

**NEW HOPE MINISTRIES, INC.
AND
NEW HOPE RIDES, LLC
FINANCIAL REPORT
JUNE 30, 2025**

CONTENTS

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS	1 - 2
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CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statements of Financial Position	3 - 4
Consolidated Statements of Activities	5 - 6
Consolidated Statements of Cash Flows	7 - 8
Consolidated Statements of Functional Expenses	9 - 10
Notes to Consolidated Financial Statements	11 - 27



INDEPENDENT AUDITOR'S REPORT

Board of Directors
New Hope Ministries, Inc. and New Hope Rides, LLC
Dillsburg, Pennsylvania

Opinion

We have audited the consolidated financial statements of New Hope Ministries, Inc. and New Hope Rides, LLC (the Organization), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, the related consolidated statements of activities, cash flows and functional expenses for the years then ended and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 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 these 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 Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe 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 Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or 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. 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 Organization'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 Organization'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.

A handwritten signature in black ink, reading "Boyer & Ritten". The signature is written in a cursive, flowing style with a large loop at the end.

Camp Hill, Pennsylvania
November 24, 2025

NEW HOPE MINISTRIES, INC. AND NEW HOPE RIDES, LLC

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2025 and 2024

ASSETS	2025	2024
Current Assets		
Cash and cash equivalents	\$ 81,444	\$ 588,078
Cash - restricted	489,076	534,529
Investments - operating	40,478	363,422
Certificate of deposit	101,636	-
Pledges receivable - United Way	182,474	155,591
Pledges receivable - capital campaign	18,333	10,000
Accounts receivable - other	86,590	117,267
Inventory	1,491,563	1,298,585
Prepaid expenses	142,028	119,185
Total current assets	2,633,622	3,186,657
Fixed Assets		
Land	359,000	359,000
Buildings	8,748,084	7,955,969
Furniture and fixtures	611,524	592,538
Vehicles	589,520	593,971
Construction-in-process	200,739	582,605
	10,508,867	10,084,083
Less accumulated depreciation	(2,487,249)	(2,156,876)
	8,021,618	7,927,207
Other Assets		
Long-term investments	1,767,131	1,403,844
Charitable gift annuity	14,205	14,893
Money market	92,162	104,168
Pledges receivable - capital campaign	8,334	10,000
Total investments	1,881,832	1,532,905
Total assets	\$ 12,537,072	\$ 12,646,769

See Notes to Consolidated Financial Statements.

LIABILITIES AND NET ASSETS	2025	2024
Current Liabilities		
Line-of-credit	\$ -	\$ 140,491
Accounts payable and accrued expenses	142,622	192,574
Current portion of charitable gift annuity payable	2,233	2,233
Accrued liability for compensated absences	-	21,880
Total current liabilities	144,855	357,178
Long-Term Liabilities		
Charitable gift annuities payable, net of current portion	3,756	2,716
Total long-term liabilities	3,756	2,716
Total liabilities	148,611	359,894
Net Assets		
Without donor restrictions		
Undesignated	9,865,448	10,143,961
Board designated	1,335,476	1,064,117
With donor restrictions	1,187,537	1,078,797
Total net assets	12,388,461	12,286,875
Total liabilities and net assets	\$ 12,537,072	\$ 12,646,769

NEW HOPE MINISTRIES, INC. AND NEW HOPE RIDES, LLC

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support			
Contributions			
Cash and other financial assets	\$ 1,453,352	\$ 1,897,681	\$ 3,351,033
In-kind - nonfinancial assets	10,649,554	-	10,649,554
In-kind - financial assets	112,456	-	112,456
Grants and allocations	1,917,285	20,474	1,937,759
Fundraising receipts	72,915	-	72,915
Rental income	102,380	-	102,380
Change in present value of charitable annuity	(3,273)	-	(3,273)
Investment income - net	331,348	103,932	435,280
Other income	1,306	-	1,306
Net assets released from restrictions	1,913,347	(1,913,347)	-
Total revenues and other support	16,550,670	108,740	16,659,410
Expenses and Other Losses			
Expenses			
Program services	15,594,480	-	15,594,480
Management and general	371,087	-	371,087
Fundraising	576,975	-	576,975
Total functional expenses	16,542,542	-	16,542,542
Other Losses			
Loss on disposition of assets	15,282	-	15,282
Changes in net assets	(7,154)	108,740	101,586
Net Assets:			
July 1, 2024	11,208,078	1,078,797	12,286,875
June 30, 2025	<u>\$ 11,200,924</u>	<u>\$ 1,187,537</u>	<u>\$ 12,388,461</u>

See Notes to Consolidated Financial Statements.

NEW HOPE MINISTRIES, INC. AND NEW HOPE RIDES, LLC

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support			
Contributions			
Cash and other financial assets	\$ 1,180,941	\$ 2,799,617	\$ 3,980,558
In-kind - nonfinancial assets	8,570,587	-	8,570,587
In-kind - financial assets	67,216	-	67,216
Grants and allocations	2,096,133	106,341	2,202,474
Redevelopment Assistance Capital Program grant	-	525,000	525,000
Fundraising receipts	61,006	-	61,006
Rental income	101,620	-	101,620
Change in present value of charitable annuity	(1,907)	-	(1,907)
Investment income - net	185,065	73,198	258,263
Gain on disposition of assets	1,368	-	1,368
Other income	1,551	-	1,551
Net assets released from restrictions	3,719,762	(3,719,762)	-
Total revenues and other support	15,983,342	(215,606)	15,767,736
Expenses			
Program services	13,671,294	-	13,671,294
Management and general	355,020	-	355,020
Fundraising	552,720	-	552,720
Total expenses	14,579,034	-	14,579,034
Changes in net assets	1,404,308	(215,606)	1,188,702
Net Assets:			
July 1, 2023	9,803,770	1,294,403	11,098,173
June 30, 2024	<u>\$ 11,208,078</u>	<u>\$ 1,078,797</u>	<u>\$ 12,286,875</u>

See Notes to Consolidated Financial Statements.

NEW HOPE MINISTRIES, INC. AND NEW HOPE RIDES, LLC

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended June 30, 2025 and 2024

	2025	2024
Cash Flows From Operating Activities		
Changes in net assets	\$ 101,586	\$ 1,188,702
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Depreciation	334,042	331,775
Contributed fixed assets	(7,998)	(38,503)
Contributed stock investments	(49,990)	(2,840)
Realized gains on sale of investments	(6,645)	(15,878)
Unrealized gains on value of investments	(349,703)	(186,853)
Change in value of charitable gift annuity	3,961	2,950
Loss (gain) on disposal of fixed assets	15,282	(1,368)
Changes in assets and liabilities:		
(Increase) decrease in:		
Pledges receivable	(33,550)	(11,126)
Accounts receivable - other	30,677	(66,430)
Inventory	(192,978)	(137,112)
Prepaid expenses	(22,843)	96,030
(Decrease) increase in:		
Accounts payable and accrued expenses	(76,079)	79,309
Accrued liability for compensated absences	(21,880)	6,909
Net cash (used in) provided by operating activities	(276,118)	1,245,565
Cash Flows From Investing Activities		
Proceeds from sale of investments	176,261	396,073
Proceeds transferred to operating account	410,934	555,430
Purchase of investments	(221,200)	(909,611)
Purchase of certificate of deposit	(101,636)	-
Purchase of fixed assets	(412,255)	(690,810)
Proceeds from sale of fixed assets	2,645	3,500
Net cash used in investing activities	(145,251)	(645,418)
Cash Flows From Financing Activities		
Borrowings on line-of-credit	-	293,355
Payments on line-of-credit	(140,491)	(152,864)
Payments on annuity contracts	(2,233)	(2,233)
Net cash (used in) provided by financing activities	(142,724)	138,258

(Continued)

NEW HOPE MINISTRIES, INC. AND NEW HOPE RIDES, LLC

CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
Years Ended June 30, 2025 and 2024

	2025	2024
Net (decrease) increase in cash, cash equivalents and restricted cash	(564,093)	738,405
Cash, Cash Equivalents and Restricted Cash:		
Beginning	1,226,775	488,370
Ending	\$ 662,682	\$ 1,226,775
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	\$ 2,871	\$ 4,056
Non-cash Financing Activities		
Capital expenditures in accounts payable	\$ 26,127	\$ -
Non-cash Investing Activities		
Donated fixed assets	\$ 7,998	\$ 38,503
Donated stock investment	\$ 49,990	\$ 2,840

See Notes to Consolidated Financial Statements.

NEW HOPE MINISTRIES, INC. AND NEW HOPE RIDES, LLC

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2025

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Functional Expenses				
Salaries	\$ 1,626,175	\$ 206,992	\$ 338,832	\$ 2,171,999
Employee benefits	283,292	36,060	59,027	378,379
Retirement	37,875	4,821	7,892	50,588
Payroll taxes	134,550	17,126	28,035	179,711
Education and training	6,606	2,096	1,376	10,078
Equipment purchases	26,421	317	341	27,079
Fundraising	-	-	16,518	16,518
Insurance	139,242	2,999	4,050	146,291
Internet support	40,361	5,138	8,410	53,909
License and registration fees	22,182	2,824	4,622	29,628
Miscellaneous	18,659	224	241	19,124
Postage and freight	7,017	893	1,462	9,372
Professional fees	-	70,912	-	70,912
Property taxes	10,785	129	139	11,053
Public relations and promotion	-	-	78,674	78,674
Rent	13,437	1,710	2,800	17,947
Repairs and maintenance	244,955	2,937	3,163	251,055
Supplies	18,909	2,407	3,940	25,256
Telephone	20,387	2,595	4,248	27,230
Travel	20,448	2,603	4,261	27,312
Utilities	222,828	2,672	2,878	228,378
Volunteer appreciation	8,740	105	113	8,958
Depreciation	325,925	3,908	4,209	334,042
Children's programs	15,936	-	-	15,936
Client and program resources	35,056	-	-	35,056
Scholarships and tuition assistance	107,249	-	-	107,249
Stability	147,721	-	-	147,721
Food assistance	605,699	-	-	605,699
Vehicle fuel assistance	9,659	-	-	9,659
Housing/rental assistance	536,380	-	-	536,380
Medical assistance	3,485	-	-	3,485
Utility assistance	197,765	-	-	197,765
Transportation assistance	168,111	1,619	1,744	171,474
Interest expense	2,871	-	-	2,871
Non-cash assistance	10,535,754	-	-	10,535,754
Total expenses	\$ 15,594,480	\$ 371,087	\$ 576,975	\$ 16,542,542

See Notes to Consolidated Financial Statements.

NEW HOPE MINISTRIES, INC. AND NEW HOPE RIDES, LLC

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2024

		Supporting Services		
	Program	Management		
	Services	and	Fundraising	Total
		General		
Functional Expenses				
Salaries	\$ 1,569,956	\$ 199,836	\$ 327,118	\$ 2,096,910
Employee benefits	288,547	36,728	60,122	385,397
Retirement	28,955	3,686	6,033	38,674
Payroll taxes	104,039	13,243	21,678	138,960
Education and training	8,995	2,725	1,874	13,594
Equipment purchases	19,860	238	256	20,354
Fundraising	-	-	16,953	16,953
Insurance	77,000	1,297	1,627	79,924
Internet support	23,250	2,959	4,844	31,053
License and registration fees	23,374	2,975	4,870	31,219
Miscellaneous	45,527	515	555	46,597
Postage and freight	10,038	1,278	2,091	13,407
Professional fees	-	67,216	-	67,216
Property tax	22,694	272	293	23,259
Public relations and promotion	-	-	74,680	74,680
Rent	18,714	2,141	3,504	24,359
Repairs and maintenance	254,120	3,047	3,282	260,449
Supplies	24,328	3,097	5,069	32,494
Telephone	18,701	2,380	3,896	24,977
Travel	24,030	3,059	5,007	32,096
Utilities	216,319	2,594	2,793	221,706
Volunteer appreciation	5,177	62	67	5,306
Depreciation	323,713	3,882	4,180	331,775
Children's programs	18,667	-	-	18,667
Client and program resources	45,605	-	-	45,605
Scholarships and tuition assistance	94,748	-	-	94,748
Stability	185,451	-	-	185,451
Food assistance	599,134	-	-	599,134
Vehicle fuel assistance	14,833	-	-	14,833
Housing/rental assistance	794,536	-	-	794,536
Medical assistance	2,563	-	-	2,563
Utility assistance	127,015	-	-	127,015
Transportation assistance	208,244	1,790	1,928	211,962
Interest expense	4,056	-	-	4,056
Non-cash assistance	8,469,105	-	-	8,469,105
Total expenses	\$ 13,671,294	\$ 355,020	\$ 552,720	\$ 14,579,034

See Notes to Consolidated Financial Statements.

NEW HOPE MINISTRIES, INC. AND NEW HOPE RIDES, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities: New Hope Ministries, Inc. (the Organization) is a Christian social service ministry incorporated during January 1983, under the laws of the Commonwealth of Pennsylvania as a charitable non-profit organization. The Organization was established to collect donations and distribute resources in the form of assistance to low-income and no-income families in the event of a crisis situation. In addition to providing financial assistance, the Organization administers a variety of programs aimed at improving the lives of at-risk youth and families of Adams, York and Cumberland Counties.

The Organization's financial statements include the accounts of New Hope Rides LLC, a single member limited liability company wholly owned by New Hope Ministries, Inc. New Hope Rides LLC is a charitable transportation program that partners with New Hope Ministries, a Christian social service agency, and other community benefit organizations to provide transportation solutions to help low-income families succeed. The program accepts donated vehicles, operates a short-term vehicle loan program, and gifts vehicles to deserving households to help them complete job training, obtain employment and promote economic stability.

Principles of Consolidation: The accompanying consolidated financial statements include the accounts of New Hope Rides LLC. All material inter-company accounts and transactions have been eliminated in consolidation.

Basis of Accounting: The Organization's financial statements have been prepared using the accrual basis of accounting. The accrual basis of accounting is in accordance with accounting principles generally accepted in the United States of America and provides that revenue be recognized when earned and expenses are recorded when the corresponding liability is incurred.

Use of Estimates: The preparation of consolidated 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. Actual results could differ from those estimates.

Basis of Presentation: The Organization's financial statements are prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require reporting information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and its Board of Directors.

Net assets with donor restrictions: Net assets that are subject to either temporary or perpetual stipulations imposed by donors and grantors. Temporary restrictions will be met by the Organization's actions or by the passage of time. Perpetual restrictions are designed to ensure that assets are maintained in perpetuity.

NEW HOPE MINISTRIES, INC. AND NEW HOPE RIDES, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued): Donor restricted contributions are reported as increases in net assets with donor restrictions. When restrictions expire, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions.

Income Tax Status: The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state regulations. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Management has assessed the Organization's exposure to income taxes at the entity level as a result of uncertain tax positions taken in current and previously filed tax returns. Examples of uncertain tax positions taken at the entity level include the continuing validity of the Organization's exempt status and the prospect of being subject to the filing requirement for unrelated business income. Presently, management believes that it is more likely than not that the Organization's tax position will be sustained upon examination, including any appeals and litigation, such that the Organization has no exposure to income tax liabilities arising from uncertain tax positions. The Organization is subject to routine audits by taxing jurisdictions; however, no audits for any tax periods are currently in progress.

Cash and Cash Equivalents: Cash and cash equivalents include cash on hand, cash in banks and all short-term highly liquid investments with maturities of three months or less.

Accounts Receivable and Credit Losses: Accounts receivable trade are carried at original invoice amounts less an estimate for potential credit losses. Management determines the allowance for credit losses by evaluating individual accounts and considering the customer's financial condition, credit history and current and expected future economic conditions. Based on the Organization's collection history and management's expectation of consistency of that trend in the future, an allowance for credit losses has not been provided at June 30, 2025. Receivables are written off when deemed uncollectible. Recoveries of accounts receivable previously written-off are recognized as income when received or as an offset to credit loss expense.

Pledges Receivable: Pledges receivable consist of capital campaign contributions and amounts allocated to the Organization by the United Way. Capital campaign contributions that are expected to be collected within one year are recorded at net realizable value. Pledges expected to be collected in future years are initially recorded at fair value using present value techniques. In subsequent years, amortization of the discounts is included in contribution revenue in the Statements of Activities.

Inventory: Inventory consists of donations of food, household supplies, gift cards and donated cemetery lots. Food and household supplies are weighed and given a set price per pound, while all other donations are estimated at fair values. More detailed information on donated items is discussed in Note 15.

NEW HOPE MINISTRIES, INC. AND NEW HOPE RIDES, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

Fixed Assets: Fixed assets greater than \$5,000 are capitalized and stated at cost or fair value, if donated, less accumulated depreciation. Depreciation is computed using the straight-line method of accounting over the estimated useful lives of the assets. The cost of maintenance and repairs is charged to expenses as incurred. Significant renewals and betterments are capitalized. The costs and accumulated depreciation of the assets are removed from the accounts when sold or retired and any resulting gain or loss is included on the Statements of Activities for the period of disposal.

Long-Lived Assets: Long-lived assets to be held and used are reviewed for impairment on an exception basis whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable from future cash flows. If an impairment loss has been determined, the loss recognized in the Statements of Activities is measured by the amount by which the carrying value exceeds the fair value of the asset.

Investments, Income Recognition and Fair Value: Investments consist of fixed income and marketable equity securities. Management determines the appropriate classification of the investments at the time they are acquired and evaluates the appropriateness of the classification at each balance sheet date. Investments are recorded at fair value based upon values provided by external investment managers on quoted market prices. Management has classified its investments as available-for-sale. Investments are reported at fair value with gains and losses included in the Consolidated Statements of Activities.

The Organization follows the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements* for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. This Standard defines fair value 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 Standard also establishes a framework for measuring fair value and expands disclosures about fair value measurements.

Leases: The Organization leases equipment under long-term lease agreements. At the lease commencement date, the Organization classifies its leases as either finance or operating based on the lease agreement terms. A lease is classified as a finance lease if certain criteria are met. If none of the lease classification criteria are met, the lease is classified as an operating lease. Finance leases are accounted for on the Organization's balance sheet as a financial liability with a corresponding right-of-use asset (ROU). Operating lease obligations, including a corresponding right-of-use asset, are not recognized on the Organization's balance sheet. Improvements to leased property are capitalized as assets and are amortized over the shorter of (1) the economic useful life of the asset or (2) the lease term including reasonably assured renewal periods. Leasehold improvements to property under related party arrangements are amortized over the economic useful life of the leasehold improvement.

For finance leases, the initial measurement of the lease liability is comprised of the discounted lease payments over the lease term, using the discount rate at the lease commencement date. The initial measurement of the ROU asset is comprised of the lease liability adjusted for prepayments, initial direct costs incurred by the lessee, and any lease incentives received from the lessor before commencement of the lease.

NEW HOPE MINISTRIES, INC. AND NEW HOPE RIDES, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

Leases (Continued): Subsequently, the lease liability is amortized over the lease term using the discount rate used to initially measure the lease liability. The ROU asset is amortized on the straight-line basis over the lease term. Lease payments for operating leases are expensed periodically over the term of the lease. Executory costs, such as insurance, taxes, maintenance, and repairs, are charged to expense as incurred.

The Organization's accounting for finance leases does not differ significantly from accounting standards generally accepted in the United States of America (U.S. GAAP). However, the Organization's accounting for operating leases is not consistent with U.S. GAAP. U.S. GAAP requires operating lease obligations and corresponding ROU assets to be recognized on the Organization's balance sheet. The Organization's management has not determined the financial statement effects of this departure.

Deferred Income: Deferred income represents contributions or grants received to which measurable barrier and right of returns have not yet been met.

Contributions: The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

Promises to Give: Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions are satisfied in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

In-Kind Contributions: Donated in-kind contributions are recorded at the fair value at the time of receipt. These contributions are recognized as both support and expense on the Statements of Activities. Only those contributed services which create or enhance non-financial assets, require specialized skills, that are provided by individuals possessing such skills and would typically need to be purchased, if not provided by donation, are recognized in the financial statements.

Functional Allocation of Expenses: The costs of providing the various programs and activities have been summarized on a functional basis in the Statements of Activities and Statements of Functional Expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited using square footage calculations and time studies to allocate non-direct expenses.

Subsequent Events: In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 24, 2025, the date the financial statements were available to be issued.

NEW HOPE MINISTRIES, INC. AND NEW HOPE RIDES, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Concentration of Credit Risk

The Organization's cash balance(s) with financial institutions, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) insured limits. The Organization has not experienced any losses and believes it has limited exposure to significant credit risk. Management regularly monitors the financial institutions, along with its cash balances, in an effort to keep potential risk to a minimum.

Note 3. Availability and Liquidity

The following table reflects the Organization's financial assets as of June 30, 2025 and 2024, reduced by amounts that are not available to meet general expenditures within one year of the Consolidated Statement of Financial Position date because of contractual restrictions or internal Board designations. Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions.

	2025	2024
Financial assets at year-end		
Cash and cash equivalents	\$ 81,444	\$ 588,078
Cash - restricted	489,076	534,529
Investments - operating	40,478	363,422
Pledges receivable - United Way	182,474	155,591
Pledges receivable - capital campaign	26,667	20,000
Accounts receivable - other	86,590	117,267
Long-term investments	1,767,131	1,403,844
Charitable gift annuity	14,205	14,893
Money market	92,162	104,168
Certificates of deposit	101,636	-
Total financial assets	2,881,863	3,301,792
Less amounts not available to be used within one year:		
Net assets with Board designations	1,335,476	1,064,117
Net assets with donor restrictions subject to purpose restriction	1,158,847	962,512
Net assets with donor restrictions subject to passage of time	28,690	116,285
Less: United Way allocations to be spent within the next year	(20,474)	(106,341)
	2,502,539	2,036,573
Financial assets available to meet general expenditures over the next 12 months	\$ 379,324	\$ 1,265,219

NEW HOPE MINISTRIES, INC. AND NEW HOPE RIDES, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 3. Availability and Liquidity (Continued)

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor restricted resources. Refer to the Statements of Cash Flows which identifies the sources and uses of the Organization's cash.

The Organization has designated net assets for future use. See Note 9 for details. However, these reserves may be available currently, if necessary, by action of the Organization's Board of Directors.

The Organization also has a line-of-credit available to meet short-term needs. See Note 7 for information about this arrangement.

Note 4. Cash, Cash Equivalents and Restricted Cash

The following table provides a reconciliation of total cash, cash equivalents and assets limited to use within the Statements of Financial Position to the cash, cash equivalents and restricted cash amount on the Statements of Cash Flows:

	2025	2024
Cash and cash equivalents		
Cash and cash equivalents	\$ 81,444	\$ 588,078
Cash - restricted	489,076	534,529
Money market	92,162	104,168
Total cash, cash equivalents and restricted cash shown on the Statements of Cash Flows	<u>\$ 662,682</u>	<u>\$ 1,226,775</u>

NEW HOPE MINISTRIES, INC. AND NEW HOPE RIDES, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 5. Investments and Fair Value Measurements

Financial Accounting Standards Board ASC 820, *Fair Value Measurements* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the standard are described below:

- | | |
|---------|---|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets the plan has the ability to access. |
| Level 2 | <p>Inputs to the valuation methodology include:</p> <ul style="list-style-type: none">• Quoted prices for similar assets or liabilities in active markets.• Quoted prices for identical or similar assets or liabilities in inactive markets.• Inputs other than quoted prices that are observable for the asset or liability.• Inputs that are derived principally from or corroborated by observable market data by correlation or other means. <p>If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.</p> |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement. |

The asset's 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.

The following are descriptions of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2025 and 2024.

- | | |
|-----------------|---|
| <u>Level 1:</u> | The fair value of these investment securities was based on closing market prices for the respective security as reported in active markets. |
| <u>Level 3:</u> | Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances. |

NEW HOPE MINISTRIES, INC. AND NEW HOPE RIDES, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 5. Investments and Fair Value Measurements (Continued)

The following tables set forth, by level within the fair value hierarchy, the assets and liabilities at fair value as of June 30, 2025 and 2024, respectively:

Assets at Fair Value as of June 30, 2025

	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ 92,162	\$ -	\$ -	\$ 92,162
Equities	1,247,263	-	-	1,247,263
Exchange traded funds	470,969	-	-	470,969
Mutual funds	89,377	-	-	89,377
Charitable gift annuities	-	-	14,205	14,205
	1,899,771	-	14,205	1,913,976
Charitable gift annuities liability	-	-	(5,989)	(5,989)
Total financial assets and liabilities, net at fair value	\$ 1,899,771	\$ -	\$ 8,216	\$ 1,907,987

Assets at Fair Value as of June 30, 2024

	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ 104,168	\$ -	\$ -	\$ 104,168
Equities	990,448	-	-	990,448
Exchange traded funds	566,638	-	-	566,638
Mutual funds	149,827	-	-	149,827
Other assets	60,353	-	-	60,353
Charitable gift annuities	-	-	14,893	14,893
	1,871,434	-	14,893	1,886,327
Charitable gift annuities liability	-	-	(4,949)	(4,949)
Total financial assets and liabilities, net at fair value	\$ 1,871,434	\$ -	\$ 9,944	\$ 1,881,378

NEW HOPE MINISTRIES, INC. AND NEW HOPE RIDES, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 5. Investments and Fair Value Measurements (Continued)

The following schedules summarize investment income (loss) and its classification in the Consolidated Statements of Activities for the years ended June 30, 2025 and 2024:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 78,196	\$ 13,369	\$ 91,565
Realized gains on investments	14,136	(7,491)	6,645
Unrealized gains on investments	247,615	102,088	349,703
Investment management fees	(8,599)	(4,034)	(12,633)
Investment income - net	<u>\$ 331,348</u>	<u>\$ 103,932</u>	<u>\$ 435,280</u>

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 55,333	\$ 13,021	\$ 68,354
Realized gains on investments	10,041	5,837	15,878
Unrealized gains on investments	129,616	57,237	186,853
Investment management fees	(9,925)	(2,897)	(12,822)
Investment income - net	<u>\$ 185,065</u>	<u>\$ 73,198</u>	<u>\$ 258,263</u>

The following table sets forth a summary of changes in the fair value of the Organization's Level 3 financial assets for the year ended June 30, 2025:

	Charitable Gift Annuities	Charitable Gift Annuities Liability
Balance - July 1, 2024	\$ 14,893	\$ (4,949)
Change in present value	-	(3,273)
Change in value	1,545	-
Payments on annuity contracts	(2,233)	2,233
Balance - June 30, 2025	<u>\$ 14,205</u>	<u>\$ (5,989)</u>

NEW HOPE MINISTRIES, INC. AND NEW HOPE RIDES, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 6. Pledges Receivable

Pledges receivable are as follows as of June 30:

	2025	2024
Receivable in less than one year	\$ 18,333	\$ 10,000
Receivable in one to five years	8,334	10,000
	<u>\$ 26,667</u>	<u>\$ 20,000</u>

Note 7. Lines-of-Credit

New Hope Ministries, Inc. had an unsecured line-of-credit at M&T Bank. The line had a drawing limit of \$250,000. In April 2021, the limit was increased to \$500,000. The line bore interest at the bank's prime rate. The line balance and all unpaid interest was due on demand. The line of credit was closed during 2024.

New Hope Ministries, Inc. has an unsecured line-of-credit at Members 1st Federal Credit Union. The line has a drawing limit of \$1,000,000. The line bears interest at the Wall Street Journal Prime Rate minus 0.25%. At June 30, 2025, the interest rate was 7.75%. The line balance and all unpaid interest is due on demand. The balance on the line was \$-0- and \$140,491, for the years ended June 30, 2025 and 2024, respectively.

Note 8. Split-Interest Agreements

The Organization had an outstanding split-interest agreement in the form of a charitable gift annuity. The donor contributed \$14,812, of which \$9,520 was treated as a charitable donation for the year ended June 30, 2017. The donation was recorded at fair value at the date of initial recognition. The remainder was recorded as a liability, estimating the annuity to be paid to the donor over his life expectancy. The annuity began in 2017, at the rate of \$1,333 per year.

The Organization had an additional outstanding split interest agreement in the form of a charitable gift annuity from the same donor. The donor contributed \$10,000, of which \$5,916 was treated as a charitable donation for the year ended June 30, 2018. The donation was recorded at fair value at the date of initial recognition. The remainder was recorded as a liability, estimating the annuity to be paid to the donor over his life expectancy. The annuity payments began on September 30, 2017, at the rate of \$225 per quarter.

The discount rate is 9% and actuarial assumptions are based on life expectancies in conjunction with single life remainder factors. Adjustments to the annuity liability to reflect discount amortizations and any changes in life expectancy are made annually.

NEW HOPE MINISTRIES, INC. AND NEW HOPE RIDES, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 8. Split-Interest Agreements (Continued)

At this time, the Organization has not established any actuarial loss reserve pursuant to this contract. The adjustment to reflect the amortization of the annuity discount amounted to \$1,040 and \$326, for the years ended June 30, 2025 and 2024, respectively.

Note 9. Board Designated Net Assets

The Board designated funds are to be treated as a quasi-endowment by the Board of Directors. Board designated net assets consist of the following as of June 30, 2025:

	Capital	Endowment	Total
Board designated net assets, July 1, 2024	\$ 228,115	\$ 836,002	\$ 1,064,117
Contributions	-	15,006	15,006
Investment income - net	30,471	225,882	256,353
Board designated net assets, June 30, 2025	<u>\$ 258,586</u>	<u>\$ 1,076,890</u>	<u>\$ 1,335,476</u>

Board designated net assets consist of the following as of June 30, 2024:

	Capital	Endowment	Total
Board designated net assets, July 1, 2023	\$ 209,172	\$ 697,982	\$ 907,154
Contributions	-	36,905	36,905
Withdrawals	(2,111)	(30,430)	(32,541)
Investment income net	21,054	131,545	152,599
Board designated net assets, June 30, 2024	<u>\$ 228,115</u>	<u>\$ 836,002</u>	<u>\$ 1,064,117</u>

The Board of Directors has standing Board policies that impact the presentation of Board designated net assets. Bequests without donor restrictions in the amount of \$5,000 or greater are designated for long-term investment in the Endowment account. Net assets without donor restrictions that are Board designated represent cash earmarked by the Board of Directors for future use for purposes to support the Organization's programs and other charitable purposes that fall within the mission of the Organization.

NEW HOPE MINISTRIES, INC. AND NEW HOPE RIDES, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 10. Net Assets with Donor Restrictions

Net assets with donor restrictions consist of realized income generated from the donor restricted scholarship fund and contributions that have been designated by the donor for a specific purpose, which has not yet been fulfilled. Pledged contributions are considered restricted due to the fact that the pledged funds are not currently available.

The Organization's net assets with donor restrictions at June 30, 2025 and 2024, are comprised of the following:

	2025	2024
Subject to expenditure for specified purpose:		
Scholarship fund	\$ 488,727	\$ 410,738
Programs	212,026	207,897
Capital	458,094	343,877
Subject to the passage of time:		
Charitable gift annuity	8,216	9,944
United Way pledge receivable	20,474	106,341
	<u>\$ 1,187,537</u>	<u>\$ 1,078,797</u>

2025 and 2024 net assets were released from donor restrictions by incurring expenses satisfying restricted purposes or by realization of events specified by donors as follows:

	2025	2024
Expiration of time restrictions:		
United Way	\$ 106,341	\$ 133,595
Charitable gift annuity	2,672	2,483
Satisfaction of purpose restrictions		
Capital projects	466,908	902,865
Program	1,312,426	2,655,819
Scholarship fund	25,000	25,000
	<u>\$ 1,913,347</u>	<u>\$ 3,719,762</u>

NEW HOPE MINISTRIES, INC. AND NEW HOPE RIDES, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 11. Combined Financial Information

During 2024, the Organization formed the Pennsylvania single member limited liability company, New Hope Rides LLC (Hope Rides). After elimination of intercompany activity, the following is included in the Statement of Activities for the years ended June 30:

	2025	2024
Revenues and Other Support		
Contributions		
Cash and other financial assets	\$ 55,999	\$ 60,906
In-kind - nonfinancial assets	12,858	39,920
Grants and allocations	20,300	50,000
Total revenues and other support	89,157	150,826
Expenses and Other Losses		
Salaries	10,866	4,814
Insurance	49,944	7,520
Internet support	-	201
License and registration fees	2,149	459
Postage and freight	7	-
Professional fees	153	5,070
Public relations and promotion	180	30
Telephone	140	14
Travel	106	28
Depreciation	15,051	3,506
Transportation assistance	25,720	17,729
Non-cash assistance	4,860	8,335
Total expenses	109,176	47,706
Other Losses		
Loss on disposition of assets	15,282	-
Total expenses and other losses	124,458	47,706
Changes in net assets	\$ (35,301)	\$ 103,120

NEW HOPE MINISTRIES, INC. AND NEW HOPE RIDES, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 11. Combined Financial Information (Continued)

After elimination of intercompany activity, the following amounts are included as of June 30, 2025 and 2024, in the Statement of Financial Position:

	2025	2024
Assets		
Cash	\$ 5,181	\$ 24,652
Fixed Assets		
Vehicles	77,524	81,974
Less accumulated depreciation	(14,886)	(3,506)
Total fixed assets	62,638	78,468
Total assets	\$ 67,819	\$ 103,120
Net Assets		
Without donor restrictions	67,819	103,120
Total net assets	\$ 67,819	\$ 103,120

Note 12. Scholarships

The following is a summary of the Organization's scholarship fund:

	2025	2024
Beginning balance	\$ 410,738	\$ 364,306
Investment earnings	102,989	71,432
Scholarships disbursed	(25,000)	(25,000)
Ending balance	\$ 488,727	\$ 410,738

Note 13. Retirement Plan

The Organization has adopted a defined contribution plan, which is established as a SIMPLE retirement plan. An employee is eligible to participate in the Plan upon completion of their 90-day probationary period. The Organization matches employee contributions, up to 3% of employee compensation. During the years ended June 30, 2025 and 2024, the Organization's matching contributions were \$50,588 and \$38,674, respectively.

NEW HOPE MINISTRIES, INC. AND NEW HOPE RIDES, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 14. Operating Lease

During 2021, the Organization entered into a 60-month lease for copiers with \$1,041 monthly payments terminating in February 2026. During 2022, the Organization signed an additional lease with the same company for additional copiers, adding \$137 to the monthly payments also terminating in February of 2026. During 2025, the Organization signed an additional lease with the same company for additional copiers, adding \$145 to the monthly payments also terminating in February of 2026.

Rental expense totaled \$13,386 and \$16,426 for the years ended June 30, 2025 and 2024, respectively. Future minimum lease payments under these leases are:

Year	Amount
2026	\$ 9,261
	<u>\$ 9,261</u>

Note 15. In-Kind Contributions

Food and other items, which are received by the Organization and the subsequent distribution of these items, are reflected on the Statements of Activities. The non-cash support valuations for nonfinancial assets were determined as follows:

Food Donation and Household Supplies: The employees or volunteers of the Organization assign a value to donated food and household supplies as they are contributed to the Organization. Prices are assigned, based upon standardized price per pound, according to a product valuation survey performed by Feeding America, a national organization of food banks. The rate was \$1.97 and \$1.93 per pound for the years ended June 30, 2025 and 2024, respectively.

Agency Assistance: The Organization processes applications and determines eligibility for various assistance programs. The Organization records the amount the client is qualified to receive. This assistance is ultimately paid by one or more of the following organizations: Operation Help, Dover Food Bank, Energy Cost Assistance Emergency and Energy Assistance Program.

Other Miscellaneous Assistance: Other miscellaneous assistance consists of Christmas gifts, clothing and miscellaneous items. The costs of these items are estimated by the Organization, based on current market values and the condition of the items.

Professional Services: The Organization records cost for donated professional services at the amount provided by the donor.

Fixed Asset Donations: The Organization receives donated fixed assets which are valued at estimated fair value by the donor.

NEW HOPE MINISTRIES, INC. AND NEW HOPE RIDES, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 15. In-Kind Contributions (Continued)

Rent: The Organization records in-kind rent at the fair market value of the property rented based on the average price per square foot of a comparable commercial space.

In-kind contributions of non-financial assets for the years ending June 30 are:

	2025	2024
Food	\$ 10,409,357	\$ 8,247,847
Others goods and miscellaneous	195,599	248,237
Fixed assets	7,998	38,503
Rent	22,500	22,500
Agency assistance	14,100	13,500
	<u>\$ 10,649,554</u>	<u>\$ 8,570,587</u>

In addition to the non-financial assets above, the Organization also receives non-cash support in the form of financial assets. All financial assets donated are included in the Contribution - Cash and other financial assets line on the Statements of Activities.

Stocks: Any securities donated to the Organization are recorded at the fair market value on the day they are donated to the Organization.

Gift Cards: Any gift cards donated to the Organization are recorded at their cash value on the day they are donated to the Organization.

In-kind contributions of financial assets for the years ended June 30 are:

	2025	2024
Gift cards	\$ 62,466	\$ 64,376
Stocks	49,990	2,840
	<u>\$ 112,456</u>	<u>\$ 67,216</u>

All donated services and assets were utilized by the Organization's programs and supporting services. There were no donor-imposed restrictions associated with the donated services and assets.

NEW HOPE MINISTRIES, INC. AND NEW HOPE RIDES, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 16. Commitments

In August 2020, the Organization applied for a grant from the Commonwealth of Pennsylvania under the Redevelopment Assistance Capital Program (RACP) to fund the New Hope Ministries Service Sites Expansion and Construction Project. The Board of Directors approved the necessary commitment of matching funds of \$372,000 and the grant was subsequently awarded effective July 25, 2022. The Organization must have spent \$735,000 before the grant funds can be requested. As of June 30, 2023, no requests for reimbursement have been made. As of June 30, 2024, the Organization had completed the project and spent \$1,046,253, meeting the requirement of \$735,000. Funds were requested and received in the amount of \$525,000 and are reflected in the Statement of Activities for the year ended June 30, 2024.

In January 2025, the Organization entered into a construction agreement with Conewago Enterprises, Inc. The agreement is for renovations of the New Oxford location with a total contract value of \$256,130. As of June 30, 2025, \$128,278 has been spent on the project but no work has begun.

Note 17. Subsequent Events

Subsequent to year end, New Hope Ministries entered into a lease with YMCA of the Roses, where New Hope Ministries had the right to use office space beginning no sooner than February 2026. The term of the lease is ten years from the day they enter the space, with monthly payments of \$1,637 and monthly maintenance costs of \$614. The lease is likely to be automatically renewed for three additional terms of five years.