

**TRILLIUM HOUSE, INC.**  
**AUDITED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

## **TABLE OF CONTENTS**

Independent Auditor's Report.....	3
Statement of Financial Position .....	5
Statement of Activities .....	6
Statement of Cash Flows.....	7
Statement of Functional Expenses.....	8
Notes to Financial Statements.....	9



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Trillium House, Inc.

### **Opinion**

We have audited the accompanying financial statements of Trillium House, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Trillium House, Inc. as of December 31, 2024, and 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. 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 Trillium House, 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 these 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 Trillium House, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **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 Trillium 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 Trillium House, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

*Anderson, Tackman & Company, PLLC*

Certified Public Accountants  
Marquette, MI

October 22, 2025

**TRILLIUM HOUSE, INC.**

STATEMENT OF FINANCIAL POSITION

December 31, 2024

**ASSETS**

**CURRENT ASSETS:**

Cash and cash equivalents	\$	424,749
Contracts receivable		57,590
Prepaid expenses		10,547
Total Current Assets		<u>492,886</u>

**NON-CURRENT ASSETS:**

Unconditional promises to give		<u>-</u>
		<u>-</u>

Property, plant, and equipment:

Land		225,000
Building design and development		2,043,062
Fixtures, furniture, and equipment		52,521
		<u>2,320,583</u>
Less accumulated depreciation		<u>(349,793)</u>
Net property, plant, and equipment		<u>1,970,790</u>

Total Non-Current Assets 1,970,790

**TOTAL ASSETS** \$ 2,463,676

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES:**

Accounts payable	\$	2,976
Accrued payroll and related liabilities		37,949
Total Current Liabilities		<u>40,925</u>

**NET ASSETS:**

Net assets without donor restrictions		2,362,644
Net assets with donor restrictions		60,107
Total Net Assets		<u>2,422,751</u>

**TOTAL LIABILITIES AND NET ASSETS** \$ 2,463,676

The accompanying notes to the financial statements are an integral part of this statement.

**TRILLIUM HOUSE, INC.**

STATEMENT OF ACTIVITIES

For the year ended December 31, 2024

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<b>SUPPORT AND REVENUE:</b>			
<b>Revenue From Contracts</b>			
Resident revenue	\$ 371,240	\$ -	\$ 371,240
Respite revenue	86,580	-	86,580
<b>Revenue Not From Contracts</b>			
Contributions	425,947	9,977	435,924
Fundraising	40,453	-	40,453
Grants	-	100,943	100,943
Interest income	2,123	-	2,123
Proceeds from business interruption insurance	-	-	-
Gain on insured building repairs	-	-	-
Net assets released from restrictions	154,157	(154,157)	-
<b>TOTAL SUPPORT AND REVENUE</b>	1,080,500	(43,237)	1,037,263
<b>EXPENSES:</b>			
Program services	695,646	-	695,646
Management and general	134,431	-	134,431
Fundraising	90,459	-	90,459
<b>TOTAL EXPENSES</b>	920,536	-	920,536
Change in net assets	159,964	(43,237)	116,727
Net assets beginning of year	2,202,680	103,344	2,306,024
<b>NET ASSETS END OF YEAR</b>	<b>\$ 2,362,644</b>	<b>\$ 60,107</b>	<b>\$ 2,422,751</b>

The accompanying notes to the financial statements are an integral part of this statement.

**TRILLIUM HOUSE, INC.**

**STATEMENT OF CASH FLOWS**

For the year ended December 31, 2024

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Cash received from contributions	\$	435,924
Cash received from fundraising		40,453
Interest received		2,123
Cash received from contracts with customers		440,790
Cash received from grants		100,943
Cash paid to suppliers and employees		(967,145)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		<u>53,088</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Purchase of property, plant, and equipment		<u>59,505</u>
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>		<u>59,505</u>

**CASH FLOWS FROM FINANCING ACTIVITIES:**

<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>		<u>-</u>
---	--	----------

**NET CHANGE IN CASH AND CASH EQUIVALENTS** 112,593

Cash and cash equivalents, beginning of year 312,156

**CASH AND CASH EQUIVALENTS, END OF YEAR** \$ 424,749

The accompanying notes to the financial statements are an integral part of this statement.

**TRILLIUM HOUSE, INC.**

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2024

	Program Services	Management and General	Fundraising	Total
Payroll expenses	\$ 419,122	\$ 81,646	\$ 43,545	\$ 544,313
Employee related expenses	45,825	8,927	4,761	59,513
Contracted services	20,538	4,001	2,134	26,673
Legal expenses	-	-	-	-
Bank and credit card charges	-	-	-	-
Rent	-	-	-	-
Repairs and maintenance	19,509	3,800	2,026	25,335
Utilities	18,819	3,666	1,955	24,440
Licenses and permits	200	-	-	200
Depreciation	46,052	8,971	4,785	59,808
Communications	13,574	2,644	1,411	17,629
Insurance	22,301	4,345	2,319	28,965
Equipment and supplies	46,461	9,051	4,826	60,338
Marketing	36,851	7,179	3,828	47,858
Travel and meetings	1,029	201	107	1,337
Event Expenses	-	-	18,762	18,762
Patient write-offs	5,365	-	-	5,365
<b>TOTAL EXPENSES</b>	<b>\$ 695,646</b>	<b>\$ 134,431</b>	<b>\$ 90,459</b>	<b>\$ 920,536</b>

The accompanying notes to the financial statements are an integral part of this statement.

## TRILLIUM HOUSE, INC.

### NOTES TO FINANCIAL STATEMENTS

December 31, 2024

#### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES:

##### **Nature of Activities**

The accounting policies followed by the Trillium House, Inc. and the methods of applying those policies which materially affect the determination of financial position, changes in net assets, cash flows and results of activities are summarized below.

Trillium House, Inc.'s mission statement is to provide a safe and supporting living environment for those living with a terminal diagnosis.

Trillium House, Inc. placed the property, plant, and equipment in service and began operations on July 13, 2018.

##### **Financial Statement Presentation**

The Trillium House, Inc. conforms to the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-605-45-3, "Contributions Received" and ASC 958-210-45-9, "Classification of Net Assets", as amended by ASU 2016-14. In accordance with these provisions, Trillium House, Inc. is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Descriptions of the asset classes are as follows:

##### **Net Assets Without Donor Restrictions**

Represent funds for which the use of has not been restricted as to use by donors. Certain of these assets may be designated by the governing board of Trillium House, Inc. to be used for a specific purpose.

##### **Net Assets with Donor Restrictions**

Represent funds whose use is limited by donor-imposed stipulations that expire either by passage of time or fulfillment of the stipulations, or that do not expire. The funds are reported as revenues with donor restrictions upon receipt and are transferred to net assets without donor restrictions when the time or purpose restrictions have been met, if applicable.

The Organization has adopted ASU 2016-13 Financial Instruments – Credit Losses on January 1, 2023, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including receivables.

The Organization adopted ASU 2016-13 using the modified retrospective method for all financial assets measured at amortized cost. Results for reporting periods beginning after January 1, 2023 are presented under ASU 2016-13 while prior period amounts continue to be reported in accordance with previously applicable GAAP. The cumulative effect of this adoption did not have a material impact to the financial statements.

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued):**

Unconditional promises to give due in the ensuing year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts. Promises to give are from the Capital Campaign, which began in 2014, or from general contributions. Promises to give were reduced to net realizable value based on management’s evaluation of potential uncollectible promises receivable at year end.

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that required specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

The Organization follows FASB ASC 606 for revenues from contracts. The following table provides information about contracts receivable as of December 31:

	<u>2024</u>	<u>2023</u>
Contracts receivable	\$57,590	\$45,925

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

**Cash Equivalents**

Cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

**Property, Plant, and Equipment**

Property and equipment is stated at cost for assets purchased and fair market value of assets donated to the organization. All direct expenses relating to the building have been capitalized. Depreciation is computed on a straight-line method over the useful lives of the assets generally as follows:

Building design and development	15-39 years
Fixtures, furniture, and equipment	3-10 years

**Contributions**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with restrictions that increase those net assets classes. When a restriction expires, 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.

Donated services requiring specific expertise are recorded at their fair market value.

## **NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued):**

### **Resident Revenue**

Resident revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing resident care. These amounts are due from the resident or other responsible party and include consideration of the sliding scale fee structure based on the income and assets of the resident. Generally, the Organization bills the resident or other responsible party bimonthly. Revenue is recognized as the performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Organization believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. The Organization measures the performance obligation from admission into the facility to the point when it is no longer required to provide services to that resident.

The Organization determines the transaction price based on standard charges for goods and services provided. Standard charges for each resident are determined on a set sliding scale fee based on income and assets of the resident. Consistent with the Organization's mission, care is provided to residents regardless of their ability to pay. Therefore, the Organization has determined it has provided implicit price concessions to residents not meeting the income and asset guidelines of the fee schedule. The implicit price concessions included in estimating the transaction price represents the difference between amounts billed to residents and the amounts the Organization expects to collect based on its collection history with those residents.

The Organization has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors:

- Financial status of the resident or person responsible for the resident
- Length of the resident's service or episode of care
- Whether the resident is able to manage or has assistance managing their affairs

For the year ended December 31, 2024, the Organization recognized revenue of \$371,240 from goods and services that transfer to the customer over time.

### **Respite Revenue**

Respite revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing respite care. These amounts are due from respite patients or the party responsible for their care and are based on a flat, per day fee for respite care. Generally, the Organization bills the respite patient or other responsible party upon arrival for the duration of the stay. Revenue is recognized as the performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Organization believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. The Organization measures the performance obligation from admission into the facility to the point when it is no longer required to provide services to that respite patient.

## **NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued):**

The Organization determines the transaction price based on standard charges for goods and services provided. A standard, per day, fee is charged to respite patients and no price concessions are offered, implicit or otherwise.

The Organization has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors:

- Financial status of the respite patient and/or person responsible for the respite patient
- Length of the respite patient's service or episode of care

For the year ended December 31, 2024 the Organization recognized revenue of \$86,580 from goods and services that transfer to the customer over time.

### **Advertising**

Advertising costs are expensed as incurred.

### **Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated amongst program services, management and general, and fundraising. Where information is available to directly allocate costs amongst the categories it is used. All other expenses are allocated by management's estimates.

### **Income Taxes**

Trillium House, Inc. is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code as a charitable organization whereby only unrelated business income, as defined by Section 509(a)(1) of the Code, is subject to federal income tax. Trillium House, Inc. did not conduct any unrelated business activities, and therefore has made no provision for federal income taxes in the accompanying financial statements. The organization's federal Exempt Organization Information Returns (Form 990) for 2022, 2023, and 2024 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### **Subsequent Events**

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through October 22, 2025, which is the date the financial statements were available to be issued.

## **NOTE B – CASH:**

### **Custodial Credit Risk-Deposits**

Custodial credit risk is the risk that in the event of a bank failure, Trillium House, Inc.'s deposits may not be returned to it. The carrying amounts of the deposits with financial institutions were \$408,541 of which \$353,038 was insured by the Federal Deposit Insurance Corporation.

**NOTE C – RESTRICTIONS ON NET ASSETS:**

A portion of the restrictions on net assets at the end of 2024 relate to funds raised through the Capital Campaign, a drive to raise funds to build a facility for Trillium House, Inc.

An additional amount was restricted that relates to a pledge to be used for care of indigent patients and operations.

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

Build a facility	\$ 60,107
Operations	-
Total net assets with donor restrictions	<u>\$ 60,107</u>

**NOTE D – CONCENTRATION OF CREDIT RISK:**

The Trillium House, Inc.'s service area is the Upper Peninsula of Michigan. Major revenue sources include contributions and grants. Realization of such revenues is influenced by regional economic conditions.

**NOTE E – AVAILABILITY OF FINANCIAL ASSETS:**

The Trillium House, Inc.'s financial assets available within one year of December 31, 2024 for general expenditure are as follows:

<u>Asset</u>	<u>Amount</u>
Current assets	\$492,886
Current liabilities	(40,925)
Net assets with donor restrictions	<u>(60,107)</u>
Total	<u>\$391,854</u>

**NOTE F – RETIREMENT PLAN**

Trillium House employees are covered by a (Savings Incentive Match Plan for Employees) SIMPLE plan. Under this plan, the organization offers matching contributions of up to 3% of employee wages. The employer contributions to the plan in 2024 totaled \$7,389.