SIMON HOUSE, INC.

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2025

BESTEN & DIERUF, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Simon House, Inc.
Frankfort, Kentucky

Opinion

We have audited the accompanying financial statements of Simon House, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets - modified cash basis as of December 31, 2025, and the related statement of support, revenue, and expenses - modified cash basis and statement of functional expenses - modified cash basis 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 assets, liabilities, and net assets of the Organization as of December 31, 2025, and its support, revenue, and expenses for the year then ended in accordance with the modified cash basis of accounting as described in Note 2.

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 the Organization 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.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 2, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

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 the Organization'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 the Organization'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.

CERTIFIED PUBLIC ACCOUNTANTS

Lexington, Kentucky
June 25, 2026

SIMON HOUSE, INC.
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS
DECEMBER 31, 2025

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents		$ 199,021
	TOTAL CURRENT ASSETS	199,021
FIXED ASSETS		
Land and buildings		70,000
Building Improvements		31,768
Vehicles		3,401
	TOTAL FIXED ASSETS	105,169
Less: accumulated depreciation		(80,806)
	NET FIXED ASSETS	24,363
	TOTAL ASSETS	$ 223,384
LIABILITIES AND NET ASSETS		
NET ASSETS		
Without donor restrictions		$ 223,384
With donor restrictions		-
	TOTAL NET ASSETS	223,384
	TOTAL LIABILITIES AND NET ASSETS	$ 223,384

See Independent Auditors' Report and Notes to Financial Statements.

SIMON HOUSE, INC.
STATEMENT OF SUPPORT, REVENUE, AND EXPENSES - MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT, REVENUE, AND OTHER ADDITIONS			
Government grants	$ 129,894	$ -	$ 129,894
Contributions	136,960	-	136,960
Fundraising events	53,546	-	53,546
Gain (loss) on disposal of fixed assets	(2,315)	-	(2,315)
Interest income	309	-	309
TOTAL SUPPORT, REVENUE, AND OTHER ADDITIONS	318,394	-	318,394
EXPENSES			
Program	128,916	-	128,916
Management and general	82,311	-	82,311
Fundraising	14,132	-	14,132
TOTAL EXPENSES	225,359	-	225,359
CHANGE IN NET ASSETS	93,035	-	93,035
NET ASSETS - BEGINNING OF YEAR	130,349	-	130,349
NET ASSETS - END OF YEAR	$ 223,384	$ -	$ 223,384

See Independent Auditors' Report and Notes to Financial Statements.

SIMON HOUSE, INC.
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2025

	Program	Management	Fundraising	Total
Salaries and wages	$ 69,063	$ 31,029	$ -	$ 100,092
Payroll taxes	7,918	3,558	-	11,476
Other employee benefits	3,225	1,449	-	4,674
Professional fees	1,778	966	-	2,744
Advertising and promotion	200	-	-	200
Office expenses	-	4,779	-	4,779
Occupancy	17,208	7,731	-	24,939
Travel	429	-	-	429
Conferences, conventions, and meetings	3,557	-	-	3,557
Depreciation	-	4,612	-	4,612
Insurance	11,345	5,098	-	16,443
Dues and subscriptions	-	560	-	560
Equipment and maintenance	-	21,179	-	21,179
Fundraising expenses	-	-	14,132	14,132
Taxes and licenses	-	35	-	35
Other misc expenses	-	1,315	-	1,315
Other program expenses	14,193	-	-	14,193
TOTAL	$ 128,916	$ 82,311	$ 14,132	$ 225,359

See Independent Auditors' Report and Notes to Financial Statements.

NOTE 1 - NATURE OF ORGANIZATION

Simon House, Inc. (the Organization) was incorporated on February 25, 1987. The Organization's mission is to diminish the extent and consequences of homelessness in Franklin and surrounding counties. The Organization accomplishes this by providing an emergency shelter for homeless women who are pregnant and homeless families with children. Further, the Organization offers services to extremely low-income community members who have housing but are at risk of becoming homeless. The Organization provides essential items (food, clothing, diapers and other baby needs, cleaning supplies, personal care items) and case management services to these clients so their basic needs are met while they use their funds for housing, thus preventing them from experiencing the trauma of homelessness. All services are provided in a safe, stable, healthy, and barrier-free environment.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. That basis differs from generally accepted accounting principles in that revenue and support are recognized when received instead of when the service is provided, payments to vendors are recognized when paid instead of when goods or services are received, and losses resulting from collection of amounts due are recognized as the amounts due are paid instead of when the loss is believed probable and can be reasonably estimated. The cash basis is modified to capitalize property and equipment purchased, record depreciation of capitalized assets, and record liabilities arising from receipt of borrowed cash.

Basis of Presentation

The Organization presents the accompanying financial statements in accordance with Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities but the overall finanancial statements are prepared in accordance with the modified cash basis of accounting. ASU 2016-14 requires that resources be classified for reporting purposes based on the existence or absence of donor-imposed restrictions. This is accomplished by classification of fund balances into two classes of net assets: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories and the types of transactions affecting each category follow:

Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions.

With Donor Restrictions - Net assets subject to donor-imposed restrictions that will be met either by actions of the Organization or the passage of time.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Contributions received are recorded as with donor restrictions or without donor restrictions depending on the existence or nature of any donor restrictions. The Organization reports donor-restricted support whose restrictions are met in the same reporting period as without donor restrictions.

Cash and Cash Equivalents

The Organization considers all highly liquid assets with original maturities of less than ninety days to be cash and cash equivalents.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - continued

Income Tax Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, however, the Organization is not exempt from tax imposed upon unrelated business income. For the year ended December 31, 2025, the Organization had no net unrelated business income and accordingly, no provision for income taxes has been recorded.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions, and has concluded that as of December 31, 2025, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying financial statements. The Organization is subject to routine audits by taxing jurisdictions. The Organization's federal exempt information returns (Forms 990) are subject to examination by the IRS, generally for three years after they were filed.

Fixed Assets

Property is stated at cost, if purchased, and at estimated fair value if donated. Maintenance and repairs are charged to expense when paid and expenditures for major improvements are capitalized. Depreciation expense is computed using the straight-line method over the estimated useful lives of the underlying assets ranging from 5 - 40 years.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of support, revenue, and expenses - modified cash basis. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Date of Management's Review

Management has evaluated subsequent events through June 25, 2026, which is the date the financial statements were available to be issued.

NOTE 3 - RISKS AND UNCERTAINTIES

The Organization is subject to a concentration of credit risk if it were to periodically maintain cash deposits in a single financial institution in excess of amounts insured by the FDIC. The Organization has not experienced any losses on such accounts and does not believe that it is subject to significant credit risk related to the accounts. The Organization did not have a concentration of credit risk at any point during the year ended December 31, 2025.

Although the Organization is directly affected by economic conditions in the geographic area, management does not believe significant credit risk exists as of December 31, 2025.

NOTE 4 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the statement of assets, liabilities, and net assets - modified cash basis date, reduced by amounts not available for general use because of contractual restrictions within one year of the statement of assets, liabilities, and net assets - modified cash basis date.

Financial assets at year-end:	
Cash and cash equivalents	$ 199,021
Total financial assets	199,021
Less those unavailable for general expenditures within one year:	-
Financial assets available for general expenditure within one year	$ 199,021

NOTE 4 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS - continued

The Organization is primarily funded by contributions, grants, and fundraising. Occasionally, contributions or grants may contain donor-imposed restrictions. As such, the Organization generally maintains sufficient cash to meet its responsibility to donor-imposed restrictions available to meet any cash deficiencies.