

FINANCIAL STATEMENTS



**FOR THE YEAR ENDED SEPTEMBER 30, 2025
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2024**

AYUDA, INC.

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Ayuda, Inc.
Washington, D.C.

Opinion

We have audited the accompanying financial statements of Ayuda, Inc., which comprise the statement of financial position as of September 30, 2025, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ayuda, Inc. as of September 30, 2025, and the change 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 and *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Ayuda, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Ayuda, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

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Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 Ayuda, 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ayuda, 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 Summarized Comparative Information

We have previously audited Ayuda, Inc.'s 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 29, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2026, on our consideration of Ayuda, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Ayuda, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Ayuda, Inc.'s internal control over financial reporting and compliance.



January 28, 2026

AYUDA, INC.

STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2025
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2024

ASSETS

	<u>2025</u>	<u>2024</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,993,076	\$ 2,076,911
Investments	862,978	748,642
Grants and contributions receivable	2,624,678	1,999,910
Accounts receivable	69,245	79,023
Prepaid expenses	<u>167,899</u>	<u>157,470</u>
Total current assets	<u>6,717,876</u>	<u>5,061,956</u>
FIXED ASSETS		
Furniture, equipment and leasehold improvements	56,423	68,440
Less: Accumulated depreciation and amortization	<u>(55,666)</u>	<u>(58,362)</u>
Net fixed assets	<u>757</u>	<u>10,078</u>
OTHER ASSETS		
Deposits	66,362	52,937
Operating lease right-of-use asset, net	<u>266,374</u>	<u>2,998,287</u>
Total other assets	<u>332,736</u>	<u>3,051,224</u>
TOTAL ASSETS	<u>\$ 7,051,369</u>	<u>\$ 8,123,258</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Operating lease liability	\$ 228,509	\$ 605,198
Accounts payable and accrued liabilities	137,025	125,448
Accrued salaries and other payroll liabilities	656,464	592,234
Refundable advances	<u>294,418</u>	<u>293,565</u>
Total current liabilities	1,316,416	1,616,445
LONG-TERM LIABILITIES		
Operating lease liability, net	<u>48,260</u>	<u>2,597,621</u>
Total liabilities	<u>1,364,676</u>	<u>4,214,066</u>
NET ASSETS		
Without donor restrictions	4,749,192	2,915,751
With donor restrictions	<u>937,501</u>	<u>993,441</u>
Total net assets	<u>5,686,693</u>	<u>3,909,192</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,051,369</u>	<u>\$ 8,123,258</u>

See accompanying notes to financial statements.

AYUDA, INC.

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2024**

	<u>2025</u>			<u>2024</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
REVENUE AND SUPPORT				
Foundation and State grants	\$ 8,007,284	\$ 1,747,655	\$ 9,754,939	\$ 8,218,035
Contributed nonfinancial assets	6,376,200	-	6,376,200	6,884,549
Government grants	2,870,894	-	2,870,894	3,123,660
Contributions	778,505	-	778,505	415,162
Events	303,402	-	303,402	302,880
Program service fees	79,656	-	79,656	84,119
Other revenue	63,377	-	63,377	70,920
Net investment return	57,261	-	57,261	139,365
Indirect contributions	12,960	-	12,960	50,904
Net assets released from donor- imposed restrictions	<u>1,803,595</u>	<u>(1,803,595)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>20,353,134</u>	<u>(55,940)</u>	<u>20,297,194</u>	<u>19,289,594</u>
EXPENSES				
Program Services	<u>16,751,053</u>	<u>-</u>	<u>16,751,053</u>	<u>16,681,380</u>
Supporting Services:				
General and Administrative	1,628,657	-	1,628,657	1,566,087
Fundraising	<u>539,983</u>	<u>-</u>	<u>539,983</u>	<u>513,991</u>
Total supporting services	<u>2,168,640</u>	<u>-</u>	<u>2,168,640</u>	<u>2,080,078</u>
Total expenses	<u>18,919,693</u>	<u>-</u>	<u>18,919,693</u>	<u>18,761,458</u>
Change in net assets before other item	1,433,441	(55,940)	1,377,501	528,136
OTHER ITEM				
Operating lease termination	<u>400,000</u>	<u>-</u>	<u>400,000</u>	<u>-</u>
Change in net assets	1,833,441	(55,940)	1,777,501	528,136
Net assets at beginning of year	<u>2,915,751</u>	<u>993,441</u>	<u>3,909,192</u>	<u>3,381,056</u>
NET ASSETS AT END OF YEAR	<u>\$ 4,749,192</u>	<u>\$ 937,501</u>	<u>\$ 5,686,693</u>	<u>\$ 3,909,192</u>

AYUDA, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2025
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2024**

	2025				2024	
	Program Services	Supporting Services			Total Expenses	Total Expenses
		General and Administrative	Fundraising	Total Supporting Services		
Salaries and related benefits and taxes	\$ 8,388,710	\$ 1,222,324	\$ 389,003	\$ 1,611,327	\$ 10,000,037	\$ 9,074,227
Contributed nonfinancial assets	6,328,061	35,051	13,088	48,139	6,376,200	6,884,549
Professional fees	845,518	140,685	54,264	194,949	1,040,467	1,096,516
Occupancy	347,709	131,776	-	131,776	479,485	720,708
Emergency client support	364,935	2,375	2,044	4,419	369,354	296,482
Licenses and fees	125,898	51,793	46,317	98,110	224,008	184,190
Travel expenses	102,299	8,263	1,278	9,541	111,840	163,155
Office supplies	81,710	15,619	6,420	22,039	103,749	99,600
Insurance	55,843	8,274	-	8,274	64,117	60,419
Computers IT and small equipment	42,413	5,558	1,300	6,858	49,271	74,407
Bad debt expenses	36,853	-	-	-	36,853	16,759
Litigation	30,195	-	-	-	30,195	34,044
Catering and food	909	4,078	17,860	21,938	22,847	31,416
Event expenses	-	750	8,409	9,159	9,159	22,113
Depreciation and amortization	-	2,111	-	2,111	2,111	2,873
TOTAL	\$ 16,751,053	\$ 1,628,657	\$ 539,983	\$ 2,168,640	\$ 18,919,693	\$ 18,761,458

See accompanying notes to financial statements.

AYUDA, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2024**

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,777,501	\$ 528,136
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	2,111	2,873
Loss on disposal of fixed assets	7,210	-
Realized and unrealized gain on investments	(41,788)	(125,743)
Amortization of operating lease right-of-use asset	229,822	576,288
(Increase) decrease in:		
Grants and contributions receivable	(624,768)	(359,290)
Accounts receivable	9,778	42,968
Prepaid expenses	(10,429)	(17,887)
Deposits	(13,425)	-
Increase (decrease) in:		
Accounts payable and accrued liabilities	11,577	(62,861)
Accrued salaries and other payroll liabilities	64,230	89,817
Refundable advances	853	(97,821)
Operating lease liability	<u>(423,959)</u>	<u>(556,280)</u>
Net cash provided by operating activities	<u>988,713</u>	<u>20,200</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	11,038	-
Purchases of investments	<u>(83,586)</u>	<u>(13,824)</u>
Net cash used by investing activities	<u>(72,548)</u>	<u>(13,824)</u>
Net increase in cash and cash equivalents	916,165	6,376
Cash and cash equivalents at beginning of year	<u>2,076,911</u>	<u>2,070,535</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 2,993,076</u>	<u>\$ 2,076,911</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH OPERATING ACTIVITIES:		
Removal of Operating Lease Right-of-Use Asset and Lease Liability as a Result of Lease Termination	<u>\$ 2,502,091</u>	<u>\$ -</u>

AYUDA, INC.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Ayuda, Inc. is a not-for-profit organization, incorporated under the laws of the District of Columbia, providing legal, advocacy, empowerment and educational services that benefit low-income Latino and foreign-born families in the Washington, D.C. metropolitan area. These activities are funded primarily through foundation grants and public contributions.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) related to non-profit entities. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Net assets set aside solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets With Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when the 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

The financial statements include certain prior year summarized comparative information in total but not by net asset class; such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Ayuda, Inc.'s financial statements for the year ended September 30, 2024, from which the summarized information was derived.

Cash and cash equivalents -

Ayuda, Inc. considers all highly liquid investments with maturities of three months or less, which are not part of the investment portfolio, to be cash and cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, Ayuda, Inc. maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in Investment return, which is presented net of investment expenses paid to external investment advisors, in the accompanying Statement of Activities and Change in Net Assets.

AYUDA, INC.

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Grants and contributions receivable -

Grants and contributions receivable include unconditional promises to give that are expected to be collected in future years. Grants and contributions receivable are recorded at their fair value, which is measured as the present value of the future cash flows. Management considers all amounts to be fully collectable within one year. Accordingly, an allowance for doubtful accounts has not been established.

Accounts receivable -

Accounts receivable primarily consists of amounts due within one year related to program service fees. Accounts receivable are recorded at their net realizable value which approximates fair value. Accounts receivable are presented net of an allowance for credit losses resulting from the inability of customers to make required payments. The allowance for credit losses is based upon historical loss experience in combination with current economic conditions and a forecast of future economic conditions. Any change in the assumptions used in analyzing a specific account receivable might result in an additional allowance for credit losses being recognized in the period in which the change occurs. As of September 30, 2025, there was no allowance for credit losses.

Fixed assets -

Fixed assets in excess of \$10,000 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. Leasehold improvements are amortized over the lesser of the useful life of the asset or the remaining life term of the lease. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense totaled \$2,111 for the year ended September 30, 2025.

Income taxes -

Ayuda, Inc. is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), as an organization described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements. Ayuda, Inc. is not a private foundation.

Support from grants and contributions, including Federal awards -

Ayuda, Inc. receives grants and contributions, including Federal awards from the U.S. Government. Contributions are recognized in the appropriate category of net assets in the period received. Ayuda, Inc. performs an analysis of the individual contribution agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

For grants qualifying under the contribution rules, support is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, including grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions.

AYUDA, INC.

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Support from grants and contributions, including Federal awards (continued) -

Contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying financial statements. Contributions that are both received and released from restrictions in the same year are classified as without donor restrictions.

Conditional contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Most Federal grants are for direct and indirect program costs and are considered to be conditional contributions which are recognized as contributions when the amounts become unconditional. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. Ayuda, Inc.'s refundable advances totaled \$294,418 as of September 30, 2025.

In addition, Ayuda, Inc. has obtained funding source agreements related to conditional contributions, such as Federal awards from the U.S. Government, which will be received in future years. Ayuda, Inc.'s unrecognized conditional contributions to be received in future years totaled \$1,295,000 as of September 30, 2025.

Contributed nonfinancial assets -

Contributed nonfinancial assets are recorded at their fair value as of the date of the contribution and consisted of donated services from attorneys, undergraduate and graduate students. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Ayuda, Inc. None of the contributed nonfinancial assets were restricted by donors and none of the donated goods were monetized through sale. The total amount of donated services received for the year ended September 30, 2025 totaled \$6,376,200.

Revenue from contracts with customers -

Ayuda, Inc.'s events and program service fees revenue are the most significant revenue streams that are treated as exchange transaction revenue following ASC Topic 606. Revenue from contracts with customers is recorded when the performance obligations are met. Ayuda, Inc. has elected to opt out of all disclosures not required for nonpublic entities. Ayuda, Inc.'s contracts with customers generally have initial terms of one year or less.

Ayuda, Inc. receives sponsorship income for events held throughout the year. This income is recognized when the associated event has occurred. Ayuda, Inc. receives client fees for legal services provided. Client fees are recognized as program service fees as the associated work is completed. Transaction price is determined based on cost and/or sales price. Any amounts received in advance are recorded as Deferred revenue within the Statement of Financial Position.

Use of estimates -

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

AYUDA, INC.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**
(Continued)

Functional allocation of expenses -

The costs of providing Ayuda, Inc.'s programs and supporting services have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area are reported as direct expenses within that functional area and expenses that benefited more than one functional area, such as personnel costs, were allocated based on estimated time and effort.

Risks and uncertainties -

Ayuda, Inc. invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

2. **INVESTMENTS AND FAIR VALUE MEASUREMENT**

In accordance with FASB ASC 820, *Fair Value Measurement*, Ayuda, Inc. has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy.

The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market Ayuda, Inc. has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the year ended September 30, 2025. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money Market Funds* - The money market funds are open-end funds that are registered with the Securities and Exchange Commission (SEC) and are deemed to be actively traded.

AYUDA, INC.

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

2. INVESTMENTS AND FAIR VALUE MEASUREMENT (Continued)

- *Mutual Funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by Ayuda, Inc. are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Mutual funds held by Ayuda, Inc. are deemed to be actively traded.

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of September 30, 2025.

	Level 1	Level 2	Level 3	Total
Investments:				
Money market funds	\$ 43,560	\$ -	\$ -	\$ 43,560
Mutual funds:				
Fixed income mutual funds	343,364	-	-	343,364
Equity mutual funds	476,054	-	-	476,054
Total mutual funds	819,418	-	-	819,418
TOTAL INVESTMENTS	\$ 862,978	\$ -	\$ -	\$ 862,978

Net investment return consisted of the following for the year ended September 30, 2025:

Interest and dividends	\$ 21,294
Realized and unrealized gain on investments	41,788
Investment expenses provided by external investment advisors	(5,821)
NET INVESTMENT RETURN	\$ 57,261

3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at September 30, 2025:

Program Services	\$ 597,382
General Support - Time Restricted	340,119
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	\$ 937,501

4. NET ASSETS RELEASED FROM RESTRICTIONS

The following net assets with donor restrictions were released from donor restrictions either by incurring expenses which satisfied the restricted purposes specified by the donors or through the passage of time during the year ended September 30, 2025:

Program Services	\$ 1,316,514
General Support - Passage of Time	487,081
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	\$ 1,803,595

AYUDA, INC.

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

5. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Statement of Financial Position date comprise the following as of September 30, 2025:

Cash and cash equivalents	\$ 2,993,076
Investments	862,978
Grants and contributions receivable	2,624,678
Accounts receivable	<u>69,245</u>
Subtotal financial assets available within one year	6,549,977
Less: Donor restricted funds	<u>(597,382)</u>

FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 5,952,595</u>
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Ayuda, Inc. has a policy to structure its financial assets to be available and liquid as its obligations become due.

6. LEASE COMMITMENTS

Ayuda, Inc. follows FASB ASC 842 for leases. Ayuda, Inc. has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes. Ayuda, Inc. has also elected to use a risk-free rate as the lease discount rate for all leases as allowed under FASB ASC 842.

During 2021, Ayuda, Inc. entered into a ten-year lease agreement, commencing September 2021, for office space in Washington, D.C. Rent under this ten-year lease agreement was abated for seven months. Base rent started with monthly installments of \$29,892, plus its share of operating expenses, and increased by 4.5% each anniversary date. In November 2024, Ayuda, Inc. entered into an amendment agreement to early terminate the lease on August 31, 2025. In consideration of the early termination, Ayuda, Inc. received \$200,000 with the termination notice on December 18, 2024. An additional \$200,000 payment was received by Ayuda, Inc. on September 29, 2025. The total payment of \$400,000 is presented as an "Other item" in the Statement of Activities and Change in Net Assets.

During 2018, Ayuda, Inc. entered into a seven-year lease agreement, commencing May 2018, for office space in Fairfax, Virginia. Base rent starts with monthly installments of \$5,892, plus its share of operating expenses, and increases by 4% each anniversary date. Ayuda, Inc. received nine months of a 50% rent abatement at the beginning of the lease. On December 19, 2024, the agreement was amended to extend the lease term through January 1, 2027. Effective on April 1, 2025, the base rent starts with monthly installments of \$11,854, plus its share of operating expenses, and increases by 2.75% each anniversary date. The additional amount committed under this agreement is \$192,924.

During 2019, Ayuda, Inc. entered into a 89-month lease agreement, commencing February 2019, for office space in Silver Spring, Maryland. Base rent starts with monthly installments of \$8,798, plus its share of operating expenses, and increases by 4% each anniversary date. Ayuda, Inc. received an allowance for improvements to the new space. On November 14, 2025, the agreement was amended to extend the lease term by one year through June 30, 2027. Effective on July 1, 2026, the base rent starts with monthly installments of \$9,660.

For the year ended September 30, 2025, total lease cost was \$442,916 and total cash paid was \$654,584 for all operating leases. As of September 30, 2025, the weighted-average remaining lease term and rate for operating leases is 1.12 years and 0.36%, respectively.

AYUDA, INC.

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

6. LEASE COMMITMENTS (Continued)

The following is a schedule of the future minimum lease payments due under the operating leases, net of imputed interest, as of September 30, 2025:

<u>Year Ending September 30,</u>		
2026		\$ 235,484
2027		<u>48,720</u>
		284,204
Less: Imputed interest		<u>(7,435)</u>
		276,769
Less: Current portion		<u>(228,509)</u>
LONG-TERM PORTION		<u>\$ 48,260</u>

7. CONTINGENCY

Ayuda, Inc. receives grants from various agencies of the United States Government. Such grants are subject to audit under the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. The ultimate determination of amounts received under the Federal awards is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits. Until such audits have been accepted by the United States Government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits. Audits in accordance with the applicable provisions of Subpart F of the Uniform Guidance have been completed for all required fiscal years through 2025.

8. RETIREMENT PLAN

Ayuda, Inc. offers a retirement benefit plan through a qualified 403(b) tax-deferred annuity plan covering all eligible employees. Under the Plan, Ayuda, Inc. deducts a percentage or specific amount from the employees income each pay period, up to the legally allowed limit per the employee's election.

Starting in 2017, the Plan permits contributions by the employer. Ayuda, Inc. contributed a 3% match. Contributions to the Plan during the year ended September 30, 2025 totaled \$225,001, and is included in Salaries and related benefits and taxes in the accompanying Statement of Functional Expenses.

9. CONTRIBUTED NONFINANCIAL ASSETS

During the year ended September 30, 2025, Ayuda, Inc. was the beneficiary of donated services from attorneys, undergraduate and graduate students which allowed Ayuda, Inc. to provide greater resources to the community. No donor-imposed restrictions were associated with the contributed nonfinancial assets, which are recorded at their estimated fair market value as of the date of the contribution.

AYUDA, INC.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

9. CONTRIBUTED NONFINANCIAL ASSETS (Continued)

The contributed nonfinancial assets consisted of the following for the year ended September 30, 2025:

Legal Services	\$ 5,821,864
Other Services	<u>554,336</u>
TOTAL	<u>\$ 6,376,200</u>

The following programs and supporting services have benefited from these donated services:

Program Services	\$ 6,328,061
General and Administrative	35,051
Fundraising	<u>13,088</u>
TOTAL	<u>\$ 6,376,200</u>

10. SUBSEQUENT EVENTS

In preparing these financial statements, Ayuda, Inc. has evaluated events and transactions for potential recognition or disclosure through January 28, 2026, the date the financial statements were issued.