

NEW HOPE MINISTRIES, INC.

FINANCIAL REPORT

JUNE 30, 2013

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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 nonprofit organization) which comprise the statements of financial position as of June 30, 2013 and 2012, the related statements of activities, functional expenses and cash flows 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, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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

Camp Hill, Pennsylvania
September 29, 2013

NEW HOPE MINISTRIES, INC.

STATEMENTS OF FINANCIAL POSITION
June 30, 2013 and 2012

ASSETS	2013	2012
Current Assets		
Cash and cash equivalents	\$ 356,474	\$ 785,646
Accounts receivable	1,080	2,072
Pledges receivable	165,750	76,923
Inventory		
Food and gift cards	358,940	100,992
Other	23,205	23,205
Prepaid expenses	46,746	28,515
Total current assets	952,195	1,017,353
Fixed Assets		
Land	205,000	205,000
Buildings	1,365,895	1,186,314
Furniture and fixtures	166,978	148,707
Vehicles	119,819	77,533
Computer software	20,548	20,548
	1,878,240	1,638,102
Less accumulated depreciation	(283,746)	(218,201)
	1,594,494	1,419,901
Investments		
Long term investments	336,110	-
Restricted cash	121,999	-
Total investments	458,109	-
Total assets	\$ 3,004,798	\$ 2,437,254
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 35,251	\$ 65,525
Accrued liability for compensated absences	11,066	22,809
Total current liabilities	46,317	88,334
Net Assets		
Unrestricted	2,306,417	1,780,162
Board designated	199,662	197,321
Total unrestricted net assets	2,506,079	1,977,483
Temporarily restricted	386,113	305,148
Permanently restricted	66,289	66,289
Total net assets	2,958,481	2,348,920
Total liabilities and net assets	\$ 3,004,798	\$ 2,437,254

See Notes to Financial Statements.

NEW HOPE MINISTRIES, INC.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and Other Support				
Contributions	\$ 924,206	\$ 193,464	\$ -	\$ 1,117,670
Grants and allocations	421,583	165,750	-	587,333
Noncash support	2,593,137	-	-	2,593,137
Fundraising receipts	128,736	-	-	128,736
Interest and dividend income	3,341	222	-	3,563
Energy assistance	11,645	-	-	11,645
Miscellaneous income	-	-	-	-
Realized loss on investment	(654)	(485)	-	(1,139)
Unrealized gain on investment	2,819	1,243	-	4,062
Net assets released from restrictions	279,229	(279,229)	-	-
Total revenues and other support	4,364,042	80,965	-	4,445,007
Expenses and Losses				
Program services	3,383,362	-	-	3,383,362
Management and general	153,607	-	-	153,607
Fundraising	298,477	-	-	298,477
Total expenses and losses	3,835,446	-	-	3,835,446
Changes in net assets	528,596	80,965	-	609,561
Net Assets - July 1, 2012	1,977,483	305,148	66,289	2,348,920
Net Assets - June 30, 2013	\$ 2,506,079	\$ 386,113	\$ 66,289	\$ 2,958,481

See Notes to Financial Statements.

NEW HOPE MINISTRIES, INC.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and Other Support				
Contributions	\$ 749,173	\$ 184,519	\$ -	\$ 933,692
Grants and allocations	356,524	75,948	-	432,472
Noncash support	1,270,748	-	-	1,270,748
Fundraising receipts	84,313	-	-	84,313
Interest income	1,153	734	-	1,887
Energy assistance	21,612	-	-	21,612
Miscellaneous income	6,950	-	-	6,950
Net assets released from restrictions	111,885	(111,885)	-	-
Total revenues and other support	2,602,358	149,316	-	2,751,674
Expenses and Losses				
Program services	2,086,591	-	-	2,086,591
Management and general	150,165	-	-	150,165
Fundraising	205,017	-	-	205,017
Total expenses and losses	2,441,773	-	-	2,441,773
Changes in net assets	160,585	149,316	-	309,901
Net Assets - July 1, 2011	1,816,898	155,832	66,289	2,039,019
Net Assets - June 30, 2012	<u>\$ 1,977,483</u>	<u>\$ 305,148</u>	<u>\$ 66,289</u>	<u>\$ 2,348,920</u>

See Notes to Financial Statements.

NEW HOPE MINISTRIES, INC.

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2013 and 2012

	2013	2012
Cash Flows From Operating Activities		
Changes in net assets	\$ 609,561	\$ 309,901
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation	65,544	57,622
Realized loss on sale of investments	(1,139)	-
Unrealized gain on value of investments	4,062	-
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	992	27,570
Pledges receivable	(88,827)	(5,458)
Inventory	(257,948)	(64,271)
Prepaid expenses	(18,231)	(10,247)
(Decrease) increase in:		
Accounts payable and accrued expenses	(30,274)	21,252
Accrued liability for compensated absences	(11,743)	(14,863)
Unearned revenue	-	(26,450)
Net cash provided by operating activities	271,997	295,056
Cash Flows From Investing Activities		
Proceeds from sale of investments	4,715	-
Purchase of investments	(465,747)	-
Purchase of equipment	(240,137)	(50,721)
Net cash used in operating activities	(701,169)	(50,721)
Net increase (decrease) in cash and cash equivalents	(429,172)	244,335
Cash and Cash Equivalents:		
Beginning	785,646	541,311
Ending	\$ 356,474	\$ 785,646

See Notes to Financial Statements.

NEW HOPE MINISTRIES, INC.

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2013

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Functional Expenses				
Salaries	\$ 453,291	\$ 74,208	\$ 111,120	\$ 638,619
Employee benefits	64,124	10,498	15,719	90,341
Retirement	7,417	1,214	1,818	10,449
Payroll taxes	45,090	7,382	11,053	63,525
Education and training	236	39	58	333
Equipment purchases	3,043	498	746	4,287
Fundraising	-	-	16,908	16,908
Insurance	15,956	2,612	3,912	22,480
Internet support	8,675	1,420	2,127	12,222
Investment fees	1,454	238	357	2,049
License and registration fees	6,362	1,041	1,559	8,962
Miscellaneous	17,899	2,930	4,388	25,217
Postage and freight	4,758	779	1,166	6,703
Professional fees	8,112	21,093	3,245	32,450
Public relations and promotion	-	-	79,896	79,896
Rent	25,879	4,237	6,344	36,460
Repairs and maintenance	11,825	1,936	2,899	16,660
Supplies	30,900	5,059	7,575	43,534
Telephone	5,984	980	1,467	8,431
Travel	30,683	5,023	7,522	43,228
Utilities	17,969	2,942	4,405	25,316
Volunteer appreciation	11,371	1,862	2,788	16,021
Depreciation	46,523	7,616	11,405	65,544
Property tax	669	-	-	669
Children's programs	4,591	-	-	4,591
Client and program resources	9,820	-	-	9,820
Scholarships and tuition assistance	34,850	-	-	34,850
Food assistance	44,828	-	-	44,828
Vehicle fuel assistance	6,396	-	-	6,396
Housing/rental assistance	72,448	-	-	72,448
Medical assistance	1,270	-	-	1,270
Utility assistance	59,958	-	-	59,958
Transportation assistance	23,199	-	-	23,199
Noncash assistance	2,307,782	-	-	2,307,782
Total expenses	\$ 3,383,362	\$ 153,607	\$ 298,477	\$ 3,835,446

See Notes to Financial Statements.

NEW HOPE MINISTRIES, INC.

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2012

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Functional Expenses				
Salaries	\$ 389,263	\$ 75,231	\$ 77,127	\$ 541,621
Employee benefits	48,359	9,346	9,582	67,287
Retirement	9,214	1,781	1,825	12,820
Payroll taxes	38,126	7,368	7,554	53,048
Education and training	1,510	292	299	2,101
Equipment purchases	35	7	7	49
Fundraising	-	-	20,966	20,966
Insurance	14,613	2,824	2,895	20,332
Internet support	14,247	2,753	2,823	19,823
License and registration fees	6,377	1,232	1,264	8,873
Miscellaneous	11,757	2,272	2,330	16,359
Postage and freight	4,139	800	820	5,759
Professional fees	7,994	20,784	3,198	31,976
Public relations and promotion	-	-	48,213	48,213
Rent	21,797	4,213	4,318	30,328
Repairs and maintenance	6,744	1,304	1,336	9,384
Supplies	14,368	2,777	2,847	19,992
Telephone	8,763	1,694	1,736	12,193
Travel	19,208	3,712	3,806	26,726
Utilities	11,416	2,206	2,262	15,884
Volunteer appreciation	8,096	1,565	1,604	11,265
Depreciation	41,413	8,004	8,205	57,622
Property tax	1,056	-	-	1,056
Children's programs	4,790	-	-	4,790
Client and program resources	10,610	-	-	10,610
Scholarships and tuition assistance	38,565	-	-	38,565
Food assistance	15,633	-	-	15,633
Vehicle fuel assistance	5,935	-	-	5,935
Housing/rental assistance	61,902	-	-	61,902
Medical assistance	1,976	-	-	1,976
Utility assistance	40,323	-	-	40,323
Transportation assistance	21,964	-	-	21,964
Noncash assistance	1,206,398	-	-	1,206,398
Total expenses	\$ 2,086,591	\$ 150,165	\$ 205,017	\$ 2,441,773

See 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 be 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, 2010.

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.

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 5.

Fixed Assets: Fixed assets are 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.

The Organization follows the provisions of Financial Accounting Standards Board Statement ASC 820, Fair Value Measurements and Disclosures 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.

NEW HOPE MINISTRIES, INC

NOTES TO FINANCIAL STATEMENTS

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

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 September 29, 2013, 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. Pledges Receivable

Pledges receivable consist of the following as of June 30:

	2013	2012
United Way Allocation	\$ 165,750	\$ 75,948
Capital Campaign pledges	-	975
Total pledges receivable	<u>\$ 165,750</u>	<u>\$ 76,923</u>

Note 4. Investments and Fair Value Measurements

Financial Accounting Standards Board ASC 820, Fair Value Measurements and Disclosures 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. |

NEW HOPE MINISTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

Note 4. Investments and Fair Value Measurements (Continued)

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.

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, 2013 and 2012.

Level 1: The fair value of these investment securities was 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, 2013, were as follows:

	Level 1	Level 2	Level 3	Total
Money Market Accounts	\$ -	\$ 121,999	\$ -	\$ 121,999
Equities				
Large Growth	33,849	-	-	33,849
Large Value	54,396	-	-	54,396
International Large Value	15,235	-	-	15,235
Mutual Funds				
Fixed Income	19,012	-	-	19,012
Exchange Traded Products				
Large Growth	60,834	-	-	60,834
Mid Cap Growth	19,996	-	-	19,996
Mid Cap Blend	54,230	-	-	54,230
Fixed Income	78,558	-	-	78,558
Total investments, at fair value	\$ 336,110	\$ 121,999	\$ -	\$ 458,109

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:

	2013	2012
Invested in property, plant and equipment	\$ 1,594,494	\$ 1,419,901
Operating	711,923	360,261
Board designated	199,662	197,321
	<u>\$ 2,506,079</u>	<u>\$ 1,977,483</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, 2013:

	Amount
Board designated net assets, July 1, 2012	\$ 197,321
Interest and dividends	209
Contributions	100
Net investment earnings	2,032
Board designated net assets, June 30, 2013	<u>\$ 199,662</u>

Temporarily restricted net assets consist of realized income generated from the permanently 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 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:

	2013	2012
Unspent interest from permanently restricted funds	\$ -	\$ 16,806
United Way pledge receivable	165,750	75,948
Capital campaign pledges	-	975
Capital campaign cash contributions	-	131,862
Contributions for scholarship awards	108,899	79,557
Contribution for GED Program in Hanover	5,000	-
Contribution from American Red Cross for Hanover	106,464	-
Total Temporarily Restricted Net Assets	<u>\$ 386,113</u>	<u>\$ 305,148</u>

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

	2013	2012
Scholarships	<u>\$ 66,289</u>	<u>\$ 66,289</u>

NEW HOPE MINISTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

Note 6. Scholarships

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

	2013	2012
Beginning balance	\$ 162,652	\$ 143,468
Contributions	47,000	57,639
Investment earnings	886	45
Scholarships disbursed	(35,350)	(38,500)
Ending Balance	<u>\$ 175,188</u>	<u>\$ 162,652</u>

The following is a break out of the scholarship funds by net asset class:

	2013	2012
Temporarily unrestricted net assets	\$ 108,899	\$ 96,363
Permanently restricted net assets	66,289	66,289
	<u>\$ 175,188</u>	<u>\$ 162,652</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 \$1.66 per pound for the years ended June 30, 2013 and 2012.

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.

Cemetery Lots - The Organization received a donation of cemetery lots during 2012. The costs of these items were estimated by the Organization, based on current market values.

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 received a donation of fixed assets during the current year. The costs of these items are estimated by the Organization, based on current market values.

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:

	2013	2012
Food bank contributions	\$ 2,427,204	\$ 1,097,868
Others goods and miscellaneous	115,832	89,044
Gift cards	16,205	19,643
Cemetery lots	-	23,205
Fundraising event sponsorship	-	5,680
Utility assistance	500	33,791
Professional services	4,045	1,517
Automobile	1,944	-
Fixed assets	27,407	-
	<u>\$ 2,593,137</u>	<u>\$ 1,270,748</u>

The organization changed how it valued food bank contributions for the year ended June 30, 2013. In prior years contributions from other food banks were valued at the amount provided on the invoice from the other food banks. Starting in 2013, to be consistent with all other food donations, 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 \$1.66 per pound.

Note 8. Pension 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, 2013 and 2012, the Organization's matching contributions were \$10,449 and \$12,820, 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
2014	\$ 5,982
2015	5,982
2016	5,982
2017	5,982
2018	1,994
	<u>\$ 25,922</u>