

THE LAMB CENTER

FINANCIAL REPORT
YEAR ENDED JUNE 30, 2025

THE LAMB CENTER
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YEAR ENDED JUNE 30, 2025

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INDEPENDENT AUDITORS' REPORT

**TO THE BOARD OF DIRECTORS
THE LAMB CENTER
FAIRFAX, VIRGINIA**

Opinion

We have audited the accompanying financial statements of The Lamb Center (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Lamb Center as of June 30, 2025, and the 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Lamb Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Restatement of Beginning Net Assets

As described in Note 21 to the financial statements, in 2025, the Center restated beginning net assets to correct a prior period error. Our opinion is not modified with respect to this matter.

Auditors' Responsibilities for the Audit of 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 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 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 Lamb Center'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 Lamb Center'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.

Robinson, Farmer, Cox Associates

Staunton, Virginia
October 30, 2025

FINANCIAL STATEMENTS

THE LAMB CENTER
Statement of Financial Position
June 30, 2025

ASSETS

Current Assets:	
Cash and cash equivalents	\$ 1,446,305
Accounts receivable	58,163
Promises to give, net of discount	501,547
Investments	231,215
Inventory	21,669
Prepaid expenses	<u>11,167</u>
Total current assets	<u>\$ 2,270,066</u>
Noncurrent Assets:	
Property and Equipment:	
Land	\$ 1,830,602
Construction in progress	3,309,559
Building and improvements	2,452,848
Furniture, fixtures, and equipment	111,380
Less: Accumulated depreciation	<u>(582,097)</u>
Net property and equipment	<u>\$ 7,122,292</u>
Other Long-Term Assets:	
Investments	\$ 4,163,942
Security deposits	70
Promises to give, net of current portion	<u>498,411</u>
Total other long-term assets	<u>\$ 4,662,423</u>
Total noncurrent assets	<u>\$ 11,784,715</u>
Restricted Assets:	
Cash - restricted for capital campaign	\$ <u>1,579,103</u>
Total restricted assets	<u>\$ 1,579,103</u>
Total assets	<u><u>\$ 15,633,884</u></u>

LIABILITIES AND NET ASSETS

Liabilities:	
Current Liabilities:	
Accounts payable	\$ 8,119
Accrued wages and payroll taxes	64,292
Deferred revenue	26,746
Compensated absences	<u>58,965</u>
Total current liabilities	<u>\$ 158,122</u>
Long-Term Liabilities:	
Loans payable	\$ <u>2,620,000</u>
Total long-term liabilities	<u>\$ 2,620,000</u>
Total liabilities	<u>\$ 2,778,122</u>
Net Assets:	
Net assets without donor restrictions	\$ 12,801,619
Net assets with donor restrictions	<u>54,143</u>
Total net assets	<u>\$ 12,855,762</u>
Total liabilities and net assets	<u><u>\$ 15,633,884</u></u>

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

THE LAMB CENTER
Statement of Activities
Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support:			
Contributions	\$ 3,936,917	\$ 113,584	\$ 4,050,501
Contributions in-kind	451,898	-	451,898
Local government grants	966,180	-	966,180
Investment income, net	638,448	-	638,448
Net assets released from restrictions	94,667	(94,667)	-
Total revenues, gains, and other support	<u>\$ 6,088,110</u>	<u>\$ 18,917</u>	<u>\$ 6,107,027</u>
Expenses:			
Program services (Note 2)			
Career and support	\$ 2,185,584	\$ -	\$ 2,185,584
Supporting services:			
Management and general	265,964	-	265,964
Fundraising	478,170	-	478,170
Total expenses	<u>\$ 2,929,718</u>	<u>\$ -</u>	<u>\$ 2,929,718</u>
Change in net assets	\$ 3,158,392	\$ 18,917	\$ 3,177,309
Net assets at beginning of year, as restated	<u>9,643,227</u>	<u>35,226</u>	<u>9,678,453</u>
Net assets at end of year	<u>\$ 12,801,619</u>	<u>\$ 54,143</u>	<u>\$ 12,855,762</u>

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

THE LAMB CENTER
Statement of Functional Expenses
Year Ended June 30, 2025

Expense	Program Services		Supporting Services		Total
	Career and Support	Management and General	Fund-raising		
Personnel costs	\$ 1,274,862	\$ 185,308	\$ 377,783	\$	1,837,953
Supplies	398,443	-	-		398,443
Dues and subscriptions	160	981	200		1,341
Facilities	114,935	4,504	4,795		124,234
Depreciation	68,295	2,676	2,849		73,820
Professional fees	39,097	37,383	1,260		77,740
Compassion and caring program	25,681	-	-		25,681
Programs	225,047	-	-		225,047
Fundraising events	-	-	82,791		82,791
Printing and copying	-	-	6,987		6,987
Insurance	16,140	3,329	546		20,015
Postage and shipping	-	2,664	-		2,664
Licenses and fees	8,344	19,243	348		27,935
Office	9,200	1,041	384		10,625
Vehicles	4,440	-	-		4,440
Travel and meetings	940	1,933	227		3,100
Staff and volunteer appreciation	-	6,902	-		6,902
Totals	<u>\$ 2,185,584</u>	<u>\$ 265,964</u>	<u>\$ 478,170</u>	<u>\$</u>	<u>2,929,718</u>

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

THE LAMB CENTER
Statement of Cash Flows
Year Ended June 30, 2025

Cash flows from operating activities:	
Change in net assets	\$ 3,177,309
Adjustments to reconcile the change in net assets to net cash flows from operating activities:	
Net realized/unrealized (gain) loss on securities	(465,236)
Interest and dividends on investments	(85,161)
Non-cash donation of investment securities	(33,350)
Depreciation expense	73,820
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	(16,992)
(Increase) decrease in promises to give	(999,958)
(Increase) decrease in prepaid expenses	82
(Increase) decrease in inventory	(5,552)
Increase (decrease) in accounts payable	(3,902)
Increase (decrease) in accrued wages	5,900
Increase (decrease) in accrued interest	17,386
Increase (decrease) in compensated absences	12,365
Net cash flows provided by (used for) operating activities	<u>\$ 1,676,711</u>
Cash flows from investing activities:	
Purchase/sale of investments, net	\$ (5,496)
Purchase of property and equipment	<u>(355,313)</u>
Net cash flows provided by (used for) investing activities	<u>\$ (360,809)</u>
Net change in cash and cash equivalents	\$ 1,315,902
Cash and cash equivalents (including restricted), beginning of year	<u>1,709,506</u>
Cash and cash equivalents (including restricted), end of year	<u><u>\$ 3,025,408</u></u>

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statements of financial position that sum to the total of the same such amounts shown in the statements of cash flows.

Cash and cash equivalents	\$ 1,446,305
Cash restricted for capital campaign	<u>1,579,103</u>
Total	<u><u>\$ 3,025,408</u></u>

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

THE LAMB CENTER
Notes to Financial Statements
June 30, 2025

NOTE 1—DESCRIPTION OF THE ORGANIZATION:

The Lamb Center (the “Center”) is organized under the laws of the Commonwealth of Virginia as a nonprofit organization and is exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. The Center’s mission is to live out the compassionate hear of Christ by serving our neighbors experiencing homelessness. The Center operates an informal partnership with local Christian churches, reaching out to the poor by providing a place for homeless men and women to obtain services to assist in their move toward sustainable living situations. The Center provides services to any who follow simple rules of safety, regardless of faith. The basic services the Center provides from its facility in the City of Fairfax, Virginia include: counseling, showers, laundry, simple medical and dental assistance, meals, phones, and an address for guests to receive mail.

Funding for these activities comes primarily from cash and in-kind donations received from individuals, businesses, religious and other organizations within the regional communities at large. The Center also makes use of government grants to advance select programs of public concern.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The financial statements of the Center have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this basis, revenue is recognized when earned and expenses are recognized as incurred.

Financial Statement Presentation:

The Organization reports information regarding its financial position and activities according to the following two classes of net assets based on the existence or absence of donor–imposed restrictions:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations, or the net assets that were donated with donor-imposed stipulations and released from restriction within the same fiscal year. Net assets without donor restrictions for the year ended June 30, 2025 amounted to \$12,801,619.

Net assets with donor restrictions - Net assets with donor restrictions are resources whose use by the Organization is limited by donor-imposed restrictions. This category includes both donor restrictions that are temporary in nature, and those that neither expire by being used in accordance with a donor’s restriction nor by the passage of time. Net assets with donor restrictions for the year ended June 30, 2025 amounted to \$54,143.

Use of Estimates

Management uses estimates in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Program Services

The Center’s sole program service is to meet the spiritual and physical needs of the poor and homeless in and around Fairfax, Virginia.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include cash on hand, cash deposited with financial institutions and all highly liquid investments with an original maturity of three months or less.

Contributions Receivable

Management recognizes promises to give either once any conditions imposed by the donor relating to uncertain future events (i.e. other than restrictions for the passage of time or purpose of the funds) are met or once there is only a remote chance they will not be met. Contributions receivable are reflected at the present value of estimated future cash flows using a discount rate at the prime rate at fiscal year-end. As explained in Note 8 the Center had promises to give receivable at June 30, 2025.

Inventory

Management values inventory of contributed supplies on-hand using an estimated flea market value, which takes the condition and likely method of disposition into account.

Investments

Donated equity securities are held at their original cost or market value at the time of contribution and sold as soon as practicable thereafter. Cash flows from these sales are reported as being from operating activities under FASB ASC 230-10-45-21A. Sales of securities are reported net of nominal transaction fees ordinarily charged on similar accounts with their brokerage company. Donated investments still held at year end are considered current assets as they are expected to be converted to cash within one year. The Organization received \$33,350 in donated investments for the year ended June 30, 2025.

Property and Equipment

Expenditures for the acquisition of property and equipment are capitalized at cost for all property and equipment with acquisition costs that exceed \$2,500. The fair value of donated assets at the date of the gift is similarly capitalized or recognized as an expense. Depreciation is computed by the straight-line method over the following estimated useful lives of the assets.

Furniture and Equipment	5-7 years
Phone and Security Systems	7 years
Computer Equipment	5 years
Vehicles	5 years
Leasehold Improvements	10-20 years

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. At the time of retirement or disposition of property and equipment, the cost and related accumulated depreciation and amortization are removed from the accounts and any resulting gain or loss is reflected in the results of activities.

Certain property and equipment, which included mostly desks and chairs, were donated to the Center when it first began operations. Given the age and condition of the property and equipment, and because they were received after use by a related organization, no value was recorded for these assets.

Deferred Revenue

At June 30, 2025, the Center had deferred revenue related to unearned grant funding totaling \$26,746.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses. The cost of these items is recorded as an expense when consumed rather than when purchased.

Construction and Development

Costs to acquire, improve, and construct real property (including professional services, licenses and permits, and holding costs such as interest on construction loans, property hazard and builder's peril insurance, utilities, etc.) are capitalized as incurred, and any funds remain restricted by the donor for such purpose, until the project is substantially complete and ready for its intended use. The Center has spent \$2,945,763 for future housing projects to be completed in the future.

Contributions

Contributions received are recognized as support with or without donor restrictions, depending on the existence and/or nature of any donor restrictions in the period the donor's commitment is received. The Center reports gifts of cash and other assets, or sales of donated assets, as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor's restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, the support is reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions. Management does not imply time restrictions for contributions of long-lived assets (or cash contributions to purchase them.)

Contributed Services

Donated services are recognized as contributions if the services (1) create or enhance nonfinancial assets or (2) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Center. Services recognized by the Center include lawyers provided to the guests, repairs of service equipment, accounting services utilized by management, storage facilities provided by a local church, and lawyers, financial advisors, and other professionals involved in the Center's purchase and development of property used for their new facilities.

Functional Allocation of Expenses

The costs of providing the various programs and supporting activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These allocations were based on the estimated personnel and facility square feet dedicated to the programs and supporting activities.

Cost of Joint Activities

FASB ASC 958-720-45-29 describes recording costs associated with joint activities (activities which are part fundraising and have elements of one or more other functions, such as program or management and general). The standard requires that the criteria of purpose, audience and content be met in order to allocate any portion of the costs of joint activities to a functional area other than fundraising.

Income Tax

The Center is tax-exempt under Section 501(c)(3) of the Internal Revenue Code (IRC). In addition, the Center has been determined to not be a "private foundation" within the meaning of Section 509(a) of the IRC and qualifies for deductible contributions as provided in Section 170 (b)(1)(A)(vi). The Center did not conduct unrelated business activities and therefore, has made no provision for federal income taxes in the accompanying financial statements.

NOTE 3—CONCENTRATION OF CREDIT RISK AND ECONOMIC DEPENDENCY:

Financial instruments that potentially subject the Center to concentrations of credit risk consist of interest bearing cash and investments in the bank. The Center maintains its cash accounts in various financial institutions that are insured by the Federal Deposit Insurance Corporation (“FDIC”) through the use of a sweep account to avoid maintaining uninsured balances. At June 30, 2025, the Center was utilizing three financial institutions to maintain its cash balances.

The FDIC insures cash balances of interest bearing accounts up to \$250,000 at each institution. At June 30, 2025 there were no bank deposits in excess of FDIC insurance.

The Center receives a substantial amount of its support from public contributions. Such contributions amounted to 73.72% total support for fiscal year 2025. Any shift in charitable giving would have a significant impact on the Center’s operations. In such a situation, the Board would adjust services to be provided commensurate with donation levels.

NOTE 4—CONTRIBUTIONS IN-KIND:

Contributions in-kind consist of the following revenues with related expenses:

Program Services:		
Professional fees	\$	48,350
Goods		403,548
	\$	<u>451,898</u>

Additionally, many individuals volunteer their time and perform a variety of tasks that assist the Center in performance of its exempt activities, but these services do not meet the criteria for recognition as contributed services.

NOTE 5—INVESTMENTS:

Investments are stated at fair value and are summarized as follows as of June 30, 2025:

		<u>Fair Value</u>
Insured deposit program	\$	23,656
Equity securities		234,603
Mutual funds		1,621,686
Exchange traded products		2,515,212
Total	\$	<u>4,395,157</u>

NOTE 6—INVESTMENT FAIR VALUE MEASUREMENTS:

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. A three-level fair value hierarchy is used that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.

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

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

The following information summarizes the Center’s investments on a recurring basis:

	Fair Value Measurements at Reporting Date Using			
	Fair Value at 6/30/25	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Insured deposit program	\$ 23,656	\$ 23,656	\$ -	\$ -
Equity securities	234,603	234,603	-	-
Mutual funds	1,621,686	1,621,686	-	-
Exchange traded products	2,515,212	2,515,212	-	-
Total	<u>\$ 4,395,157</u>	<u>\$ 4,395,157</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 7—INVENTORY:

Inventory as of June 30, 2025 consists of the following:

Laundry and toiletries	\$ 855
Clothes	8,030
Food and related supplies	6,678
Dental supplies	1,479
Office supplies	160
Gift cards	4,467
Total inventory	<u>\$ 21,669</u>

THE LAMB CENTER
Notes to Financial Statements (continued)
June 30, 2025

NOTE 8 – PROMISES TO GIVE

The Center records unconditional promises to give as contribution revenue and receivable at the date the promise is made. The promises are measured at their fair value, which for those collectible in more than one year, is calculated by discounting the estimated future cash flows. The discount rate used is based on the risk-adjusted interest rates applicable at the time the promise to give is received. The discount rate used for fiscal year 2025 was 5%.

Promises to give at June 30, 2025 consist of the following:

Promises to give at June 30	\$	1,083,471
Less discount on promises to give		<u>(83,513)</u>
Present value of promises to give	\$	999,958
Less current portion		<u>(501,547)</u>
Noncurrent promises to give	\$	<u><u>498,411</u></u>

NOTE 9—PROPERTY AND EQUIPMENT:

Property and equipment consist of the following:

Land	\$	1,830,602
Construction in progress		3,309,559
Building and improvements		2,452,848
Furniture, fixtures, and equipment		<u>111,380</u>
Subtotal	\$	7,704,389
Accumulated depreciation		<u>(582,097)</u>
Net property and equipment	\$	<u><u>7,122,292</u></u>

Depreciation expense for the year ended June 30, 2025 totaled \$73,820.

NOTE 10—COMPENSATED ABSENCES:

The Center's employees earn annual leave at various rates. Accumulated vacation up to 240 hours is paid upon termination. As of June 30, 2025, the accrual for compensated absences amounted to \$58,965.

NOTE 11—LINE OF CREDIT:

The Center has a \$100,000 line of credit with MainStreet Bank at a variable interest rate with an original maturity date of July 2023, but has been extended on an annual basis. There was no outstanding balance on either of these lines of credit at June 30, 2025.

NOTE 12—CONTINGENCIES AND CLAIMS:

The Center is only registered to solicit for charitable donations in Virginia. Management does not believe the Center is subject to the registration requirement of any other state.

THE LAMB CENTER
Notes to Financial Statements (continued)
June 30, 2025

NOTE 13—WHOLLY OWNED SUBSIDIARY:

The Center is the sole member of 9640 Fairfax Boulevard LLC, which was incorporated under the laws of the Commonwealth of Virginia on December 22, 2022, for the purposes of acquiring and constructing a residential/mixed community that will eventually be utilized by the Center for housing the homeless.

NOTE 14—LIQUIDITY AND AVAILABILITY:

The following reflects the Center's financial assets as of June 30, 2025, reduced by donor restrictions and amounts not available for general use because of board designations.

Financial assets at year-end:		
Cash and cash equivalents	\$	3,025,408
Investments		4,395,157
Accounts receivable		58,163
Promises to give, net of discount		<u>999,958</u>
Total financial assets available for use at year-end	\$	8,478,686
Less those unavailable for general expenditures within one year, due to:		
Restricted by donor with time or purpose restrictions:		
Subject to appropriation and satisfaction of donor restrictions		(54,143)
Funds designated by board for capital reserve		<u>(1,579,103)</u>
Financial assets available to meet cash needs for general expenses within one year	\$	<u><u>6,845,440</u></u>

None of the financial assets available for use are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the Statement of financial position date. The Center's liquidity reserves may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside of the Center's normal course of business.

NOTE 15—DEFINED CONTRIBUTION PENSION PLAN:

The Center sponsors an IRC §403(b) defined contribution pension plan in the Anglican Church in North America (ACNA) Retirement Plan and Trust. The Center will match employee contributions of 4% of their salary. The Center paid \$56,418 of employer contributions toward employees' retirement accounts for the year ended June 30, 2025.

NOTE 16—RESTRICTED ASSETS:

During fiscal year 2025, Board of Directors designated \$1,579,103 to be restricted for construction of the new building and related debt service.

NOTE 17—RELATED PARTY TRANSACTIONS:

During fiscal year 2025, Board of Directors members contributed approximately \$110,741 and employees contributed approximately \$2,421 to The Lamb Center.

THE LAMB CENTER
Notes to Financial Statements (continued)
June 30, 2025

NOTE 18—LOANS PAYABLE:

The Center entered into a loan agreement with Enterprise Community Loan Fund, Inc. on January 17, 2023, in the amount of \$2,320,000 at a fixed interest rate of 5.75%, maturing March 31, 2025, with interest only payments until September 30, 2025 when a balloon payment is due. The balance of the loan at June 30, 2025 was \$2,278,610 due to interest reserve escrows maintained by the lender.

The Center also entered into a loan agreement with the Virginia Housing Development Authority on August 17, 2022, in the amount of \$300,000 at a 0% interest rate, with a balloon payment due on August 17, 2025.

NOTE 19 – NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions represent funding for future operating expense of the following programs:

	<u>2025</u>
Supportive Housing	\$ 30,000
City Jobs	6,307
C&C Guest Support	1,463
Fairfax County Food Assistance	11,472
NVHF Guest Connection Grant	4,582
Other	319
Total	<u>\$ 54,143</u>

NOTE 20—RESTATEMENT OF BEGINNING NET ASSETS:

The beginning net assets were restated to properly reflect deposit and accumulated depreciation as follows:

	<u>6/30/2024</u> as originally stated	Correction of Error	<u>6/30/2024</u> as restated
Net assets without donor restrictions	\$ 9,650,184	\$ (6,957)	\$ 9,643,227
Net assets with donor restrictions	35,226	-	35,226
Total net assets	<u>\$ 9,685,410</u>	<u>\$ (6,957)</u>	<u>\$ 9,678,453</u>

NOTE 21—SUBSEQUENT EVENTS:

In preparing these financial statements, management of the Center has evaluated events and transactions for potential disclosure through October 30, 2025, the date the financial statements were available to be issued.

On September 25, 2025, the Center's Wholly Owned Subsidiary closed on a construction loan in the amount of \$6,200,883 with the Center's development partners. This transaction also included a 99 year ground lease with the development partners. Proceeds from this loan were used to extinguish the debt of the Center described in Note 18.