

LYDIA'S HOUSE, INC.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED
SEPTEMBER 30, 2025 AND 2024**

LYDIA'S HOUSE, INC.

ST. LOUIS, MISSOURI

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
LYDIA'S HOUSE, INC.

Opinion

We have audited the accompanying consolidated financial statements of Lydia's House, Inc. (a nonprofit organization), which comprise the consolidated statements of financial position as of September 30, 2025 and 2024, and the related consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Lydia's House, Inc. as of September 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 audits 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 Consolidated Financial Statements section of our report. We are required to be independent of Lydia's House, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 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 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 Lydia's House Inc.'s ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental information on pages 23 through 29 is presented for purposes of additional analysis and not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

UHY LLP

St. Charles, Missouri
March 13, 2026

LYDIA'S HOUSE, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS

	<u>September 30,</u>	
	<u>2025</u>	<u>2024</u>
CURRENT ASSETS		
Cash	\$ 429,780	\$ 629,413
Investments	484,015	3,379,393
Receivables:		
Contracts and grants	196,976	142,396
Promises-to-give	9,500	10,000
Accounts receivable	4,139	28,796
Prepaid expenses	24,188	34,126
Inventory	690	4,278
Total current assets	<u>1,149,288</u>	<u>4,228,402</u>
PROPERTY AND EQUIPMENT		
Land	524,887	524,887
Buildings and improvements	4,586,471	4,530,631
Furniture and equipment	82,855	82,855
Vehicles	102,195	102,195
Total Cost	<u>5,296,408</u>	<u>5,240,568</u>
Less: accumulated depreciation and amortization	2,767,300	2,599,521
Net property and equipment	<u>2,529,108</u>	<u>2,641,047</u>
NONCURRENT ASSETS		
Investments	<u>3,612,182</u>	<u>-</u>
OTHER ASSETS		
Deposit	<u>500</u>	<u>500</u>
 Total assets	 <u>\$ 7,291,078</u>	 <u>\$ 6,869,949</u>

LYDIA'S HOUSE, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

LIABILITIES AND NET ASSETS

	September 30,	
	2025	2024
CURRENT LIABILITIES		
Notes payable - amount due in one year	\$ -	\$ 154,059
Accounts payable	26,588	37,693
Payroll taxes payable	7,073	2,571
Accrued expenses:		
Vacations	32,260	30,929
Salaries and wages	27,896	21,064
Other	1,654	-
Contract liabilities	24,950	26,390
Total current liabilities	<u>120,421</u>	<u>272,706</u>
LONG-TERM LIABILITIES		
Notes payable	-	154,059
Less: amount due in one year	-	154,059
Total long-term liabilities	<u>-</u>	<u>-</u>
Total liabilities	<u>120,421</u>	<u>272,706</u>
NET ASSETS		
Without donor restrictions:		
Undesignated	858,038	2,757,518
Invested in property and equipment, net of related debt	2,529,108	2,486,988
Board designated - operating emergency	1,000,000	-
Board designated - quasi endowment	2,733,845	-
Board designated - operating reserve	-	975,000
Board designated - debt reserve	-	275,000
Board designated - repairs	-	26,397
With donor restrictions	49,666	76,340
Total net assets	<u>7,170,657</u>	<u>6,597,243</u>
Total liabilities and net assets	<u>\$ 7,291,078</u>	<u>\$ 6,869,949</u>

LYDIA'S HOUSE, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2025

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
REVENUES, GAINS AND SUPPORT			
Government support	\$ 1,023,972	\$ -	\$ 1,023,972
Contributions	870,943	61,000	931,943
Merchandise and food sales	35,933	-	35,933
Less: cost of sales	<u>(95,480)</u>	<u>-</u>	<u>(95,480)</u>
Net income(loss) from sales	(59,547)	-	(59,547)
Special events	563,639	-	563,639
Less: direct benefits to donors	<u>(109,319)</u>	<u>-</u>	<u>(109,319)</u>
Net income from special events	454,320	-	454,320
Interest and dividend income, net of fees	78,156	-	78,156
Contributed nonfinancial assets	23,522	-	23,522
Rental income	9,600	-	9,600
Miscellaneous	2,053	-	2,053
Unrealized gain (loss) on investments	(148,826)	-	(148,826)
Realized gain (loss) on investments	401,180	-	401,180
Net assets released from restrictions:			
Satisfaction of time restrictions	36,250	(36,250)	-
Satisfaction of purpose restrictions	<u>51,424</u>	<u>(51,424)</u>	<u>-</u>
Total revenues, gains and support	<u>2,743,047</u>	<u>(26,674)</u>	<u>2,716,373</u>
EXPENSES			
Program	<u>1,613,496</u>	<u>-</u>	<u>1,613,496</u>
Supporting Services:			
Management and general	174,150	-	174,150
Building rental	5,636	-	5,636
Fundraising	<u>349,677</u>	<u>-</u>	<u>349,677</u>
Total Supporting Services	<u>529,463</u>	<u>-</u>	<u>529,463</u>
Total expenses	<u>2,142,959</u>	<u>-</u>	<u>2,142,959</u>
CHANGE IN NET ASSETS	600,088	(26,674)	573,414
NET ASSETS - BEGINNING OF YEAR	<u>6,520,903</u>	<u>76,340</u>	<u>6,597,243</u>
NET ASSETS - END OF YEAR	<u>\$ 7,120,991</u>	<u>\$ 49,666</u>	<u>\$ 7,170,657</u>

LYDIA'S HOUSE, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2024

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUES, GAINS AND SUPPORT			
Government support	\$ 1,046,099	\$ -	\$ 1,046,099
Contributions	618,354	127,000	745,354
Merchandise and food sales	37,402	-	37,402
Less: cost of sales	(88,748)	-	(88,748)
Net income (loss) from sales	(51,346)	-	(51,346)
Special events	540,897	-	540,897
Less: direct benefits to donors	(109,728)	-	(109,728)
Net income from special events	431,169	-	431,169
Interest and dividend income, net	56,136	-	56,136
Contributed nonfinancial assets	28,374	-	28,374
Rental income	9,600	-	9,600
Miscellaneous	3,668	-	3,668
Unrealized gain (loss) on investments	530,635	-	530,635
Realized gain (loss) on investments	(61,571)	-	(61,571)
Gain (loss) on disposal of assets	-	-	-
Net assets released from restrictions:			
Satisfaction of time restrictions	46,666	(46,666)	-
Satisfaction of purpose restrictions	35,964	(35,964)	-
Total revenues, gains and support	2,693,748	44,370	2,738,118
EXPENSES			
Program	1,408,722	-	1,408,722
Supporting services:			
Management and general	143,434	-	143,434
Building rental	5,452	-	5,452
Fundraising	288,829	-	288,829
Total Supporting Services	437,715	-	437,715
Total expenses	1,846,437	-	1,846,437
OTHER NONOPERATING INCOME			
Fire claim recoveries	10,967	-	10,967
Flood claim recoveries	8,057	-	8,057
Total other nonoperating income	19,024	-	19,024
CHANGE IN NET ASSETS	866,335	44,370	910,705
NET ASSETS - BEGINNING OF YEAR	5,654,568	31,970	5,686,538
NET ASSETS - END OF YEAR	\$ 6,520,903	\$ 76,340	\$ 6,597,243

LYDIA'S HOUSE, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2025

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>BUILDING RENTAL</u>	<u>FUND - RAISING</u>	<u>TOTAL</u>
Salaries and wages	\$ 776,945	\$ 74,972	\$ 3,907	\$ 180,573	\$ 1,036,397
Payroll taxes	57,185	5,996	78	13,229	76,488
Employee fringe benefits	103,093	4,371	207	8,848	116,519
Advertising and promotion	-	24,419	-	-	24,419
Amortization	1,245	-	-	-	1,245
Assistance/aid	99,524	-	-	-	99,524
Bank and credit card fees	101	11	-	7,144	7,256
Continuing education and training	1,953	-	-	-	1,953
Depreciation	170,028	1,560	242	4,380	176,210
Dues and subscriptions	6,684	100	-	2,761	9,545
Food costs	23,431	-	-	-	23,431
Information technology	11,709	1,054	-	11,809	24,572
Insurance	52,486	3,772	195	5,258	61,711
Interest	5,164	5	-	11	5,180
Kitchen supplies and equipment	1,802	-	-	-	1,802
Meetings	905	317	-	314	1,536
Mileage and parking	665	72	-	369	1,106
Miscellaneous	528	208	-	426	1,162
Packaging costs	9,556	-	-	-	9,556
Postage	1,433	155	-	1,251	2,839
Printing	2,025	219	-	17,440	19,684
Professional fees	-	42,502	-	-	42,502
Repairs and maintenance	93,145	7,995	403	18,758	120,301
Retirement plan contributions	29,672	3,167	195	8,827	41,861
Security	38,754	-	-	-	38,754
Special events	-	-	-	168,965	168,965
Supplies and furnishings	10,744	334	-	1,525	12,603
Telephone	37,068	901	41	1,737	39,747
Travel	2,063	-	-	-	2,063
Uniforms	10,225	-	-	-	10,225
Utilities	151,446	2,020	368	5,371	159,205
Vehicle costs	9,397	-	-	-	9,397
Total	<u>1,708,976</u>	<u>174,150</u>	<u>5,636</u>	<u>458,996</u>	<u>2,347,758</u>
Less direct benefits to donors expense included with revenues on the statement of activities	-	-	-	(109,319)	(109,319)
Less cost of sales expense included with revenues on the statement of activities	<u>(95,480)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(95,480)</u>
Total included in expenses on statement of activities	<u>\$ 1,613,496</u>	<u>\$ 174,150</u>	<u>\$ 5,636</u>	<u>\$ 349,677</u>	<u>\$ 2,142,959</u>

LYDIA'S HOUSE, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2024

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>BUILDING RENTAL</u>	<u>FUND - RAISING</u>	<u>TOTAL</u>
Salaries and wages	\$ 641,268	\$ 61,200	\$ 3,602	\$ 165,135	\$ 871,205
Payroll taxes	47,563	4,379	276	11,877	64,095
Employee fringe benefits	96,596	5,330	311	9,854	112,091
Advertising and promotion	-	14,627	-	-	14,627
Amortization	1,474	-	-	-	1,474
Assistance/aid	77,845	-	-	-	77,845
Bank and credit card fees	40	4	-	5,814	5,858
Continuing education and training	1,584	60	-	-	1,644
Depreciation	175,160	1,476	251	4,215	181,102
Dues and subscriptions	6,718	100	-	733	7,551
Food costs	15,203	-	-	-	15,203
Information technology	11,215	771	-	10,097	22,083
Insurance	46,438	3,319	182	4,827	54,766
Interest	7,228	-	6	17	7,251
Kitchen supplies and equipment	2,637	-	-	-	2,637
Meetings	1,165	571	-	319	2,055
Mileage and parking	308	29	-	115	452
Miscellaneous	3,228	248	-	1,165	4,641
Packaging costs	11,395	-	-	-	11,395
Postage	1,527	146	-	6,616	8,289
Printing	1,583	152	-	7,258	8,993
Professional fees	-	41,381	-	5,470	46,851
Repairs and maintenance	89,791	2,608	223	7,451	100,073
Retirement plan contributions	26,129	2,918	179	8,094	37,320
Security	10,714	308	-	879	11,901
Special events	-	-	-	139,162	139,162
Supplies and furnishings	31,387	586	-	2,058	34,031
Telephone	32,286	614	37	1,209	34,146
Travel	1,001	435	-	-	1,436
Uniforms	8,176	-	-	-	8,176
Utilities	138,438	2,172	385	6,192	147,187
Vehicle costs	9,373	-	-	-	9,373
TOTAL	<u>1,497,470</u>	<u>143,434</u>	<u>5,452</u>	<u>398,557</u>	<u>2,044,913</u>
Less direct benefits to donors expense included with revenues on the statement of activities	-	-	-	(109,728)	(109,728)
Less cost of sales expense included with revenues on the statement of activities	<u>(88,748)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(88,748)</u>
Total included in expenses on statement of activities	<u>\$ 1,408,722</u>	<u>\$ 143,434</u>	<u>\$ 5,452</u>	<u>\$ 288,829</u>	<u>\$ 1,846,437</u>

LYDIA'S HOUSE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	September 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Public support and contributions received	\$ 1,413,637	\$ 1,212,763
Government support received	969,392	1,077,638
Cash paid to suppliers and employees	(2,100,204)	(1,899,952)
Miscellaneous income received	2,053	3,668
Rental income received	9,600	9,600
Interest and dividends received	78,156	56,136
Interest paid	(5,180)	(7,251)
Net cash provided by operating activities	<u>367,454</u>	<u>452,602</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	7,579,956	2,174,824
Purchase of investments	(7,927,468)	(2,430,430)
Purchase of property and equipment	(65,516)	(79,122)
Net cash used by investing activities	<u>(413,028)</u>	<u>(334,728)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on notes payable	<u>(154,059)</u>	<u>(95,265)</u>
NET INCREASE (DECREASE) IN CASH	(199,633)	22,609
CASH - BEGINNING OF YEAR	<u>629,413</u>	<u>606,804</u>
CASH - END OF YEAR	<u><u>\$ 429,780</u></u>	<u><u>\$ 629,413</u></u>

LYDIA'S HOUSE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

**RECONCILIATION OF CHANGE IN NET ASSETS TO NET
CASH PROVIDED BY OPERATING ACTIVITIES**

	September 30,	
	2025	2024
CHANGE IN NET ASSETS	\$ 573,414	\$ 910,705
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Stock donations	(116,938)	(169,840)
Depreciation and amortization	177,455	182,576
Fire damage repairs	-	(82,503)
Realized (gain) loss on sales of investments	(401,180)	61,571
Unrealized (gain) loss on investments	148,826	(530,635)
(Increase) decrease in assets:		
Receivables	(29,423)	56,095
Prepaid expenses	9,938	1,246
Inventory	3,588	(3,337)
Increase (decrease) in liabilities:		
Accounts payable	(11,105)	(1,148)
Accrued expenses and payroll taxes payable	14,319	8,922
Deferred revenue	(1,440)	18,950
Security deposits	-	-
Total adjustments	<u>(205,960)</u>	<u>(458,103)</u>
Net cash provided by operating activities	<u>\$ 367,454</u>	<u>\$ 452,602</u>

SUPPLEMENTAL DISCLOSURE OF NON-CASH INFORMATION:

Contributed nonfinancial assets in the amount of \$23,522 and \$28,374 were received during the years ended September 30, 2025 and 2024, respectively.

LYDIA'S HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 1 - DESCRIPTION OF OPERATIONS

Lydia's House, Inc. (the Organization) is a not-for-profit organization founded in 1995 by a four-person mission group who, after research and discussions with domestic violence service providers in the St. Louis area, decided to address the urgent need of safe and confidential housing for battered women and their children. Lydia's House continues to be the only confidentially-located, stand-alone transitional housing program in Missouri specifically for domestic violence victims. In the almost 30 years since Lydia's House opened its first site, the Organization has grown from serving 2 families to serving 50 women and up to 80 children at a given time. Lydia's House services include transitional housing, advocacy/case-management, legal advocacy, support groups, art therapy, counseling, children's programs, community meals and outings, specialized services for immigrant survivors, follow-up services and the Ladle job training/employment program.

The Organization's public support is currently funded by community and government organizations, St. Louis-based corporations, and individual donations.

In August 2013, Lydia's House created a new entity, Lydia's Ladle, LLC, a not-for-profit organization. Through this program, women gain practical work experience, make contacts for future job references, learn job skills that would make them a desirable job candidate in the food/restaurant business, and, most importantly, gradually transition into the full-time work force after leaving Lydia's House. Lydia's House is proud to say that, since Lydia's Ladle's inception, 29 women have been provided with employment and job training. In partnership with Fox River Dairy, Lydia's Ladle began expanding its distribution of its product outside of the St. Louis area.

In June of 2016, Lydia's House purchased an additional property for the use of administrative offices, Lydia's Ladle commercial kitchen, and the Educational Resource Center for Lydia's House. Lydia's House also began renovations to one of our housing locations to incorporate 5 more apartments. Lydia's House went from serving 45 women and their children to 50 women and their children after renovations were completed.

In August 2018, Lydia's House in collaboration with IFM Community Medicine started an in-house medical clinic that provides medical services to mothers and children residing at Lydia's House. Through this program, residents can get school checkups, well and sick visits, blood work and immunizations at reduced or no cost if uninsured. In 2020, Lydia's House medical clinic expanded its services to include specialized well woman care.

In 2023, Lydia's House engaged in Strategic Planning sessions looking to the future to serve more survivors of domestic violence. Lydia's Ladle-Social Enterprise continues to produce more product while providing information and resources for victims to obtain resources in the community.

LYDIA'S HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 1 - DESCRIPTION OF OPERATIONS (Continued)

From its humble beginnings, in 1995, Lydia's House continues to serve domestic violence survivors and their children by providing a safe place to heal, a voice for justice, and a pathway to stable, sustainable lives. Lydia's House accomplishes this by offering safe, confidentially located, fully furnished apartments for up to two years, helping families transition from emergency shelter to independent living. In addition, we support women and their children in developing and achieving long-term life goals through education, job training, employment, and safe housing. The Organization also connects families to vital community resources and raises awareness about domestic violence through ongoing community outreach and educational outreach.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidated Financial Statements - The consolidated financial statements include the accounts of the Organization and its wholly-owned subsidiary, Lydia's Ladle, LLC. The financial statements also include assets of a grantor trust held for the benefit of the Organization. All significant intercompany accounts and transactions have been eliminated in the consolidation.

Basis of Presentation - Financial statement presentation follows the recommendations of the FASB Accounting Standard Codification Topic 958, Not-for-Profit Entities. These accounting policies conform to accounting principles generally accepted in the United States of America (U.S. GAAP) and have been consistently applied in preparation of the financial statements.

Basis of Accounting – The financial statements of the Organization have been prepared on the accrual basis of accounting and in accordance with U.S. generally accepted accounting principles and accordingly reflect all significant receivables, payables, and other liabilities.

Net Assets - Net assets, revenues, 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.

Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are 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 are perpetual in nature, where the donor stipulates that 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.

LYDIA'S HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and Revenue Recognition – The Organization recognizes approximately 1% of revenue from food product sales from Lydia's Ladle. The Organization's performance obligations are satisfied at a point in time when the food product is picked up and the customer is billed. Revenues are recognized (performance obligation is met) when earned (the food product is picked up) in an amount that reflects the consideration the Organization expects to be entitled to in exchange for the food product. Terms and conditions are set at the time the food product is purchased, and do not include any financing component. There is no variable consideration and no right of return. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Contracts and Accounts Receivable - Contracts and accounts receivable consists of grant, contract and other revenue earned and not yet received. The Organization has elected the practical expedient under ASU 2025-05, which permits the assumption that current conditions at the balance sheet date will persist over the life of short-term accounts receivable. An allowance for credit losses has been estimated based on historical collection experience, which indicates the balances are fully collectible, and management has concluded that the expected lifetime credit losses are not significant. As of September 30, 2025 and 2024, approximately 93% and 81% of contracts, accounts, and pledges receivable were due from federal, state and local agencies, respectively. Contracts, accounts and pledges receivable totaled \$210,615, \$181,192, and \$237,387 as of September 30, 2025, 2024, and 2023, respectively.

Contract Liabilities - In the case of fundraising event sponsorships and event ticket sales, the related revenue is not earned until the event is held. Contract liabilities were \$24,950, \$26,390, and \$7,440 as of September 30, 2025, 2024, and 2023, respectively.

Cash - The Organization maintains its cash in accounts at one commercial bank and one brokerage firm. The Organization from time to time may have bank balances in excess of its insured limits. Management has deemed this as a normal business risk.

Investments - The Organization carries investments in marketable securities with readily determinable fair values at their fair market value. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities. Realized gains and losses are included in the change in net assets in the accompanying Statement of Activities. Realized gains and losses are determined using the specific identification method.

Inventory - The Organization's inventory, which is stated at standard cost, lower of cost or net realizable value, consist of items that are sold to help fund the programs and to provide workforce training for residents.

LYDIA'S HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment – Property and equipment are recorded at cost or fair market value at time of donation and depreciated over estimated useful lives as follows:

Major Group	Method	Life
Buildings and improvements	Straight-line	5 - 39 years
Furniture and equipment	Accelerated and Straight-line	5 - 7 years
Vehicles	Straight-line	3 - 5 years

All acquisitions of property and equipment of \$5,000 or more are capitalized. Depreciation was \$176,210 and \$181,102 for the years ended September 30, 2025 and 2024, respectively.

Asset Impairment Assessments - The Organization reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying value of such assets may not be fully recoverable. Impairment is recognized to the extent that the sum of undiscounted estimated future cash flows expected to result from use of the assets is less than carrying value. If impairment is recognized, the carrying value of the impaired asset is reduced to its fair value.

Statements of Cash Flows - For purposes of the Statements of Cash Flows, the Organization considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Contributed Nonfinancial Assets - The Organization pays for most services requiring specific expertise. However, a substantial number of hours have been contributed by unpaid volunteers to the various programs. These services are considered to add a dimension to the quality of program services over and above that which can be provided by salaried personnel. Contributed services have not been reflected in the financial statements because they do not meet the criteria of FASB Accounting Standards Codification Topic 958 for recording a nonfinancial donation. Donated materials are recorded as support at their estimated values at the date of receipt.

Concentration of Revenue - For the fiscal year ended September 30, 2025 and 2024, the Organization received approximately 37% and 36%, respectively, of its revenue, gains and support from local, state, and federal agencies, through grant/contract agreements. Additionally, for the year ended September 30, 2025 and 2024, approximately 18% and 17%, respectively of the revenues, gains and support were from the Night for Hope and Healing fundraising event.

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.

LYDIA'S HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising - The Organization follows the policy of charging the cost of advertising to expense as incurred. Advertising expense was \$24,419 and \$14,627 for the years ended September 30, 2025 and 2024, respectively.

Income Taxes - The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a)2.

Functional Allocation of Expenses - The cost of providing the various programs and other activities has been summarized on a functional basis in the Statement of Activities. Accordingly, expenses require allocation on a reasonable basis that is consistently applied. The expenses allocated include salaries and benefits, payroll taxes, information technology, depreciation, insurance, interest, miscellaneous, office supplies, repairs and maintenance, utilities and telephone which are allocated on the basis of estimates of time and effort. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. Rental expenses relate to costs associated with lease management and overhead of the rental portion in one building.

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 Statement of Financial Position date, comprise the following:

	2025	2024
Cash	\$ 429,780	\$ 629,413
Contracts, grants accounts and promises-to-give receivable	210,615	181,192
Investments	4,096,197	3,379,393
Less: donor-imposed restrictions		
Purpose	(47,999)	(53,423)
Time	(1,667)	(22,917)
Less: board designations		
Operating emergency reserve	(1,000,000)	-
Quasi-endowment	(2,733,845)	-
Maintenance reserve	-	(26,397)
Debt reserve	-	(275,000)
Operating reserve	-	(975,000)
Financial assets available to meet cash needs for expenditures within one year	\$ <u>953,081</u>	\$ <u>2,837,261</u>

LYDIA'S HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 3 - LIQUIDITY AND AVAILABILITY (Continued)

Management has a goal to maintain cash on hand to meet twelve months of normal operating expenses and liabilities which are, on average, approximately \$2,000,000. The goal of having cash on hand to meet expenses and liabilities for twelve months may be a longer period than deemed necessary by some other not-for-profits; however, management believe is it appropriate since the residents can stay at Lydia's House for up to two years.

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Board designated reserves could be made available if necessary.

NOTE 4 - INVESTMENTS

Investments are stated at fair value and consist of the following:

	2025			2024		
	COST	FAIR VALUE	UNREALIZED GAIN(LOSS)	COST	FAIR VALUE	UNREALIZED GAIN(LOSS)
Corporate stocks	\$ 1,272,167	\$ 1,524,614	\$ 252,447	\$ 657,666	\$ 893,896	\$ 236,230
Mutual funds	2,353,264	2,419,043	65,779	943,834	1,009,773	65,939
Exchange traded funds	52,262	51,756	(506)	1,311,347	1,475,724	164,377
Fixed income	100,784	100,784	-	-	-	-
TOTAL	\$ 3,778,477	\$ 4,096,197	\$ 317,720	\$ 2,912,854	\$ 3,379,393	\$ 466,546

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs and values are generally provided by dealer quotations and incorporate the bid price, ask price, or the price spread between the two.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions (Level 1).

LYDIA'S HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 4 – INVESTMENTS (Continued)

The following schedule summarizes the investment return included in the Statement of Activities for the years ended September 30:

	<u>2025</u>	<u>2024</u>
Investment income	\$ 112,758	\$ 86,011
Realized gain (loss) on investments	401,180	(61,571)
Unrealized gain (loss) on investments	(148,826)	530,635
Investment fees	<u>(34,602)</u>	<u>(29,875)</u>
	<u>\$ 330,510</u>	<u>\$ 525,200</u>

NOTE 5 - PROMISES-TO-GIVE

Unconditional promises-to-give at September 30 were as follows:

	<u>2025</u>	<u>2024</u>
Receivable in less than one year	\$ 9,500	\$ 10,000
Receivable in one to five years	<u>-</u>	<u>-</u>
Total unconditional promise- to-give	9,500	10,000
Less: discounts to net present value	<u>-</u>	<u>-</u>
Net unconditional promises-to-give	<u>\$ 9,500</u>	<u>\$ 10,000</u>

The promises-to-give receivable has not been discounted to its net present value as management has deemed the discount to be immaterial to the financial statements.

NOTE 6 - LEASE COMMITMENTS

The Organization leases a portion of one of its buildings to an outside entity under an operating lease that had an expiration date of October 1, 2025. That lease has since been renewed for eight months, through May 2026.

Future minimum lease payments expected to be received under the noncancellable operating lease is \$6,400 for the year ending September 30, 2026.

LYDIA'S HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 7 - NOTES PAYABLE

Notes payable consists of:

	<u>2025</u>	<u>2024</u>
Midwest BankCentre - mortgage	\$ -	\$ 154,059
Collateral - deed of trust on property		
Interest rate - 3.75%		
Maturity - June 5, 2025		
Payments - \$1,186 per month, which includes principal and interest		

The mortgage was paid in full in July 2025.

NOTE 8 - CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets are recorded as support income at their estimated fair market values at the time they are received. Such donations are reported as unrestricted support unless the donor has restricted these donations to a specific purpose. None of the donated items were restricted.

The Organization received donations of household items to be used by the residents in the transitional housing. For the years ended September 30, 2025 and 2024 the Organization recognized \$23,522 and \$28,374, respectively. These items are valued at the fair value of similar items available for purchase in the area.

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>Year-ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
Family support	\$ 38,499	\$ 46,754
Furniture, equipment, building renovations	9,500	6,669
General support - time	1,667	22,917
Total net assets with donor restrictions	<u>\$ 49,666</u>	<u>\$ 76,340</u>

LYDIA'S HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors. Net assets were released for the following purposes:

	Year-ended September 30,	
	2025	2024
Family support	\$ 44,755	\$ 18,964
Furniture, equipment, building renovations	6,669	17,000
General support - time	36,250	46,666
Total net assets released from restrictions	\$ <u>87,674</u>	\$ <u>82,630</u>

NOTE 10 - BOARD DESIGNATED NET ASSETS

The board of directors has designated net assets for the following purposes:

	Year-ended September 30,	
	2025	2024
Operating emergency reserve	\$ 1,000,000	\$ -
Quasi-endowment fund	2,733,845	-
Operations reserve	-	975,000
Debt reserve	-	275,000
Repairs reserve	-	26,397
TOTAL NET ASSETS WITH BOARD DESIGNATIONS	\$ <u>3,733,845</u>	\$ <u>1,276,397</u>

During the year, the board adopted a new investment policy statement with input from their investment advisors. This policy calls for two new board-designated funds – the Operating Emergency Reserve of \$1,000,000 and the Quasi-Endowment Fund of \$2,000,000, both replaced the previous three board-designated funds. The Operating Emergency Fund will remain at \$1,000,000 while the Quasi-Endowment Fund will be adjusted periodically to agree with the cash and investments in that account at our investment advisors. The new statement includes investment goals which are to support operating expenses and future growth of the Organization. The Board designated reserves could be made available if necessary, with the approval of the Board of Directors.

LYDIA’S HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 11 – BOARD DESIGNATED NET ASSETS FUNCTIONING AS AN ENDOWMENT (QUASI-ENDOWMENT)

Description and Purpose

The Organization’s Board of Directors established a quasi-endowment fund in the year ended September 30, 2025. It has designated a portion of net assets without donor restrictions to function as an endowment (the “quasi endowment”). These amounts are intended to be invested on a long-term basis to support the Organization’s mission and ongoing operations.

Because the quasi endowment results from internal Board designation rather than donor restriction, the associated net assets remain classified as net assets without donor restrictions and may be redesignated or appropriated for other purposes at the discretion of the Board.

Composition of Quasi Endowment

As of September 30, 2025, the quasi endowment consisted of the following:

	2025	2024
Board-designated principal	\$ 2,649,026	\$ -
Accumulated investment return	84,818	-
Total quasi-endowment	<u>\$ 2,733,845</u>	<u>\$ -</u>

Investment Policy

The quasi endowment is invested in accordance with the Organization’s Board approved investment policy, which is designed to achieve long term growth of capital while managing risk through diversification. Investments generally include a mix of publicly traded stock, and mutual and exchange-traded funds and are reported at fair value in the accompanying statement of financial position.

Spending Policy

The Board has approved a spending policy under which an annual appropriation of up to 4.0% of the trailing twelve quarter average fair value of the quasi endowment may be authorized to support operations. Appropriations are made at the discretion of the Board and are recognized as investment income without donor restrictions in the period in which the appropriation is approved. Net investment return includes interest, dividends, realized and unrealized gains and losses, net of investment management fees.

Liquidity and Availability

Although the quasi endowment is intended to be maintained on a long-term basis, the underlying assets are not subject to donor restrictions and may be made available for general expenditures if approved by the Board. Accordingly, the quasi endowment is included in net assets without donor restrictions and considered in the Organization’s overall liquidity management (see Note 3 — Liquidity and Availability).

LYDIA'S HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 12 - RETIREMENT PLANS

The Organization has a defined contribution plan that provides for an employer contribution of 5% of an eligible employee's compensation. After the employee has worked at least one full year, eligibility begins at the next entry date of either January 1 or July 1. Retirement plan expense for the years ended September 30, 2025 and 2024 was \$41,861 and \$37,320, respectively.

NOTE 13 - INCOME TAXES

FASB Accounting Standards Codification Topic 740, Income Taxes, provides for the recognition of tax benefits related to uncertain tax positions. For the years ended September 30, 2025 and 2024, management believes there are no material uncertain tax positions. The Organization files form 990 Return of Organization Exempt From Income Tax. The Organization is subject to examination by taxing authorities for the statutory period.

NOTE 14 - NONOPERATING INCOME

The Organization sustained substantial damage to a building due to a fire. On a separate occasion, the Organization sustained flood damages. Nonoperating revenues have been recorded in the amount of \$19,024 for the year ended September 30, 2024, for the net gain related to insurance proceeds received for damages to the properties.

NOTE 15 - SUBSEQUENT EVENTS

As of the date of the Independent Auditor's Report, the date the financial statements were available to be issued, no subsequent events or transactions had occurred that would have materially impacted the financial statements as presented.

SUPPLEMENTAL INFORMATION

LYDIA'S HOUSE, INC.
SCHEDULE OF FINANCIAL POSITION
SEPTEMBER 30, 2025

ASSETS

CURRENT ASSETS

Cash	\$ 394,511
Investments	484,015
Receivables:	
Contracts and grants	196,976
Promises-to-give	9,500
Prepaid expenses	24,188
Total current assets	<u>1,109,190</u>

PROPERTY AND EQUIPMENT

Land	524,887
Buildings and improvements	4,586,471
Furniture and equipment	82,855
Vehicles	102,195
Total Cost	<u>5,296,408</u>
Less: accumulated depreciation and amortization	<u>2,767,300</u>
Net property and equipment	<u>2,529,108</u>

NONCURRENT ASSETS

Investments	<u>3,612,182</u>
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OTHER ASSETS

Deposit	500
Member's capital contribution - Lydia's Ladle, LLC	100
Due from Lydia's Ladle	452,150
Total other assets	<u>452,750</u>

Total assets	<u><u>\$ 7,703,230</u></u>
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LYDIA'S HOUSE, INC.
SCHEDULE OF FINANCIAL POSITION
SEPTEMBER 30, 2025

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 24,862
Payroll taxes payable	5,689
Accrued expenses:	
Vacations	32,260
Salaries and wages	26,746
Other	1,654
Contract liabilities	24,950
Total current liabilities	<u>116,161</u>

NET ASSETS

Without donor restrictions:	
Undesignated	1,274,450
Invested in property and equipment, net of related debt	2,529,108
Board designated - operating emergency	1,000,000
Board designated - quasi endowment	2,733,845
With donor restrictions	49,666
Total net assets	<u>7,587,069</u>

Total liabilities and net assets	<u>\$ 7,703,230</u>
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LYDIA'S HOUSE, INC.
SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUES, GAINS AND SUPPORT			
Government support	\$ 1,023,972	\$ -	\$ 1,023,972
Contributions	870,943	61,000	931,943
Special events	563,639	-	563,639
Less: direct benefits to donors	<u>(109,319)</u>	<u>-</u>	<u>(109,319)</u>
Net income from special events	454,320	-	454,320
Interest and dividend income, net of fees	78,156	-	78,156
Contributions of nonfinancial assets	23,522	-	23,522
Rental income	9,600	-	9,600
Miscellaneous	2,053	-	2,053
Unrealized gain (loss) on investments	(148,826)	-	(148,826)
Realized gain (loss) on investments	401,180	-	401,180
Net assets released from restrictions:			
Satisfaction of time restrictions	36,250	(36,250)	-
Satisfaction of purpose restrictions	<u>51,424</u>	<u>(51,424)</u>	<u>-</u>
Total revenues, gains and support	<u>2,802,594</u>	<u>(26,674)</u>	<u>2,775,920</u>
EXPENSES			
Program	<u>1,613,496</u>	<u>-</u>	<u>1,613,496</u>
Supporting Services:			
Management and general	171,418	-	171,418
Building rental	5,636	-	5,636
Fundraising	<u>346,945</u>	<u>-</u>	<u>346,945</u>
Total Supporting Services	<u>523,999</u>	<u>-</u>	<u>523,999</u>
Total expenses	<u>2,137,495</u>	<u>-</u>	<u>2,137,495</u>
CHANGE IN NET ASSETS	665,099	(26,674)	638,425
NET ASSETS - BEGINNING OF YEAR	<u>6,872,304</u>	<u>76,340</u>	<u>6,948,644</u>
NET ASSETS - END OF YEAR	<u>\$ 7,537,403</u>	<u>\$ 49,666</u>	<u>\$ 7,587,069</u>

LYDIA'S HOUSE, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>BUILDING RENTAL</u>	<u>FUND - RAISING</u>	<u>TOTAL</u>
Salaries and wages	\$ 730,715	\$ 72,434	\$ 3,907	\$ 178,035	\$ 985,091
Payroll taxes	53,613	5,802	78	13,035	72,528
Employee fringe benefits	103,093	4,371	207	8,848	116,519
Advertising and promotion	-	24,419	-	-	24,419
Amortization - acquisition costs	1,245	-	-	-	1,245
Assistance/aid	99,524	-	-	-	99,524
Bank and credit card fees	101	11	-	7,144	7,256
Continuing education and training	1,953	-	-	-	1,953
Depreciation	170,028	1,560	242	4,380	176,210
Dues and subscriptions	6,684	100	-	2,761	9,545
Information technology	11,709	1,054	-	11,809	24,572
Insurance	52,486	3,772	195	5,258	61,711
Interest	5,164	5	-	11	5,180
Meetings	905	317	-	314	1,536
Mileage and parking	665	72	-	369	1,106
Miscellaneous	528	208	-	426	1,162
Postage	1,433	155	-	1,251	2,839
Printing	2,025	219	-	17,440	19,684
Professional fees	-	42,502	-	-	42,502
Repairs and maintenance	92,481	7,995	403	18,758	119,637
Retirement plan contributions	29,672	3,167	195	8,827	41,861
Security	38,754	-	-	-	38,754
Special events	-	-	-	168,965	168,965
Supplies and furnishings	10,744	334	-	1,525	12,603
Telephone	37,068	901	41	1,737	39,747
Travel	2,063	-	-	-	2,063
Utilities	151,446	2,020	368	5,371	159,205
Vehicle costs	9,397	-	-	-	9,397
TOTAL	<u>1,613,496</u>	<u>171,418</u>	<u>5,636</u>	<u>456,264</u>	<u>2,246,814</u>
Less direct benefits to donors expense included with revenues on the schedule of activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(109,319)</u>	<u>(109,319)</u>
Total included in expenses on schedule of activities	<u>\$ 1,613,496</u>	<u>\$ 171,418</u>	<u>\$ 5,636</u>	<u>\$ 346,945</u>	<u>\$ 2,137,495</u>

LYDIA'S LADLE, LLC
SCHEDULE OF FINANCIAL POSITION
SEPTEMBER 30, 2025

ASSETS

CURRENT ASSETS

Cash	\$ 35,269
Accounts receivable	4,139
Inventory	690
Total assets	<u>\$ 40,098</u>

LIABILITIES AND NET DEFICIT

CURRENT LIABILITIES

Accounts payable	\$ 1,726
Payroll taxes payable	1,384
Accrued salaries and wages	1,150
Total current liabilities	<u>4,260</u>

LONG-TERM LIABILITY

Due to Lydia's House, Inc.	<u>452,150</u>
Total liabilities	<u>456,410</u>

NET DEFICIT

Member capital contribution	100
Deficit without donor restrictions	<u>(416,412)</u>
Total net deficit	<u>(416,312)</u>

Total liabilities and net deficit	<u>\$ 40,098</u>
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LYDIA'S LADLE, LLC
SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

REVENUES

Sales - food products	\$ 35,933
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COST OF SALES

Direct Expenses

Wages	46,230
Payroll taxes	3,572
Food costs	23,431
Packaging costs	9,556
Total Direct Expenses	<u>82,789</u>

Indirect Expenses

Kitchen supplies and equipment	1,802
Repairs and maintenance	664
Uniforms	10,225
Total Indirect Expenses	<u>12,691</u>

Total cost of sales	<u>95,480</u>
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GROSS PROFIT (LOSS)	<u>(59,547)</u>
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EXPENSES

Management and general	2,732
Fundraising	2,732
Total expenses	<u>5,464</u>

**CHANGE IN NET DEFICIT WITHOUT
DONOR RESTRICTIONS**

(65,011)

**NET DEFICIT WITHOUT DONOR RESTRICTIONS -
BEGINNING OF YEAR**

(351,401)

**NET DEFICIT WITHOUT DONOR RESTRICTIONS -
END OF YEAR**

\$ (416,412)

LYDIA'S LADLE, LLC
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Salaries and wages	\$ 46,230	\$ 2,538	\$ 2,538	\$ 51,306
Payroll taxes	3,572	194	194	3,960
Food costs	23,431	-	-	23,431
Kitchen supplies and equipment	1,802	-	-	1,802
Packaging costs	9,556	-	-	9,556
Repairs and maintenance	664	-	-	664
Uniforms	10,225	-	-	10,225
Total	<u>95,480</u>	<u>2,732</u>	<u>2,732</u>	<u>100,944</u>
Less cost of sales expense included with revenues on the schedule of activities	<u>(95,480)</u>	<u>-</u>	<u>-</u>	<u>(95,480)</u>
Total included in expenses on schedule of activities	<u>\$ -</u>	<u>\$ 2,732</u>	<u>\$ 2,732</u>	<u>\$ 5,464</u>