

NEW HOPE MINISTRIES, INC.

FINANCIAL REPORT

JUNE 30, 2015

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
New Hope Ministries, Inc.
Dillsburg, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of New Hope Ministries, Inc., (a not-for-profit) which comprise the statements of financial position as of June 30, 2015 and 2014, the related statements of activities and changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Hope Ministries, Inc., as of June 30, 2015 and 2014, 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.

A handwritten signature in cursive script that reads "Boyer & Ritter". The signature is written in black ink and is centered on the page.

Camp Hill, Pennsylvania
October 5, 2015

NEW HOPE MINISTRIES, INC.

STATEMENTS OF FINANCIAL POSITION
June 30, 2015 and 2014

ASSETS	2015	2014
Current Assets		
Cash and cash equivalents	\$ 151,359	\$ 516,289
Pledges receivable - United Way	166,150	166,750
Inventory		
Food and gift cards	420,568	345,437
Other	23,205	23,205
Prepaid expenses	40,935	32,973
Total current assets	802,217	1,084,654
Fixed Assets		
Land	259,000	205,000
Buildings	2,575,766	1,365,895
Furniture and fixtures	203,288	185,711
Vehicles	160,087	173,287
Computer software	-	20,548
Construction-in-progress	-	539,371
	3,198,141	2,489,812
Less accumulated depreciation	(396,687)	(364,176)
	2,801,454	2,125,636
Investments		
Long-term investments	765,944	486,846
Cash and cash equivalents	59,207	16,878
Total investments	825,151	503,724
Total assets	\$ 4,428,822	\$ 3,714,014
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 197,903	\$ 58,428
Accrued liability for compensated absences	11,204	9,357
Total current liabilities	209,107	67,785
Net Assets		
Unrestricted	3,519,541	2,926,128
Board designated	300,203	326,180
Total unrestricted net assets	3,819,744	3,252,308
Temporarily restricted	399,971	393,921
Total net assets	4,219,715	3,646,229
Total liabilities and net assets	\$ 4,428,822	\$ 3,714,014

See Accompanying Notes to Financial Statements

NEW HOPE MINISTRIES, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended June 30, 2015

	Unrestricted	Temporarily Restricted	Total
Revenues and Other Support			
Contributions	\$ 1,229,386	\$ 606,242	\$ 1,835,628
Grants and allocations	232,077	166,150	398,227
Noncash support	4,712,799	-	4,712,799
Fundraising receipts	129,209	-	129,209
Interest and dividend income	15,804	6,894	22,698
Energy assistance	16,975	-	16,975
Rental income	20,333	-	20,333
Realized gain on investment	14,090	15,046	29,136
Unrealized loss on investments	(14,610)	(17,129)	(31,739)
Loss on disposal of fixed assets	(12,633)	-	(12,633)
Net assets released from restrictions	771,153	(771,153)	-
Total revenues and other support	7,114,583	6,050	7,120,633
Expenses and Losses			
Program services	6,001,696	-	6,001,696
Management and general	192,148	-	192,148
Fundraising	353,303	-	353,303
Total expenses and losses	6,547,147	-	6,547,147
Changes in net assets	567,436	6,050	573,486
Net Assets - Beginning	3,252,308	393,921	3,646,229
Net Assets - Ending	\$ 3,819,744	\$ 399,971	\$ 4,219,715

See Accompanying Notes to Financial Statements

NEW HOPE MINISTRIES, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended June 30, 2014

	Unrestricted	Temporarily Restricted	Total
Revenues and Other Support			
Contributions	\$ 1,166,734	\$ 130,822	\$ 1,297,556
Grants and allocations	295,548	616,750	912,298
Noncash support	3,299,291	-	3,299,291
Fundraising receipts	125,295	-	125,295
Interest and dividend income	9,012	4,990	14,002
Energy assistance	16,895	-	16,895
Realized gain on investment	10,546	10,040	20,586
Unrealized gain on investments	32,193	23,253	55,446
Net assets released from restrictions	844,336	(844,336)	-
Total revenues and other support	5,799,850	(58,481)	5,741,369
Expenses and Losses			
Program services	4,581,162	-	4,581,162
Management and general	171,540	-	171,540
Fundraising	300,919	-	300,919
Total expenses and losses	5,053,621	-	5,053,621
Changes in net assets	746,229	(58,481)	687,748
Net Assets - Beginning	2,506,079	452,402	2,958,481
Net Assets - Ending	\$ 3,252,308	\$ 393,921	\$ 3,646,229

See Accompanying Notes to Financial Statements

NEW HOPE MINISTRIES, INC.

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2015 and 2014

	2015	2014
Cash Flows From Operating Activities		
Change in net assets	\$ 573,486	\$ 687,748
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	89,931	80,430
Loss on disposal of fixed assets	12,633	-
Realized (gain) loss on investments	(29,136)	20,586
Unrealized loss on investments	31,739	55,446
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	-	1,080
Pledges receivable	600	(1,000)
Inventory	(75,131)	13,503
Prepaid expenses	(7,962)	13,773
Increase (decrease) in:		
Accounts payable and accrued expenses	139,475	23,177
Accrued liability for compensated absences	1,847	(1,709)
Net cash provided by operating activities	737,482	893,034
Cash Flows From Investing Activities		
Proceeds from sale of investments	466,767	192,545
Purchase of investments	(790,797)	(314,192)
Purchase of equipment	(778,382)	(611,572)
Net cash used in investing activities	(1,102,412)	(733,219)
Net increase (decrease) in cash and cash equivalents	(364,930)	159,815
Cash and Cash Equivalents:		
Beginning	516,289	356,474
Ending	\$ 151,359	\$ 516,289
Supplement Disclosure of Cash Flow Information		
Donated fixed assets	\$ 15,500	\$ -

See Accompanying Notes to Financial Statements

NEW HOPE MINISTRIES, INC.

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2015

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
EXPENSES				
Salaries and wages	\$ 566,043	\$ 92,666	\$ 138,760	\$ 797,469
Employee benefits	108,614	17,781	26,626	153,021
Retirement	9,902	1,621	2,427	13,950
Payroll taxes	53,380	8,739	13,085	75,204
Education and training	3,025	495	742	4,262
Equipment purchases	1,005	164	246	1,415
Fundraising	-	-	17,846	17,846
Insurance	18,601	3,045	4,560	26,206
Internet support	10,182	1,667	2,496	14,345
Investment fees	7,931	1,298	1,944	11,173
License and registration fees	19,150	3,135	4,694	26,979
Miscellaneous	10,335	1,692	2,533	14,560
Postage and freight	5,644	924	1,384	7,952
Professional fees	8,623	22,420	3,449	34,492
Public relations and promotion	-	-	53,861	53,861
Rent	33,864	5,544	8,302	47,710
Repairs and maintenance	22,968	3,760	5,630	32,358
Supplies	18,596	3,044	4,559	26,199
Telephone	13,044	2,135	3,198	18,377
Travel	38,286	6,268	9,385	53,939
Utilities	25,841	4,230	6,335	36,406
Volunteer appreciation	6,539	1,070	1,603	9,212
Depreciation	63,833	10,450	15,648	89,931
Property tax	670	-	-	670
Children's programs	4,637	-	-	4,637
Client and program resources	6,872	-	-	6,872
Scholarships and tuition assistance	34,356	-	-	34,356
Stability	56,906	-	-	56,906
Food assistance	103,417	-	-	103,417
Vehicle fuel assistance	4,668	-	-	4,668
Housing/rental assistance	69,994	-	-	69,994
Medical assistance	3,156	-	-	3,156
Utility assistance	62,547	-	-	62,547
Transportation assistance	21,747	-	-	21,747
Noncash assistance	4,587,320	-	23,990	4,611,310
Total expenses	\$ 6,001,696	\$ 192,148	\$ 353,303	\$ 6,547,147

See Accompanying Notes to Financial Statements

NEW HOPE MINISTRIES, INC.

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2014

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
EXPENSES				
Salaries and wages	\$ 503,009	\$ 82,347	\$ 123,308	\$ 708,664
Employee benefits	88,502	14,488	21,695	124,685
Retirement	7,162	1,173	1,756	10,091
Payroll taxes	48,041	7,865	11,777	67,683
Education and training	2,318	379	568	3,265
Equipment purchases	910	149	223	1,282
Fundraising	-	-	19,866	19,866
Insurance	20,671	3,384	5,067	29,122
Internet support	13,212	2,163	3,239	18,614
Investment fees	6,366	1,042	1,561	8,969
License and registration fees	9,898	1,620	2,426	13,944
Miscellaneous	14,061	2,302	3,447	19,810
Postage and freight	5,377	880	1,318	7,575
Professional fees	8,838	22,981	3,536	35,355
Public relations and promotion	-	-	55,061	55,061
Rent	32,080	5,252	7,864	45,196
Repairs and maintenance	19,485	3,190	4,777	27,452
Supplies	16,230	2,657	3,979	22,866
Telephone	13,676	2,239	3,353	19,268
Travel	26,583	4,352	6,517	37,452
Utilities	19,026	3,115	4,664	26,805
Volunteer appreciation	3,760	616	922	5,298
Depreciation	57,089	9,346	13,995	80,430
Property tax	670	-	-	670
Children's programs	2,558	-	-	2,558
Client and program resources	733	-	-	733
Scholarships and tuition assistance	51,074	-	-	51,074
Stability	29,035	-	-	29,035
Food assistance	76,177	-	-	76,177
Vehicle fuel assistance	3,877	-	-	3,877
Housing/rental assistance	88,654	-	-	88,654
Medical assistance	2,510	-	-	2,510
Utility assistance	70,124	-	-	70,124
Transportation assistance	26,662	-	-	26,662
Noncash assistance	3,312,794	-	-	3,312,794
Total expenses	\$ 4,581,162	\$ 171,540	\$ 300,919	\$ 5,053,621

See Accompanying Notes to Financial Statements

NEW HOPE MINISTRIES, INC

NOTES TO 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 nonprofit 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 York and Cumberland Counties.

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 is recognized when earned and expenses are recorded when the corresponding liability is incurred.

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 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 reports net assets, revenue, expenses, gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that may be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Grants and contract funding which are restricted to the use of the Organization's programs are reflected as unrestricted revenue when they are received and spent during the same year.

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).

NEW HOPE MINISTRIES, INC

NOTES TO FINANCIAL STATEMENTS

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

Income Tax Status (Continued): 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. Management believes the Organization is no longer subject to income tax examinations for years ended prior to June 30, 2012.

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 Bad Debts: Accounts receivable are stated at outstanding balances, which management has determined to be the amount fully collectible, based on the history of collectability. The Organization uses the allowance method to account for uncollectible accounts receivable.

Pledges Receivable: Pledges receivable consist of amounts allocated to the Organization by United Way. All amounts are anticipated to be collected within one year.

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 the fair values. More detailed information on donated items is discussed in Note 7.

Fixed Assets: Fixed assets greater than \$1,000 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.

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 Statements of Activities.

NOTES TO FINANCIAL STATEMENTS

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

Investments, Income Recognition and Fair Value (Continued): The Organization follows the provisions of Financial Accounting Standards Board Statement ASC 820, Fair Value Measurement, 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.

Contributions: Contributions are recognized as revenue in the period received. All other donor-imposed contributions are reported as temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, that is, when the conditions on which they depend are substantially met, temporarily restricted net assets are reclassified to unrestricted net assets and reported on the Statements of Activities as net assets released from restrictions.

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 Statement of Activities is measured by the amount by which the carrying value exceeds the fair value of the asset.

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 unrestricted net assets if the restrictions are satisfied in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

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 program 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.

Subsequent Events: In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 5, 2015, the date the financial statements were available to be issued.

NEW HOPE MINISTRIES, INC

NOTES TO 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. Investments and Fair Value Measurements

Financial Accounting Standards Board ASC 820, Fair Value Measurement, establish 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 | Inputs to the valuation methodology include: <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 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. |
| 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.

NEW HOPE MINISTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

Note 3. Investments and Fair Value Measurements (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2015 and 2014.

Level 1: The fair value of common stocks, mutual funds and exchange-traded funds are based on closing market prices for the respective security as reported in active markets.

Level 2: Money Market accounts (bank deposits) are valued at cost, which approximates fair value.

Fair value measurements in the Organizations' current portfolio at June 30, 2015, were as follows:

	Level 1	Level 2	Level 3	Total
Money Market Accounts	\$ -	\$ 59,207	\$ -	\$ 59,207
Common Stocks				
Large Cap Growth	63,552	-	-	63,552
Large Cap Value	120,923	-	-	120,923
Mutual Funds				
Fixed Income	46,619	-	-	46,619
Exchange Traded Funds				
Alternative	59,478	-	-	59,478
Large Cap Value	60,273	-	-	60,273
Mid Cap Growth	22,138	-	-	22,138
Mid Cap Blend	70,087	-	-	70,087
International Growth	69,029	-	-	69,029
International Value	41,133	-	-	41,133
Fixed Income	212,712	-	-	212,712
Total investments, at fair value	\$ 765,944	\$ 59,207	\$ -	\$ 825,151

NEW HOPE MINISTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

Note 3. Investments and Fair Value Measurements (Continued)

Fair value measurements in the Organizations' portfolio at June 30, 2014, were as follows:

	Level 1	Level 2	Level 3	Total
Money Market Accounts	\$ -	\$ 16,878	\$ -	\$ 16,878
Common Stocks				
Large Cap Growth	38,688	-	-	38,688
Large Cap Value	69,447	-	-	69,447
Mutual Funds				
Fixed Income	24,033	-	-	24,033
Exchange Traded Funds				
Large Cap Growth	37,874	-	-	37,874
Large Cap Value	98,388	-	-	98,388
Mid Cap Growth	21,848	-	-	21,848
Mid Cap Blend	80,696	-	-	80,696
International Growth	17,774	-	-	17,774
Fixed Income	98,098	-	-	98,098
Total investments, at fair value	\$ 486,846	\$ 16,878	\$ -	\$ 503,724

Note 4. Construction-in-Progress

In June 2014, the Organization purchased a building in Hanover, Pennsylvania. This building was renovated to become the new Hanover Center. All costs related to the purchase and renovation of the building through June 30, 2014, had been reported as construction in progress on the statements of financial position. Construction in progress at June 30, 2014, totaled \$539,371. During the year ended June 30, 2015, the Organization completed construction and placed the building costing \$1,114,822 in service.

Note 5. Net Assets

Unrestricted - board designated net assets 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.

NOTES TO FINANCIAL STATEMENTS

Note 5. Net Assets (Continued)

Unrestricted net assets consist of the following as of June 30:

	2015	2014
Invested in property, plant and equipment	\$ 2,801,454	\$ 2,125,636
Operating	718,087	800,492
Board designated	300,203	326,180
Total	<u>\$ 3,819,744</u>	<u>\$ 3,252,308</u>

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, 2015:

	Capital	Endowment	Total
Board designated net assets, July 1, 2014	\$ 119,516	\$ 206,664	\$ 326,180
Interest and dividends	3,101	6,068	9,169
Contributions	-	16,761	16,761
Net investment earnings (losses)	(4,643)	(1,096)	(5,739)
Withdrawals/transfers	(46,168)	-	(46,168)
Board designated net assets, June 30, 2015	<u>\$ 71,806</u>	<u>\$ 228,397</u>	<u>\$ 300,203</u>

Temporarily restricted net assets consist of contributions that have been designated by the donor for a specific purpose, which has not yet been fulfilled. Pledged contributions are considered temporarily restricted due to the fact that the pledged funds are not currently available.

Temporarily restricted net assets consist of the following at June 30:

	2015	2014
United Way pledge receivable	\$ 166,150	\$ 166,750
Contributions for scholarship awards	233,821	227,171
Total Temporarily Restricted Net Assets	<u>\$ 399,971</u>	<u>\$ 393,921</u>

There were no permanently restricted net assets at June 30, 2015 and 2014.

NEW HOPE MINISTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

Note 6. Scholarships

The following is a summary of the Organization's scholarship fund for the years ended June 30:

	2015	2014
Beginning balance	\$ 227,171	\$ 175,188
Contributions	36,597	43,700
Investment earnings	5,053	38,283
Scholarships disbursed	(35,000)	(30,000)
Ending Balance	<u>\$ 233,821</u>	<u>\$ 227,171</u>

Note 7. Noncash Support

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 noncash support valuations 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 \$1.72 and \$1.69 per pound for the years ended June 30, 2015 and 2014, 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, 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.

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

NEW HOPE MINISTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

Note 7. Noncash Support (Continued)

Noncash support consists of the following for the years ended June 30:

	2015	2014
Food bank contributions	\$ 4,497,134	\$ 3,112,842
Other goods and miscellaneous	135,040	141,228
Gift cards	27,678	10,819
Fundraising event sponsorship	23,990	16,211
Utility assistance	7,049	15,856
Professional services	-	2,335
Automobile	6,408	-
Fixed assets	15,500	-
	<u>\$ 4,712,799</u>	<u>\$ 3,299,291</u>

Note 8. 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 ninety-day probationary period. The Organization matches employee contributions, up to 3% of employee compensation. During the years ended June 30, 2015 and 2014, the Organization's matching contributions were \$13,950 and \$10,091, respectively.

Note 9. Operating Lease

The Organization entered into a five-year lease for copiers that terminates in October 2017. Future minimum lease payments under the lease are:

Year	Amount
2016	\$ 5,982
2017	5,982
2018	1,994
	<u>\$ 13,958</u>