Hope International Ministries, Inc.

Combined Financial Statements

June 30, 2025 and 2024

PDR
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HOPE INTERNATIONAL MINISTRIES, INC.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Hope International Ministries, Inc.
Hope of Honduras, Inc.
Tampa, Florida

Opinion

We have audited the accompanying combined financial statements of Hope International Ministries, Inc. (a nonprofit organization) and Hope of Honduras, Inc. (collectively, the Organization), which comprise the combined statements of financial position as of June 30, 2025 and 2024, and the related combined statements of activities and cash flows for the years then ended, the combined statement of functional expenses for the year ended June 30, 2025, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2025 and 2024, and the changes in their net assets and their 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. 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 Organization 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 combined 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 the combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined 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 combined financial statements are available to be issued.

CONTINUED

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 combined financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the combined 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 combined 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 combined 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.

Report on Summarized Comparative Information

We have previously audited the Organization's combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated January 7, 2025. In our opinion, the summarized comparative information presented herein as of an for the year ended June 30, 2024, is consistent in all material respects, with the audited combined financial statements from which it has been derived.

PDR CPAs + Advisors

Oldsmar, Florida
January 26, 2026

HOPE INTERNATIONAL MINISTRIES, INC.
COMBINED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents	$ 2,292,881	$ 3,692,628
Treasury bills	810,550	776,628
Prepaid expenses and other current assets	261,908	207,422
Due from related party	38,685	-
Total current assets	3,404,024	4,676,678
Property and equipment, net	8,688,985	8,809,101
Other Assets		
Investments	2,619,231	1,662,556
Investments - beneficial interest	136,279	124,861
Operating lease right-of-use assets	36,768	-
Total Assets	$ 14,885,287	$ 15,273,196
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 95,037	$ 111,684
Accrued expenses	45,306	34,620
Current portion of operating lease liabilities	7,895	-
Total current liabilities	148,238	146,304
Long-Term Liabilities		
Operating lease liabilities, net	28,873	-
Total Liabilities	177,111	146,304
Net Assets		
Without donor restrictions	11,848,104	12,285,049
With donor restrictions	2,860,072	2,841,843
Total net assets	14,708,176	15,126,892
Total Liabilities and Net Assets	$ 14,885,287	$ 15,273,196

See accompanying notes to combined financial statements

HOPE INTERNATIONAL MINISTRIES, INC.
COMBINED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	Without Donor Restrictions	With Donor Restrictions	Total 2025	Total 2024
Support and revenue:				
Contributions	$ 4,807,335	$ 530,931	$ 5,338,266	$ 4,699,900
Contributed nonfinancial assets	2,068,243	-	2,068,243	2,097,172
Interest and dividends, net of fees	162,911	-	162,911	86,870
Realized and unrealized gain on investments	238,710	-	238,710	309,146
Change in value of beneficial interest	-	11,418	11,418	9,867
Gain on disposal of assets	11,707	-	11,707	-
Other	69,908	-	69,908	128,988
Net assets released from restrictions	524,120	(524,120)	-	-
Total operating support and revenue	7,882,934	18,229	7,901,163	7,331,943
Operating expenses:				
Program services	7,480,674	-	7,480,674	6,261,477
Supporting services:				
Management and general	377,827	-	377,827	578,767
Fundraising	461,378	-	461,378	744,644
Total supporting services	839,205	-	839,205	1,323,411
Total operating expenses	8,319,879	-	8,319,879	7,584,888
Change in Net Assets	(436,945)	18,229	(418,716)	(252,945)
Net Assets at Beginning of Year	12,285,049	2,841,843	15,126,892	15,379,837
Net Assets at End of Year	$ 11,848,104	$ 2,860,072	$ 14,708,176	$ 15,126,892

See accompanying notes to combined financial statements

HOPE INTERNATIONAL MINISTRIES, INC.
COMBINED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions	$ 4,208,290	$ 491,610	$ 4,699,900
Contributed nonfinancial assets	2,097,172	-	2,097,172
Interest and dividends	83,598	3,272	86,870
Realized and unrealized gain on investments	307,359	1,787	309,146
Change in value of beneficial interest	-	9,867	9,867
Other	128,988	-	128,988
Net assets released from restrictions	140,831	(140,831)	-
Total operating support and revenue	6,966,238	365,705	7,331,943
Operating Expenses			
Program services	6,261,477	-	6,261,477
Supporting services			
Management and general	578,767	-	578,767
Fundraising	744,644	-	744,644
Total supporting services	1,323,411	-	1,323,411
Total operating expenses	7,584,888	-	7,584,888
Change in Net Assets	(618,650)	365,705	(252,945)
Net Assets at Beginning of Year	12,903,699	2,476,138	15,379,837
Net Assets at End of Year	$ 12,285,049	$ 2,841,843	$ 15,126,892

See accompanying notes to combined financial statements

HOPE INTERNATIONAL MINISTRIES, INC.
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Supporting Services: Total Supporting Services	Total Expenses: 2025	Total Expenses: 2024
Salaries	$ 1,290,117	$ 79,513	$ 30,018	$ 109,531	$ 1,399,648	$ 1,469,758
Employee benefits	415,989	21,548	12,929	34,477	450,466	574,103
Payroll taxes	101,562	5,059	3,035	8,094	109,656	110,233
Total personnel cost	1,807,668	106,120	45,982	152,102	1,959,770	2,154,094
Children's programs	243,114	-	-	-	243,114	223,327
School	127,910	-	-	-	127,910	113,132
Occupancy	270,859	-	-	-	270,859	278,018
Repairs and maintenance	524,084	-	-	-	524,084	353,174
Travel	166,417	-	-	-	166,417	219,230
Professional fees	45,000	45,856	45,000	90,856	135,856	111,347
Insurance	338,977	-	-	-	338,977	251,471
Information technology	50,043	-	4,783	4,783	54,826	49,777
Office expenses	145,745	3,544	-	3,544	149,289	117,068
Fees and dues	73,327	-	-	-	73,327	65,770
In-kind expenses	1,541,444	-	-	-	1,541,444	1,631,626
Advertising	-	-	365,560	365,560	365,560	591,967
Other	169,416	1,942	53	1,995	171,411	205,603
Donations to related entities	1,617,126	-	-	-	1,617,126	688,566
	5,313,462	51,342	415,396	466,738	5,780,200	4,900,076
Total operating expenses	7,121,130	157,462	461,378	618,840	7,739,970	7,054,170
Depreciation and amortization	359,544	220,365	-	220,365	579,909	530,718
Interest	-	-	-	-	-	-
Total	$ 7,480,674	$ 377,827	$ 461,378	$ 839,205	$ 8,319,879	$ 7,584,888

See accompanying notes to combined financial statements

HOPE INTERNATIONAL MINISTRIES, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Cash Flows from Operating Activities:		
Change in net assets	$ (418,716)	$ (252,945)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	579,909	530,718
Gain on disposal of property and equipment	(11,707)	-
Realized and unrealized gain on investments	(238,710)	(309,146)
Change in beneficial interest	(11,418)	(9,867)
Stock contribution	-	(145,503)
Noncash operating lease expense	1,913	-
(Increase) decrease in:		
Prepaid expenses and other current assets	(54,486)	(104,774)
Related party receivables	(38,685)	-
Increase (decrease) in:		
Accounts payable	(16,647)	76,238
Accrued expenses	10,686	(5,090)
Change in lease liability	(1,913)	-
Net cash used in operating activities	(199,774)	(220,369)
Cash Flows from Investing Activities:		
Purchases of investments	(3,057,122)	(2,040,281)
Proceeds from sale of investments	2,305,235	4,391,740
Proceeds from sale of property and equipment	25,000	-
Purchase of property and equipment	(473,086)	(485,369)
Net cash (used in) provided by investing activities	(1,199,973)	1,866,090
Net (Decrease) Increase in Cash and Cash Equivalents	(1,399,747)	1,645,721
Cash and Cash Equivalents at Beginning of Year	3,692,628	2,046,907
Cash and Cash Equivalents at End of Year	$ 2,292,881	$ 3,692,628
NON-CASH FINANCING AND INVESTING ACTIVITIES		
ROU assets obtained in exchange for new operating lease liabilities	$ 37,914	$ -

See accompanying notes to combined financial statements

NOTE A - NATURE OF ORGANIZATION

Hope International Ministries, Inc. (Hope) is a nonprofit corporation founded in 1968, to provide a Christian home and education for children who have come from broken homes and families. Hope has cared for nearly 5,000 abandoned, abused, neglected and orphaned children from newborn through 18 years old. These children have come from the United States and around the world.

Hope is located in Tampa, Florida on 55 wooded acres of land. The campus includes six cottages that can house a total of 80 children. These cottages are 4,000 square feet and are designed to care for children of all ages and specifically to keep sibling groups together. The children live in a family atmosphere with house parents who give guidance and encouragement.

A 2nd campus in Clovis, New Mexico follows this model as well. Hope Christian School is also located on the property and is accredited by the State of Florida, providing a private Christian education to children from nursery through 12th grade.

Hope of Honduras, Inc. operates a children's home in Honduras and follows the same model as Hope International Ministries, Inc.

The Organizations are supported entirely by churches, private individuals, businesses, clubs and other organizations.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Combination

The combined financial statements include the accounts of Hope International Ministries, Inc. and Hope of Honduras, Inc. (collectively, the Organization) because Hope International Ministries, Inc. has effective control and an economic interest in Hope of Honduras, Inc. All significant intercompany accounts and transactions have been eliminated in combination.

Basis of Presentation

The combined financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which require the Organization to report 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 the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basis of Presentation - Continued

Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenue of the net assets without donor restrictions class. Contributions are recognized when the donor makes a promise to give to the Organization, that is, in substance, unconditional.

Measure of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing services. Nonoperating activities, if any, are limited to other activities considered to be of a more unusual or nonrecurring nature.

Use of Estimates

The preparation of combined financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities, as well as pro rata allocations in the recording of expenditures, at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Significant estimates included in the combined financial statements include allocation of expenses by function, valuation of contributed non-financial assets, and useful lives of depreciable assets.

Fair Value Measurement

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on a measurement date. The standard also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

Level 1: Quoted market prices in active markets for identical assets or liabilities.
Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.
Level 3: Unobservable inputs that are not corroborated by market data.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Cash and Cash Equivalents

Cash and cash equivalents consists of cash on deposit with financial institutions. The Organization considers all highly liquid assets with an initial maturity of three months or less as cash and cash equivalents.

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash held in financial institutions in excess of federally-insured limits.

From time to time throughout the years ended June 30, 2025 and 2024, the Organization's cash balance may have exceeded the federally insured limit. However, the Organization has not experienced and does not expect to incur any losses in such accounts.

Treasury Bills

The Organization has purchased United States Treasury Bills (Bills) which currently have remaining maturities of less than one year as of June 30, 2025. The Bills are carried at fair market value in the accompanying combined statements of financial position.

Investments

Investments consist of equity securities that are stated at fair market value in the combined statements of financial position. Investment income or losses, net of expenses (including realized and unrealized gains and losses on investments, and interest and dividends) are included as separate line items in the combined statements of activities.

Due from Related Party

Amounts due from related party are stated at the amount management expects to collect from outstanding balances.

Property and Equipment

Property and equipment are carried at cost if purchased or estimated fair market value at date of receipt if acquired by gift, less accumulated depreciation. The Organization's capitalization threshold is $2,500. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets ranging from 3 to 40 years.

Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of property and equipment assets are capitalized. Expenditures for normal repairs and maintenance are expensed as incurred.

Beneficial Interest

The Organization established accounts with the Community Foundation of Tampa Bay which are included within the net assets with donor restrictions. The Organization's interest in the assets held by the Community Foundation of Tampa Bay is recorded at fair value and included in the accompanying combined statements of financial position. Earnings on these funds are earmarked to be distributed on a periodic basis to the Organization and are recorded as revenue without donor restriction in the accompanying statements of activities. The change in value of beneficial interest is recorded in the combined statements of activities as revenue with donor restrictions.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Unconditional Promises To Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. 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 substantially met. Unconditional promises to give that are expected to be collected within one year are recorded as contributions at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the combined statements of activities.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire during the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in 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.

Contributed Nonfinancial Assets

Contributed nonfinancial assets include donated professional services, food, clothing, household items, property and equipment and other in-kind contributions which are recorded at the respective fair value of the goods and services received. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, however, the combined financial statements do not reflect the value of these contributed services because they do not meet the recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

Leases

The Organization leases office equipment under operating leases. The determination of whether an arrangement is a lease is made at the leases' inception. Under Financial Accounting Standards Board issued ASU 201-02, *Leases* (Topic 842), a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset.

Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities in the accompanying combined statements of financial position.

ROU assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Organization uses the implicit rate in the lease when it is readily determinable. If the Organization's leases do not provide an implicit rate, management uses a risk free rate at lease commencement to determine the present value of lease payments.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Leases - Continued

Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise the option. For leases with an initial term of 12 months or less, a right-of-use asset and lease liability is not recognized and lease expense is recognized on a straight-line basis over the lease term.

Allocation of Functional Expenses

The cost of providing for the various programs and other activities have been detailed in the accompanying combined statements of functional expenses and summarized in the combined statement of activities. Expenses that can be identified with a specific program service are charged directly to the program, according to their natural expenditure and classification.

Salaries and other expenses that are not directly allocable are allocated to the various programs based on their estimated usage in each program or supporting service, determined by management's estimate of time and effort.

Advertising

The Organization follows the policy of charging the costs of advertising to expense as incurred. Advertising expense were $365,560 and $591,967 for the years ended June 30, 2025 and 2024, respectively.

Impairment of Long-Lived Assets

Management reviews all long-lived assets, which consist primarily of land and buildings, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2025 and 2024.

Income Taxes

The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. The Organization is treated as a publicly supported organization, and not as a private foundation. Management is not aware of any activities that would jeopardize the Organization's tax-exempt status. Hope International Ministries, Inc. and Hope of Honduras, Inc. file separately.

The Organization accounts for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority.

If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a "cumulative probability assessment" that aggregates the estimated tax liability for all uncertain tax positions. The Organization has identified its tax status as a tax-exempt entity as its only significant tax position; however, the Organization has determined that such tax position does not result in an uncertainty requiring recognition. The Organization is not currently under examination by any taxing jurisdiction. The Organization's federal returns are generally open for examination for three years following the date filed.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Summarized Comparative Financial Information

The accompanying financial statements include certain prior year summarized comparative total amounts. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's combined financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Reclassifications

Certain amounts in the 2024 combined financial statements have been reclassified for presentation purposes. These reclassifications had no impact on the ending net assets at June 30, 2024.

NOTE C - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets available to meet general expenditures over the next twelve months at June 30, 2025 and 2024:

	2025	2024
Financial Assets:		
Cash and cash equivalents	$ 2,292,881	$ 3,692,628
Treasury bills	810,550	776,628
Investments	2,619,231	1,662,556
Total financial assets	5,722,662	6,131,812
Less Amounts Not Available to be Used Within One Year:		
Net assets with donor restrictions	2,860,072	2,841,843
Financial assets available to meet general expenditures over the next twelve months	$ 2,862,590	$ 3,289,969

The Organization's cash position is monitored by executive management to ensure sufficient funds are available to meet daily requirements. Daily requirements are based on the budget, contracts, payroll, and invoice schedules.

NOTE D - INVESTMENTS

The Organization's investments consist of the following at June 30:

	2025		2024	
	Cost	Fair Value	Cost	Fair Value
Mutual funds	$ 364,432	$ 378,204	$ 137,941	$ 196,373
Equities	1,471,268	1,875,236	956,294	1,171,221
Exchange traded products	304,948	365,791	251,579	294,962
	$ 2,140,648	$ 2,619,231	$ 1,345,814	$ 1,662,556

Investment holdings include cash of $210,852 and $446,677 at June 30, 2025 and 2024, respectively. These amounts are reflected within cash and cash equivalents in the combined statements of financial position.

The following schedule summarizes the investment return for the years ended June 30:

	2025	2024
Interest and dividends	$ 111,703	$ 81,505
Realized and unrealized gain/loss	238,710	309,146
	$ 350,413	$ 390,651

NOTE E - FAIR VALUE MEASUREMENTS

The Organization's investments and beneficial interest are reported at fair value in the accompanying combined statements of financial position. Following is a description of valuation methodologies used for investments measured at fair value.

Equities, Mutual Funds, and exchange traded products – Equities, mutual funds, and exchange traded funds are valued at the closing price reported in the active market in which the individual securities are traded.

Beneficial interest in a perpetual trust - the investments are managed by a third party who is unrelated to this Organization. The fair value of the beneficial interest is valued based upon the fair value of the fund investments as reported by the Community Foundation, and classified within level 3.

Treasury Notes – valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions, and are classified within Level 2.

NOTE E - FAIR VALUE MEASUREMENTS - CONTINUED

The following tables summarize the fair value measurements by level measured on a recurring basis as of June 30, 2025 and 2024:

		Fair Value Measurements at Reporting Date Using		
	Assets Measured at Fair Value at June 30,2025	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	$ 378,204	$ 378,204	$ -	$ -
Equities	1,875,236	1,875,236	-	-
Exchange traded products	365,791	365,791	-	-
Treasury bills	810,550	-	810,550	-
Beneficial interest	136,279	-	-	136,279
	$ 3,566,060	$ 2,619,231	$ 810,550	$ 136,279

		Fair Value Measurements at Reporting Date Using		
	Assets Measured at Fair Value at June 30,2024	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	$ 137,941	$ 137,941	$ -	$ -
Equities	1,171,221	1,171,221	-	-
Exchange traded products	294,962	294,962	-	-
Treasury bills	776,628	-	776,628	-
Beneficial interest	124,861	-	-	124,861
	$ 2,505,613	$ 1,604,124	$ 776,628	$ 124,861

The following tables summarize the changes in the fair value of the Organization's Level 3 assets for the year ended June 30, 2025 and 2024:

	2025	2024
Balance at beginning of year	$ 124,861	$ 114,994
Change in value of beneficial interest	11,418	9,867
	$ 136,279	$ 124,861

NOTE F - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	2025	2024
Land	$ 2,676,989	$ 2,694,097
Building and improvements	9,012,503	8,744,836
Property improvements	1,573,403	1,505,294
Vehicles	523,386	498,133
Equipment	373,535	364,444
Furniture and fixtures	300,454	300,454
Software	147,740	143,171
Construction in process	69,937	24,727
Total property and equipment	14,677,947	14,275,156
Less accumulated depreciation	(5,988,962)	(5,466,055)
Net property and equipment	$ 8,688,985	$ 8,809,101

Depreciation expense was approximately $580,000 and $531,000 for the years ended June 30, 2025 and 2024, respectively. Depreciation will commence on amounts in construction in process when the items are completed and placed into service.

NOTE G - NET ASSETS

Net assets with donor restrictions were as follows as of June 30, 2025 and 2024:

	2025	2024
Subject to expenditure for specific purpose:		
Capital needs	$ 2,371,706	$ 2,333,737
Enrichment activities	352,087	383,245
Educational activities	136,279	124,861
	$ 2,860,072	$ 2,841,843

Net assets released from donor restriction for the years ended June 30, 2025 and 2024 were as follows:

	2025	2024
Satisfaction of specific purpose restrictions	$ 524,120	$ 140,831

NOTE H - LEASES

The Organization leases equipment under operating leases which expire at various dates through June 2030. Future minimum payments due under operating leases as of June 30, 2025 are as follows:

Years ending June 30,	Amount
2026	$ 9,204
2027	8,694
2028	7,675
2029	7,675
2030	7,035
Total undiscounted cash flows	40,283
Less: present value discount	(3,515)
Total lease liabilities	$ 36,768

As of June 30, 2025, the weighted-average remaining lease term for the Organization's operating leases is 4.7 years, and the weighted-average discount rate associated with the operating leases is 4.05%. Operating lease expense for the Organization's operating leases including short-term leases was $11,350 and $9,872 for the years ended June 30, 2025 and 2024, respectively.

NOTE I - CONTRIBUTED NONFINANCIAL ASSETS

For the years ended June 30, 2025 and 2024, contributed nonfinancial assets recognized within the combined statements of activity included the following:

2025	Program Services	Management and General	Total
Donated food and supplies	$ 1,909,074	$ -	$ 1,909,074
Legal services	-	159,169	159,169
	$ 1,909,074	$ 159,169	$ 2,068,243

2024	Program Services	Management and General	Total
Donated food and supplies	$ 1,711,878	$ -	$ 1,711,878
Legal services	-	385,294	385,294
	$ 1,711,878	$ 385,294	$ 2,097,172

Contributed legal services are provided by attorneys who advised us on various administrative legal matters. Contributed legal services are recognized at fair value based on current rates for similar legal services.

NOTE I - CONTRIBUTED NONFINANCIAL ASSETS – CONTINUED

Contributed food and supplies are valued using estimated U.S. wholesale prices (principal market) of identical or similar products using pricing data under a "like-kind" methodology considering the goods' condition and utility for use at the time of the contribution.

NOTE J - RELATED PARTIES

GoodKids Village Incorporated (GoodKids) operates one thrift store in the Clearwater area for the purpose of raising funds to support the programs of organizations that care for the wellbeing of children around the world. The Organization provides accounting and management staff to GoodKids as well as funds for general operations when needed. The Organization donated a total of $1,617,126 and $688,566 to GoodKids for the years ended June 30, 2025 and 2024, respectively. Included in these donations were nonfinancial assets totaling $526,799 and $465,546 for the years ended June 30, 2025 and 2024, respectively. At June 30, 2025 and 2024, the Organization had $38,685 and $-0-, respectively due from GoodKids.

The Organization's board chairman, board treasurer, and board secretary are members of GoodKids board of directors. Although the Organization shares common board members with GoodKids, it does not have control over GoodKids. Therefore, the operations of GoodKids is not included in the combined financial statements of the Organization.

NOTE K - 401K PLAN

The Organization maintains a defined contribution 401(k) plan (the Plan) that covers substantially all employees. The Plan is designed in accordance with the applicable sections of the IRC and is subject to minimum funding requirements. The Organization is required to contribute a safe harbor match of 4% of the employee's compensation for the Plan year. For the years ended June 30, 2025 and 2024, the Organization contributed approximately $55,000 and $45,000, respectively.

NOTE L - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through January 26, 2026, the date the combined financial statements were available to be issued. In August 2025, the Organization sold one of its buildings for $900,000. As part of the sale, the Organization provided financing to the buyer in the amount of $400,000 which is evidenced by a promissory note. The note bears no stated interest and requires monthly principal payments of $3,333 beginning upon the earlier of (i) the borrower's repayment in full of its related indebtedness or (ii) September 2040. Upon the borrower's repayment of $200,000 of principal and provided the note is current at that time, any remaining unpaid principal balance shall be forgiven; otherwise, any remaining unpaid principal balance is due and payable at maturity in August 2045.

On August 1, 2025, Bundles of Hope, Inc. was formed as a separate legal entity. Bundles of Hope, Inc., was previously a program included within the Organization.

The Organization is not aware of any other subsequent events which would require recognition or disclosures in the combined financial statements.