Report of Independent Auditors and
Financial Statements

Born This Way Foundation, Inc.

December 31, 2025 and 2024



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Report of Independent Auditors

The Board of Directors
Born This Way Foundation, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Born This Way Foundation, Inc. (the Foundation), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Born This Way Foundation, Inc., as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the 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 Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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 GAAS 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 GAAS, 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 Foundation'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 Foundation'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.

Baker Tilly US, LLP

San Francisco, California
June 29, 2026

Financial Statements

Born This Way Foundation, Inc.
Statements of Financial Position
December 31, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents	$ 4,492,911	$ 3,443,339
Investments	2,751,268	3,646,277
Grants and contributions receivable, net	3,745,000	1,625,694
Other receivables	168,000	252,413
Prepaid expenses	21,239	27,901
Other assets, net	24,439	26,339
Total assets	$ 11,202,857	$ 9,021,963
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued liabilities	$ 266,963	$ 188,452
Grants payable	195,000	-
Total liabilities	461,963	188,452
NET ASSETS		
Net assets - without donor restrictions	6,810,008	5,840,370
Net assets - with donor restrictions	3,930,886	2,993,141
Total net assets	10,740,894	8,833,511
Total liabilities and net assets	$ 11,202,857	$ 9,021,963

See accompanying notes.

Born This Way Foundation, Inc.
Statements of Activities and Changes in Net Assets
Years Ended December 31, 2025 and 2024

	2025	2024
NET ASSETS WITHOUT DONOR RESTRICTIONS		
SUPPORT AND REVENUE		
Grants and contributions	$ 3,447,894	$ 1,950,932
Contributed goods and services	586,245	1,400,764
Investment income, net	330,723	258,903
Other income	258	253,987
Net assets released from restriction	4,187,692	5,025,481
Total support and revenue	8,552,812	8,890,067
EXPENSES		
Program	6,694,873	7,069,637
General and administrative	335,843	576,340
Fundraising	552,458	762,805
Total expenses	7,583,174	8,408,782
Changes in net assets without donor restrictions	969,638	481,285
Net assets without donor restrictions, beginning of year	5,840,370	5,359,085
Net assets without donor restrictions, end of year	6,810,008	5,840,370
NET ASSETS WITH DONOR RESTRICTIONS		
Grants and contributions	5,125,437	3,872,675
Net assets released from restriction	(4,187,692)	(5,025,481)
Changes in net assets with donor restrictions	937,745	(1,152,806)
Net assets with donor restrictions, beginning of year	2,993,141	4,145,947
Net assets with donor restrictions, end of year	3,930,886	2,993,141
CHANGES IN TOTAL NET ASSETS	1,907,383	(671,521)
TOTAL NET ASSETS, beginning of year	8,833,511	9,505,032
TOTAL NET ASSETS, end of year	$ 10,740,894	$ 8,833,511

See accompanying notes.

Born This Way Foundation, Inc.
Statements of Functional Expenses
Years Ended December 31, 2025 and 2024

	2025			
	Program	General and administrative	Fundraising	Total
EXPENSES				
Partnership and programmatic contributions	$ 3,709,991	$ -	$ -	$ 3,709,991
Salaries and benefits	1,690,947	208,260	228,263	2,127,470
Contracted services	738,805	39,723	254,596	1,033,124
Professional fees	132,701	54,108	19,555	206,364
Office expenses	81,415	17,883	7,424	106,722
Payroll taxes	131,742	12,578	18,015	162,335
Travel	91,805	1,534	21,750	115,089
Legal fees	98,937	195	318	99,450
Insurance	14,353	1,210	1,965	17,528
Amortization and depreciation	4,177	352	572	5,101
Total expenses	$ 6,694,873	$ 335,843	$ 552,458	$ 7,583,174

	2024			
	Program	General and administrative	Fundraising	Total
EXPENSES				
Partnership and programmatic contributions	$ 3,254,498	$ -	$ -	$ 3,254,498
Salaries and benefits	1,438,340	274,527	265,858	1,978,725
Contracted services	1,859,383	195,482	407,289	2,462,154
Professional fees	115,370	61,042	16,646	193,058
Office expenses	114,113	17,638	18,927	150,678
Payroll taxes	105,357	20,701	19,947	146,005
Travel	105,618	1,507	28,647	135,772
Legal fees	60,452	2,148	2,183	64,783
Insurance	12,399	2,475	2,485	17,359
Amortization and depreciation	4,107	820	823	5,750
Total expenses	$ 7,069,637	$ 576,340	$ 762,805	$ 8,408,782

See accompanying notes.

Born This Way Foundation, Inc.
Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ 1,907,383	$ (671,521)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Amortization and depreciation expense	5,101	5,750
Realized and unrealized gain on investments	(106,992)	(60,556)
Change in discount on grants and contributions receivable	(30,437)	30,437
Write off of uncollectible grants and contributions receivable	50,000	68,954
Write off of uncollectible other receivables	84,000	-
Changes in operating assets and liabilities:		
Grants and contributions receivable	(2,138,869)	1,020,862
Other receivables	413	(252,413)
Prepaid expenses	6,662	(3,156)
Accounts payable and accrued liabilities	78,511	81,658
Grants payable	195,000	-
Net cash provided by operating activities	50,772	220,015
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	1,907,925	189,849
Purchases of investments	(905,924)	(1,548,503)
Purchases of office equipment	(3,201)	-
Net cash provided by (used in) investing activities	998,800	(1,358,654)
NET CHANGES IN CASH AND CASH EQUIVALENTS	1,049,572	(1,138,639)
CASH AND CASH EQUIVALENTS, beginning of year	3,443,339	4,581,978
CASH AND CASH EQUIVALENTS, end of year	$ 4,492,911	$ 3,443,339

See accompanying notes.

Note 1 – Nature of Organization

Born This Way Foundation, Inc. (the Foundation), was incorporated on April 15, 2011, as a California Nonprofit Public Benefit Corporation and operates as a public charity. The Foundation was founded by Lady Gaga and Cynthia Germanotta and is committed to supporting the mental health of young people by working with them to build a kinder, braver world.

Note 2 – Summary of Significant Accounting Policies

Financial statement presentation – The financial statements are presented on the accrual basis of accounting with net assets without donor restrictions and net assets with donor restrictions in accordance with accounting principles generally accepted in the United States of America. The Foundation's activities and related assets and liabilities are classified as net assets with donor restrictions or net assets without donor restrictions, depending upon the terms of the contributions:

- Net assets without donor restrictions represent expendable funds available for operations that are not otherwise limited by donor restrictions. There were no board-designated funds as of December 31, 2025 and 2024.

- Net assets with donor restrictions consist of contributed funds, subject to specific donor-imposed or legal restrictions, contingent upon specific performance of a future event or a specific passage of time before the Foundation may spend the funds. The Foundation records donor-restricted contributions whose restrictions are met in the same reporting period as net assets without donor restrictions. When a time restriction ends and/or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions. Net assets with donor restrictions used to purchase fixed and other assets are released from restriction when the asset is placed in service.

Fair value measurements – The Foundation may carry certain assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Foundation classified its financial assets and liabilities according to three levels and maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

Level 1 – Quoted market prices (unadjusted) in active market for identical assets or liabilities.

Level 2 – Observable inputs other than quoted prices included within Level 1, such as quoted prices for similar securities or quoted prices in inactive markets.

Level 3 – Unobservable inputs for the asset or liability that are not corroborated by market data and that are significant to the fair value of the assets or liabilities.

Cash and cash equivalents – Cash equivalents are all highly liquid investments with an original maturity of three months or less from the date of acquisition.

Investments – At December 31, 2025 and 2024, investments are stated at fair value and consist of $585,464 and $516,597 of equity securities, respectively, and $2,165,804 and $3,129,680 of fixed-income securities, respectively. Realized and unrealized gains and losses on investments, dividends, and interest income are included in investment income net of investment expenses on the statements of activities and changes in net assets. All investments are categorized as Level 1 in the fair value hierarchy.

Grants and contributions receivable – Unconditional promises to give are recorded as receivables. Grants and contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved and recorded in their respective net asset categories. All grants and contributions receivable as of December 31, 2025, are expected to be received within one year. Discounts on grants and contributions receivable as of December 31, 2025, were nominal. Grants and contributions receivable as of December 31, 2024, are expected to be received as follows: $906,131 in 2025 and $750,000 in 2026. Discounts on long-term grants and contributions receivable as of December 31, 2024, were calculated as $30,437 using a risk adjusted rate of 4.23%. An allowance for uncollectible grants and contributions receivable may be provided based upon management's judgment, including such factors as prior collection history. There was no allowance for uncollectible grants and contributions deemed necessary by management at December 31, 2025 and 2024.

Other receivables – Other receivables consist of amounts due related to the Employee Retention Credit (ERC) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), subject to certain eligibility criteria. During the year ended December 31, 2024, the Foundation recognized $252,000 of ERC revenue which is included in other income on the accompanying statements of activities and changes in net assets. Amended tax returns or claims for refund were filed with the Internal Revenue Service in May 2024. As of December 31, 2025 and 2024, $168,000 and $252,000, respectively, of the ERC receivable was outstanding and is included in other receivables on the accompanying statements of financial position. During the year ended December 31, 2025, the Foundation wrote off $84,000 of its ERC receivable following the enactment of federal legislation that disallowed a portion of the claim, thereby reducing the amount expected to be recovered.

Other assets – Other assets include office equipment and intangibles. Office equipment is capitalized at cost. It is the Foundation's policy to capitalize expenditures for items in excess of $3,000. Lesser amounts are expensed. Office equipment is depreciated using a straight-line method over the estimated useful life of the asset, which is five years. The Foundation, using best estimates based on reasonable and supportable assumptions and projections, reviews for impairment of long-lived assets when indicators of impairments are identified. No impairment losses were present for the years ended December 31, 2025 and 2024. Office equipment at December 31, 2025 and 2024, consisted of $12,377 with $7,054 of accumulated depreciation, and $12,910 with $8,748 of accumulated depreciation, respectively. Depreciation expense for the years ended December 31, 2025 and 2024, was $2,039 and $2,581, respectively.

Intangible assets consist of copyrights, recorded at cost. Intangible assets are amortized using a straight-line method over the estimated useful life of the asset, which is 15 years. Intangible assets at December 31, 2025 and 2024, consisted of $47,559 with $28,443 of accumulated amortization, and $47,559 with $25,382 of accumulated amortization, respectively. Amortization expense for the years ended December 31, 2025 and 2024, was $3,062 and $3,169, respectively.

Grants and contributions – Grants and contributions are recognized as revenue when received or unconditionally pledged. Grants and contributions subject to donor-imposed restrictions for use in a future period or for a specific purpose are reported as net assets with donor restrictions, depending on the nature of the donor's restriction. When a donor's restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Contributed goods and services – The Foundation recognizes in-kind contributed goods and services that create or enhance nonfinancial assets, or that require specialized skills provided by individuals possessing those skills, and would typically need to be purchased, if not provided by donation. In-kind contributions are recorded at their estimated fair values at the date of donation. Such donations are reported as revenue without donor restrictions unless the donor has restricted the donated asset to a specific purpose or time period. Assets donated with explicit restrictions regarding use are reported as revenue with donor restrictions. Unless otherwise noted, contributed goods and services did not have donor-imposed restrictions.

Other income – Other income consists of merchandise revenues which are recorded when merchandise is sold and received by customers.

Functional allocation of expenses – The costs of providing the various programs and activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the program and supporting services benefited based upon employee time and effort recorded on functions related to the specific activity or, in the case of shared expenses, using an allocation based on personnel costs, headcount, space usage, or other relevant bases.

Contracted services – The Foundation utilizes contracted services to provide those services that enhance the scope of current staff responsibilities. The length of the Foundation's contracts vary but are typically less than one year and most often tied to a program.

Grants awarded – Partnership and programmatic contributions are recorded when a verifiable, voluntary, nonreciprocal, unconditional promise to give is made by the Foundation. Upon recording, unconditional promises to give that are expected to be paid out in future years are discounted to fair value based on estimated future cash outflows. The discounts on those amounts are computed using risk-adjusted interest rates applicable at the initial measurement date. All grants payable as of December 31, 2025, are expected to be paid within one year. Discounts on grants payable as of December 31, 2025, were nominal. There were no grants payable as of December 31, 2024. Conditional grants are recognized as expenses and payable in the year in which the grantee meets the terms of the conditions. There was approximately $2,501,000 of conditional grants payable outstanding at December 31, 2025. There were no conditional grants payable outstanding for the year ended December 31, 2024.

Income tax status – The Foundation is a nonprofit California corporation and is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code (IRC) and Section 23701(d) of the California Revenue and Taxation Code, except to the extent of unrelated business taxable income as defined under IRC sections 511 through 515. For the years ended December 31, 2025 and 2024, no provision for unrelated business income taxes is required. The Foundation has no unrecognized tax benefits or liabilities as of December 31, 2025 and 2024. The Foundation, under the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740, *Income Taxes*, had no uncertain tax positions requiring accrual as of December 31, 2025 and 2024.

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, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications – Certain reclassifications have been made to the 2024 financial statements to conform to the 2025 financial statement presentation. These reclassifications had no impact on the change in net assets or net asset balances.

Note 3 – Concentration and Credit Risks

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist of grants and contributions receivable, cash, and investments that are placed in a major financial institution. During the years ended December 31, 2025 and 2024, the Foundation had cash in a major financial institution at times in excess of the amount insured by the Federal Deposit Insurance Corporation, and various investments in excess of Securities Investor Protection Corporation insurance limits. Management considers the risk of loss to be minimal due to the credit worthiness of the financial institution in which the funds are held.

During the year ended December 31, 2025, three donors contributed 65% of the Foundation's total grants and contributions revenue. These contributions totaled $2,995,000 of the grants and contributions outstanding at December 31, 2025. During the year ended December 31, 2024, three donors contributed 57% of the Foundation's total grants and contributions revenue. These contributions totaled $1,500,000 of the grants and contributions outstanding at December 31, 2024.

Note 4 – Liquidity and Availability

The following table reflects the Foundation's financial assets as of December 31, 2025 and 2024, reduced by amounts not available for general expenditures within one year:

	2025	2024
Financial assets, at year end		
Cash and cash equivalents	$ 4,492,911	$ 3,443,339
Investments	2,751,268	3,646,277
Grants and contributions receivable, net	3,745,000	1,625,694
Other receivables	168,000	252,413
Financial assets at year end	11,157,179	8,967,723
Less assets unavailable for general expenditures within one year		
Grants and contributions receivable, net, noncurrent	-	719,563
Net assets with donor restriction - purpose	3,855,886	2,793,141
Financial assets available to meet cash needs for general expenditures within one year	$ 7,301,293	$ 5,455,019

Financial assets are considered unavailable when illiquid or not convertible to cash within one year. The Foundation has established an operating reserve and reviews its funding level on an ongoing basis to ensure it is adequate.

Note 5 – Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31, 2025 and 2024, are restricted for the following purposes or periods:

	2025	2024
Purpose and time restrictions	$ 3,670,000	$ 1,560,552
Purpose restrictions	185,886	1,232,589
Time restrictions	75,000	200,000
	$ 3,930,886	$ 2,993,141

All net assets with donor restrictions are expected to be released by December 31, 2026.

Note 6 – Net Assets Released from Restriction

Net assets with donor restrictions released from restriction were as follows:

	2025	2024
Purpose restrictions	$ 4,062,692	$ 4,479,693
Time restrictions	125,000	545,788
	$ 4,187,692	$ 5,025,481

Note 7 – Contributed Goods and Services

For the years ended December 31, 2025 and 2024, contributed goods and services without donor restriction recognized within the statements of activities and changes in net assets included:

	2025	2024
Professional services	$ 586,245	$ 1,339,564
Office space	-	61,200
	$ 586,245	$ 1,400,764

Contributed goods and services recognized consist of professional services from attorneys advising the Foundation on various administrative matters. Contributed professional services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services. Donated office space is valued at the estimated fair value based on the rental rate per square foot for comparable spaces. All contributed goods and services and were fully utilized to support the Foundation's mission during the years ended December 31, 2025 and 2024.

Note 8 – Retirement Plan

The Foundation maintains a defined-contribution retirement plan for all eligible employees. The Foundation's contribution is based on a percentage of the employee's salary. The total contribution for the years ended December 31, 2025 and 2024, was $66,738 and $60,155, respectively, included in salaries and benefits in the accompanying statements of functional expenses.

Note 9 – Subsequent Events

Subsequent events are events or transactions that occur after the statement of financial position date but before financial statements are available to be issued. The Foundation recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. The Foundation's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after the statement of financial position date and before financial statements are available to be issued.

The Foundation has evaluated subsequent events through June 29, 2026, which is the date the financial statements were available to be issued.

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