

# Financial Statements

Talbot House Ministries of Lakeland, Inc.

Years Ended June 30, 2025 and 2024

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**TALBOT HOUSE MINISTRIES OF LAKELAND, INC.**

**YEARS ENDED JUNE 30, 2025 AND 2024**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Talbot House Ministries of Lakeland, Inc.

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Talbot House Ministries of Lakeland, Inc. (a nonprofit organization) which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Talbot House Ministries of Lakeland, Inc. as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Talbot House Ministries of Lakeland, Inc. 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 opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Talbot House Ministries of Lakeland, Inc.'s 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 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.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Talbot House Ministries of Lakeland, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Talbot House Ministries of Lakeland, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Ramos & Floyd CPAs PLLC*

Lakeland, Florida

May 22, 2026

TALBOT HOUSE MINISTRIES OF LAKELAND, INC

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<b><u>ASSETS</u></b>		
Cash	\$ 11,855	\$ 125,330
Investments	248,853	736,541
Grant receivable	402,173	180,579
Cash - trustee	<u>22,010</u>	<u>47,823</u>
Total current assets	684,891	1,090,273
Property and equipment, net	6,666,838	6,365,700
Other assets	<u>28,531</u>	<u>25,910</u>
Total assets	<u>\$ 7,380,260</u>	<u>\$ 7,481,883</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Accounts payable	\$ 31,524	\$ 59,606
Funds held in trust	22,010	47,823
Accrued liabilities	129,740	104,098
Current portion of long-term debt	<u>20,823</u>	<u>19,383</u>
Total current liabilities	204,097	230,910
Long-term debt	<u>1,323,470</u>	<u>1,344,114</u>
Total liabilities	1,527,567	1,575,024
Net assets:		
Without donor restrictions	<u>5,852,693</u>	<u>5,906,859</u>
Total net assets	<u>5,852,693</u>	<u>5,906,859</u>
Total liabilities and net assets	<u>\$ 7,380,260</u>	<u>\$ 7,481,883</u>

Read accompanying notes to financial statements.

**TALBOT HOUSE MINISTRIES OF LAKELAND, INC**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED JUNE 30, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues and other support</b>			
Contributions and grants	\$ 4,398,955	\$ -	\$ 4,398,955
Special events, net of expense \$48,673	260,309	-	260,309
Program fees	257,580	-	257,580
Other income	2,261	-	2,261
Investment income	112,003	-	112,003
Rent income	89,081	-	89,081
Total revenues and other support	5,120,189	-	5,120,189
<b>Expenses</b>			
Program:			
Basic needs	1,484,472	-	1,484,472
Health and disability	1,146,995	-	1,146,995
Supporting work and independence	1,934,362	-	1,934,362
Employee solutions	322,989	-	322,989
Total program expense	4,888,818	-	4,888,818
Management and general	132,243	-	132,243
Fundraising	153,294	-	153,294
Total expenses	5,174,355	-	5,174,355
Change in net assets	(54,166)	-	(54,166)
Net assets at beginning of year	5,906,859	-	5,906,859
Net assets at end of year	\$ 5,852,693	\$ -	\$ 5,852,693

Read accompanying notes to financial statements.

**TALBOT HOUSE MINISTRIES OF LAKELAND, INC**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED JUNE 30, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues and other support</b>			
Contributions and grants	\$ 4,586,664	\$ -	\$ 4,586,664
Special events, net of expense \$47,627	350,365	-	350,365
Program fees	221,612	-	221,612
Services performed	964	-	964
Other income	82	-	82
Investment income	136,767	-	136,767
Rent income	<u>77,150</u>	<u>-</u>	<u>77,150</u>
Total revenues and other support	5,373,604	-	5,373,604
<b>Expenses</b>			
Program:			
Basic needs	1,355,586	-	1,355,586
Health and disability	1,091,701	-	1,091,701
Supporting work and independence	1,778,131	-	1,778,131
Employee solutions	<u>314,351</u>	<u>-</u>	<u>314,351</u>
Total program expense	4,539,769	-	4,539,769
Management and general	122,903	-	122,903
Fundraising	<u>149,686</u>	<u>-</u>	<u>149,686</u>
Total expenses	<u>4,812,358</u>	<u>-</u>	<u>4,812,358</u>
Change in net assets	561,246	-	561,246
Net assets at beginning of year	<u>5,345,613</u>	<u>-</u>	<u>5,345,613</u>
Net assets at end of year	<u><u>\$ 5,906,859</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,906,859</u></u>

Read accompanying notes to financial statements.

**TALBOT HOUSE MINISTRIES OF LAKELAND, INC**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED JUNE 30, 2025**

	Program Services						
	Basic Needs	Health and Disability	Supporting Work and Independence	Employee Solutions	Management and General	Fundraising	Total
Personnel	\$ 582,236	\$ 769,383	\$ 415,883	\$ 311,912	\$ 101,835	\$ 73,118	\$ 2,254,367
Supplies	417,877	167,151	1,086,479	-	8,797	79,176	1,759,480
Occupancy	159,086	73,723	151,326	3,880	11,000	1,000	400,015
Depreciation	138,124	64,009	131,386	3,369	3,403	-	340,291
Office expense	109,363	36,683	75,296	1,931	5,971	-	229,244
Professional fees	51,732	23,973	49,209	1,262	-	-	126,176
Equipment rental and maintenance	11,690	5,417	11,120	285	883	-	29,395
Interest expense	14,364	6,656	13,663	350	354	-	35,387
<b>Total expenses</b>	<b><u>\$ 1,484,472</u></b>	<b><u>\$ 1,146,995</u></b>	<b><u>\$ 1,934,362</u></b>	<b><u>\$ 322,989</u></b>	<b><u>\$ 132,243</u></b>	<b><u>\$ 153,294</u></b>	<b><u>\$ 5,174,355</u></b>

Read accompanying notes to financial statements.

**TALBOT HOUSE MINISTRIES OF LAKE LAND, INC**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED JUNE 30, 2024**

	Program Services						
	Basic Needs	Health and Disability	Supporting Work and Independence	Employee Solutions	Management and General	Fundraising	Total
Personnel	\$ 568,153	\$ 750,774	\$ 405,824	\$ 304,368	\$ 99,372	\$ 77,073	\$ 2,205,564
Supplies	378,040	151,216	982,903	-	7,958	71,629	1,591,746
Occupancy	156,422	72,488	148,791	3,815	10,816	984	393,316
Depreciation	140,528	65,123	133,673	3,427	-	-	342,751
Office expense	57,585	26,686	54,775	1,404	3,321	-	143,771
Professional fees	34,640	16,053	32,950	844	-	-	84,487
Equipment rental and maintenance	18,824	8,723	17,906	459	1,420	-	47,332
Interest expense	1,394	638	1,309	34	16	-	3,391
<b>Total expenses</b>	<b>\$ 1,355,586</b>	<b>\$ 1,091,701</b>	<b>\$ 1,778,131</b>	<b>\$ 314,351</b>	<b>\$ 122,903</b>	<b>\$ 149,686</b>	<b>\$ 4,812,358</b>

Read accompanying notes to financial statements.

**TALBOT HOUSE MINISTRIES OF LAKELAND, INC**

**STATEMENTS OF CASH FLOWS**

**YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (54,166)	\$ 561,246
Adjustments to reconcile change in net assets to net cash from (used by) operating activities:		
Depreciation	340,291	342,751
In-kind contributions of investments	-	(14,103)
Net realized (gains) losses	(88,574)	(167,973)
Net unrealized (gains) losses	(23,429)	52,822
(Increase) decrease in assets:		
Grant receivable	(221,594)	(82,403)
Other receivable	(2,621)	-
Increase (decrease) in liabilities:		
Accounts payable	(28,082)	22,246
Funds held in trust	(25,813)	14,998
Accrued liabilities	25,642	(25,036)
Net cash from (used by) operating activities	(78,346)	704,548
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(641,429)	(1,162,911)
Proceeds of investments	735,578	661,836
Purchase of investments	(135,887)	(742,700)
Net cash from (used by) investing activities	(41,738)	(1,243,775)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principle repayment of debt	(19,204)	486,104
Net cash from (used by) financing activities	(19,204)	486,104
<b>NET CHANGE IN CASH</b>	(139,288)	(53,123)
Cash at beginning of year	173,153	226,276
Cash at end of year	\$ 33,865	\$ 173,153
<b>RECONCILIATION OF CASH ACCOUNTS:</b>		
Cash	\$ 11,855	\$ 125,330
Cash - trustee	22,010	47,823
Total cash accounts	\$ 33,865	\$ 173,153
<b>SUPPLEMENTAL DATA:</b>		
Cash paid for:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -

Read accompanying notes to financial statements.

**TALBOT HOUSE MINISTRIES OF LAKE LAND, INC**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**ORGANIZATION AND NATURE OF ACTIVITIES** - Since 1979, Talbot House Ministries of Lakeland, Inc. (the "Organization"), a non-profit Florida corporation, has provided programs for emergency and recovery services for the needy. The expanded facilities at 814 North Kentucky Avenue meet the needs of hungry and homeless people. The non-residents are provided with warm meals, showers, clothing, and a bed for the night. Those who decide to commit themselves, with their addictions and problems, to a caring staff may be enrolled in the "Trustee Program."

Special programs such as the Trustee Renewal Program (trained by a professional Renewal Program coordinator), medical clinics (manned by paid staff and volunteer doctors and nurses), life-skills classes, and counseling help each individual take steps toward recovery. The addition of a "Transition House" and Block Building on Kentucky Avenue to replace the "Promise Place" apartment house for persons on SSI and trustees, have provided new opportunities for some to continue their climb to independent living.

Members of the staff, the board of directors, the auxiliary, the many volunteers, and donors work together with compassion and diligence to carry on this ministry. The Organization is supported by churches, organizations, corporate gifts, individual contributions, the United Way, and city, county, and federal governments.

**LIQUIDITY** - Assets are presented in the accompanying statements of financial position according to their nearness of conversion to cash, and liabilities according to the nearness of their maturity, and resulting use of cash.

**DONATED MATERIALS, SUPPLIES, AND PROFESSIONAL SERVICES** - The Organization receives various contributed materials, supplies, and professional medical services used primarily for providing food, clothing, and medical services and supplies for people in need.

**TALBOT HOUSE MINISTRIES OF LAKE LAND, INC**

**NOTES TO FINANCIAL STATEMENTS**

**(continued)**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**REVENUE RECOGNITION** - The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions upon which they depend have been met. Government contracts and grants, some of which are cost-reimbursable, are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. The Organization was awarded cost-reimbursable grants of \$441,908 that have not been recognized at June 30, 2025 because qualifying expenditures have not yet been incurred. Revenue from special events is recognized when the event takes place. The Organization recognizes revenue from exchange transactions (such as rent income - program fees) when the service is rendered, thereby satisfying the Organization's performance obligation.

A receivable is recognized by the Organization for outstanding invoices or other known amounts due to it. The Organization considers its receivables to be fully collectible; accordingly, no allowance for doubtful accounts is required. The Organization does not charge interest on outstanding accounts receivable.

Grant receivable at June 30, 2025 and 2024 was \$402,173 and \$180,579 respectfully.

**CASH** - Cash consists of cash in banks. At times, the Organization's cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation. The Organization has not experienced any losses from these accounts. Negative cash balances are reported as due to the bank.

**INCOME TAX** - The Organization is exempt from federal and state income taxes as an organization described under Section 501(c)(3) of the Internal Revenue Code (IRC). The Organization files a Return of Organization Exempt from Income Tax (Form 990) with the IRS. The Organization did not have any unrelated business income during the year and, accordingly, did not pay any federal, state, or foreign income taxes (net of refunds received) for the year ended June 30, 2025. Therefore, no income taxes were paid to any jurisdiction.

The Organization evaluates its tax positions in accordance with FASB ASC 740-10, Accounting for Uncertainty in Income Taxes. The Organization believes it has no material uncertain tax positions as of the financial statement date. The Organization's policy is to recognize interest and penalties related to income taxes, if any, as a component of income tax expense. No interest or penalties related to income taxes were incurred during the year.

TALBOT HOUSE MINISTRIES OF LAKELAND, INC

NOTES TO FINANCIAL STATEMENTS

(continued)

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

The Organization's Form 990 is subject to examination by the IRS, generally for three years after filing. As of June 30, 2025, the Organization's tax years 2022- 2024 remain open to examination.

**USE OF ESTIMATES** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures 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.

**PROPERTY AND EQUIPMENT** - Purchases of property and equipment in excess of \$500 are capitalized at cost or, if donated, at the estimated fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

**NET ASSETS** - Net assets, revenues, support, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net assets without donor restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

*Net assets with donor restrictions* - Net assets subject to donor (or certain grantor) restrictions. Some donor-imposed restrictions may be temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions may be perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires; that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**FUNCTIONAL EXPENSES** - The Organization allocates its expenses on a functional basis to its programs and support services. Expenses that can be identified with a specific program or support services are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are primarily allocated based on the amount of employee time involved.

TALBOT HOUSE MINISTRIES OF LAKELAND, INC

NOTES TO FINANCIAL STATEMENTS

(continued)

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**LEASES** - The Organization accounts for leases under Financial Accounting Standard Board's Accounting Standards Codification (ASC) 842, Leases. For operating leases in which the Organization is the lessee, the lease standard requires the recognition of a right-of-use asset and a lease liability. The Organization calculates operating lease liabilities with a risk-free discount rate, using a comparable period with the lease term, for all asset classes. All lease and non-lease components are combined for all leases. Lease payments for leases with a term of 12 months or less are expensed on a straight-line basis over the term of the lease with no lease asset or liability recognized. Only lease options that the Organization believes are reasonably certain to exercise are included in the measurement of the lease assets and liabilities.

**CREDIT LOSSES:** The Organization has adopted ASU 2016-13 *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ACS 326)*. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to the financial assets measured at amortized cost, including assessments receivable. Adoption of the new guidance had no effect on the financial statements.

**FAIR VALUE OF FINANCIAL INSTRUMENTS** - The Organization's financial statements, which include cash, promises to give, assets held by others, accounts payable, accrued expenses and deferred support approximate fair values at June 30, 2025.

**MANAGEMENT EVALUATION** - Management has evaluated subsequent events through May 22, 2026, the date which the financial statements were available for issuance.

**NOTE 2 - AGENCY TRANSACTIONS**

The asset account "Cash - trustee" and the liability account "Funds held in trust" represent the cash and rent deposits received by the Organization on behalf of the homeless people. The Organization's policy is to recognize the fair value of the cash received and an offsetting liability until the cash is distributed to the homeless person, at which time the asset and liability are removed from the Organization's books.

TALBOT HOUSE MINISTRIES OF LAKELAND, INC

NOTES TO FINANCIAL STATEMENTS

(continued)

**NOTE 3 - LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year, comprise the following:

	<u>2025</u>	<u>2024</u>
Cash	\$ 11,855	\$ 125,330
Investments	248,853	736,541
Grant receivable	<u>402,173</u>	<u>180,579</u>
Total	<u>\$ 662,881</u>	<u>\$ 1,042,450</u>

The Organization's investments are highly liquid as there are no preventative lockups or restrictions and they can be readily liquidated to cover operating needs. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its liabilities and other obligations come due.

**NOTE 4 - INVESTMENTS**

Investments securities are carried at quoted market prices, are held for trading purposes, and consist of the following as of June 30:

The components of investment income return are as follows:

	<u>2025</u>	<u>2024</u>
Investment income from interest and dividends	\$ 14,555	\$ 23,779
Investment fees	(1,760)	(2,163)
Net realized gain	75,779	167,973
Net unrealized gain (loss)	<u>23,429</u>	<u>(52,822)</u>
Total	<u>\$ 112,003</u>	<u>\$ 136,767</u>

TALBOT HOUSE MINISTRIES OF LAKE LAND, INC

NOTES TO FINANCIAL STATEMENTS

(continued)

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**NOTE 4 - INVESTMENTS** (continued)

The Organization's investments are exposed to a variety of uncertainties, including interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is possible that changes in the value of these investments could occur in the near term. Such changes could materially affect the amount reported in the statements of the Organization.

**NOTE 5 - FAIR VALUE OF FINANCIAL INSTRUMENTS**

The Organization adheres to the Financial Accounting Standards Board Accounting Standards codification, *Fair Value Measurements and Disclosures*, which defines fair value as the price that should be received for an asset or paid to transfer a liability (an exit price) in the Organization's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The standard establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value.

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The valuation methodologies used for assets measured at fair value are as follows:

Stock - Stock is carried as fair value based on quoted prices in active markets.

The following table sets forth, by level, within the fair value hierarchy, amounts recorded in the Organization's financial statements at fair value as on a recurring basis.

**TALBOT HOUSE MINISTRIES OF LAKE LAND, INC**

**NOTES TO FINANCIAL STATEMENTS**

(continued)

**NOTE 5 - FAIR VALUE OF FINANCIAL INSTRUMENTS** (continued)

As of June 30, 2025:

	Level 1	Level 2	Level 3	Total
Stocks	\$ 5,178	\$ -	\$ -	\$ 5,178
Mutual funds	5,192	-	-	5,192
Corporate bonds		14,676		14,676
GiveWell Community Foundation	-	223,807	-	223,807
	-	223,807	-	223,807
Total	\$ 10,370	\$238,483	\$ -	\$248,853

As of June 30, 2024:

	Level 1	Level 2	Level 3	Total
Stocks	\$ 212,585	\$ -	\$ -	\$ 212,585
Mutual funds	72,985	-	-	72,985
Corporate bonds	-	189,055	-	189,055
GiveWell Community Foundation	-	261,916	-	261,916
	-	261,916	-	261,916
Total	\$ 285,570	\$ 450,971	\$ -	\$ 736,541

**TALBOT HOUSE MINISTRIES OF LAKE LAND, INC**

**NOTES TO FINANCIAL STATEMENTS**

(continued)

**NOTE 6 - PROPERTY AND EQUIPMENT**

Major classes of property and equipment consist of:

	<u>2025</u>	<u>2024</u>
Buildings	\$6,216,389	\$6,198,489
Furniture and equipment	962,781	960,167
Leasehold improvements	1,911,804	1,796,889
Land	371,875	371,875
Construction in progress	1,520,425	1,014,425
Vehicles	178,548	178,548
Total property and equipment	<u>11,161,822</u>	<u>10,520,393</u>
Less accumulated depreciation	<u>4,494,984</u>	<u>4,154,693</u>
Net property and equipment	<u><u>\$6,666,838</u></u>	<u><u>\$6,365,700</u></u>

**NOTE 7 - LINE OF CREDIT**

The Organization has a \$100,000 unsecured revolving credit agreement with a bank. The balance outstanding at June 30, 2025 and 2024 was zero. The note bears interest at the bank's prime lending rate plus 0.5 per annum and is due on demand.

**NOTE 8 - LONG TERM DEBT**

The Organization received funding from the Federal Home Loan Bank in Atlanta (FHLB) under the Affordable Housing Program in the amount of \$500,000. The proceeds were required to be expended on the construction of the Fellowship House. The mortgage is non-interest bearing and is to be forgiven January 2029, provided that the Organization complies with the loan covenants set forth in the agreement.

The Organization received funding from the Federal Home Loan Bank in Atlanta (FHLB) under the Affordable Housing Program in the amount of \$365,000. The proceeds were required to be expended on the construction of the Vermont Place. The mortgage is non-interest bearing and is to be forgiven December 2037, provided that the Organization complies with the loan covenants set forth in the agreement.

Additionally, the Organization is obligated on a \$479,293, 7.19% secured by the real property in Winter Haven, Bank of America loan, payable \$4,549 monthly, including interest. Principal and interest payments begin June 2024 and end May 2029 with a balloon payment.

**TALBOT HOUSE MINISTRIES OF LAKE LAND, INC**

**NOTES TO FINANCIAL STATEMENTS**

**(concluded)**

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**NOTE 8 - LONG TERM DEBT** (continued)

Interest paid in cash during the years ended June 30, 2025 and 2024 was \$35,387 and \$3,391, respectively. Certain personal property of the Organization is pledged as collateral under financing arrangements. In the event of default, these assets may be subject to claims by the respective lending institutions.

The aggregate amounts of long term debt maturing are as follows:

Year ending June 30,	
2026	\$ 20,823
2027	22,371
2028	24,033
2029	26,054
Thereafter	<u>386,012</u>
 Total long-term debt	 <u>\$ 479,293</u>

**NOTE 9 - CONCENTRATIONS**

In-kind contributions of materials, supplies and medical services for the years ended June 30, 2025 and 2024 included food, clinic and clothing of \$1,308,232 and \$953,122, respectively. For the years ended June 30, 2025 and 2024, Contributions of \$552,028 and \$852,686, representing 47% and 56% of total revenues, were provided by two and three donors, respectively.

**NOTE 10 - COMMITMENTS AND CONTINGENCIES**

The Organization participates in federal and local programs which are subject to financial and compliance audits to determine compliance with grant requirements. In the event that expenditures would be disallowed, repayment could be required.

**NOTE 11 - RETIREMENT POLICY**

The Organization sponsors a defined contribution retirement plan under Section 401(k) of the Internal Revenue Code covering substantially all eligible employees. Employees may make voluntary contributions to the plan in accordance with plan provisions. The Organization provides a discretionary employer matching contribution to eligible participants. For the years ended June 30, 2025 and 2024 the Organization recognized employer matching contributions totaling \$10,136 and \$15,175, respectively, which are included in payroll expenses in the accompanying financial statements.