

**THE SUNDARI FOUNDATION, INC.
AND AFFILIATES
(D.B.A. THE LOTUS HOUSE WOMEN'S SHELTER)
(a nonprofit organization)
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

**THE SUNDARI FOUNDATION, INC.
AND AFFILIATES
(D.B.A. THE LOTUS HOUSE WOMEN'S SHELTER)
(a nonprofit organization)
CONSOLIDATED FINANCIAL STATEMENTS
TABLE OF CONTENTS
DECEMBER 31, 2024 AND 2023**

	<u>PAGES</u>
INDEPENDENT AUDITORS' REPORT	1-2
CONSOLIDATED FINANCIAL STATEMENTS:	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities and Changes in Net Assets	4
Consolidated Statements of Cash Flows	5
Notes to Consolidated Financial Statements	6 – 14
COMPLIANCE SECTION:	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	15

INDEPENDENT AUDITORS' REPORT



Accountants
Advisors

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
The Sundari Foundation, Inc. and Affiliates (D.B.A. The Lotus House Women's Shelter)
(a nonprofit organization)
Miami, Florida

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of the Sundari Foundation, Inc. and Affiliates (D.B.A. The Lotus House Women's Shelter) (the "Foundation"), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Foundation as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Foundation 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 consolidated financial statements.

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 consolidated 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 consolidated 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 the Foundation'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2025, on our consideration of the Foundation'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 the Foundation'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 the Foundation's internal control over financial reporting and compliance.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
June 27, 2025

CONSOLIDATED FINANCIAL STATEMENTS

THE SUNDARI FOUNDATION, INC. AND AFFILIATES
(D.B.A. THE LOTUS HOUSE WOMEN'S SHELTER)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 9,735,871	\$ 7,472,567
Short-term investments	3,144,501	2,960,335
Cash and cash equivalents	12,880,372	10,432,902
Accounts receivable	1,701,906	1,783,834
Investments	78,350	91,019
Prepaid expenses	247,291	212,921
Due from affiliate	5,066	3,208
Total current assets:	14,912,985	12,523,884
Non-current assets:		
Furniture, equipment and leasehold improvements, net	400,592	465,769
Operating lease right-of-use asset	3,253,532	3,375,617
Other assets	120	6,420
Total non-current assets:	3,654,244	3,847,806
Total assets	<u>\$ 18,567,229</u>	<u>\$ 16,371,690</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 424,666	\$ 298,374
Due to affiliate	-	14,621
Total current liabilities:	424,666	312,995
Long-term liabilities:		
Operating lease liabilities	3,253,532	3,375,617
Total long-term liabilities:	3,253,532	3,375,617
Total liabilities	3,678,198	3,688,612
Net assets		
Without donor restrictions	14,889,031	12,683,078
Total net assets	14,889,031	12,683,078
Total liabilities and net assets	<u>\$ 18,567,229</u>	<u>\$ 16,371,690</u>

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

THE SUNDARI FOUNDATION, INC. AND AFFILIATES
(D.B.A. THE LOTUS HOUSE WOMEN'S SHELTER)
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
DECEMBER 31, 2024 AND 2023

	2024	2023
	Without Donor Restrictions	Without Donor Restrictions
SUPPORT AND REVENUE:		
Contributions	\$ 4,124,608	\$ 3,114,734
In-Kind donated goods	4,251,739	4,255,231
In-Kind rent	231,215	262,086
In-Kind services	197,323	148,012
Special events	371,441	663,126
Grants revenue	10,319,000	9,121,760
Investment and other income	523,486	352,908
Thrift shop sales	145,200	208,826
Total support and revenue	20,164,012	18,126,683
EXPENSES:		
Program services:		
Conferences and meetings	51,152	30,433
Depreciation	118,707	120,304
Travel	-	79,646
Food and meals	589,632	680,592
Insurance	507,121	459,467
Materials and supplies	2,596	50,598
Office expenses	367,058	254,960
Public awareness/outreach	47,817	17,582
Rent	196,000	168,588
In-Kind rent	231,216	262,086
In-Kind services	197,323	-
Repairs and maintenance	260,765	249,149
Salaries and related expenses	8,698,796	8,346,497
Supplies- Special Needs from Thrift Shop	3,326,880	2,310,310
Supportive services	1,804,845	1,103,371
Donated goods	924,814	1,944,811
Utilities	206,242	227,142
Miscellaneous	8,798	-
Total program services	17,539,762	16,305,536
Supporting services:		
Management and general:		
Office expenses	18,844	28,875
Professional fees	260,010	276,008
Salaries and related expenses	25,688	23,681
Total management and general	304,542	328,564
Fundraising:		
Salaries and related expenses	25,688	23,681
Special event	88,065	61,171
Total fundraising	113,753	84,852
Total supporting services	418,296	413,416
Total expenses	17,958,058	16,718,952
Change in net assets	2,205,954	1,407,731
Net assets, beginning of year	12,683,077	11,275,347
Net assets, end of year	\$ 14,889,031	\$ 12,683,078

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

THE SUNDARI FOUNDATION, INC. AND AFFILIATES
(D.B.A. THE LOTUS HOUSE WOMEN'S SHELTER)
CONSOLIDATED STATEMENTS OF CASH FLOWS
DECEMBER 31, 2024 AND 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 2,205,954	\$ 1,407,731
Depreciation	118,707	120,304
Net realized and unrealized (gain) loss on investments	12,669	73,578
(Increase) decrease in:		
Accounts receivable	81,928	562,704
Prepaid expenses	(34,370)	(53,447)
Due from affiliate	(1,858)	4,508
Other assets	6,300	21,339
Increase (decrease) in:		
Accounts payable and accrued expenses	126,292	(27,001)
Due to affiliate	(14,621)	14,621
Net cash provided by operating activities	<u>2,501,001</u>	<u>2,124,337</u>
Cash flows from investing activities:		
Acquisition of furniture and equipment	<u>(53,531)</u>	<u>(25,525)</u>
Net cash used in investing activities	<u>(53,531)</u>	<u>(25,525)</u>
Net increase in cash	2,447,470	2,098,812
Cash, beginning of year	<u>10,432,902</u>	<u>8,334,090</u>
Cash, end of year	<u><u>\$ 12,880,372</u></u>	<u><u>\$ 10,432,902</u></u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**THE SUNDARI FOUNDATION, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 – NATURE OF ACTIVITIES

The Sundari Foundation, Inc. (D.B.A. The Lotus House Women's Shelter) (the "Foundation") is a 501(c)(3) non-profit corporation organized under the laws of the State of Florida in June 2004. The Foundation's mission is the education, advancement and social inclusion of poor, disadvantaged, and homeless women and children.

The Foundation operates the Lotus House Women's Shelter as a free, holistic, shelter and resource center, providing housing, meals, counseling, social services referrals and advocacy, educational advancement opportunities, life skills and job readiness training, enrichment activities and support services.

The Foundation's wholly owned subsidiary, Lotus House Thrift LLC, receives in-kind donations from the community which serve the shelter's needs and provides free clothing and furnishings to the women and children served by Lotus House Women's Shelter. Lotus House Thrift also functions as a job readiness training site and work program for the women served by Lotus House Women's Shelter.

The Foundation's wholly owned subsidiary, Lotus Wellness Center, LLC, is a free, "Good Samaritan" health clinic providing women's wellness exams and basic health care screenings for women who are indigent and uninsured, including women of Lotus House and from the surrounding neighborhoods. It is staffed by volunteers.

The Foundation's wholly owned subsidiary, National Women's Shelter Network, LLC, is an initiative to build a network of women's shelters on a national level for sharing information, best practices, and innovation to advance the status of women and children experiencing homelessness. In December 2023, the Foundation changed the name of the National Women's Shelter Network, LLC to Lotus House Women's Initiative, LLC and then transferred the name "National Women's Shelter Network" and the related assets and liabilities to a newly formed, independent, nonprofit organization, National Women's Shelter Network, Inc. The Foundation has two board appointees at the new organization and the work of the National Women's Shelter Network, Inc. continues to be an important initiative an priority of Lotus House.

In 2007, the Lotus Endowment Fund, Inc. (the "Endowment"), a 501(c)(3) non-profit, Type II 509(a)(3), was formed and is operated exclusively to benefit the Foundation and its initiatives, including the Lotus House Women's Shelter. A majority of the board members of the Endowment are also board members of the Foundation however they do not constitute the majority of the Foundation's board; therefore, the Foundation does not control the Endowment.

The original facilities occupied by Lotus House Women's Shelter in Overtown, Miami, were redeveloped by Lotus Village Development, LLC, a subsidiary of Lotus Endowment Fund, Inc., from late 2016 through 2017, during which time Lotus House Women's Shelter occupied substitute facilities consisting of rental apartment buildings nearby. In late December 2017, Lotus Village Development completed construction of a new 100,000+ square foot mixed-use project including 140 shelter units, supportive service and programming space, a children's wellness center and neighborhood health clinic. Lotus House Women's Shelter took occupancy of the new state of the art, comprehensive homeless services facility, named Lotus Village, pursuant to a long term, master lease from Lotus Village Development, LLC in late 2017. Subsequent to that date, Lotus House Women's Shelter subleased the neighborhood health clinic to Jessie Trice Community Health System and licensed the childcare center to United Way Center for Excellence in Early Education.

In 2015, the Lotus Supporting Foundation, Inc. (the "Supporting Foundation"), a 501(c)(3) non-profit, Type II 509(a)(3), was formed and is operated exclusively to benefit the Foundation and its initiatives, including the Lotus House Women's Shelter. A majority of the board members of the Supporting Foundation are also board members of the Foundation however they do not constitute the majority of the Foundation's board; therefore the Foundation does not control the Supporting Foundation. The Supporting Foundation assisted in the financing needed for the redevelopment of the Lotus Village project.

The Foundation, Lotus House Thrift LLC and Lotus Wellness Center, LLC, will be collectively referred to as the Foundation in the consolidated financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 – NATURE OF ACTIVITIES (CONTINUED)

In October 2021, Lotus Endowment Fund, Inc. amended its existing master lease with the Foundation, Inc. for a new parcel of vacant land located at 233-235 NW 14th Terrace, Miami, which was subsequently transferred in January 2022 by the endowment to its wholly owned subsidiary, Lotus Village II, LLC. Upon transfer it was released from the original master lease and Lotus Village II, LLC entered into a new master lease of the same parcel of land and additional parcels of land in January-April 2022, subject to a purchase money mortgage in favor of Lotus Endowment, for the prospective development of the Children's Village at Lotus Village, a planned children's resource center, located at 205, 211, 213, 219, 225, and 233-35 NW 14th Terrace and 1460 NW 2nd Avenue, Miami. The properties are used by the Foundation for various activities but remains in development at this time by Lotus Village II, LLC. No rent is due until such time as the Foundation takes occupancy of the new Children's Village. In April 2023, the master lease from Lotus Village II, LLC to the Foundation was amended and restated to facilitate the development of the Children's Village as part of the new market tax credit financing for the development.

In May 2024 through August 2024, Lotus Village III, LLC, a subsidiary of Lotus Endowment, Inc., entered into a master lease with the Foundation for several parcels of land in close proximity to Lotus Village. The properties are used by the Foundation for various activities, pending possible future development. No rent is due until such time as the Foundation takes occupancy.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The consolidated financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Using this method, revenues are recognized when earned and expenses are recognized when incurred.

B. Financial Statement Presentation

The consolidated financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 (as amended by ASU 2016-14, Not-For-Profit Entities) and the provisions of the American Institute of Certified Public Accountants (AICPA) Audit and Accounting Guide for Not-for-Profit Organizations (the "Guide").

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. The Foundation's board may designate assets without restrictions for specific operational purposes from time to time. Total net assets without donor restrictions as of December 31, 2024 and 2023 were \$14,897,866 and \$12,683,078, respectively.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. There were no net assets with donor restrictions as of December 31, 2024 and December 31, 2023.

C. Principles of Consolidation

Generally accepted accounting principles require the Foundation to consolidate entities in which it has control and an economic interest when that control is evidenced through a majority ownership or voting interest. The Sundari Foundation, Inc., has an economic interest and control of the Board of The Lotus House Thrift, LLC, and The Lotus Wellness Center, LLC, therefore consolidation is required. All material intra-organizational accounts and transactions have been eliminated in the accompanying consolidated financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Cash Equivalents

For purposes of the statement of financial position and statement of cash flows, cash consists of cash and other highly liquid resources with original maturities of three months or less.

E. Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values based on quoted prices in active markets (Level 1 measurements) and on quoted markets that are not active in observable inputs (Level 2 measurements) in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

F. Accounts Receivable

Accounts receivable is stated at the amount management expects to collect from outstanding balances. Management believes that all receivables, are collectible within one year, therefore, the Foundation has not included a provision for uncollectible accounts. Any accounts deemed uncollectible will be charged to expense when the determination is made. There were no uncollectible accounts during the years ended December 31, 2024 and 2023.

G. Contributions

Contributions and gifts received with no restrictions or specified uses identified by the donor are included in revenue without donor restrictions in the statement of activities when notification is received. Contributions received with donor stipulations that limit the use of donated assets are reported as revenue with donor restrictions in the statement of activities when notification is received.

When donor restrictions expire or are fulfilled by actions of the Foundation, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

H. Furniture, Equipment and Leasehold Improvements

The Foundation capitalizes all expenditures for furniture, equipment and leasehold improvements in excess of \$500. Contributed furniture and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of furniture and equipment are recorded as unrestricted support.

Furniture, equipment, and leasehold improvements of the Foundation are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Leasehold improvements	5-10
Vehicles	5
Furniture and equipment	3-10

Repairs and maintenance are expensed as incurred. Improvements which increase the life of the assets are capitalized. The carrying amount of assets sold is retired and the related accumulated depreciation is eliminated in the year of disposal and the resulting gain or loss is credited or charged to operations.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Donated Goods and Services

Contributions of donated noncash assets are recorded at their fair values in the period received.

Donated services consist of the estimated value of contributed services. The amount of donated services includes support provided by volunteers and professionals.

J. Functional Allocation of Expenses

The costs of providing the program activities have been summarized on a functional basis in the consolidated statements of activities and changes in net assets. Accordingly, certain costs have been allocated based on the percentages applied by management for distributing health insurance, office supplies, and other related costs among program and supporting services.

K. Income Taxes

The Foundation is tax-exempt under Section 501(c) (3) of the Internal Revenue Code and is subject to a tax on income from any unrelated business. The Foundation did not have any unrelated business income for the years ended December 31, 2024 and 2023.

The Foundation adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more likely than not be sustained upon examination by taxing authorities. The Foundation has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Foundation believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Foundation's financial condition, results of operations, or cash flows. Accordingly, the Foundation has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2024 or 2023.

The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Foundation believes it is no longer subject to income tax examinations for years prior to 2021. The Foundation's policy is to classify income tax-related interest and penalties in interest expense and other expenses, respectively.

L. Use of Estimates

The preparation of consolidated financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States of America. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenses during the period reported. These estimates include assessing the collectability of receivables, and the useful lives and impairment of tangible assets. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statement in the period they are determined to be necessary. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Subsequent Events

The Sundari Foundation has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through June 27, 2025, the date the financial statements were available to be issued.

NOTE 3 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date at December 31, 2024 and 2023, comprise the following:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 12,880,372	\$ 10,432,902
Accounts receivable	1,701,906	1,783,834
Due from affiliate	<u>5,066</u>	<u>3,208</u>
	<u>\$ 14,587,344</u>	<u>\$ 12,219,944</u>

The Foundation's goal is generally to manage its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures, liabilities, and other obligations as they come due.

NOTE 4 – CONCENTRATION OF CREDIT RISK

Credit Risk

The Foundation maintains its cash balances in a financial institution. The balances at the financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2024 and 2023, there were uninsured cash balances of \$8,713,492 and \$7,197,588, respectively. The Foundation believes that the risk of loss with respect to financial institutions has been reduced by choosing strong institutions with which to do business.

NOTE 5 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as shown on the statements of cash flows consist of the following:

	<u>2024</u>	<u>2023</u>
Cash	\$ 9,735,871	\$ 7,472,567
Short-term investments	<u>3,144,501</u>	<u>2,960,335</u>
	<u>\$ 12,880,372</u>	<u>\$ 10,432,902</u>

NOTE 6 – ACCOUNTS RECEIVABLE

The breakdown of accounts receivable which are all due in less than one (1) year as of December 31, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Grants	\$ <u>1,701,906</u>	\$ <u>1,783,834</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 7 – INVESTMENTS

Investments are stated at fair value and consist of the following as of December 31, 2024 and 2023, respectively:

	<u>2024</u>	<u>2023</u>
Fixed Income	\$ 78,350	\$ 91,019
Total	<u>\$ 78,350</u>	<u>\$ 91,019</u>

Investment return (loss) related to these investments is included in the consolidated statements of activities and changes in net assets at December 31, and was comprised of the following:

	<u>2024</u>	<u>2023</u>
Interest and dividend income	\$ 162,458	\$ 137,127
Realized/unrealized gain (loss)	507,229	267,926
Investment fees	(4,155)	(10,641)
Accrued income	12,317	13,785
Total	<u>\$ 677,849</u>	<u>\$ 408,197</u>

NOTE 8 – FAIR VALUE MEASUREMENTS

Fair values of investments measured at December 31, 2024 are as follows:

<u>Fair Value Measurements at Reporting Date</u>			
	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
<u>December 31, 2024</u>			
Investments			
Fixed Income	\$ 78,350	\$ -	\$ 78,350
Total	<u>\$ 78,350</u>	<u>\$ -</u>	<u>\$ 78,350</u>

Fair values of investments measured at December 31, 2023 are as follows:

<u>Fair Value Measurements at Reporting Date</u>			
	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Other Observable Inputs</u>
<u>December 31, 2023</u>			
Investments			
Fixed Income	\$ 91,019	\$ 7,521	\$ 83,498
Total	<u>\$ 91,019</u>	<u>\$ 7,521</u>	<u>\$ 83,498</u>

Financial assets valued using level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets. There have been no changes in valuation techniques and related inputs.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 9 – FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Furniture, equipment and leasehold improvements at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
CIP	\$ 88,412	\$ 88,412
Buildings	95,000	95,000
Vehicles	323,359	323,359
Furniture and equipment	<u>3,858,698</u>	<u>3,927,277</u>
	4,365,469	4,434,048
Less: Accumulated depreciation	<u>(711,345)</u>	<u>(592,662)</u>
	<u>\$ 3,654,124</u>	<u>\$ 3,841,386</u>

Depreciation expense for the years ended December 31, 2024 and 2023 was \$119,221 and \$120,304, respectively.

NOTE 10 – CONTINGENCIES

The Foundation received certain grants revenues, which require compliance with certain provisions stated in the instrument of the grant. Failure to comply with these provisions could result in a request for the return of funds to the grantor. Although, this is a possibility, the Foundation's management deems the contingency remote since, in their opinion, the Foundation has fully complied with the provisions of the grants.

NOTE 11 – IN-KIND DONATIONS

The Foundation records various types of in-kind support, including services, furniture, clothes, supplies and other tangible assets. GAAP requires recognition of professional services received if those services (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. During 2024 and 2023, \$4,251,739 and \$4,255,231 were recognized, respectively.

Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements as in-kind support are offset by like amounts included in expenses or assets.

The Foundation received donated rent and services in the amount of \$428,538 and \$410,098, respectively, for the years ended December 31, 2024 and 2023.

**THE SUNDARI FOUNDATION, INC.
AND AFFILIATES
(D.B.A. THE LOTUS HOUSE WOMEN'S SHELTER)
(a nonprofit organization)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 12 – LEASES

On September 23, 2016, the Foundation entered into a lease agreement with Lotus Village Development, LLC for the use and operation of a comprehensive homeless services facility, including a homeless shelter with amenities, health clinic and childcare center. The new lease commenced September 16, 2016, and expires December 1, 2045, subject to renewal. Rent commences the later of occupancy of the new facilities or June 1, 2018. Base rent payments of the lease is comprised of four (4) quarterly payments each year in the amount of \$49,000. The annual, straight-line lease expense over the term of the lease is approximately \$196,000. The remaining life of the lease is 22 years.

The maturities of lease liabilities as of December 31, 2024 were as follows:

Years Ending December 31,	Amount
2025	\$ 196,000
2026	196,000
2027	196,000
2028	196,000
2029	196,000
Thereafter	<u>3,087,000</u>
Total lease payment	4,067,000
Less: imputed interest	<u>(813,468)</u>
Present value of liability	<u>\$ 3,253,532</u>

In October 2021, Lotus Endowment Fund, Inc. amended its existing master lease with the Foundation, Inc. for a new parcel of vacant land located at 233-235 NW 14th Terrace, Miami, which was subsequently transferred in January 2022 by the endowment to its wholly owned subsidiary, Lotus Village II, LLC. Upon transfer it was released from the original master lease and Lotus Village II, LLC entered into a new master lease of the same parcel of land and additional parcels of land in January-April 2022, subject to a purchase money mortgage in favor of Lotus Endowment, for the prospective development of the Children's Village at Lotus Village, a planned children's resource center, located at 205, 211, 213, 219, 225, and 233-35 NW 14th Terrace and 1460 NW 2nd Avenue, Miami. The properties are used by the Foundation for various activities but remains in development by Lotus Village II, LLC. No rent is due until such time as the Foundation takes occupancy of the new Children's Village. In April 2023, the master lease from Lotus Village II, LLC to the Foundation was amended and restated to facilitate the development of the Children's Village as part of the new market tax credit financing for the development.

In May 2024 through August 2024, Lotus Village III, LLC, a subsidiary of Lotus Endowment, Inc., entered into a master lease with the Foundation for several parcels of land in close proximity to Lotus Village. The properties are used by the Foundation for various activities, pending possible future development. No rent is due until such time as the Foundation takes occupancy.

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DECEMBER 31, 2024 AND 2023**

NOTE 13 – DONATED FACILITIES

In December 2007, the Foundation executed a lease for donated facilities with Lotus Endowment Fund, Inc. (the "Endowment") for a period of fifty (50) years with automatic one-year renewals after the initial term for \$1 per year. The lease agreement was amended on August 2010, February 2011, December 2012, April 2013, December 2013, December 2015 and January 2016 to add additional facilities. In September 2016, the Endowment transferred land to Lotus Village Development which consisted of eleven parcels of property now bearing the consolidated address of 217 NW 15th Street, Miami FL. for the purpose of developing the construction and development of comprehensive homeless services facility together with health clinic and the childcare center. Upon removal of the eleven parcels of land for the redevelopment, two properties remained under the original lease for use by the Foundation: 2040 NW 7th Avenue and 420 NW 35th Street ("Remaining Properties").

Under the terms of the original lease for the Remaining Properties, the Foundation is responsible for the payment of all real estate taxes, insurance, utilities and repairs and maintenance of the facilities. The facilities must be used solely and exclusively for the establishment and continuous operation of a non-profit, gender specific, free housing for homeless and formerly homeless women, d/b/a The Lotus House and/or Lotus House Women's Shelter, by the Foundation, and for no other use or purpose. If the facilities are used for any other purpose, the lease will automatically terminate. The lease agreement may be terminated by the Foundation by providing 60-day notice to the Endowment. The Endowment may terminate the lease if the Foundation violates the terms of the lease more specifically the permitted use of the facilities described in the lease agreement. It is due to these provisions that the lease is considered an annual donation to the Foundation and not a long-term promise to give. On September 16, 2016 the aforementioned lease for the facility was terminated as to the transfer properties and a new lease was entered into in connection with the new market tax credit financing between Lotus Village Development LLC as lessor and Sundari Foundation as lessee.

The Foundation has recorded an in-kind contribution and rent expense of \$231,215 and \$262,086 for the use of the facilities under the lease agreement for the years ended December 31, 2024 and 2023, respectively. This amount approximates the fair market value of rent expense.

COMPLIANCE SECTION



Accountants
Advisors

INDEPENDENT AUDITORS' 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 Trustees of
The Sundari Foundation, Inc. and Affiliates (D.B.A. The Lotus House Women's Shelter)
(a nonprofit organization)
Miami, Florida

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 consolidated financial statements of The Sundari Foundation, Inc. and Affiliates (D.B.A. The Lotus House Women's Shelter) (the "Foundation"), which comprise the consolidated financial statement of financial position as of December 31, 2024, and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 27, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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 Foundation's consolidated 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's consolidated 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 consolidated financial statements. 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*.

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 Foundation'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.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
June 27, 2025