LYDIA

401(K) RETIREMENT PLAN & TRUST AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2022

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Accounting for your future

Lydia Home Association 401(k) Retirement Plan & Trust
Audit Report
For the Year Ended June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

Plan Administrators
Lydia Home Association
401(k) Retirement Plan & Trust
Chicago, Illinois

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2022 Financial Statements

We have performed an audit of the financial statements of **Lydia Home Association 401(k) Retirement Plan & Trust** (Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statement of net assets available for benefits as of June 30, 2022, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements (2022 Financial Statements).

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the year ended June 30, 2022, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion on the 2022 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section:

- The amounts and disclosures in the accompanying 2022 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- The information in the accompanying 2022 financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the 2022 Financial Statements

We conducted our audit 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 2022 Financial Statements section of our report. We are required to be independent of the Plan 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 ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the 2022 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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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 Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current Plan instrument, including all Plan amendments; administering the Plan; and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the 2022 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2022 Financial Statements section of our report, 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 Plan'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 Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2022 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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.

Other Matter – *2022 Supplemental Schedule(s) Required by ERISA*

The supplemental schedule of assets held for investment purposes at the end of the year – Schedule H, Line 4i as of June 30, 2022 and the schedule of delinquent participant contributions at the end of the year – Schedule H, Line 4a as of June 30, 2022, are presented for purposes of additional analysis and are not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- The information in the supplemental schedules related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Auditor's Report on the 2021 Financial Statements

We were engaged to audit the 2021 financial statements of the Plan. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan administrator instructed us not to perform and we did not perform any auditing procedures with respect to the information certified by a qualified institution. In our report dated April 15, 2022, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and, accordingly, we did not express an opinion on the 2021 financial statements, and (b) the form and content of the information included in the 2021 financial statements other than that derived from the certified information were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Selden Fox, Ltd.

April 5, 2023

Lydia Home Association 401(k) Retirement Plan & Trust
Statement of Net Assets Available for Benefits
June 30,

	2022	2021
Assets		
Investments, at fair value	**$ 1,405,945**	$ 1,705,826
Receivables:		
Participant contributions receivable	**-**	13,261
Notes receivable from participants	**22,726**	12,512
Other receivables	**-**	162
Non-interest bearing cash	**3,000**	27
Total assets	**$ 1,431,671**	$ 1,731,788
Liabilities and Net Assets Available for Plan Benefits		
Liabilities - benefit claims payable	**$ 3,000**	$ -
Net assets available for benefits	**1,428,671**	1,731,788
Liablities and net assets available for benefits	**$ 1,431,671**	$ 1,731,788

See accompanying notes and independent auditor's report.

Lydia Home Association 401(k) Retirement Plan & Trust
Statement of Changes in Net Assets Available for Benefits
For the Year Ended June 30, 2022

Additions to net assets attributed to:	
Investment loss:	
Interest and dividends	$ 124,412
Net depreciation in fair value of investments	(321,429)
Net investment loss	(197,017)
Interest income on notes receivable from participants	748
Contributions:	
Participant	314,638
Employer	222
Rollover	46,105
Total contributions	360,965
Net additions	164,696
Deductions from net assets attributed to:	
Benefits paid to participants	460,597
Administrative expenses	7,216
Total deductions	467,813
Net changes in net assets available for benefits	(303,117)
Net assets available for benefits:	
Beginning of the year	1,731,788
End of the year	$ 1,428,671

See accompanying notes and independent auditor's report.

1. Description of Plan

The following brief description of the Lydia Home Association 401(k) Retirement Plan & Trust (Plan) is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General – The Plan is a Section 401(k) defined contribution plan with salary deferral provisions, which was established on March 1, 2009. Under the Plan, all employees of Lydia Home Association (Company) who have attained the age of twenty-one are eligible to participate in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions – Each year, participants may make pretax deferred savings contributions in the form of salary reductions, up to the maximum allowed by law. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover). Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan includes an auto-enrollment provision, whereby all newly eligible employees are automatically enrolled in the Plan, unless they affirmatively elect not to participate in the Plan. Automatically enrolled employees have their deferral rate set at 2% of eligible compensation and their contributions invested in a designated fund until changed by the participant.

The Company, at its sole discretion, may elect to make a contribution to the Plan on behalf of all eligible employees. The Company made no discretionary contribution during the plan year ended June 30, 2022.

Participants' Accounts – Each participant's account is credited with the participant's contributions, an allocation of the Company's contribution (if any), and gains and losses from the investment funds elected. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting – A participant is fully vested in participant contributions, plus actual earnings, gains and losses thereon, at all times. Employer contributions and earnings thereon become vested after completion of three years of service or upon death, disability, or normal retirement.

Notes Receivable From Participants – Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at rates ranging from 4.25% to 6.25%, which is commensurate with local prevailing rates as determined by the Plan administrator. Principal and interest is paid ratably through payroll deductions.

1. **Description of Plan** (cont'd)

Payment of Benefits – A participant's account balance may be withdrawn upon retirement, death, disability, or termination of employment as defined by the Plan. Benefits are payable in either a single lump-sum amount or installment payments equal to the value of the participant's account, if the vested value of the participant's account is greater than $5,000. If the vested interest is less than $5,000, the participant may only receive the distribution in a lump sum. In-service withdrawals from transfer accounts, distributions after age 59½ and hardship distributions are also allowed by the Plan.

2. **Summary of Significant Accounting Policies**

Basis of Accounting – The accompanying financial statements have been prepared on the accrual basis of accounting.

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 and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition – Investments are reported at fair value. Fair value is 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. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable From Participants – Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of June 30, 2022 or 2021. If a participant ceases to make loan repayments and the Plan administrator deems the participant loan to be in default, the participant's loan balance is reduced, and a benefit payment is recorded.

Payment of Benefits – Benefits are recorded when paid.

Expenses – Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net depreciation of fair value of investments.

2. **Summary of Significant Accounting Policies** (cont'd)

Subsequent Events – Subsequent events have been evaluated through April 5, 2023, which is the date the financial statements were available to be issued.

3. **Information Prepared and Certified by Custodian**

The Company, acting in its capacity as the Plan administrator, has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. The following is a summary of the unaudited information regarding the Plan as of June 30, 2022 and 2021, and for the year ended June 30, 2022, included in the Plan's financial statements and supplemental schedules, that was prepared by or derived from information prepared by Charles Schwab Bank, the custodian of the Plan, and furnished to the Company. The Company has obtained certifications from the Custodian as of June 30, 2022 and June 30, 2021, and for the year ended June 30, 2022, that such information is complete and accurate.

	2022	2021
Investments, at fair value	**$ 1,405,945**	$ 1,705,826
Notes receivable from participants	**22,726**	12,512
Interest and dividends from investments	**124,412**	
Net depreciation in fair value of investments	**(321,429)**	
Interest income on notes receivable from participants	**748**	

4. **Fair Value of Financial Instruments**

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, "Fair Value Measurements and Disclosures," provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

Level 1 – Valuations are based on unadjusted quoted prices in active markets for identical assets or liabilities that the Plan has the ability to access at the measurement date.

Level 2 – Valuations are based on quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and model-derived valuations whose significant inputs are observable.

Level 3 – Valuations are based on unobservable inputs for the asset or liability that reflect the reporting entity's own data and assumptions that market participants would use in pricing the asset or liability. These unobservable inputs are significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

4. **Fair Value of Financial Instruments** (cont'd)

Following is a description of valuation methodologies used for investments measured at fair value on the statement of net assets available for benefits, and the classification of such investments pursuant to the valuation hierarchy.

The money market fund and the mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded. These assets are categorized in Level 1 of the fair value hierarchy.

At June 30, 2022, the Plan's financial instruments measured at fair value on a recurring basis were categorized as follows:

	Level 1	**Level 2**	**Level 3**	**Total**
Money market fund	**$ 39,268**	**$ -**	**$ -**	**$ 39,268**
Mutual funds	**1,366,677**	**-**	**-**	**1,366,677**
Total	**$ 1,405,945**	**$ -**	**$ -**	**$ 1,405,945**

At June 30, 2021, the Plan's financial instruments measured at fair value on a recurring basis were categorized as follows:

	Level 1	Level 2	Level 3	Total
Money market fund	$ 30,060	$ -	$ -	$ 30,060
Mutual funds	1,675,766	-	-	1,675,766
Total	$ 1,705,826	$ -	$ -	$ 1,705,826

5. **Related Party and Party-in-Interest Transactions**

The Plan is funded with a trust agreement with Charles Schwab Bank. As Charles Schwab Bank is the custodian for the Plan, these are party-in-interest transactions. In addition, Alliance Pension Consultants is the third-party administrator, and thus a party-in-interest. Fees incurred by the Plan for the investment management services are included in net appreciation in fair value of the investment, as they are paid through revenue sharing, rather than a direct payment. The Plan made direct payments to the third-party administrator of $7,216 which was not covered by revenue sharing. The Company pays directly any other fees related to the Plan's operations.

6. **Plan Termination**

Although the Company has not expressed any intent to terminate the Plan, it may do so at any time. The termination of the Plan is subject to the provisions of ERISA. In the event of Plan termination, participants would become 100 percent vested in the Company's discretionary contribution portion of their account.

7. **Tax Status**

The Plan has adopted the Sungard Business Systems LLC Volume Submitter Profit Sharing Plan. The Internal Revenue Service has determined and informed Sungard Business Systems LLC, by a letter dated March 31, 2014, that the Prototype 401(k) Plan is designed in accordance with applicable sections of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by federal and state taxing authorities. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

8. **Risks and Uncertainties**

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, 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 participants' account balances and the amounts reported in the statement of net assets available for benefits.

9. **Administrative Errors**

During 2022, payroll deposits totaling $208 were made late into the Plan, and as a result, are considered late deposits. Delays in remitting contributions to the Plan constitute prohibited transactions. Related excise taxes will be paid by the Company. Corrections (including payment of lost earnings and all excise taxes) are expected to be completed in 2023. Corrections for late deposits of $75 in 2021 were completed in 2022.

Lydia Home Association 401(k) Retirement Plan & Trust
Schedule of Assets Held for Investment Purposes
at the End of the Year - Schedule H, Line 4i
June 30, 2022

EIN: 36-1412810 **Plan Number: 002**

(a)	(b) Identify of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral Par or Maturity Value		** (d) Cost	(e) Current Value
*	Money market fund, Schwab Value Advantage Money Fund				$ 39,268
	Mutual funds:				
	Alger Capital Appreciation Institutional Fund Class I	185.2850	shares	**	5,029
	Green Owl Intrinsic Value Fund	320.3690	shares	**	5,616
	Oakmark Equity and Income Fund Investor Class	37,719.8290	shares	**	1,094,629
	Oakmark Fund Investor Class	242.9300	shares	**	23,175
	Oakmark International Fund Investor Class	126.3750	shares	**	2,860
	Principal MidCap Fund Institutional Class	202.8880	shares	**	6,235
*	Schwab International Index Fund	1,387.5340	shares	**	26,543
*	Schwab S&P 500 Index Fund	555.9550	shares	**	32,457
*	Schwab Small Cap Index Fund	431.5480	shares	**	11,867
*	Schwab Total Stock Market Index Fund	413.3140	shares	**	26,754
	Vanguard Intermediate-Term Bond Index Fund Admiral	6,315.5640	shares	**	66,440
	Vanguard Extended Market Index Fund Admiral	452.4710	shares	**	45,012
	Victory Integrity Small-Cap Value Fund Class Y	489.2700	shares	**	16,625
	Western Asset Core Bond Fund Class IS	307.2030	shares	**	3,435
	Total mutual funds				1,366,677
*	Non-interest bearing cash				3,000
*	Participant loans: Interest rates ranging from 4.25% to 6.25% and maturity dates ranging from 7/31/22 to 6/30/2050				22,726
	Total assets held for investment purposes				**$ 1,431,671**

* Represents a party-in-interest transaction.

** Cost information is not required for participant directed accounts.

See accompanying independent auditor's report.

Lydia Home Association 401(k) Retirement Plan & Trust
Schedule of Delinquent Participant Contributions
at the End of the Year - Schedule H, Line 4a
June 30, 2022

EIN: 36-1412810 **Plan Number: 002**

	Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions			
Plan Year	Check here if Late Participant Loan Repayments are included	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-51
2022		$ 208	$ -	$ -	$ -
2021		-	75	-	-

See accompanying independent auditor's report.