

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

***FINANCIAL STATEMENTS***

**JUNE 30, 2025**

**(WITH SUMMARIZED COMPARATIVE TOTALS  
FOR THE YEAR ENDED JUNE 30, 2024)**

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

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**LUTHERAN SOCIAL MISSION SOCIETY  
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, 2025, 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, 2025, 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 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 19, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, 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 26-28, 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 30 – 40 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 16, 2025, 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 16, 2025

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

**STATEMENTS OF FINANCIAL POSITION**

**June 30, 2025 And 2024**

	<u>2025</u>	<u>2024</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 1,860,806	\$ 1,675,042
Cash - agency fund	26,853	20,556
Grants and contracts receivable	997,727	970,607
Contributions receivable	125,000	-
Prepaid expenses and security deposits	132,283	130,308
Operating right-of-use asset	382,728	339,542
Finance right-of-use asset	<u>13,909</u>	<u>12,884</u>
Total current assets	<u>3,539,306</u>	<u>3,148,939</u>
<b>OTHER NON-CURRENT ASSETS</b>		
Investments	1,308,241	1,222,711
Contributions receivable, net	68,762	-
Operating right-of-use asset	977,574	3,476,325
Finance right-of-use asset	4,875	16,547
Land, building and improvements, furniture and fixtures, net	<u>1,303,723</u>	<u>1,279,169</u>
Total non-current assets	<u>3,663,175</u>	<u>5,994,752</u>
Total Assets	<u>\$ 7,202,481</u>	<u>\$ 9,143,691</u>
<b>CURRENT LIABILITIES</b>		
Current portion of long-term debt	\$ 24,429	\$ 23,771
Accounts payable	132,049	45,440
Accrued salaries	174,222	202,340
Accrued vacation	167,652	147,304
Other accrued liabilities	3,528	2,263
Deferred revenue	41,692	-
Operating lease liability	424,092	333,797
Finance lease liability	13,909	12,884
Funds held in agency	<u>26,948</u>	<u>23,971</u>
Total current liabilities	<u>1,008,521</u>	<u>791,770</u>
<b>LONG-TERM LIABILITIES</b>		
Operating lease liability	1,127,504	3,782,488
Finance lease liability	4,875	18,784
Long term debt, net of current portion	<u>460,295</u>	<u>484,330</u>
Total long-term liabilities	<u>1,592,674</u>	<u>4,285,602</u>
Total liabilities	<u>2,601,195</u>	<u>5,077,372</u>
<b>NET ASSETS</b>		
Without donor restrictions - undesignated	3,016,294	2,777,740
Without donor restrictions – board designated	<u>1,240,332</u>	<u>1,129,226</u>
Total without donor restrictions	4,256,626	3,906,966
With donor restrictions	<u>344,660</u>	<u>159,353</u>
Total net assets	<u>4,601,286</u>	<u>4,066,319</u>
Total Liabilities and Net Assets	<u>\$ 7,202,481</u>	<u>\$ 9,143,691</u>

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

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

**STATEMENT OF ACTIVITIES**

For The Year Ended June 30, 2025

(With Summarized Comparative Totals For The Year Ended June 30, 2024)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2025</u>	<u>2024</u>
<b>OPERATING REVENUE AND SUPPORT</b>				
Government contracts	\$ 4,583,012	\$ -	\$ 4,583,012	\$ 3,935,387
Non-government contracts	433,134	-	433,134	659,854
Foundation and corporation grants	295,650	284,762	580,412	327,026
Individual support	377,340	25,875	403,215	435,757
Special events, net of direct expenses of \$28,328 and \$19,575 for 2025 and 2024, respectively	156,976	-	156,976	149,317
Investment income	167,939	-	167,939	106,569
Other income	177,558	-	177,558	135,378
In-kind contributions	125,620	-	125,620	61,875
Net assets released from restrictions:				
Satisfaction of restrictions	<u>125,330</u>	<u>(125,330)</u>	<u>-</u>	<u>-</u>
Total operating revenue and support	<u>6,442,559</u>	<u>185,307</u>	<u>6,627,866</u>	<u>5,811,163</u>
<b>EXPENSES</b>				
Program services	5,197,784	-	5,197,784	4,679,021
Management and general	729,002	-	729,002	509,791
Fundraising	<u>280,982</u>	<u>-</u>	<u>280,982</u>	<u>196,927</u>
Total expenses	<u>6,207,768</u>	<u>-</u>	<u>6,207,768</u>	<u>5,385,739</u>
Change in net assets from operations	<u>234,791</u>	<u>185,307</u>	<u>420,098</u>	<u>425,424</u>
<b>OTHER CHANGES</b>				
Gain on revaluation of lease	<u>114,869</u>	<u>-</u>	<u>114,869</u>	<u>-</u>
Change in net assets	349,660	185,307	534,967	425,424
Net assets, beginning of year	<u>3,906,966</u>	<u>159,353</u>	<u>4,066,319</u>	<u>3,640,895</u>
Net assets, end of year	<u>\$ 4,256,626</u>	<u>\$ 344,660</u>	<u>\$ 4,601,286</u>	<u>\$ 4,066,319</u>

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

**STATEMENTS OF CASH FLOWS**

**For The Years Ended June 30, 2025 And 2024**

	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 534,967	\$ 425,424
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	116,394	126,680
Unrealized gain	(65,628)	(53,753)
Amortization of right-of-use asset	462,506	465,087
Gain on revaluation of lease	(114,869)	-
Operating lease liability payments	(448,097)	(420,091)
Interest on finance lease liability	1,983	2,933
Satisfaction of self-amortizing loan requirements	-	(23,749)
(Increase) decrease in:		
Grants and contracts receivable	(27,120)	146,399
Contributions receivable	(193,762)	-
Prepaid expenses	(1,975)	(32,287)
Increase (decrease) in		
Accounts payable	86,609	(131,277)
Accrued salaries	(28,118)	64,531
Accrued vacation	20,348	65,937
Deferred income	41,692	-
Other accrued liabilities	1,265	(55,844)
Funds held in agency	<u>2,977</u>	<u>115</u>
Net cash provided by operating activities	<u>389,172</u>	<u>580,105</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of investments, net	(19,902)	(34,331)
Capital expenditures	<u>(140,948)</u>	<u>(54,925)</u>
Net cash used in investing activities	<u>(160,850)</u>	<u>(89,256)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal payments on finance lease liability	(12,884)	(11,935)
Payments on long-term debt	<u>(23,377)</u>	<u>(22,310)</u>
Net cash used in financing activities	<u>(36,261)</u>	<u>(34,245)</u>
Net increase in cash	192,061	456,604
<b>CASH</b>		
Beginning of year	<u>1,695,598</u>	<u>1,238,994</u>
End of year	<u>\$ 1,887,659</u>	<u>\$ 1,695,598</u>
<b>SUPPLEMENTAL CASH FLOW DISCLOSURE</b>		
Interest paid	<u>\$ 25,430</u>	<u>\$ 25,909</u>
<b>RECONCILIATION TO CASH AND CASH – AGENCY FUNDS ON THE STATEMENT OF FINANCIAL POSITION:</b>		
Cash	\$ 1,860,806	\$ 1,675,042
Cash – agency fund	<u>26,853</u>	<u>20,556</u>
	<u>\$ 1,887,659</u>	<u>\$ 1,695,598</u>

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

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

***STATEMENT OF FUNCTIONAL EXPENSES***

**For The Year Ended June 30, 2025**

**(With Summarized Comparative Totals For The Year Ended June 30, 2024)**

	<b>Total</b>			<b>2025</b>	<b>2024</b>
	<b>Program</b>	<b>Management</b>		<b>Total</b>	<b>Total</b>
	<b>Services</b>	<b>And General</b>	<b>Fundraising</b>		
Salaries and wages	\$2,727,613	\$ 384,347	\$ 194,541	\$ 3,306,501	\$ 2,952,664
Payroll taxes and benefits	531,429	75,563	38,247	645,239	531,039
Building maintenance	111,629	19,605	8,799	140,033	108,394
Rent	453,010	-	833	453,843	452,471
Direct assistance	201,610	-	-	201,610	167,158
Emergency Funds	76,308	-	-	76,308	66,573
Conferences and meetings	21,023	263	-	21,286	27,871
Donated goods and services	49,972	75,648	-	125,620	61,875
Dues	15,325	2,910	100	18,335	25,337
Equipment maintenance	20,408	12,565	-	32,973	26,182
Food and beverage	63,204	4,923	944	69,071	56,590
Independent consultants	271,909	23,071	16,276	311,256	178,446
Insurance	53,915	3,936	1,754	59,605	52,819
Interest expense	6,358	19,073	-	25,431	25,909
Miscellaneous expense	5,279	7,800	-	13,079	6,406
Bad debt expenses	5,365	-	-	5,365	-
Office supplies and postage	1,557	5,588	543	7,688	4,681
Printing and advertising	7,396	38,507	2,981	48,884	28,172
Professional fees	151,335	14,652	11,396	177,383	195,283
Supplies	142,149	-	-	142,149	132,411
Telephone & internet connectivity	57,044	18,501	1,542	77,087	56,231
Travel	28,523	924	150	29,597	18,033
Utilities	94,160	8,323	548	103,031	84,514
Depreciation	<u>101,263</u>	<u>12,803</u>	<u>2,328</u>	<u>116,394</u>	<u>126,680</u>
Total expenses	<u>\$5,197,784</u>	<u>\$ 729,002</u>	<u>\$ 280,982</u>	<u>\$ 6,207,768</u>	<u>\$ 5,385,739</u>

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

## NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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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, 2025

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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, 2025 and 2024, 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.

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.

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

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

June 30, 2025

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### ***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 8,045 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.

### ***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, 2024, from which the summarized information was derived.

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

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

June 30, 2025

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### ***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, 2025 and 2024 was \$684 and \$750, 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 (2022 – 2024) or expected to be taken in Settlement’s fiscal 2025 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, 2025**

**(3) CONTRIBUTIONS RECEIVABLE**

As of June 30, contributors to the Settlement have unconditionally promised to give as follows:

	<u>2025</u>	<u>2024</u>
Receivables due in less than one year	\$ 125,000	\$ -
Receivables due in one to five years	<u>75,000</u>	<u>-</u>
<b>Total unconditional promises to give</b>	200,000	-
Allowance for uncollectible contributions receivable	-	-
Less discounts to net present value	<u>(6,238)</u>	<u>-</u>
<b>Unconditional promises to give, net</b>	<u>\$ 193,762</u>	<u>\$ -</u>

The discount rate used to calculate the net present value of contributions receivable was 4.35% as of June 30, 2025.

**(4) INVESTMENTS**

Investments at June 30, 2025 and 2024, consist of the following:

	<u>2025</u>		
	<u>Market Value</u>	<u>Cost</u>	<u>Appreciation (Depreciation)</u>
Cash and cash equivalents	\$ 49,037	\$ 49,037	\$ -
Common Stocks	66,307	35,329	30,978
Mutual Funds / ETFs	<u>1,192,897</u>	<u>1,060,943</u>	<u>131,954</u>
	<u>\$ 1,308,241</u>	<u>\$ 1,145,309</u>	<u>\$ 162,932</u>
	<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>

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

	<u>2025</u>	<u>2024</u>
Unrealized gains	\$ 65,628	\$ 53,753
Realized gains	21,886	-
Interest and dividends, net	<u>80,425</u>	<u>52,816</u>
	<u>\$ 167,939</u>	<u>\$ 106,569</u>

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

## NOTES TO FINANCIAL STATEMENTS – (Continued)

June 30, 2025

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### (5) 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, 2025 and 2024 all of the Settlement’s investments are being measured using Level 1 inputs.

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

Leasehold improvements, furniture and equipment at June 30, 2025 and 2024 consist of the following:

	<u>2025</u>	<u>2024</u>
Land	\$ 265,140	\$ 265,140
Building and leasehold improvements	3,181,950	3,097,791
Furniture and equipment	<u>570,827</u>	<u>524,686</u>
	4,017,917	3,887,617
Accumulated depreciation	<u>(2,714,194)</u>	<u>(2,608,448)</u>
	<u>\$ 1,303,723</u>	<u>\$ 1,279,169</u>

Depreciation expense for the years ended June 30, 2025 and 2024 was \$116,394 and \$126,680, respectively.

In November 2025, the Settlement sold a property for \$2,650,000. The Settlement also purchased the property that houses its shelter for \$6,050,000 in November 2025.

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

## NOTES TO FINANCIAL STATEMENTS – (Continued)

June 30, 2025

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### (7) 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 (7.75% at June 30, 2025), and is 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, 2025 and 2024.

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 (5.73% at June 30, 2025) and is secured by the Settlement's investment account at Bryn Mawr Trust, and which matures June 20, 2026. The line of credit had no balance outstanding as of June 30, 2025 and 2024.

### (8) 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, 2025:

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>\$ 484,724</u>
Less: Current portion of long-term debt	<u>(24,429)</u>
	<u>\$ 460,295</u>

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>

Aggregate maturities of long-term debt as of June 30, 2025 are as follows:

<u>Years Ending June 30,</u>	
2026	\$ 24,429
2027	25,927
2028	27,078
2029	28,280
2030	<u>379,010</u>
Total	<u>\$ 484,724</u>

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

*NOTES TO FINANCIAL STATEMENTS – (Continued)*

June 30, 2025

**(9) NET ASSETS**

**Without Donor Restrictions - Board Designated**

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

	<u>2025</u>	<u>2024</u>
Fund Functioning as Endowment	<u>\$1,240,332</u>	<u>\$1,129,226</u>

**With Donor Restrictions**

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

	<u>2025</u>	<u>2024</u>
Operating Expenses		
Domestic violence	\$ 67,453	\$ 32,510
General operations	-	25,000
Development	5,089	5,089
Hungry 2 Healthy Initiative	8,450	25,117
Senior Center	14,564	36,405
Shelter	55,342	35,232
Use in future periods	<u>193,762</u>	<u>-</u>
	<u>\$ 344,660</u>	<u>\$ 159,353</u>

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, 2025:

	<u>2025</u>
Domestic violence	\$ 13,932
Hungry 2 Healthy Initiative	41,667
Senior Center	21,841
Shelter	22,890
General operations	<u>25,000</u>
	<u>\$ 125,330</u>

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

	<u>2025</u>	
	<u>Without Donor Restrictions</u>	<u>Total</u>
Funds functioning as endowment	<u>\$ 1,240,332</u>	<u>\$ 1,240,332</u>

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

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

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

**June 30, 2025**

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, 2025 and 2024.

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

	<u>2025</u>	
	<u>Without Donor Restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2024	\$ 1,129,226	\$ 1,129,226
Investment return:		
Investment income, net	40,214	40,214
Net realized/unrealized gains	70,892	70,892
Endowment income designated for current operations	-	-
Endowment net assets, June 30, 2025	<u>\$ 1,240,332</u>	<u>\$ 1,240,332</u>
	<u>2024</u>	
	<u>Without Donor Restrictions</u>	<u>Total</u>
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>

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

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

**June 30, 2025**

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**(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 could extend the lease for one additional five-year period and originally expected to do so. However, the Settlement is now not expected to exercise this option as the Settlement purchased the property in November 2025. Not exercising the option to extend the lease resulted in a gain on the revaluation of the lease of \$114,869 which is included in other changes on the statement of activities. 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, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
<b>Operating Lease Amounts:</b>		
Right-of-use asset	\$ 1,360,302	\$ 3,815,867
Lease liability	1,551,596	4,116,285
<b>Other Information:</b>		
Operating outgoing cash flows for operating leases	\$ 448,097	\$ 420,091
Weighted-average remaining lease term	3.42 years	9.33 years
Weighted-average discount rate	2.88%	2.88%

Lease cost information for the years ended June 30, 2025 and 2024 is as follows:

Operating lease cost	<u>\$ 453,843</u>	<u>\$ 453,843</u>
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Aggregate minimum annual rentals for the future years at June 30, 2025 are as follows:

<u>Years Ending June 30,</u>	
2026	\$ 462,100
2027	462,100
2028	492,948
2029	<u>211,759</u>
Total undiscounted cash flows	1,628,907
Less: present value adjustment	<u>(77,311)</u>
Lease liability	<u>\$ 1,551,596</u>

Rent expense for the shelter lease for both of the years ended June 30, 2025 and 2024 was \$453,843.

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

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

**June 30, 2025**

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**(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 both of the years ended June 30, 2025 and 2024 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, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
<b>Finance Lease Amounts:</b>		
Right-of-use asset	\$ 18,784	\$ 29,431
Lease liability	18,784	31,668
<b>Other Information:</b>		
Operating outgoing cash flows for operating leases	\$ 14,868	\$ 14,868
Interest expense	1,983	2,933
Weighted-average remaining lease term	1.33 years	2.33 years
Weighted-average discount rate	7.68%	7.68%

Lease cost information for the years ended June 30, 2025 and 2024 is as follows:

Operating lease cost	<u>\$ 12,884</u>	<u>\$ 11,935</u>
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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, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Legal services	\$ 75,648	\$ 12,508
Food	<u>49,972</u>	<u>49,367</u>
	<u>\$ 125,620</u>	<u>\$ 61,875</u>

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

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

**June 30, 2025**

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**(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, 2025 and 2024.

The Settlement's Domestic Violence Program had expenditures for the years ended June 30, 2025 and 2024 of \$638,909 and \$595,367, respectively. The Settlement is required to meet a community support requirement which requires a 20% match of the contract expenditures which amounted to \$127,782 and \$119,703 for the years ended June 30, 2025 and 2024, respectively. During the years ended June 30, 2025 and 2024, the match was met via various contributions and grants received by the Settlement.

**(17) SELF-INSURANCE**

The Settlement did not utilize any form of self-insurance during the years ended June 30, 2025 and 2024.

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

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

**June 30, 2025**

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**(18) FINANCIAL ASSETS AND LIQUIDITY RESOURCES**

The following table reflects the Settlement’s financial assets as of June 30, 2025 and 2024, 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>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 1,860,806	\$ 1,675,042
Investments	1,308,241	1,222,711
Grants and contracts receivable	997,727	970,607
Contributions receivable	<u>125,000</u>	<u>-</u>
Total financial assets available within one year	4,291,774	3,868,360
Less:		
Purpose restricted net assets	(344,660)	(159,353)
Quasi endowment funds	<u>(1,240,332)</u>	<u>(1,129,226)</u>
Total financial assets available to meet general expenditures within one year	<u>\$ 2,706,782</u>	<u>\$ 2,579,781</u>

The Settlement has \$1,240,332 and \$1,129,226 liquid quasi endowment funds as of June 30, 2025 and 2024, 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 lines of credit available for cash needs in the amount of \$950,000.

**(19) SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 16, 2025, 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, 2025, 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 16, 2025.

***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.

Philadelphia, Pennsylvania  
December 16, 2025

Tait, Weller & Baker LLP

**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 programs for the year ended June 30, 2025. Lutheran Social Mission Society D/B/A Lutheran Settlement House’s major federal programs are 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 programs for the year ended June 30, 2025.

***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 16, 2025**

**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, 2025**

<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	1-019-00-3123	7/1/24-6/30/25	\$ 349,385	<u>\$ 348,110</u>
Disease Prevention and Health Promotion Services	93.043	1-019-00-3123	7/1/24-6/30/25	5,872	<u>5,017</u>
Pass-through Pennsylvania Coalition Against Domestic Violence Social Services Block Grant (SSBG)	93.667	6030-2025	7/1/24-6/30/25	21,522	21,430
SSBG – Medical Advocacy	93.667	6030-2025	7/1/24-6/30/25	65,000	64,936
SSBG – Relocation Funds	93.667	6030-2025	7/1/24-6/30/25	36,540	<u>36,397</u>
Pennsylvania Coalition Against Domestic Violence					<u>122,763</u>
Pass-through City of Philadelphia, Office of Homeless Services Homeless Assistance Program (HAP) Bridge Housing – Shelia Brown	93.667	23-20138-02	7/1/24-6/30/25	67,686	<u>67,288</u>
Total CFDA 93.667					<u>190,051</u>
Pass-through Pennsylvania Coalition Against Domestic Violence Family Violence Prevention and Services ( <i>Note 4</i> )	93.671	6030-2025	7/1/24-6/30/25	65,695	65,695
Family Violence Prevention and Services	93.671	6030-2025	7/1/24-6/30/25	68,761	<u>65,848</u>
Total CFDA 93.671					<u>131,543</u>
<b>Total U.S. Department of Health and Human Services</b>					<u>674,721</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, 2025**

<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	40490	10/1/23-9/30/24	\$ 499,308	\$ 118,564
Crime Victim Assistance	16.575	40490-2	10/1/24-9/30/25	475,613	<u>380,130</u>
Total CFDA 16.575					<u>498,694</u>
Pass-through Pennsylvania Commission on Crime and Delinquency					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	43856	10/1/24-9/30/25	198,706	<u>43,786</u>
Total CFDA 16.738					<u>43,786</u>
Directly Funded					
Congressionally Recommended Awards	16.753	15POVC-24-GG-00692	7/1/24-6/30/26	332,694	<u>169,028</u>
Total CFDA 16.753					<u>169,028</u>
<b>Total U.S. Department of Justice</b>					<u>711,508</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	635,157	<u>390,738</u>
Total CFDA 21.027					<u>390,738</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	6030-2025	1/24/24-8/31/24	7,327	57,655
Emergency Solutions Grant Program	14.231	6030-2025	1/1/24-7/26/25	65,948	<u>6,880</u>
Total CFDA 14.231					<u>64,535</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, 2025**

<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>
Pass-through City of Philadelphia, Office of Homeless Services Housing Trust Fund Prevention & Diversion	14.275	2320313-2	7/1/24-6/30/25	150,000	<u>\$ 149,679</u>
<b>Total U.S. Department of Housing and Urban Development (HUD)</b>					<u>214,214</u>
Total Federal Financial Assistance					<u>1,991,181</u>
<b>State Awards</b>					
State Financial Assistance	NA	22-20060	7/1/24 – 6/30/25		196,043
State Financial Assistance	NA	23-20610	7/1/24 – 6/30/25		70,174
Pennsylvania Housing Finance Agency - PHARE	NA	6030-2024	9/19/24 – 3/19/26		33,308
Pennsylvania Coalition Against Domestic Violence - Act 44	NA	6030-2025	7/1/24 – 6/30/25		319,672
Pennsylvania Coalition Against Domestic Violence - Act 222	NA	6030-2025	7/1/24 – 6/30/25		396
Pennsylvania Coalition Against Domestic Violence - VIP Star Breaking Cycles	NA	46846	7/1/24 – 6/30/25		<u>15,000</u>
Total State Awards					<u>634,593</u>
<b>City Awards</b>					
City of Philadelphia Community Bases Prevention Service and LSH Philadelphia Office of Public Safety (OPS) – Students Talking about Relationships (STAR)	NA	22-20060	7/1/24 – 6/30/25		49,011
City of Philadelphia Emergency and Temporary Housing and LSH	NA	8980122533	1/1/25 – 12/31/25		86,815
City of Philadelphia Emergency and Temporary Housing and LSH	NA	23-20610	7/1/24 – 6/30/25		1,723,560
City of Philadelphia Emergency and Temporary Housing and LSH	NA	23-20138	7/1/24 – 6/30/25		<u>61,865</u>
Total City Awards					<u>1,921,251</u>
Total Federal, State, and City Awards					<u>\$ 4,547,025</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, 2025**

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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, 2025. 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 \$46,110 of PCADV grant 6030-2025, CFDA #93.671, to subrecipients for the year ending June 30, 2025.

**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, 2025**

<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	\$ 18,063	\$ 18,215	\$ 18,215	\$ (152)	\$ -
Operations	3,459	3,215	3,215	244	-
<b>Title 222</b>					
Operations	1,359	396	396	963	-
<b>Act 44</b>					
Personnel	228,348	228,348	228,348	-	-
Operations	92,823	91,324	91,324	1,499	-
<b>FVPSA</b>					
Personnel	57,877	57,331	57,331	546	-
Operations	76,579	74,212	74,212	2,367	-
<b>SSBG/Medical Advocacy</b>					
Personnel	57,199	57,199	57,199	-	-
Operations	7,801	7,737	7,737	64	-
<b>SSBG /Relocation</b>	36,540	36,397	36,397	143	-
<b>Emergency Solutions Grant</b>					
Emergency Shelter	72,547	63,822	63,822	8,725	-
Other	<u>726</u>	<u>713</u>	<u>713</u>	<u>13</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 653,321</u></b>	<b><u>\$ 638,909</u></b>	<b><u>\$ 638,909</u></b>	<b><u>\$ 14,412</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, 2025**

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**Funding Reconciliation**

Approved contracted received as of June 30, 2025	\$ 638,909
Approved contracted receivable as of June 30, 2025	<u>(121,878)</u>
	<u>\$ 518,031</u>

**Allowable Costs**

Allowable costs	\$ 638,909
Questioned costs	<u>-</u>
Due to (from) PCADV	<u>\$ (121,878)</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, 2025**

<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	\$ 14,475	\$ 14,572	\$ 14,572	\$ (97)	\$ -
Fringe benefits	<u>3,588</u>	<u>3,643</u>	<u>3,643</u>	<u>(55)</u>	<u>-</u>
	<u>18,063</u>	<u>18,215</u>	<u>18,215</u>	<u>(152)</u>	<u>-</u>
<b>Operations</b>					
Audit	61	61	61	-	-
Communications	380	382	382	(2)	-
Food	250	250	250	-	-
Insurance	184	184	184	-	-
Maintenance	448	493	493	(45)	-
Postage	10	2	2	8	-
Printing	198	162	162	36	-
Professional fees	550	544	544	6	-
Staff development	315	315	315	-	-
Supplies	517	516	516	1	-
Travel	240	-	-	240	-
Utilities	<u>306</u>	<u>306</u>	<u>306</u>	<u>-</u>	<u>-</u>
Total operations	<u>3,459</u>	<u>3,215</u>	<u>3,215</u>	<u>244</u>	<u>-</u>
Total	<u>\$ 21,522</u>	<u>\$ 21,430</u>	<u>\$ 21,430</u>	<u>\$ 92</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, 2025

<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>Operations</b>					
Staff development	\$ 1,359	\$ 396	\$ 396	\$ 963	\$ -
Total	\$ 1,359	\$ 396	\$ 396	\$ 963	\$ -

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, 2025

<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	\$ 182,988	\$ 182,988	\$ 182,988	\$ -	\$ -
Fringe benefits	<u>45,360</u>	<u>45,360</u>	<u>45,360</u>	<u>-</u>	<u>-</u>
	<u>228,348</u>	<u>228,348</u>	<u>228,348</u>	<u>-</u>	<u>-</u>
<b>Operations</b>					
Audit	808	808	808	-	-
Communications	5,016	5,016	5,016	-	-
Equipment maintenance	17,000	17,000	17,000	-	-
Food	750	750	750	-	-
Insurance	2,423	2,424	2,424	(1)	-
Maintenance	8,423	8,423	8,423	-	-
Postage	134	61	61	73	-
Printing	2,613	2,613	2,613	-	-
Contracted services	7,270	7,270	7,270	-	-
Staff development	17,000	17,000	17,000	-	-
Supplies	14,790	14,794	14,794	(4)	-
Travel	12,557	11,126	11,126	1,431	-
Utilities	<u>4,039</u>	<u>4,039</u>	<u>4,039</u>	<u>-</u>	<u>-</u>
	<u>92,823</u>	<u>91,324</u>	<u>91,324</u>	<u>1,499</u>	<u>-</u>
Total	<u>\$ 321,171</u>	<u>\$ 319,672</u>	<u>\$ 319,672</u>	<u>\$ 1,499</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, 2025**

<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	\$ 46,383	\$ 45,866	\$ 45,866	\$ 517	\$ -
Fringe benefits	<u>11,494</u>	<u>11,465</u>	<u>11,465</u>	<u>29</u>	<u>-</u>
	<u>57,877</u>	<u>57,331</u>	<u>57,331</u>	<u>546</u>	<u>-</u>
<b>Operations</b>					
Audit	221	194	194	27	-
Communications	1,376	1,278	1,278	98	-
Food	1,000	1,050	1,050	(50)	-
Insurance	664	655	655	9	-
Maintenance	1,624	1,630	1,630	(6)	-
Postage	36	8	8	28	-
Printing	716	725	725	(9)	-
Professional fees	61,993	61,993	61,993	-	-
Staff development	2,795	2,590	2,590	205	-
Supplies	1,904	1,869	1,869	35	-
Travel	3,143	1,200	1,200	1,943	-
Utilities	<u>1,107</u>	<u>1,020</u>	<u>1,020</u>	<u>87</u>	<u>-</u>
	<u>76,579</u>	<u>74,212</u>	<u>74,212</u>	<u>2,367</u>	<u>-</u>
Total	<u>\$ 134,456</u>	<u>\$ 131,543</u>	<u>\$ 131,543</u>	<u>\$ 2,913</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, 2025**

<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	\$ 45,838	\$ 45,838	\$ 45,838	\$ -	\$ -
Fringe benefits	<u>11,361</u>	<u>11,361</u>	<u>11,361</u>	<u>-</u>	<u>-</u>
	<u>57,199</u>	<u>57,199</u>	<u>57,199</u>	<u>-</u>	<u>-</u>
<b>Operations</b>					
Audit	185	185	185	-	-
Communications	1,146	1,146	1,146	-	-
Food	255	255	255	-	-
Insurance	555	573	573	(18)	-
Maintenance	1,355	1,355	1,355	-	-
Postage	32	4	4	28	-
Printing	598	598	598	-	-
Professional fees	1,662	1,661	1,661	1	-
Staff development	470	498	498	(28)	-
Supplies	310	318	318	(8)	-
Travel	310	232	232	78	-
Utilities	<u>923</u>	<u>912</u>	<u>912</u>	<u>11</u>	<u>-</u>
	<u>7,801</u>	<u>7,737</u>	<u>7,737</u>	<u>64</u>	<u>-</u>
Total	<u>\$ 65,000</u>	<u>\$ 64,936</u>	<u>\$ 64,936</u>	<u>\$ 64</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, 2025**

<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	\$ 36,540	\$ 36,397	\$ 36,397	\$ 143	\$ -
Total	\$ 36,540	\$ 36,397	\$ 36,397	\$ 143	\$ -

**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, 2025

<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>Emergency Shelter</b>					
Operations	\$ 72,547	\$ 63,822	\$ 63,822	\$ 8,725	\$ -
	<u>72,547</u>	<u>63,822</u>	<u>63,822</u>	<u>8,725</u>	<u>-</u>
<b>Other</b>					
Administrative Costs	726	713	713	13	-
Total	<u>\$ 73,273</u>	<u>\$ 64,535</u>	<u>\$ 64,535</u>	<u>\$ 8,738</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, 2025

<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	\$ 635,678	\$ 608,208	\$ 608,208	\$ 27,470	\$ -
Fringe benefits	145,201	136,790	136,790	8,411	-
Staff travel	500	682	682	(182)	-
Training/conference	1,500	1,255	1,255	245	-
Building maintenance/repairs	41,000	73,566	73,566	(32,566)	-
Insurance	12,500	16,135	16,135	(3,635)	-
Professional services	4,000	781	781	3,219	-
Supplies	1,434	1,464	1,464	(30)	-
Food	3,000	2,993	2,993	7	-
Participant transportation	1,000	1,039	1,039	(39)	-
Lines & other participant services	<u>12,500</u>	<u>15,400</u>	<u>15,400</u>	<u>(2,900)</u>	<u>-</u>
	<u>858,313</u>	<u>858,313</u>	<u>858,313</u>	<u>-</u>	<u>-</u>
<b>Operations</b>					
Salaries	183,428	203,515	203,515	(20,087)	-
Benefits	38,581	45,224	45,224	(6,643)	-
Rent/Occupancy	444,599	448,097	448,097	(3,498)	-
Utilities	112,964	95,977	95,977	16,987	-
Communications	22,816	27,823	27,823	(5,007)	-
Professional services	4,017	4,105	4,105	(88)	-
Consumable supplies/Office supplies	4,501	4,570	4,570	(69)	-
Printing	7,884	8,482	8,482	(598)	-
Balance of JA Overflow funding	<u>19,003</u>	<u>-</u>	<u>-</u>	<u>19,003</u>	<u>-</u>
	<u>837,793</u>	<u>837,793</u>	<u>837,793</u>	<u>-</u>	<u>-</u>
<b>Administrative</b>					
Personnel	78,254	78,254	78,254	-	-
Benefits	<u>15,438</u>	<u>15,438</u>	<u>15,438</u>	<u>-</u>	<u>-</u>
	<u>93,692</u>	<u>93,692</u>	<u>93,692</u>	<u>-</u>	<u>-</u>
Total	<u>\$1,789,798</u>	<u>\$1,789,798</u>	<u>\$1,789,798</u>	<u>\$ -</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, 2025

<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>
Per diem @ \$20.60 per client per night	<u>\$90,228</u>	<u>\$71,225</u>	<u>\$71,225</u>	<u>\$ 19,003</u>	<u>\$ -</u>
Total	<u>\$90,228</u>	<u>\$71,225</u>	<u>\$71,225</u>	<u>\$ 19,003</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, 2025**

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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 programs tested as a major program are as follows:

Crime Victim Assistance	16.575
Coronavirus State and Local Fiscal Recovery Funds	21.027
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