

**LUTHERAN SOCIAL MISSION SOCIETY  
D/B/A LUTHERAN SETTLEMENT HOUSE**

***FINANCIAL STATEMENTS***

**JUNE 30, 2024**

**(WITH SUMMARIZED COMPARATIVE TOTALS  
FOR THE YEAR ENDED JUNE 30, 2023)**

**LUTHERAN SOCIAL MISSION SOCIETY  
D/B/A LUTHERAN SETTLEMENT HOUSE**

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D/B/A LUTHERAN SETTLEMENT HOUSE**

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## INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors  
Lutheran Social Mission Society D/B/A  
Lutheran Settlement House  
Philadelphia, Pennsylvania**

### ***Opinion***

We have audited the accompanying financial statements of Lutheran Social Mission Society D/B/A Lutheran Settlement House (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Lutheran Social Mission Society D/B/A Lutheran Settlement House as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lutheran Social Mission Society D/B/A Lutheran Settlement House and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***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 Lutheran Social Mission Society D/B/A Lutheran Settlement House ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government 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.

**To the Board of Directors  
Lutheran Social Mission Society D/B/A  
Lutheran Settlement House  
Philadelphia, Pennsylvania**

In performing an audit in accordance with generally accepted auditing standards and *Government 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 Lutheran Social Mission Society D/B/A Lutheran Settlement House'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 Lutheran Social Mission Society D/B/A Lutheran Settlement House'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 Summarized Comparative Information***

We have previously audited Lutheran Social Mission Society D/B/A Lutheran Settlement House's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 10, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal, state and city awards, located on pages 25-27, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, PCADV audit guidelines and the City of Philadelphia Subrecipient Audit Guide is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying contract schedules located on pages 29 – 39 are presented for purposes of additional analysis, as required by PCADV and the City of Philadelphia Subrecipient Audit Guide and are not a required part of the basic 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 supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

To the Board of Directors  
Lutheran Social Mission Society D/B/A  
Lutheran Settlement House  
Philadelphia, Pennsylvania

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2024, on our consideration of Lutheran Social Mission Society D/B/A Lutheran Settlement House's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Lutheran Social Mission Society D/B/A Lutheran Settlement House's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lutheran Social Mission Society D/B/A Lutheran Settlement House's internal control over financial reporting and compliance.

*Tait, Weller & Baker LLP*

Philadelphia, Pennsylvania  
December 19, 2024

# LUTHERAN SOCIAL MISSION SOCIETY D/B/A LUTHERAN SETTLEMENT HOUSE

## *STATEMENTS OF FINANCIAL POSITION*

**June 30, 2024 And 2023**

	<u>2024</u>	<u>2023</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 1,675,042	\$ 1,227,883
Cash - agency fund	20,556	11,111
Grants and contracts receivable	970,607	1,117,006
Prepaid expenses and security deposits	130,308	98,021
Operating right-of-use asset	339,542	332,014
Finance right-of-use asset	<u>12,884</u>	<u>11,935</u>
Total current assets	<u>3,148,939</u>	<u>2,797,970</u>
<b>OTHER NON-CURRENT ASSETS</b>		
Investments	1,222,711	1,134,627
Operating right-of-use asset	3,476,325	3,828,671
Finance right-of-use asset	16,547	30,110
Land, building and improvements, furniture and fixtures, net	<u>1,279,169</u>	<u>1,338,310</u>
Total non-current assets	<u>5,994,752</u>	<u>6,331,718</u>
Total Assets	<u>\$ 9,143,691</u>	<u>\$ 9,129,688</u>
<b>CURRENT LIABILITIES</b>		
Current portion of long-term debt	\$ 23,771	\$ 22,310
Accounts payable	45,440	176,717
Accrued salaries	202,340	137,809
Accrued vacation	147,304	81,367
Other accrued liabilities	2,263	58,107
Operating lease liability	333,797	296,890
Finance lease liability	12,884	11,935
Loan from Philadelphia Redevelopment Authority	-	23,749
Funds held in agency	<u>23,971</u>	<u>23,856</u>
Total current liabilities	<u>791,770</u>	<u>832,740</u>
<b>LONG-TERM LIABILITIES</b>		
Operating lease liability	3,782,488	4,116,284
Finance lease liability	18,784	31,668
Long term debt, net of current portion	<u>484,330</u>	<u>508,101</u>
Total long-term liabilities	<u>4,285,602</u>	<u>4,656,053</u>
Total liabilities	<u>5,077,372</u>	<u>5,488,793</u>
<b>NET ASSETS</b>		
Without donor restrictions - undesignated	2,777,740	2,272,120
Without donor restrictions – board designated	<u>1,129,226</u>	<u>1,042,734</u>
Total without donor restrictions	3,906,966	3,314,854
With donor restrictions	<u>159,353</u>	<u>326,041</u>
Total net assets	<u>4,066,319</u>	<u>3,640,895</u>
Total Liabilities and Net Assets	<u>\$ 9,143,691</u>	<u>\$ 9,129,688</u>

**LUTHERAN SOCIAL MISSION SOCIETY  
D/B/A LUTHERAN SETTLEMENT HOUSE**

**STATEMENT OF ACTIVITIES**

**For The Year Ended June 30, 2024**

**(With Summarized Comparative Totals For The Year Ended June 30, 2023)**

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>
<b>OPERATING REVENUE AND SUPPORT</b>				
Government contracts	\$ 3,935,387	\$ -	\$ 3,935,387	\$ 4,521,955
Non-government contracts	659,854	-	659,854	354,412
Foundation and corporation grants	258,176	68,850	327,026	275,573
Individual support	435,757	-	435,757	321,946
Special events, net of direct expenses of \$19,575 and \$26,126 for 2024 and 2023, respectively	149,317	-	149,317	102,305
Investment income	106,569	-	106,569	55,330
Other income	135,378	-	135,378	87,320
In-kind contributions	61,875	-	61,875	67,322
Net assets released from restrictions:				
Satisfaction of restrictions	<u>235,538</u>	<u>(235,538)</u>	<u>-</u>	<u>-</u>
Total operating revenue and support	<u>5,977,851</u>	<u>(166,688)</u>	<u>5,811,163</u>	<u>5,786,163</u>
<b>EXPENSES</b>				
Program services	4,679,021	-	4,679,021	4,743,271
Management and general	509,791	-	509,791	412,941
Fundraising	<u>196,927</u>	<u>-</u>	<u>196,927</u>	<u>207,006</u>
Total expenses	<u>5,385,739</u>	<u>-</u>	<u>5,385,739</u>	<u>5,363,218</u>
Change in net assets from operations	<u>592,112</u>	<u>(166,688)</u>	<u>425,424</u>	<u>422,945</u>
Net assets, beginning of year	<u>3,314,854</u>	<u>326,041</u>	<u>3,640,895</u>	<u>3,217,950</u>
Net assets, end of year	<u>\$ 3,906,966</u>	<u>\$ 159,353</u>	<u>\$ 4,066,319</u>	<u>\$ 3,640,895</u>



# LUTHERAN SOCIAL MISSION SOCIETY D/B/A LUTHERAN SETTLEMENT HOUSE

## STATEMENTS OF CASH FLOWS

For The Years Ended June 30, 2024 And 2023

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 425,424	\$ 422,945
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	126,680	146,598
Unrealized gain	(53,753)	(32,939)
Amortization of right-of-use asset	465,087	451,402
Operating lease liability payments	(420,091)	(420,091)
Interest on finance lease liability	2,933	3,812
Satisfaction of self-amortizing loan requirements	(23,749)	(23,749)
(Increase) decrease in:		
Grants and contracts receivable	146,399	294,304
Prepaid expenses	(32,287)	178
Increase (decrease) in		
Accounts payable	(131,277)	18,924
Accrued salaries	64,531	9,799
Accrued vacation	65,937	(114,458)
Other accrued liabilities	(55,844)	50,042
Funds held in agency	<u>115</u>	<u>3,105</u>
Net cash provided by operating activities	<u>580,105</u>	<u>809,872</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of investments, net	(34,331)	(1,006,765)
Capital expenditures	<u>(54,925)</u>	<u>(16,837)</u>
Net cash used in investing activities	<u>(89,256)</u>	<u>(1,023,602)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal payments on finance lease liability	(11,935)	(11,056)
Payments on long-term debt	<u>(22,310)</u>	<u>(202,418)</u>
Net cash used in financing activities	<u>(34,245)</u>	<u>(213,474)</u>
Net increase (decrease) in cash	456,604	(427,204)
<b>CASH</b>		
Beginning of year	<u>1,238,994</u>	<u>1,666,198</u>
End of year	<u>\$ 1,695,598</u>	<u>\$ 1,238,994</u>
<b>SUPPLEMENTAL CASH FLOW DISCLOSURE</b>		
Interest paid	<u>\$ 25,909</u>	<u>\$ 24,584</u>
<b>RECONCILIATION TO CASH AND CASH – AGENCY FUNDS ON THE STATEMENT OF FINANCIAL POSITION:</b>		
Cash	\$ 1,675,042	\$ 1,227,883
Cash – agency fund	<u>20,556</u>	<u>11,111</u>
	<u>\$ 1,695,598</u>	<u>\$ 1,238,994</u>

# LUTHERAN SOCIAL MISSION SOCIETY D/B/A LUTHERAN SETTLEMENT HOUSE

## *STATEMENT OF FUNCTIONAL EXPENSES*

For The Year Ended June 30, 2024

(With Summarized Comparative Totals For The Year Ended June 30, 2023)

	<b>Total Program Services</b>	<b>Management And General</b>	<b>Fundraising</b>	<b>2024 Total</b>	<b>2023 Total</b>
Salaries and wages	\$2,523,921	\$ 294,255	\$ 134,488	\$2,952,664	\$2,761,420
Payroll taxes and benefits	453,865	52,966	24,208	531,039	527,045
Building maintenance	86,408	15,175	6,811	108,394	155,684
Rent	451,641	-	830	452,471	455,214
Direct assistance	167,158	-	-	167,158	143,530
Emergency Funds	66,573	-	-	66,573	286,642
Conferences and meetings	27,526	345	-	27,871	35,576
Donated goods and services	49,367	12,508	-	61,875	67,322
Dues	21,178	4,021	138	25,337	16,349
Equipment maintenance	16,205	9,977	-	26,182	31,818
Food and beverage	51,784	4,033	773	56,590	49,908
Independent consultants	155,888	13,227	9,331	178,446	109,147
Insurance	47,777	3,488	1,554	52,819	15,520
Interest expense	6,477	19,432	-	25,909	24,584
Miscellaneous expense	2,586	3,820	-	6,406	12,641
Office supplies and postage	948	3,402	331	4,681	3,041
Printing and advertising	4,262	22,192	1,718	28,172	19,156
Professional fees	166,607	16,130	12,546	195,283	150,912
Supplies	132,411	-	-	132,411	132,347
Telephone & internet connectivity	41,611	13,495	1,125	56,231	62,355
Travel	17,379	563	91	18,033	21,768
Utilities	77,238	6,827	449	84,514	134,641
Depreciation	<u>110,211</u>	<u>13,935</u>	<u>2,534</u>	<u>126,680</u>	<u>146,598</u>
Total expenses	<u>\$4,679,021</u>	<u>\$ 509,791</u>	<u>\$ 196,927</u>	<u>\$ 5,385,739</u>	<u>\$ 5,363,218</u>

# LUTHERAN SOCIAL MISSION SOCIETY D/B/A LUTHERAN SETTLEMENT HOUSE

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024

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### (1) NATURE OF ACTIVITIES AND PROGRAMS

Lutheran Social Mission Society D/B/A Lutheran Settlement House (the “*Settlement*”) is a Philadelphia-based, non-profit and an affiliate of the Evangelical Lutheran Church of America (“*ELCA*”). The Settlement exists to provide free professional, social and educational services that support individuals and families in achieving their goals of self-sufficiency, to assist community members in improving their quality of life, and to promote community and individual empowerment. The Settlement receives its support primarily from government contracts, individuals, foundations and corporate contributions.

The Settlement provides the following programs:

- **Bilingual Domestic Violence Services**

The Settlement’s Bilingual Domestic Violence Program (BDVP) provides free counseling to victims and survivors of domestic violence (DV) and dating abuse. It also provides transitional housing; on-site medical advocacy at CHOP, Jefferson, Temple, Penn Family Care, and Einstein; child therapy; and, in collaboration with three other local organizations, 24-hour crisis hotline services. The community education team leads both youth and adult initiatives, including Students Talking About Relationships (STAR) and the Masculinity Action Project (MAP). The community education team also provides DV awareness, prevention, and intervention trainings to a variety of professionals, including healthcare workers, social workers, and educators.

- **Homeless Services**

Located in North Philadelphia, Jane Addams Place (JA) family shelter serves families experiencing homelessness. At any given time, up to 30 adults and 70 children call JA home and families typically stay an average of five months. The Settlement’s trauma-informed approach makes JA unique among Philadelphia shelters; all residents have access to a full-time on-site trauma therapist who helps parents and children develop the skills they need to thrive. In a typical year, JA provides safe shelter, services, and support to nearly 300 people.

- **Senior Services**

The Settlement’s Center for older adults is a hub for many longtime residents of the River Wards neighborhoods. The Center provides low-income older adults with daily meals and regular programming, including everything from cardio drumming and health coaching to art workshops, bingo, yoga and regional trips. The Settlement offers more than 20 classes and events each week and as many as 50 people come through the Center doors every day. The Center currently has 175 active members and is an important community anchor in a rapidly gentrifying section of the city.

- **Food Access and Nutrition Services**

The Settlement’s food pantry offers fresh, nutritious, culturally responsive food to community members in-need. The food pantry is open year-round Monday-Friday, 9AM-3PM, and fresh produce is available daily. Between April and October, the Settlement also hosts a weekly farm stand and choice pantry, inviting visitors to select their own items. Food access initiatives also include nutrition and cooking classes, monthly free community meals, SNAP referrals, and holiday food baskets. Last year, the Settlement’s food access programs helped thousands of Philadelphians avoid hunger and stay healthy.

# LUTHERAN SOCIAL MISSION SOCIETY D/B/A LUTHERAN SETTLEMENT HOUSE

## *NOTES TO FINANCIAL STATEMENTS – (Continued)*

June 30, 2024

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### (2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### ***BASIS OF ACCOUNTING***

The Settlement utilizes the accrual basis of accounting which is in conformity with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, revenues are recorded when earned and expenditures are recorded when incurred.

#### ***BASIS OF PRESENTATION***

The financial statements include only the accounts of the Settlement. The Settlement's net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Settlement and changes therein are classified and reported as follows:

***Net assets without donor restrictions*** – Net assets that are not subject to donor-imposed stipulations. In addition this category also includes board designated endowment funds.

***Net assets with donor restrictions*** – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Settlement and/or the passage of time. Net assets with donor restrictions also include net assets that must be maintained permanently by the Settlement.

For the years ended June 30, 2024 and 2023, the Settlement had no net assets with donor restrictions required to be held in perpetuity.

#### ***USE OF ESTIMATES***

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### ***REVENUE RECOGNITION***

The Settlement recognizes contributions when cash, securities or other assets, and unconditional promise to give is received. Conditional contributions include donor-imposed conditions with one or more barriers that must be overcome before the Settlement is entitled to the assets transferred or promised and there is a right of return to the contributor for assets transferred or a right of release of the promisor from its obligation to transfer assets. The Settlement recognizes the contribution when the conditions are substantially met or explicitly waived. Unconditional contributions are classified as without donor restrictions unless there are donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of the restriction is accomplished, net assets with donor restrictions are then classified to net assets without donor restrictions and reported in the statement of activities as “***net assets released from restrictions***.” The Settlement records unconditional promises to give (pledges) as a receivable and revenue in the year pledged. As of June 30, 2024 and 2023, there were no pledges receivable.

# **LUTHERAN SOCIAL MISSION SOCIETY D/B/A LUTHERAN SETTLEMENT HOUSE**

## ***NOTES TO FINANCIAL STATEMENTS – (Continued)***

**June 30, 2024**

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A portion of the Settlement's revenue is derived from cost-reimbursable federal and other grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Settlement has incurred expenditures in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position.

### ***GRANTS AND CONTRACTS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES***

Grants and contracts receivable are stated at the amount management expects to collect from outstanding balances. On a periodic basis, the Settlement evaluates their grants and contracts receivable and establishes an allowance for doubtful accounts based on their history of past write-offs, economic conditions, and conditions surrounding contracts and disallowed costs. Additionally, management evaluates current economic conditions and other external factors that may affect a customer's ability to pay. Accounts receivables are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. At year end, an allowance for doubtful accounts was deemed not necessary.

### ***DONATED SERVICES AND FACILITIES***

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Settlement. Donated facilities are recorded at their estimated fair value at the date of donation.

Volunteers provided approximately 9,705 hours of service to the Settlement throughout the year that are not recognized as contributions in the accompanying financial statements.

### ***INVESTMENTS***

Investments are recorded at fair value with resulting gains and losses reported in the statement of activities.

### ***PROPERTY AND EQUIPMENT***

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment is carried at cost or, if donated, at the approximate fair value at the date of donation. Normal repair and maintenance expenses are charged to operations as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. The estimated useful lives of assets for financial reporting purposes are as follows: Building and improvements, 10 to 40 years and furniture and fixtures, 3 to 10 years.

### ***EXPENSE ALLOCATION***

The costs of completing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

# LUTHERAN SOCIAL MISSION SOCIETY D/B/A LUTHERAN SETTLEMENT HOUSE

## *NOTES TO FINANCIAL STATEMENTS – (Continued)*

June 30, 2024

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### ***PRIOR-YEAR SUMMARIZED COMPARATIVE INFORMATION***

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Settlement's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

### ***LEASES***

Operating leases are included in operating lease right-of-use ("ROU") assets and ROU operating lease liabilities in the statement of financial position. The Settlement determines whether an agreement is or contains a lease at lease inception.

Finance leases are included in finance lease right-of-use ("ROU") assets and ROU finance lease liabilities in the statement of financial position. The Settlement determines whether an agreement is or contains a lease at lease inception and whether the lease qualifies as an operating or finance lease.

ROU assets represent the Settlement's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating and finance lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Settlement's leases do not provide an implicit interest rate, the incremental borrowing rate based on the information available at commencement date is used in determining the present value of lease payments. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

### ***ADVERTISING***

The Settlement expenses advertising production costs as they are incurred. Advertising expense for the years ended June 30, 2024 and 2023 was \$750 and \$135, respectively, and is included in printing and advertising on the statement of functional expenses.

### ***INCOME TAXES***

The Settlement has been granted exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the "***Code***"), and has been classified as an organization, which is not a private foundation under Section 509(a) of the Code. In addition, the Settlement qualifies for the charitable contribution deduction under Section 170(b)(1)(A).

The Settlement has reviewed their tax positions and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on federal and state tax returns for the open fiscal tax years (2021 – 2023) or expected to be taken in Settlement's fiscal 2024 tax year.

### ***GRANT REVENUE***

The Settlement receives a part of its grant revenue from Federal, State, and City agencies. The Settlement recognizes grant revenue from its contracts to the extent of expenses incurred or on a fee for service basis. These grants are, at times, subject to special audit. Such audits could result in claims against the Settlement for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined.

# LUTHERAN SOCIAL MISSION SOCIETY D/B/A LUTHERAN SETTLEMENT HOUSE

## NOTES TO FINANCIAL STATEMENTS – (Continued)

June 30, 2024

### (3) INVESTMENTS

Investments at June 30, 2024 and 2023, consist of the following:

	<u>2024</u>		
	<u>Market Value</u>	<u>Cost</u>	<u>Appreciation (Depreciation)</u>
Cash and cash equivalents	\$ 404,103	\$ 404,103	\$ -
Common Stocks	57,815	34,725	23,090
Mutual Funds / ETFs	<u>760,793</u>	<u>686,579</u>	<u>74,214</u>
	<u>\$ 1,222,711</u>	<u>\$ 1,125,407</u>	<u>\$ 97,304</u>

  

	<u>2023</u>		
	<u>Market Value</u>	<u>Cost</u>	<u>Appreciation (Depreciation)</u>
Cash and cash equivalents	\$ 771,255	\$ 771,255	\$ -
Common Stocks	49,927	34,725	15,202
Mutual Funds / ETFs	<u>313,445</u>	<u>285,096</u>	<u>28,349</u>
	<u>\$ 1,134,627</u>	<u>\$ 1,091,076</u>	<u>\$ 43,551</u>

Returns on the securities, net of expenses, are as follows:

	<u>2024</u>	<u>2023</u>
Unrealized gains	\$ 53,753	\$ 32,939
Interest and dividends, net	<u>52,816</u>	<u>22,391</u>
	<u>\$ 106,569</u>	<u>\$ 55,330</u>

### (4) FAIR VALUE OF FINANCIAL INSTRUMENTS INVESTMENTS

The Settlement utilized various methods to measure the fair value of its investments on a recurring basis. Generally accepted accounting principles established a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are described below:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Settlement has the ability to access.

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instruments on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Settlement's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

At June 30, 2024 and 2023 all of the Settlement's investments are being measured using Level 1 inputs.

# LUTHERAN SOCIAL MISSION SOCIETY D/B/A LUTHERAN SETTLEMENT HOUSE

## NOTES TO FINANCIAL STATEMENTS – (Continued)

June 30, 2024

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### (5) LAND, BUILDING AND IMPROVEMENTS, FURNITURE AND EQUIPMENT

Leasehold improvements, furniture and equipment at June 30, 2024 and 2023 consist of the following:

	<u>2024</u>	<u>2023</u>
Land	\$ 265,140	\$ 265,140
Building and leasehold improvements	3,097,791	3,063,408
Furniture and equipment	<u>524,686</u>	<u>504,143</u>
	3,887,617	3,832,691
Accumulated depreciation	<u>(2,608,448)</u>	<u>(2,494,381)</u>
	<u>\$ 1,279,169</u>	<u>\$ 1,338,310</u>

Depreciation expense for the years ended June 30, 2024 and 2023 was \$126,680 and \$146,598, respectively.

### (6) LINES OF CREDIT

The Settlement has a \$250,000 line of credit with Truist Bank, which bears interest at 1% over the Wall Street Journal prime rate (8.75% at June 30, 2024), was secured by the Settlement's land and building, and which was extended to April 11, 2030. The line of credit had no balance outstanding as of June 30, 2024 and 2023.

In February 2024, the Settlement entered into a \$700,000 line of credit with WSFS Bank, which bears interest at 1.7% over Term SOFR (7.09% at June 30, 2024), as secured by the Settlement's investment account at Bryn Mawr Trust. The line of credit had no balance outstanding as of June 30, 2024.

### (7) LONG-TERM DEBT

On January 18, 2019, the Settlement refinanced their existing debt, including the line of credit into a new mortgage in the amount \$601,360.

Long term debt is as follows at June 30, 2024:

Open-end ten-year adjustable term loan to Truist Bank in monthly installments of \$3,777 including interest at 4.35%, due December 18, 2029, secured by the building and certain assets pertaining to the building.	<u>\$ 508,101</u>
Less: Current portion of long-term debt	<u>(23,771)</u>
	<u>\$ 484,330</u>

Long term debt is as follows at June 30, 2023:

Open-end ten-year adjustable term loan to Truist Bank in monthly installments of \$3,777 including interest at 4.35%, due December 18, 2029, secured by the building and certain assets pertaining to the building.	<u>\$ 530,411</u>
Less: Current portion of long-term debt	<u>(22,310)</u>
	<u>\$ 508,101</u>



# LUTHERAN SOCIAL MISSION SOCIETY D/B/A LUTHERAN SETTLEMENT HOUSE

## NOTES TO FINANCIAL STATEMENTS – (Continued)

June 30, 2024

Aggregate maturities of long-term debt as of June 30, 2024 are as follows:

### Years Ending June 30,

2025	\$ 23,771
2026	24,826
2027	25,927
2028	27,078
2029	28,280
2030 and thereafter	<u>378,219</u>
Total	<u>\$ 508,101</u>

### (8) LOAN FROM PHILADELPHIA REDEVELOPMENT AUTHORITY

The Settlement borrowed \$237,493 from Philadelphia Redevelopment Authority through a mortgage which is non-interest bearing and self-amortizing. On each anniversary of the loan, the principal balance of the loan will be reduced without payment by an amount equal to 10% of the original principal balance of the loan or \$23,749, provided the Settlement uses the premises in conformance with the terms of the Mortgage. If the Settlement does not comply with the agreement, interest will accrue at 4% and monthly principal and interest will be owed based on the amortized balance at the time of default. The mortgage is secured by the land and property on North Front Street. For the years ended June 30, 2024 and 2023, \$23,749 was amortized and is included in other income on the accompanying Statement of Activities. The balance outstanding on the loan at June 30, 2023 is \$23,749.

### (9) NET ASSETS

#### Without Donor Restrictions - Board Designated

Net assets designated by the Board consisted of the following at June 30:

	<u>2024</u>	<u>2023</u>
Fund Functioning as Endowment	<u>\$ 1,129,226</u>	<u>\$ 1,042,734</u>

#### With Donor Restrictions

Net assets with donor restrictions are available for the following purposes at June 30:

	<u>2024</u>	<u>2023</u>
Operating Expenses		
Domestic violence	\$ 32,510	\$ 53,017
General operations	25,000	25,000
Development	5,089	40,813
Hungry 2 Healthy Initiative	25,117	40,156
Senior Center	36,405	46,767
Shelter	35,232	76,710
Medical advocacy	-	43,578
	<u>\$ 159,353</u>	<u>\$ 326,041</u>

# LUTHERAN SOCIAL MISSION SOCIETY D/B/A LUTHERAN SETTLEMENT HOUSE

## NOTES TO FINANCIAL STATEMENTS – (Continued)

June 30, 2024

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows for the year ended June 30, 2024:

	<u>2024</u>
Domestic violence	\$ 35,507
Development	35,723
Hungry 2 Healthy Initiative	40,039
Senior Center	36,212
Shelter	44,479
Medical advocacy	<u>43,578</u>
	<u>\$ 235,538</u>

Endowment net asset composition by type of fund as of June 30:

	<u>2024</u>	
	<u>Without Donor Restrictions</u>	<u>Total</u>
Funds functioning as endowment	\$ 1,129,226	\$ 1,129,226

  

	<u>2023</u>	
	<u>Without Donor Restrictions</u>	<u>Total</u>
Funds functioning as endowment	\$ 1,042,734	\$ 1,042,734

The Settlement set up a quasi-endowment fund (the **“Fund”**) in 2023 using the proceeds from the sale of the Aria Nursing School building. The goal of the Fund is to provide long-term security for the agency while also generating income to support the Settlement’s operations and capital needs. The Settlement’s investments will be managed by a third-party based on direction from the Settlement’s Finance Committee regarding the desired asset mix, risk profile, and any investment exclusions of special inclusions. The Settlement uses the total return concept in accounting for the Fund. Under the total return method, investments are recorded at market value and the Settlement annually determines a spending percentage based upon 4% of the average of the 12 quarter market values. There were no draws taken during the years ending June 30, 2024 and 2023.

**LUTHERAN SOCIAL MISSION SOCIETY  
D/B/A LUTHERAN SETTLEMENT HOUSE**

**NOTES TO FINANCIAL STATEMENTS – (Continued)**

**June 30, 2024**

Changes in endowment net assets for the years ended June 30:

	<b>2024</b>	
	<b>Without Donor Restrictions</b>	<b>Total</b>
Endowment net assets, June 30, 2023	\$ 1,042,734	\$ 1,042,734
Investment return:		
Investment income, net	36,174	36,174
Net realized/unrealized gains	50,318	50,318
Endowment income designated for current operations	-	-
Endowment net assets, June 30, 2024	<u>\$ 1,129,226</u>	<u>\$ 1,129,226</u>
	<b>2023</b>	
	<b>Without Donor Restrictions</b>	<b>Total</b>
Endowment net assets, June 30, 2022	\$ -	\$ -
Investment return:		
Investment income, net	18,493	18,493
Net realized/unrealized gains	24,241	24,241
Transfer to endowment	1,000,000	1,000,000
Endowment income designated for current operations	-	-
Endowment net assets, June 30, 2023	<u>\$ 1,042,734</u>	<u>\$ 1,042,734</u>

**(10) OPERATING LEASES**

On August 9, 2018 the Settlement signed a lease for the Shelter. The lease is for 10 years and 3 months (free rent period) and will expire in November 2028. The Settlement can extend the lease for one additional five-year period and is expected to exercise this option. The lease calls for initial monthly payments of \$31,825. On each 3-year anniversary of the commencement date during the initial and any exercised renewal term of the lease, the rent shall be adjusted in incremental installments.

The following is quantitative data related to the Settlement's operating leases for the years ended June 30, 2024 and 2023:

**Operating Lease Amounts:**

Right-of-use asset	\$ 3,815,867	\$4,160,685
Lease liability	4,116,285	4,413,174

**Other Information:**

Operating outgoing cash flows for operating leases	\$ 420,091	\$ 420,091
Weighted-average remaining lease term	9.33 years	10.33 years
Weighted-average discount rate	2.88%	2.88%

# LUTHERAN SOCIAL MISSION SOCIETY D/B/A LUTHERAN SETTLEMENT HOUSE

## NOTES TO FINANCIAL STATEMENTS – (Continued)

June 30, 2024

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Lease cost information for the years ended June 30, 2024 and 2023 is as follows:

Operating lease cost	\$ 453,843	\$ 455,214
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Aggregate minimum annual rentals for the future years at June 30, 2024 are as follows:

### Years Ending June 30,

2025	\$ 448,097
2026	462,100
2027	462,100
2028	492,848
2029	508,222
2030 and thereafter	<u>2,354,763</u>
Total undiscounted cash flows	4,728,130
Less: present value adjustment	<u>(611,845)</u>
Lease liability	<u>\$ 4,116,285</u>

Rent expense for the shelter lease for the years ended June 30, 2024 and 2023 was \$453,843 and \$455,214, respectively.

## (11) FINANCE LEASES

The Settlement leases equipment under a non-cancelable finance lease with monthly payments of \$1,239 until September 30, 2026.

Equipment rental expense for the years ended June 30, 2024 and 2023 was \$14,868, and is included in printing and advertising in the statement of functional expenses.

The following is quantitative data related to the Settlement's finance leases for the years ended June 30, 2024 and 2023:

### **Finance Lease Amounts:**

Right-of-use asset	\$ 29,431	\$ 42,045
Lease liability	31,668	43,603

### **Other Information:**

Operating outgoing cash flows for operating leases	\$ 14,868	\$ 14,868
Interest expense	2,933	3,812
Weighted-average remaining lease term	2.33 years	3.33 years
Weighted-average discount rate	7.68%	7.68%

Lease cost information for the years ended June 30, 2024 and 2023 is as follows:

Operating lease cost	\$ 11,935	\$ 11,056
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# LUTHERAN SOCIAL MISSION SOCIETY D/B/A LUTHERAN SETTLEMENT HOUSE

## NOTES TO FINANCIAL STATEMENTS – (Continued)

June 30, 2024

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### (12) FUNDS HELD IN AGENCY

The Settlement holds funds in separate accounts for individuals who reside in the Shelter.

### (13) IN-KIND DONATIONS

The value of donated services and goods included as contributions in the accompanying financial statements and the corresponding assets and expense for the year ended June 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Legal services	\$ 12,508	\$ 32,775
Food	<u>49,367</u>	<u>34,547</u>
	<u>\$ 61,875</u>	<u>\$ 67,322</u>

### (14) CREDIT RISK AND OTHER CONCENTRATIONS

The Settlement's principal financial instruments subject to credit risk are its cash, investments, and receivables.

The Settlement occasionally maintains deposits in excess of federally insured limits. Accounting Standards Codification (**"ASC"**) 825, **"Financial Instruments"** identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by monitoring the financial institutions in which deposits are made.

### (15) RETIREMENT PLAN

The Settlement established a 401(k) pension plan on behalf of employees who meet certain eligibility requirements. The Settlement provides a 1% matching contribution.

### (16) PCADV MATCHING REQUIREMENTS

The Settlement appears to have met its community support involvement required by PCADV during the contract periods ended June 30, 2024 and 2023.

The Settlement's Domestic Violence Program had expenditures for the years ended June 30, 2024 and 2023 of \$595,367 and \$1,165,150, respectively. The Settlement is required to meet a community support requirement which requires a 20% match of the contract expenditures which amounted to \$119,073 and \$233,030 for the years ended June 30, 2024 and 2023, respectively. During the years ended June 30, 2024 and 2023, the match was met via various contributions and grants received by the Settlement.

# LUTHERAN SOCIAL MISSION SOCIETY D/B/A LUTHERAN SETTLEMENT HOUSE

## NOTES TO FINANCIAL STATEMENTS – (Continued)

June 30, 2024

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### (17) SELF-INSURANCE

The Settlement did not utilize any form of self-insurance during the years ended June 30, 2024 and 2023.

### (18) FINANCIAL ASSETS AND LIQUIDITY RESOURCES

The following table reflects the Settlement's financial assets as of June 30, 2024 and 2023, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of donor and/or contractual restrictions.

Financial Assets	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,675,042	\$ 1,227,883
Investments	1,222,711	1,134,627
Grants and contracts receivable	<u>970,607</u>	<u>1,117,006</u>
Total financial assets available within one year	3,868,360	3,479,516
Less:		
Purpose restricted net assets	(159,353)	(326,041)
Quasi endowment funds	<u>(1,129,226)</u>	<u>(1,042,734)</u>
Total financial assets available to meet general expenditures within one year	<u>\$ 2,579,781</u>	<u>\$ 2,110,741</u>

The Settlement has \$1,129,226 and \$1,042,734 of liquid quasi endowment funds as of June 30, 2024 and 2023, respectively. Although the Settlement does not intend to spend from its quasi-endowment funds, other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its quasi-endowment funds could be made available if necessary. The Settlement strives to maintain liquid financial assets to be available as its general expenditures, liabilities and other obligations become due. The Settlement also has a line of credit available for cash needs in the amount of \$250,000.

### (19) SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 19, 2024, the date which the financial statements were available to be issued. There were no material subsequent events required to be disclosed.

## **SUPPLEMENTAL INFORMATION**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
 FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
 BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
 IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**To the Board of Directors  
 Lutheran Social Mission Society  
 D/B/A Lutheran Settlement House  
 Philadelphia, Pennsylvania**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Lutheran Social Mission Society D/B/A Lutheran Settlement House (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 19, 2024.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Lutheran Social Mission Society D/B/A Lutheran Settlement House's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lutheran Social Mission Society D/B/A Lutheran Settlement House's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lutheran Social Mission Society D/B/A Lutheran Settlement House's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Lutheran Social Mission Society D/B/A Lutheran Settlement House's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



To the Board of Directors  
Lutheran Social Mission Society  
D/B/A Lutheran Settlement House  
Philadelphia, Pennsylvania

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Tait, Weller & Baker LLP*

Philadelphia, Pennsylvania  
December 19, 2024

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

**To the Board of Directors  
Lutheran Social Mission Society  
D/B/A Lutheran Settlement House  
Philadelphia, Pennsylvania**

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Lutheran Social Mission Society D/B/A Lutheran Settlement House's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the City of Philadelphia Subrecipient Audit Guide that could have a direct and material effect on Lutheran Social Mission Society D/B/A Lutheran Settlement House's major federal program for the year ended June 30, 2024. Lutheran Social Mission Society D/B/A Lutheran Settlement House's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Lutheran Settlement Mission Society D/B/A Lutheran Settlement House complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major program for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Lutheran Social Mission Society D/B/A Lutheran Settlement House and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Lutheran Social Mission Society D/B/A Lutheran Settlement House's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Lutheran Social Mission Society D/B/A Lutheran Settlement House's federal programs.

To the Board of Directors  
Lutheran Social Mission Society  
D/B/A Lutheran Settlement House  
Philadelphia, Pennsylvania

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Lutheran Social Mission Society D/B/A Lutheran Settlement House's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Lutheran Social Mission Society D/B/A Lutheran Settlement House's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Lutheran Social Mission Society D/B/A Lutheran Settlement House's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Lutheran Social Mission Society D/B/A Lutheran Settlement House's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Lutheran Social Mission Society D/B/A Lutheran Settlement House's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

**To the Board of Directors  
Lutheran Social Mission Society  
D/B/A Lutheran Settlement House  
Philadelphia, Pennsylvania**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Tait, Weller & Baker LLP*

**Philadelphia, Pennsylvania  
December 19, 2024**

**LUTHERAN SOCIAL MISSION SOCIETY  
D/B/A LUTHERAN SETTLEMENT HOUSE**

***SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND CITY AWARDS***

**For The Year Ended June 30, 2024**

<b>Federal Grantor Pass-Through Grantor Program Title</b>	<b>CFDA Number</b>	<b>Award / Contract / Grant Number</b>	<b>Grant Period</b>	<b>Program Award Amount</b>	<b>Expenditures</b>
<b>FEDERAL FINANCIAL ASSISTANCE</b>					
<b>U.S. Department of Health and Human Services</b>					
Pass-through Philadelphia Corporation for the Aging Special Programs for the Aging-Title III, Part B Grants for Supportive Services and Senior Centers	93.044	18-20232-02	7/1/23-6/30/24	\$ 333,481	<u>\$ 333,506</u>
Disease Prevention and Health Promotion Services	93.043	18-20232-02	7/1/23-6/30/24		<u>4,547</u>
Pass-through Pennsylvania Coalition Against Domestic Violence Social Services Block Grant (SSBG)	93.667	6030-2024	7/1/23-6/30/24	21,463	21,463
SSBG – Medical Advocacy	93.667	6030-2024	7/1/23-6/30/24	72,244	71,240
SSBG – Relocation Funds	93.667	6030-2024	7/1/23-6/30/24	38,275	<u>36,540</u>
Pennsylvania Coalition Against Domestic Violence					<u>129,243</u>
Pass-through City of Philadelphia, Office of Homeless Services Homeless Assistance Program (HAP) Bridge Housing – Shelia Brown	93.667	23-20138-01	7/1/23-6/30/24	67,686	<u>67,934</u>
Total CFDA 93.667					<u>197,177</u>
Pass-through Pennsylvania Coalition Against Domestic Violence Family Violence Prevention and Services ( <b>Note 4</b> )	93.671	6030-2024	7/1/23–6/30/24	68,456	68,456
Family Violence Prevention and Services	93.671	6030-2024	7/1/23–6/30/24	65,990	<u>65,990</u>
Total CFDA 93.671					<u>134,446</u>
<b>Total U.S. Department of Health and Human Services</b>					<u>669,676</u>

**LUTHERAN SOCIAL MISSION SOCIETY  
D/B/A LUTHERAN SETTLEMENT HOUSE**

***SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND CITY AWARDS***

**For The Year Ended June 30, 2024**

<b>Federal Grantor Pass-Through Grantor Program Title</b>	<b>CFDA Number</b>	<b>Award / Contract / Grant Number</b>	<b>Grant Period</b>	<b>Program Award Amount</b>	<b>Expenditures</b>
<b>U.S. Department of Justice</b>					
Pass-through Pennsylvania Commission on Crime and Delinquency					
Crime Victim Assistance	16.575	33090	10/1/20-9/30/23	\$ 1,481,247	\$ 156,827
Crime Victim Assistance	16.575	40490	10/1/23-9/30/24	500,646	<u>380,704</u>
Total CFDA 16.575					<u>537,531</u>
<b>U.S. Department of Treasury</b>					
Pass-through Pennsylvania Commission on Crime and Delinquency					
Coronavirus State and Local Fiscal Recovery Funds	21.027	39772	2/1/23 – 6/30/25	725,832	<u>239,119</u>
Total CFDA 21.027					<u>239,119</u>
<b>U.S. Department of Housing and Urban Development (HUD)</b>					
Pass-through Pennsylvania Coalition Against Domestic Violence					
Emergency Solutions Grant Program	14.231		7/1/20-8/1/23	550,234	<u>27,190</u>
Pass-through City of Philadelphia, Office of Homeless Services					
Housing Trust Fund Prevention & Diversion	14.275	2320313-01	7/1/23-6/30/24	150,000	<u>149,719</u>
<b>Total U.S. Department of Housing and Urban Development (HUD)</b>					<u>176,909</u>
Total Federal Financial Assistance					<u>1,623,235</u>

**LUTHERAN SOCIAL MISSION SOCIETY  
D/B/A LUTHERAN SETTLEMENT HOUSE**

***SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND CITY AWARDS***

**For The Year Ended June 30, 2024**

<b>Federal Grantor Pass-Through Grantor Program Title</b>	<b>CFDA Number</b>	<b>Award / Contract / Grant Number</b>	<b>Grant Period</b>	<b>Program Award Amount</b>	<b>Expenditures</b>
<b>State Awards</b>					
State Financial Assistance	NA	22-20060	7/1/23 – 6/30/24		156,640
State Financial Assistance	NA	23-20610	7/1/23 – 6/30/24		21,909
State Financial Assistance	NA	6030-2024	7/1/23 – 6/30/24		284,313
State Financial Assistance	NA	6030-2024	7/1/23 – 6/30/24		<u>1,279</u>
Total State Awards					<u>464,141</u>
<b>City Awards</b>					
City of Philadelphia Community Bases Prevention Service and LSH	NA	22-20060	7/1/23 – 6/30/24		39,160
City of Philadelphia Pennsylvania Coalition Against Domestic Violence PHARE	NA		7/1/23 – 6/30/24		10,000
City of Philadelphia Emergency and Temporary Housing and LSH	NA	23-20138 / 23-20610	7/1/23 – 6/30/24		<u>1,764,091</u>
Total City Awards					<u>1,813,251</u>
Total Federal, State, and City Awards					<u>\$ 3,900,627</u>

# LUTHERAN SOCIAL MISSION SOCIETY D/B/A LUTHERAN SETTLEMENT HOUSE

## *SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND CITY AWARDS*

For The Year Ended June 30, 2024

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### (1) GENERAL INFORMATION

The accompanying schedule of expenditures of federal, state and city awards includes the grant activity of Lutheran Social Mission Society D/B/A Lutheran Settlement House ("**Settlement**") under programs of the federal, state and city governments for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Settlement, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Settlement.

### (2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

### (3) INDIRECT COST RATE

Management has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

### (4) SUBRECIPIENTS

The Settlement passed through \$38,175 of PCADV grant 6030-2024, CFDA #93.671, to subrecipients. There were no other amounts passed through to subrecipients during the year ended June 30, 2024.



**LUTHERAN SOCIAL MISSION SOCIETY  
D/B/A LUTHERAN SETTLEMENT HOUSE**

***PCADV – SUMMARY SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS***

**For The Year Ended June 30, 2024**

<b><u>Budget Categories</u></b>	<b><u>Approved Budget</u></b>	<b><u>Reported Costs</u></b>	<b><u>Allowable Costs Per Audit</u></b>		
			<b><u>Total</u></b>	<b><u>(Over) Under Budget</u></b>	<b><u>Questioned Costs</u></b>
<b>Title XX</b>					
Personnel	\$ 14,582	\$ 14,582	\$ 14,582	\$ -	\$ -
Operations	7,566	6,882	6,882	684	-
<b>Title 222</b>					
Operations	1,690	1,279	1,279	411	-
<b>Act 44</b>					
Personnel	229,811	229,731	229,731	80	-
Operations	57,654	54,571	54,571	3,083	-
<b>FVPSA</b>					
Personnel	65,636	65,636	65,636	-	-
Operations	72,962	68,810	68,810	4,152	-
<b>SSBG/Medical Advocacy</b>					
Personnel	57,882	57,882	57,882	-	-
Operations	14,362	13,359	13,359	1,003	-
<b>SSBG /Relocation</b>	38,275	36,540	36,540	1,735	-
<b>Emergency Solutions Grant</b>					
Emergency Shelter	-	16,892	16,892	(16,892)	-
Other	<u>10,298</u>	<u>10,298</u>	<u>10,298</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 570,718</u></b>	<b><u>\$ 576,462</u></b>	<b><u>\$ 576,462</u></b>	<b><u>\$ (5,744)</u></b>	<b><u>\$ -</u></b>

**LUTHERAN SOCIAL MISSION SOCIETY  
D/B/A LUTHERAN SETTLEMENT HOUSE**

***PCADV – SUMMARY SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS***  
**(Continued)**

**For The Year Ended June 30, 2024**

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**Funding Reconciliation**

Approved contracted received as of June 30, 2024	\$ 576,462
Approved contracted receivable as of June 30, 2024	<u>(46,453)</u>
	<u>\$ 530,009</u>

**Allowable Costs**

Allowable costs	\$ 530,009
Questioned costs	<u>-</u>
Due to (from) PCADV	<u>\$ (46,453)</u>

**See Auditor's Report.**

**LUTHERAN SOCIAL MISSION SOCIETY  
D/B/A LUTHERAN SETTLEMENT HOUSE**

***PCADV – SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS – TITLE XX***

**For The Year Ended June 30, 2024**

<b><u>Budget Categories</u></b>	<b><u>Approved Budget</u></b>	<b><u>Reported Costs</u></b>	<b><u>Allowable Costs Per Audit</u></b>		
			<b><u>Total</u></b>	<b><u>(Over) Under Budget</u></b>	<b><u>Questioned Costs</u></b>
<b>Personnel</b>					
Salaries	\$ 11,754	\$ 11,754	\$ 11,754	\$ -	\$ -
Fringe benefits	<u>2,828</u>	<u>2,828</u>	<u>2,828</u>	<u>-</u>	<u>-</u>
	<u>14,582</u>	<u>14,582</u>	<u>14,582</u>	<u>-</u>	<u>-</u>
<b>Operations</b>					
Audit	70	56	56	14	-
Communications	641	584	584	57	-
Food	360	288	288	72	-
Insurance	188	188	188	-	-
Maintenance	944	944	944	-	-
Postage	15	1	1	14	-
Printing	284	252	252	32	-
Professional fees	994	956	956	38	-
Staff development	1,027	780	780	247	-
Supplies	2,012	2,008	2,008	4	-
Travel	<u>1,031</u>	<u>825</u>	<u>825</u>	<u>206</u>	<u>-</u>
Total operations	<u>7,566</u>	<u>6,882</u>	<u>6,882</u>	<u>684</u>	<u>-</u>
Total	<u>\$ 22,148</u>	<u>\$ 21,464</u>	<u>\$ 21,464</u>	<u>\$ 684</u>	<u>\$ -</u>

**See Auditor's Report.**

**LUTHERAN SOCIAL MISSION SOCIETY  
D/B/A LUTHERAN SETTLEMENT HOUSE**

***PCADV – SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS – TITLE 222***

**For The Year Ended June 30, 2024**

<u><b>Budget Categories</b></u>	<u><b>Approved Budget</b></u>	<u><b>Reported Costs</b></u>	<u><b>Total</b></u>	<u><b>Allowable Costs Per Audit</b></u>	
				<u><b>(Over) Under Budget</b></u>	<u><b>Questioned Costs</b></u>
<b>Operations</b>					
Staff development	<u>\$ 1,690</u>	<u>\$ 1,279</u>	<u>\$ 1,279</u>	<u>\$411</u>	<u>\$ -</u>
Total	<u>\$ 1,690</u>	<u>\$ 1,279</u>	<u>\$ 1,279</u>	<u>\$411</u>	<u>\$ -</u>

**See Auditor's Report.**

**LUTHERAN SOCIAL MISSION SOCIETY  
D/B/A LUTHERAN SETTLEMENT HOUSE**

***PCADV – SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS – ACT 44***

**For The Year Ended June 30, 2024**

<b><u>Budget Categories</u></b>	<b><u>Approved Budget</u></b>	<b><u>Reported Costs</u></b>	<b><u>Allowable Costs Per Audit</u></b>		
			<b><u>Total</u></b>	<b><u>(Over) Under Budget</u></b>	<b><u>Questioned Costs</u></b>
<b>Personnel</b>					
Salaries	\$ 185,271	\$ 185,191	\$ 185,191	\$ 80	\$ -
Fringe benefits	<u>44,540</u>	<u>44,540</u>	<u>44,540</u>	<u>-</u>	<u>-</u>
	<u>229,811</u>	<u>229,731</u>	<u>229,731</u>	<u>80</u>	<u>-</u>
<b>Operations</b>					
Audit	915	732	732	183	-
Communications	4,372	4,147	4,147	225	-
Food	1,248	1,152	1,152	96	-
Insurance	2,256	2,256	2,256	-	-
Maintenance	4,793	4,744	4,744	49	-
Postage	133	82	82	51	-
Printing	1,297	1,288	1,288	9	-
Contracted services	5,976	5,976	5,976	-	-
Staff development	16,138	14,056	14,056	2,082	-
Supplies	9,295	9,278	9,278	17	-
Travel	5,391	5,020	5,020	371	-
Utilities	<u>5,840</u>	<u>5,840</u>	<u>5,840</u>	<u>-</u>	<u>-</u>
	<u>57,654</u>	<u>54,571</u>	<u>54,571</u>	<u>3,083</u>	<u>-</u>
Total	<u>\$ 287,465</u>	<u>\$ 284,302</u>	<u>\$ 284,302</u>	<u>\$3,163</u>	<u>\$ -</u>

**See Auditor's Report.**

**LUTHERAN SOCIAL MISSION SOCIETY  
D/B/A LUTHERAN SETTLEMENT HOUSE**

***PCADV – SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS – FVPS***

**For The Year Ended June 30, 2024**

<b><u>Budget Categories</u></b>	<b><u>Approved Budget</u></b>	<b><u>Reported Costs</u></b>	<b><u>Allowable Costs Per Audit</u></b>		
			<b><u>Total</u></b>	<b><u>(Over) Under Budget</u></b>	<b><u>Questioned Costs</u></b>
<b>Personnel</b>					
Salaries	\$ 52,912	\$ 52,912	\$ 52,912	\$ -	\$ -
Fringe benefits	<u>12,724</u>	<u>12,724</u>	<u>12,724</u>	<u>-</u>	<u>-</u>
	<u>65,636</u>	<u>65,636</u>	<u>65,636</u>	<u>-</u>	<u>-</u>
<b>Operations</b>					
Audit	235	188	188	47	-
Communications	1,413	1,328	1,328	85	-
Food	700	560	560	140	-
Insurance	484	484	484	-	-
Maintenance	1,525	1,464	1,464	61	-
Postage	54	44	44	10	-
Printing	3,991	3,756	3,756	235	-
Professional fees	48,929	47,654	47,654	1,275	-
Staff development	8,828	7,708	7,708	1,120	-
Supplies	3,928	3,324	3,324	604	-
Travel	<u>2,875</u>	<u>2,300</u>	<u>2,300</u>	<u>575</u>	<u>-</u>
	<u>72,962</u>	<u>68,810</u>	<u>68,810</u>	<u>4,152</u>	<u>-</u>
Total	<u>\$ 138,598</u>	<u>\$ 134,446</u>	<u>\$ 134,446</u>	<u>\$ 4,152</u>	<u>\$ -</u>

**See Auditor's Report.**

**LUTHERAN SOCIAL MISSION SOCIETY  
D/B/A LUTHERAN SETTLEMENT HOUSE**

***PCADV – SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS –  
SSBG/MEDICAL ADVOCACY***

**For The Year Ended June 30, 2024**

<u>Budget Categories</u>	<u>Approved Budget</u>	<u>Reported Costs</u>	<u>Allowable Costs Per Audit</u>		
			<u>Total</u>	<u>(Over) Under Budget</u>	<u>Questioned Costs</u>
<b>Personnel</b>					
Salaries	\$ 46,614	\$ 46,614	\$ 46,614	\$ -	\$ -
Fringe benefits	<u>11,268</u>	<u>11,268</u>	<u>11,268</u>	<u>-</u>	<u>-</u>
	<u>57,882</u>	<u>57,882</u>	<u>57,882</u>	<u>-</u>	<u>-</u>
<b>Operations</b>					
Audit	225	180	180	45	-
Communications	1,208	1,208	1,208	-	-
Food	116	93	93	23	-
Insurance	540	540	540	-	-
Maintenance	1,210	1,210	1,210	-	-
Postage	27	5	5	22	-
Printing	1,433	1,335	1,335	98	-
Professional fees	1,524	1,524	1,524	-	-
Staff development	2,973	2,617	2,617	356	-
Supplies	2,952	2,625	2,625	327	-
Travel	1,882	1,750	1,750	132	-
Utilities	<u>272</u>	<u>272</u>	<u>272</u>	<u>-</u>	<u>-</u>
	<u>14,362</u>	<u>13,359</u>	<u>13,359</u>	<u>1,003</u>	<u>-</u>
Total	<u>\$ 72,244</u>	<u>\$ 71,241</u>	<u>\$ 71,241</u>	<u>\$1,003</u>	<u>\$ -</u>

**See Auditor's Report.**

**LUTHERAN SOCIAL MISSION SOCIETY  
D/B/A LUTHERAN SETTLEMENT HOUSE**

***PCADV – SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS –  
SSBG/RELOCATION***

**For The Year Ended June 30, 2024**

<u>Budget Categories</u>	<u>Approved Budget</u>	<u>Reported Costs</u>	<u>Allowable Costs Per Audit</u>		
			<u>Total</u>	<u>(Over) Under Budget</u>	<u>Questioned Costs</u>
<b>Personnel</b>					
Relocation expense	<u>\$ 38,275</u>	<u>\$ 36,540</u>	<u>\$ 36,540</u>	<u>\$1,735</u>	<u>\$ -</u>
Total	<u>\$ 38,275</u>	<u>\$ 36,540</u>	<u>\$ 36,540</u>	<u>\$1,735</u>	<u>\$ -</u>



**LUTHERAN SOCIAL MISSION SOCIETY  
D/B/A LUTHERAN SETTLEMENT HOUSE**

**PCADV – SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS –  
EMERGENCY SOLUTIONS GRANT**

**For The Year Ended June 30, 2024**

<u>Budget Categories</u>	<u>Approved Budget</u>	<u>Reported Costs</u>	<u>Allowable Costs Per Audit</u>		
			<u>Total</u>	<u>(Over) Under Budget</u>	<u>Questioned Costs</u>
<b>Emergency Shelter</b>					
Operations	<u>-</u>	<u>16,892</u>	<u>16,892</u>	<u>(16,892)</u>	<u>-</u>
	<u>-</u>	<u>16,892</u>	<u>16,892</u>	<u>(16,892)</u>	<u>-</u>
<b>Other</b>					
Administrative Costs	<u>10,298</u>	<u>10,298</u>	<u>10,298</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 10,298</u>	<u>\$ 27,190</u>	<u>\$ 27,190</u>	<u>\$ (16,892)</u>	<u>\$ -</u>

**LUTHERAN SOCIAL MISSION SOCIETY  
D/B/A LUTHERAN SETTLEMENT HOUSE**

**CITY OF PHILADELPHIA OFFICE OF HOMELESS SERVICES  
EMERGENCY HOUSING SERVICES CONTRACT NUMBER 24-20610  
SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS**

**For The Year Ended June 30, 2024**

<u>Budget Categories</u>	<u>Approved Budget</u>	<u>Reported Costs</u>	<u>Total</u>	<u>Allowable Costs Per Audit</u>	
				<u>(Over) Under Budget</u>	<u>Questioned Costs</u>
<b>Personnel</b>					
Salaries	\$ 285,567	\$ 305,768	\$ 305,768	\$ (20,201)	\$ -
Fringe benefits	67,828	72,480	72,480	(4,652)	-
Staff travel	1,595	1,235	1,235	360	-
Training/conference	1,000	541	541	459	-
Building maintenance/repairs	36,973	25,578	25,578	11,395	-
Insurance	3,500	5,656	5,656	(2,156)	-
Professional services	1,500	1,500	1,500	-	-
Supplies	500	500	500	-	-
Food	3,000	4,763	4,763	(1,763)	-
Participant transportation	300	300	300	-	-
Lines & other participant services	<u>6,741</u>	<u>8,129</u>	<u>8,129</u>	<u>(1,388)</u>	<u>-</u>
	<u>408,504</u>	<u>426,450</u>	<u>426,450</u>	<u>(17,946)</u>	<u>-</u>
<b>Operations</b>					
Salaries	87,107	101,750	101,750	(14,643)	-
Benefits	18,499	21,748	21,748	(3,249)	-
Rent/Occupancy	210,046	210,046	210,046	-	-
Utilities	65,304	33,098	33,098	32,206	-
Communications	10,555	13,276	13,276	(2,721)	-
Professional services	3,203	3,204	3,204	(1)	-
Consumable supplies/Office supplies	750	805	805	(55)	-
Printing	<u>5,300</u>	<u>16,837</u>	<u>16,837</u>	<u>(11,537)</u>	<u>-</u>
	<u>400,764</u>	<u>400,764</u>	<u>400,764</u>	<u>-</u>	<u>-</u>
<b>Administrative</b>					
Personnel	54,101	54,101	54,101	-	-
Benefits	<u>9,775</u>	<u>9,775</u>	<u>9,775</u>	<u>-</u>	<u>-</u>
	<u>63,876</u>	<u>63,876</u>	<u>63,876</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u>\$ 873,144</u>	<u>\$ 891,090</u>	<u>\$ 891,090</u>	<u>\$ (17,946)</u>	<u>\$ -</u>

See Auditor's Report.

**LUTHERAN SOCIAL MISSION SOCIETY  
D/B/A LUTHERAN SETTLEMENT HOUSE**

**CITY OF PHILADELPHIA OFFICE OF HOMELESS SERVICES – BUDGETED AND ACTUAL  
REIMBURSEMENT FOR OVERFLOW EMERGENCY HOUSING**

**For The Year Ended June 30, 2024**

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<u><b>Budget Categories</b></u>	<u><b>Approved Budget</b></u>	<u><b>Reported Costs</b></u>	<u><b>Total</b></u>	<u><b>Allowable Costs Per Audit</b></u>	
				<u><b>(Over) Under Budget</b></u>	<u><b>Questioned Costs</b></u>
Per diem @ \$20.60 per client per night	<u>\$90,228</u>	<u>\$54,742</u>	<u>\$54,742</u>	<u>\$ 35,486</u>	<u>\$ -</u>
Total	<u>\$90,228</u>	<u>\$54,742</u>	<u>\$54,742</u>	<u>\$ 35,486</u>	<u>\$ -</u>

See Auditor's Report.

# LUTHERAN SOCIAL MISSION SOCIETY D/B/A LUTHERAN SETTLEMENT HOUSE

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended June 30, 2024

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### SECTION I

#### *Summary of Auditor's Results*

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Lutheran Social Mission Society D/B/A Lutheran Settlement House ("Settlement") were prepared in accordance with GAAP.
2. No significant deficiencies or material weaknesses in internal control were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the Settlement were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over major federal programs were disclosed during the audit.
5. The auditor's report issued on compliance for the major federal award programs for the Settlement expresses an unmodified opinion.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this schedule. There were no such findings.
7. The program tested as a major program is as follows:  
Crime Victim Assistance 16.575
8. The threshold for distinguishing between Type A and Type B was \$750,000.
9. The Settlement House was determined to be a low-risk auditee.

### SECTION II

#### *Financial Statement Findings*

None

### SECTION III

#### *Federal Award Findings and Questioned Costs*

None

### SECTION IV

#### *Prior Year Findings*

None