while those improvements which materially extend the lives of existing assets are capitalized.

## Grace Smith House, Inc.

Notes to Financial Statements  
December 31, 2024 and 2023

### 2. Summary of Significant Accounting Policies (*continued*)

#### ***Deferred Revenue***

Deferred revenue consists of advanced payments received for operations for the following year.

#### ***Functional Allocation of Expenses***

The costs of providing the Organization's programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management.

The expenses that are allocated include the following:

<u>Natural Expense Category</u>	<u>Method of Allocation</u>
Total personnel costs	Time and effort
Transportation	Purpose and function
Activities	Purpose and function
Purchased services	Purpose and function
Food	Purpose and function
Household supplies and equipment	Purpose and function
Utilities	Purpose and function
Repairs - plant	Purpose and function
Repairs - equipment	Purpose and function
Telephone and internet	Purpose and function
Postage	Purpose and function
Dues, licenses and permits	Purpose and function
Office supplies	Purpose and function
Conference	Purpose and function
Administrative	Purpose and function
Staff development	Purpose and function
Contributed goods and services	Purpose and function
Employee recognition	Purpose and function
Professional fees	Purpose and function
Insurance	Purpose and function
Depreciation	Square footage
Client assistance	Purpose and function
Public relations	Purpose and function
Credit losses	Purpose and function

#### ***Advertising***

The Organization uses advertising to promote its programs among the population it serves. All costs associated with advertising are expensed in the year incurred, which approximated \$50 and \$60 in 2024 and 2023.

## Grace Smith House, Inc.

Notes to Financial Statements  
December 31, 2024 and 2023

### 2. Summary of Significant Accounting Policies (*continued*)

#### ***Reclassifications***

Certain amounts for 2023 have been reclassified to conform with the 2024 financial statement presentation. These reclassifications have no effect on net assets.

#### ***Accounting for Uncertainty in Income Taxes***

The Organization recognizes the effects of income tax positions only when they are more likely than not to be sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition and/or disclosure. The Organization is no longer subject to examination by applicable taxing jurisdictions for periods prior to December 31, 2021.

#### ***Subsequent Events Evaluation by Management***

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is June 25, 2025.

### 3. Liquidity and Availability

The Organization's working capital and cash flows have seasonal variations during the year attributable to annual cash receipts from specific fundraising events, grant and contract revenue, and a concentration of contributions received near the calendar year end. To manage cash flow and liquidity, the Organization is diligent in seeking and keeping diversified funding streams and has been awarded various multi-year funding contracts. The Organization also maintains a line of credit of \$125,000 with a bank. The line of credit has not been drawn down but is available if needed.

Financial assets available for general expenditures within one year of December 31 are as follows:

	<u>2024</u>	<u>2023</u>
Total assets	\$ 9,102,716	\$ 7,919,109
Less:		
Prepaid expenses	7,560	8,015
Land, property and equipment, net	1,374,320	1,594,980
Net assets with donor restrictions, less construction in progress *	<u>2,319,616</u>	<u>2,124,407</u>
Financial Assets Available Within One Year	<u>\$ 5,401,220</u>	<u>\$ 4,191,707</u>

\* Includes promises to give due in two or more years.

# Grace Smith House, Inc.

Notes to Financial Statements  
December 31, 2024 and 2023

## 4. Investments and Investment Return (Loss)

The following are major categories of investments measured at fair value and categorized by fair value hierarchy for those investments measured at fair value at December 31:

	<u>2024</u>	<u>2023</u>
Quoted Price In Active Market for Identical Assets (Level 1)		
Common stock	\$ 1,319,859	\$ 1,027,086
Mutual funds	767,558	899,098
Fixed income securities	-	199,021
Exchange traded funds	<u>3,691,674</u>	<u>2,704,810</u>
Investments at Fair Value	5,779,091	4,830,015
Cash and cash equivalents	<u>606,894</u>	<u>392,202</u>
Total Investments	<u>\$ 6,385,985</u>	<u>\$ 5,222,217</u>

Investment return (loss) consists of the following for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 155,520	\$ 128,255
Unrealized gain, net	320,074	360,210
Realized gain (loss), net	156,824	(23,996)
Investment fees	<u>(26,488)</u>	<u>(20,620)</u>
	<u>\$ 605,930</u>	<u>\$ 443,849</u>

## 5. Promises to Give, net

The Organization received unconditional promises to give which have been recorded net of a present value discount of 3.92% at December 31:

	<u>2024</u>	<u>2023</u>
Due in two or more years	\$ 40,000	\$ 125,000
Less: discount to present value	<u>(1,600)</u>	<u>(4,900)</u>
	38,400	120,100
Due in one year or less	<u>115,000</u>	<u>110,000</u>
	<u>\$ 153,400</u>	<u>\$ 230,100</u>



# Grace Smith House, Inc.

## Notes to Financial Statements December 31, 2024 and 2023

### 5. Promises to Give, net (*continued*)

Promises to give were received for the following purposes for the years ended December 31:

	2024	2023
With donor restrictions - time	\$ 153,400	\$ 205,100
With donor restrictions - purpose	<u>-</u>	<u>25,000</u>
	<u>\$ 153,400</u>	<u>\$ 230,100</u>

At December 31, 2024 and 2023, promises to give is comprised of amounts promised from three donors.

### 6. Accounts Receivable - net

Accounts receivable - net consists of the following at December 31:

	2024	2023
LDSS per diem services	\$ 136,798	\$ 148,430
Rents and other	3,904	2,625
Allowance for credit losses	<u>(60,000)</u>	<u>(60,000)</u>
	<u>\$ 80,702</u>	<u>\$ 91,055</u>

### 7. Land, Property and Equipment, net

Land, property and equipment, net consist of the following at December 31:

	Useful Life	2024	2023
Land	-	\$ 204,478	\$ 204,478
Land improvements	5-40	123,112	123,112
Buildings and building improvements	5-40	3,365,841	3,243,373
Furniture and equipment	3-15	397,014	396,824
Transportation equipment	5	103,650	80,424
Construction in progress	-	<u>-</u>	<u>301,535</u>
		4,194,095	4,349,746
Accumulated depreciation		<u>(2,819,775)</u>	<u>(2,754,766)</u>
		<u>\$ 1,374,320</u>	<u>\$ 1,594,980</u>

During the year ended December 31, 2024, a building and land with a cost of \$304,810 were sold for proceeds of \$353,003, resulting in a gain from the sale of \$48,193. During the year ended December 31, 2024, assets with a cost of \$107,101 and accumulated depreciation of \$89,167 were disposed of resulting in a loss on disposal of \$17,934.

During the year ended December 31, 2023, assets with a cost of \$203,132 were determined to be impaired by management and were written off. During the year ended December 31, 2023, assets with a cost of \$7,806 and accumulated depreciation of \$6,480 were disposed of resulting in a loss on disposal of \$1,326.

## Grace Smith House, Inc.

### Notes to Financial Statements December 31, 2024 and 2023

#### 8. Contract Receivable

The following are the contract receivable balances as of December 31:

	2024	2023	2022
LDSS per diem services	<u>\$ 80,702</u>	<u>\$ 91,055</u>	<u>\$ 118,322</u>

#### 9. Line of Credit

The Organization maintains a line of credit agreement with a bank in the amount of \$125,000 and is payable on demand. The line of credit is secured by all accounts receivable and equipment. Interest is calculated at the Wall Street Journal Prime Rate plus 1.25% (8.75% at December 31, 2024 and 9.75% at December 31, 2023). There was no outstanding balance as of December 31, 2024 and 2023. The line of credit requires that the Organization maintain a zero balance on the line for a period of 30 consecutive days during the term of the loan. The Organization did not draw down on the line of credit for the years ended December 31, 2024 and 2023.

#### 10. Net Assets

Net assets with donor restrictions are restricted for the following purposes at December 31:

	2024	2023
Acquisition or construction of a shelter	\$ 1,000,000	\$ 1,000,000
Time or restricted for programs, operations and capital projects	<u>1,319,616</u>	<u>1,425,942</u>
	<u>\$ 2,319,616</u>	<u>\$ 2,425,942</u>

Net assets were released from restriction for the following purposes for the years ended December 31:

	2024	2023
Time or purpose restricted for programs, operations and capital projects	<u>\$ 351,469</u>	<u>\$ 210,037</u>

#### 11. Retirement Plans

##### *401(k) Profit Sharing Plan*

The Organization maintains a retirement plan (the "Plan") that had been an employer contribution only plan where the Organization considers making annual contributions to the Plan on behalf of covered employees based on a percentage of employees' salaries. The percentage is determined annually by the Organization's Board. Contributions to the Plan were approximately \$53,000 and \$99,000 for the years ended December 31, 2024 and 2023. During 2024, the Organization amended the Plan to include a 401(k) deferral feature (the "401(k)") feature. All employees are eligible to make 401(k) deferrals immediately upon hire and can contribute to the 401(k) up to the maximum allowed by law. The Organization offers a match program which is tiered based on years of employment. The maximum match allowed is 4% of annual salary. Matching contributions by the Organization to the 401(k) were approximately \$3,672 for the year ended December 31, 2024.

## Grace Smith House, Inc.

Notes to Financial Statements  
December 31, 2024 and 2023

### 11. Retirement Plans (*continued*)

#### *403(b) Tax Deferred Annuity Plan*

The Organization maintains a 403(b) tax deferred annuity plan (the “403(b)”) that is an employee contribution only plan. Full time and part time employees are able to enroll in the 403(b). Employees can enter the 403(b) in January or July of each year. The salary deferral is on a pre-tax basis and is only available through payroll deduction.

### 12. Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit and market risk consist principally of cash on deposit with financial institutions, investments held at financial institutions, and receivables. Deposits held at financial institutions insured by the Federal Deposit Insurance Corporation (“FDIC”) are insured up to \$250,000. Investment holdings at financial institutions insured by the Securities Investor Protection Corporation (“SIPC”) are insured up to \$500,000 (\$250,000 for cash holdings). At times cash balances may exceed the FDIC and/or the SIPC limit.

At December 31, 2024 and 2023, the Organization had uninsured cash of approximately \$207,000 and \$147,000 on deposit. At December 31, 2024 and 2023, the Organization’s uninsured investment holdings totaled approximately \$5,279,000 and \$4,330,000. The investment portfolio is diversified by type of investments and industry concentrations so that no individual investment, investment advisor, investment manager or group of investments represents a significant concentration of credit risk.

The Organization receives a substantial amount of its support from governmental agencies. A significant reduction in the level of this support, if it were to occur, may have an effect on the programs and activities.

At December 31, 2024, three grantors accounted for 80% of grant revenue and two grantors accounted for 74% of grants receivable. At December 31, 2023, two grantors accounted for 79% of grant revenue and four grantors accounted for 96% of grants receivable.

### 13. Related Party Transactions

At times the Organization will utilize the services of the Board in their respective businesses. These services are conducted as part of the normal course of business.

### 14. Contributed Nonfinancial Assets and Services

Contributed nonfinancial assets and services consisted of the following for the years ended December 31:

Nonfinancial Asset	2024 Contributions	2023 Contributions	Monetized or Utilized	Utilization in Function	Donor Restrictions	Valuation Technique
Food	\$ 8,932	\$ 11,141	Utilized	Program service	None	Current purchase prices
Household supplies	42,806	48,686	Utilized	Program service	None	Current purchase prices
Improvements	-	18,350	Utilized	Program service	None	Current service rates
Marketing	3,310	-	Utilized	Program service	None	Current service rates
Stock Donation	9,052	-	Monetized	Program service	None	Current fair value
	<u>\$ 64,100</u>	<u>\$ 78,177</u>				

**Grace Smith House, Inc.**

Notes to Financial Statements  
December 31, 2024 and 2023

**15. Risks and Uncertainties**

Market factors can result in substantial volatility in the global financial markets. Because the value of the Organization's individual investments has and will fluctuate in response to changing market conditions, the amount of losses, if any, that will be recognized in subsequent periods, cannot be determined.

\* \* \* \* \*

**Grace Smith House, Inc.**

Supplemental Information

December 31, 2024 and 2023

**Grace Smith House, Inc.**  
Supplemental Schedule of Revenue and Support  
Year Ended December 31, 2024

	Program Services					Management and General	Fundraising	Total
	MLHR	Follow Up	Outreach	Brookhaven Apartments	Total Program Services			
<b>REVENUE AND SUPPORT</b>								
Fees for service	\$ 878,781	\$ -	\$ -	\$ -	\$ 878,781	\$ -	\$ -	\$ 878,781
Government grants	428,079	304,984	491,410	225,603	1,450,076	6,263	-	1,456,339
Contributions	6,439	3,953	1,182	1,383	12,957	1,062	391,422	405,441
Special events	-	-	-	-	-	-	157,685	157,685
Contributed nonfinancial assets	28,426	6,221	10,022	10,379	55,048	-	9,052	64,100
Rental	-	-	-	253,448	253,448	-	-	253,448
Investment return, net	301,204	70,317	113,286	110,429	595,236	10,694	-	605,930
Miscellaneous	-	-	-	-	-	1,836	-	1,836
Total Revenue and Support	<u>\$ 1,642,929</u>	<u>\$ 385,475</u>	<u>\$ 615,900</u>	<u>\$ 601,242</u>	<u>\$ 3,245,546</u>	<u>\$ 19,855</u>	<u>\$ 558,159</u>	<u>\$ 3,823,560</u>

**Grace Smith House, Inc.**  
Supplemental Schedule of Revenue and Support  
Year Ended December 31, 2023

	Program Services					Management and General	Fundraising	Total
	MLHR	Follow Up	Outreach	Brookhaven Apartments	Total Program Services			
<b>REVENUE AND SUPPORT</b>								
Fees for service	\$ 866,570	\$ -	\$ -	\$ -	\$ 866,570	\$ -	\$ -	\$ 866,570
Government grants	329,981	283,667	364,837	106,921	1,085,406	375	-	1,085,781
Contributions	2,992	5,566	1,281	2,746	12,585	1,000	720,039	733,624
Special events	-	-	-	-	-	-	138,413	138,413
Contributed nonfinancial assets	33,380	7,278	9,361	26,680	76,699	-	1,478	78,177
Rental	-	-	-	217,614	217,614	-	-	217,614
Investment return (loss), net	245,566	58,207	74,863	66,624	445,260	(1,411)	-	443,849
Miscellaneous	-	-	-	-	-	1,529	65	1,594
Total Revenue and Support	<u>\$ 1,478,489</u>	<u>\$ 354,718</u>	<u>\$ 450,342</u>	<u>\$ 420,585</u>	<u>\$ 2,704,134</u>	<u>\$ 1,493</u>	<u>\$ 859,995</u>	<u>\$ 3,565,622</u>