ROSEMARY'S BABIES CO.
Financial Statements

For the Years Ended December 31, 2024 and 2023

ROSEMARY'S BABIES CO.

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Certified Public Accountants

Independent Accountant's Review Report

To the Board of Directors of Rosemary's Babies Co., 3864 Reading Road, Cincinnati, Ohio 45229

We have reviewed the accompanying financial statements of Rosemary's Babies Co. (the Organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements: Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Accountant's Responsibility: Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion. We are required to be independent of Rosemary's Babies Co. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion: Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

November 3, 2026



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ROSEMARY'S BABIES CO.

STATEMENT OF FINANCIAL POSITION

December 31, 2024 and 2023

	2024	2023 (Restated)
ASSETS		
Current assets		
Cash and cash equivalents	$ 73,536.71	$ 247,927.72
Pledges receivable	-	2,700.00
Other current assets	-	6,879.04
Total current assets	**73,536.71**	**257,506.76**
Property and equipment, net	936,006.27	703,429.67
TOTAL ASSETS	**$ 1,009,542.98**	**$ 960,936.43**
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	-	148.07
Credit card payable	3,870.43	5,247.29
Total current liabilities	**3,870.43**	**5,395.36**
Note payable - IFF	358,765.48	333,680.23
TOTAL LIABILITIES	**362,635.91**	**339,075.59**
Net assets without donor restrictions	**646,907.07**	**621,860.84**
TOTAL LIABILITIES AND NET ASSETS	**$ 1,009,542.98**	**$ 960,936.43**

(See independent accountant's review report and accompanying notes to financial statements)

ROSEMARY'S BABIES CO.

STATEMENT OF ACTIVITIES

For the Years Ended December 31, 2024 and 2023

	2024	2023 (Restated)
Revenue and support		
Corporate sponsors	$ 8,133.00	$ 7,731.40
Fund donations	1,140.00	33,275.00
Grants	379,078.03	640,163.68
Individual donors	75,880.75	67,328.95
In-kind contributions	11,804.80	208,359.30
Interest and other income	10,032.69	2,037.83
Total revenue and support	**486,069.27**	**958,896.16**
Expenses		
Program services	339,216.20	480,954.83
Management and general	119,376.22	211,299.76
Fundraising	2,430.62	49,628.53
Total expenses	**461,023.04**	**741,883.12**
Change in net assets	**25,046.23**	**217,013.04**
Net assets, beginning of year, as previously reported		399,633.12
Correction of prior-period balances (Note 10)		5,214.68
Net assets, beginning of year, as restated	**621,860.84**	**404,847.80**
NET ASSETS, END OF YEAR	**$ 646,907.07**	**$ 621,860.84**

(See independent accountant's review report and accompanying notes to financial statements)

ROSEMARY'S BABIES CO.

STATEMENT OF CASH FLOWS

For the Years Ended December 31, 2024 and 2023

	2024	2023 (Restated)
OPERATING ACTIVITIES		
Change in net assets	$ 25,046.23	$ 217,013.04
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	4,977.90	4,758.62
(Increase) decrease in receivables and other assets	9,579.04	(8,299.04)
Increase (decrease) in payables and accruals	(1,524.93)	(1,711.58)
Donated construction services and materials	-	(24,300.00)
Gain on sale of vehicle	-	(1,613.41)
Net cash from operating activities	**38,078.24**	**185,847.63**
INVESTING ACTIVITIES		
Purchases of property and equipment	(212,469.25)	(55,679.59)
Net cash from investing activities	**(212,469.25)**	**(55,679.59)**
Net increase (decrease) in cash	**(174,391.01)**	**130,168.04**
Cash at beginning of year	247,927.72	117,759.68
CASH AT END OF YEAR	**$ 73,536.71**	**$ 247,927.72**

Supplemental information - noncash activities: In 2024, interest on the IFF loan of $25,085.25 was paid by the lender from the loan's interest reserve, added to the loan balance, and added to construction in progress. In 2023, IFF loan draws and interest of $333,680.23 were paid by the lender directly for Holloway House construction or added to the loan, and construction services and materials of $24,300.00 were donated. 2023 purchases of property and equipment are net of $9,493.92 received from the sale of a vehicle.

(See independent accountant's review report and accompanying notes to financial statements)

ROSEMARY'S BABIES CO.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended December 31, 2024 and 2023

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

Rosemary's Babies Co. (the Organization) provides support for teen parent families in Greater Cincinnati and surrounding areas. Mothers and fathers receive emotional, educational, and financial resources to help them have healthy babies and lead productive lives. Services are offered in person and virtually. The Organization is funded primarily by individual donor contributions, grants, sponsorships, foundations, and state funding.

In 2022 the Organization acquired the building at 3864 Reading Road, Cincinnati, Ohio, and is renovating it as Holloway House & Resource Center, which provides transitional housing for teen parents and their babies and space for the Organization's programs. Holloway House opened in March 2025 (Note 11).

Financial statement presentation

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for not-for-profit organizations. Net assets are reported as without donor restrictions or with donor restrictions. The Organization had no net assets with donor restrictions at December 31, 2024 or 2023.

Contributions and grants

Contributions and grants are recorded when received or unconditionally promised. Grants with donor restrictions that are met in the same year they are received are reported as support without donor restrictions. Promises that are not expected to be collected are written off.

Contributed services

Donated goods and construction services are recorded at their estimated value when received (Note 8). Volunteer time is not recorded in the financial statements.

Use of estimates

Preparing financial statements requires management to make estimates that affect the amounts reported. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include bank and online payment accounts and investments with original maturities of three months or less.

Property and equipment

Property and equipment are recorded at cost, or at estimated value when donated, and depreciated on the straight-line method over their estimated useful lives, 39 years for the building. Interest on the construction loan is added to the cost of Holloway House while it is under construction.

Deferred revenue

Grant funds received before the grant's conditions are met are recorded as deferred revenue. There was none at December 31, 2024 or 2023.

Functional allocation of expenses

Expenses are charged to program services, management and general, or fundraising based on the activity they support. The Executive Director's compensation is shared between program services and management and general.

Income taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is classified as a public charity.

NOTE 2 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets available for general expenditure within one year consist of cash and cash equivalents of $73,536.71 at December 31, 2024 and $247,927.72 at December 31, 2023. The Organization manages its liquidity by matching program spending to the grants and donations it receives.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment at December 31 consist of the following:

	2024	2023
Building and improvements	$ -	$ 223,368.75
Construction in progress	911,631.47	424,136.12
Furniture and equipment	-	26,572.10
Vehicles	36,835.00	36,835.00
Less accumulated depreciation	(12,460.20)	(7,482.30)
Property and equipment, net	**$ 936,006.27**	**$ 703,429.67**

Depreciation expense was $4,977.90 in 2024 and $4,758.62 in 2023.

Holloway House

In June 2022 the Organization purchased the land and building at 3864 Reading Road from the Hamilton County Land Reutilization Corporation for $195,000 and is renovating it as transitional housing for teen parent families. Renovation costs were reported as construction in progress at December 31, 2024 and 2023. Interest on the construction loan of $25,085.25 in 2024 and $5,572.09 in 2023 was added to its cost. The building secures the IFF loan and the State of Ohio note (Note 4).

NOTE 4 - HOLLOWAY HOUSE FINANCING

IFF loan

The renovation of Holloway House is financed with a construction loan of up to $900,000 from IFF, a nonprofit community lender, dated December 2022 and secured by a mortgage on the building. IFF pays the contractors and the interest directly from the loan and adds them to the balance, so the Organization made no loan payments in 2024 or 2023. The balance was $358,765.48 at December 31, 2024 and

$333,680.23 at December 31, 2023, with interest at 6.625%. In February 2025 the loan was amended to extend its maturity to January 1, 2027, with interest at 8.25%, so it is reported as long-term.

State of Ohio

In 2023 the Organization signed a $250,000 forgivable note with the Ohio Department of Mental Health and Addiction Services to help fund Holloway House. The note bears no interest and is forgiven monthly through June 2043 as long as the building is used for its approved purpose. The Organization received $225,000 in May 2024, reported as grant revenue, and the remaining $25,000 in July 2026 (Note 11).

NOTE 5 - LEASING ARRANGEMENTS

Rent expense for the Organization's office space was $28,181.42 in 2024 and $26,548.30 in 2023.

NOTE 6 - REVENUE AND SUPPORT

Total revenue and support was $486,069.27 in 2024 and $958,896.16 in 2023. 2024 included $225,000 of State of Ohio capital funding for Holloway House (Note 4). Rosemary's Babies Co. is grateful to the foundations, corporations, and individual donors whose generosity makes its work possible.

NOTE 7 - EXPENSES

Total expenses were $461,023.04 in 2024 and $741,883.12 in 2023. Expenses by nature and function were as follows:

Year ended December 31, 2024

	Program services	Management and general	Fundraising	Total
Contract and professional services	$ 168,481.93	$ 60,839.93	$ -	$ 229,321.86
Program activities and supplies	118,197.22	-	-	118,197.22
Occupancy and insurance	21,250.60	38,172.26	-	59,422.86
Marketing and fundraising events	5,076.63	1,059.76	2,430.62	8,567.01
Office, travel, and other	18,494.51	19,304.27	-	37,798.78
Interest	2,737.41	-	-	2,737.41
Depreciation	4,977.90	-	-	4,977.90
Total expenses	**$ 339,216.20**	**$ 119,376.22**	**$ 2,430.62**	**$ 461,023.04**

Year ended December 31, 2023

	Program services	Management and general	Fundraising	Total
Contract and professional services	$ 351,821.30	$ 107,667.40	$ -	$ 459,488.70
Program activities and supplies	98,665.05	-	-	98,665.05
Occupancy and insurance	3,236.60	46,792.86	-	50,029.46
Marketing and fundraising events	4,127.83	32,719.50	49,628.53	86,475.86
Office, travel, and other	14,616.21	24,120.00	-	38,736.21
Interest	3,729.22	-	-	3,729.22
Depreciation	4,758.62	-	-	4,758.62
Total expenses	**$ 480,954.83**	**$ 211,299.76**	**$ 49,628.53**	**$ 741,883.12**

NOTE 8 - IN-KIND AND VOLUNTEER HOURS

In-kind

Rosemary's Babies Co. appreciates those who continue to support our organization with in-kind donations of baby items, clothing, supplies, gift cards, and construction services and materials for Holloway House, valued at $11,804.80 in 2024 and $208,359.30 in 2023. Your contributions help us direct our funds to the areas where they are most needed.

Volunteer hours

The Rosemary's Babies Co. team includes contractors and volunteers who contribute their time each year: about 50 volunteers gave about 2,300 hours in 2024. Thank you to every volunteer who shared their time and talent.

NOTE 9 - RELATED PARTY TRANSACTIONS

The Organization's founder and Executive Director is paid as an independent contractor: $64,800.00 in 2024 and $54,800.00 in 2023. The transfer of vehicles to the Executive Director in 2025 is described in Note 11.

NOTE 10 - RESTATEMENT OF 2023 FINANCIAL STATEMENTS

The 2023 financial statements have been restated to correct errors in the previously issued 2023 financial statements. The main correction removes a year-end entry of $172,246.08 that recorded cash not supported by bank balances. Holloway House construction costs previously reported as a $353,542.00 construction payable are now reported as the IFF loan that funded them (Note 4), and cash balances at December 31, 2022 were corrected. The effects were as follows:

	As previously reported	As restated
Net assets, December 31, 2022	$ 399,633.12	$ 404,847.80
Change in net assets, 2023	218,013.04	217,013.04
Net assets, December 31, 2023	789,892.24	621,860.84
Cash, December 31, 2023	415,959.12	247,927.72

NOTE 11 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 3, 2026, the date the financial statements were available to be issued.

In February 2025 the IFF loan was amended to extend its maturity to January 1, 2027 (Note 4). The City of Cincinnati issued the certificate of occupancy for Holloway House on February 10, 2025, and the house welcomed its first residents in March 2025.

For administrative efficiency and with the approval of the Board of Directors, in 2025 the Organization transferred its two vehicles, with a carrying amount of $21,305.10, to the Executive Director, who continues to provide them for the Organization's programs at no charge.

In July 2026 the Organization received the remaining $25,000 of State of Ohio capital funding (Note 4).