

HOPE FOR ALL, INC.
FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

HOPE FOR ALL, INC.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
HOPE For All, Inc.
122 Roesler Road
Glen Burnie, Maryland 21060-6553

Opinion

We have audited the financial statements of HOPE For All, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of HOPE For All, Inc. as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of HOPE For All, Inc. 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 financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about HOPE For All, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

HOPE For All, Inc.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of HOPE For All, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about HOPE For All, Inc.'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.

Grandizio, Wilkins, Little & Matthews, LLP

Grandizio, Wilkins, Little & Matthews, LLP
August 25, 2025

HOPE FOR ALL, INC.
STATEMENTS OF FINANCIAL POSITION

June 30,	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 737,416	\$ 552,452
Grants Receivable	21,345	30,770
Inventory	<u>182,325</u>	<u>204,116</u>
TOTAL CURRENT ASSETS	<u>941,086</u>	<u>787,338</u>
PROPERTY AND EQUIPMENT		
Office Furniture and Equipment	98,527	98,527
Leasehold Improvements	40,514	40,514
Vehicles	<u>91,874</u>	<u>91,874</u>
TOTAL PROPERTY AND EQUIPMENT	230,915	230,915
Less: Accumulated Depreciation	<u>148,480</u>	<u>121,993</u>
NET PROPERTY AND EQUIPMENT	<u>82,435</u>	<u>108,922</u>
OTHER ASSETS		
Prepaid Expenses	-	2,700
Right-of-Use Asset	<u>328,618</u>	<u>278,520</u>
TOTAL OTHER ASSETS	<u>328,618</u>	<u>281,220</u>
TOTAL ASSETS	<u><u>\$ 1,352,139</u></u>	<u><u>\$ 1,177,480</u></u>

The independent auditors' report and the accompanying notes
are an integral part of these financial statements.

HOPE FOR ALL, INC.
STATEMENTS OF FINANCIAL POSITION

June 30,	2025	2024
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 8,382	\$ 2,907
Accrued Payroll and Payroll Taxes Payable	1,622	5,181
Operating Lease Liability - Current	<u>90,685</u>	<u>56,530</u>
TOTAL CURRENT LIABILITIES	100,689	64,618
LONG-TERM LIABILITIES		
Operating Lease Liability - Long-Term	<u>247,376</u>	<u>230,938</u>
TOTAL LIABILITIES	<u>348,065</u>	<u>295,556</u>
NET ASSETS		
Without Donor Restrictions	999,074	881,924
With Donor Restrictions	<u>5,000</u>	<u>-</u>
TOTAL NET ASSETS	<u>1,004,074</u>	<u>881,924</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 1,352,139</u></u>	 <u><u>\$ 1,177,480</u></u>

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are an integral part of these financial statements.

HOPE FOR ALL, INC.
STATEMENTS OF ACTIVITIES

For the Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, OTHER SUPPORT AND OTHER INCOME			
Support Revenue			
Grants - Foundation and Government	\$ 417,030	\$ 5,000	\$ 422,030
Contributions - Business and Individual	336,295	-	336,295
Special Events Revenue (Net of Costs of Direct Benefits to Donors of \$12,551)	183,529	-	183,529
TOTAL SUPPORT REVENUE	936,854	5,000	941,854
Net Assets Released from Restrictions	-	-	-
TOTAL SUPPORT REVENUE AND RECLASSIFICATIONS	936,854	5,000	941,854
In-Kind Contributions	757,551	-	757,551
Other Income	79,592	-	79,592
Interest Income - Employee Retention Credit	13,040	-	13,040
Interest Income	14,860	-	14,860
TOTAL REVENUES, OTHER SUPPORT, OTHER INCOME AND RECLASSIFICATIONS	1,801,897	5,000	1,806,897
EXPENSES			
Program Services Expenses	1,438,745	-	1,438,745
Supporting Services Expenses			
Management and General	137,885	-	137,885
Fundraising	108,117	-	108,117
TOTAL EXPENSES	1,684,747	-	1,684,747
CHANGE IN NET ASSETS	117,150	5,000	122,150
Net Assets - Beginning of Year	881,924	-	881,924
NET ASSETS - END OF YEAR	\$ 999,074	\$ 5,000	\$ 1,004,074

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are an integral part of these financial statements.

HOPE FOR ALL, INC.
STATEMENTS OF ACTIVITIES

For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, OTHER SUPPORT AND OTHER INCOME			
Support Revenue			
Grants - Foundation and Government	\$ 367,836	\$ -	\$ 367,836
Contributions - Business and Individual	270,351	-	270,351
Special Events Revenue (Net of Costs of Direct Benefits to Donors of \$21,850)	186,486	-	186,486
TOTAL SUPPORT REVENUE	824,673	-	824,673
Net Assets Released from Restrictions	-	-	-
TOTAL SUPPORT REVENUE AND RECLASSIFICATIONS	824,673	-	824,673
In-Kind Contributions	514,961	-	514,961
Interest Income	15,352	-	15,352
TOTAL REVENUES, OTHER SUPPORT, OTHER INCOME AND RECLASSIFICATIONS	1,354,986	-	1,354,986
EXPENSES			
Program Services Expenses	1,065,513	-	1,065,513
Supporting Services Expenses			
Management and General	118,003	-	118,003
Fundraising	93,246	-	93,246
TOTAL EXPENSES	1,276,762	-	1,276,762
CHANGE IN NET ASSETS	78,224	-	78,224
Net Assets - Beginning of Year	803,700	-	803,700
NET ASSETS - END OF YEAR	\$ 881,924	\$ -	\$ 881,924

The independent auditors' report and the accompanying notes
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HOPE FOR ALL, INC.
STATEMENTS OF CASH FLOWS

For the Years Ended June 30,	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 122,150	\$ 78,224
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by (Used In) Operating Activities:		
Depreciation	26,487	29,822
Amortization of Right of Use Asset	68,727	57,160
Accretion of Operating Lease Liability	9,115	9,187
Origination of Right-of-Use Asset	(118,825)	-
Origination of Operating Lease Liability	118,825	-
(Increase) Decrease In:		
Grants Receivable	9,425	1,545
Inventory	21,791	(27,218)
Prepaid Expenses	2,700	-
Increase (Decrease) In:		
Accounts Payable and Accrued Expenses	5,475	(238)
Accrued Payroll and Payroll Taxes	(3,559)	667
Operating Lease Liability	(77,347)	(60,972)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>184,964</u>	<u>88,177</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	-	(14,404)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>-</u>	<u>(14,404)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	184,964	73,773
Cash and Cash Equivalents - Beginning of Year	<u>552,452</u>	<u>478,679</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 737,416</u></u>	<u><u>\$ 552,452</u></u>

The independent auditors' report and the accompanying notes
are an integral part of these financial statements.

HOPE FOR ALL, INC.
STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2025

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
FUNCTIONAL EXPENSES				
Furniture, Housewares, Clothing and Personal Items Distributed	\$ 970,483	\$ -	\$ -	\$ 970,483
Salaries and Wages	268,533	82,292	82,292	433,117
Payroll Taxes	20,783	6,369	6,369	33,521
Healthcare Benefits	14,123	4,328	4,328	22,779
Rent	68,689	1,164	7,762	77,615
Supplies	5,588	-	-	5,588
Warehouse Expenses	6,345	-	-	6,345
Utilities	9,531	162	1,077	10,770
Repairs and Maintenance	12,951	-	-	12,951
Furniture and Equipment	608	-	-	608
Vehicle Expenses	9,072	-	-	9,072
Depreciation	26,487	-	-	26,487
Insurance	9,489	426	747	10,662
Professional Fees	-	27,359	-	27,359
Telephone and Internet	1,962	245	245	2,452
Technology	11,493	1,083	4,080	16,656
Office Expenses	2,608	326	326	3,260
Postage and Shipping	-	892	891	1,783
Advertising	-	4,462	-	4,462
Bank Charges and Service Fees	-	2,037	-	2,037
Dues and Memberships	-	1,945	-	1,945
Other Operating Expenses	-	4,795	-	4,795
TOTAL FUNCTIONAL EXPENSES	<u>\$ 1,438,745</u>	<u>\$ 137,885</u>	<u>\$ 108,117</u>	<u>\$ 1,684,747</u>

The independent auditors' report and the accompanying notes
are an integral part of these financial statements.

HOPE FOR ALL, INC.
STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2024

	Program	Management and General	Fundraising	Total
FUNCTIONAL EXPENSES				
Furniture, Housewares, Clothing and Personal Items Distributed	\$ 653,216	\$ -	\$ -	\$ 653,216
Salaries and Wages	240,079	73,572	73,573	387,224
Payroll Taxes	18,690	5,728	5,728	30,146
Rent	58,827	997	6,647	66,471
Supplies	7,954	-	-	7,954
Warehouse Expenses	6,886	-	-	6,886
Utilities	8,230	139	930	9,299
Repairs and Maintenance	5,564	-	-	5,564
Furniture and Equipment	3,523	-	-	3,523
Vehicle Expenses	6,773	-	-	6,773
Depreciation	29,822	-	-	29,822
Insurance	10,223	697	992	11,912
Professional Fees	-	19,673	-	19,673
Telephone and Internet	1,668	209	209	2,086
Technology	11,829	1,114	4,200	17,143
Office Expenses	2,229	279	279	2,787
Postage and Shipping	-	687	688	1,375
Advertising	-	4,210	-	4,210
Bank Charges and Service Fees	-	1,586	-	1,586
Dues and Memberships	-	1,260	-	1,260
Other Operating Expenses	-	7,852	-	7,852
TOTAL FUNCTIONAL EXPENSES	\$ 1,065,513	\$ 118,003	\$ 93,246	\$ 1,276,762

The independent auditors' report and the accompanying notes
are an integral part of these financial statements.

HOPE FOR ALL, INC.
NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

Note 1: Nature of Organization and Significant Accounting Policies

Organization

HOPE For All, Inc. (the Organization) is a Christian ministry whose mission is to provide furniture, household items, and clothing to people in local communities who are without the financial means to meet their basic needs and strives to offer stability to their daily lives and give hope for their future. The Organization is a public 501(c)(3) non-profit serving residents of Anne Arundel County and parts of Baltimore City, Maryland.

Funding

The operations of HOPE For All, Inc. are funded principally through contributions and grants from individuals, businesses, governments, and foundations. Additionally, the Organization receives in-kind contributions from individuals and businesses.

Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The basis of accounting involves the application of accrual accounting. Consequently, revenues and gains are recognized when earned and expenses and losses are recognized when incurred.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments purchased with a maturity of three months or less when purchased to be cash and cash equivalents.

Concentration of Risk

The Organization maintains its cash balances at federally insured financial institutions. At various times, the amount of cash on deposit may exceed the amount guaranteed by the Federal Deposit Insurance Corporation. The Organization did not experience any loss of funds due to this concentration and believes that no significant concentration of credit risk exists with respect to cash balances.

Grants Receivable

Unconditional grants are recognized when awarded. Conditional grants are recognized when conditions are substantially met. All grants receivable are deemed to be collectible by management at June 30, 2025 and 2024. Therefore, an allowance for doubtful accounts has not been established.

HOPE FOR ALL, INC.
NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

Note 1: Nature of Organization and Significant Accounting Policies (Continued)

Revenue Recognition

The Organization reports grants and contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the time period or manner of use of the grant or contribution. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Special Events Revenue

Revenue earned from fundraising events is recognized at the time of the event. Expenses incurred in connection with an event that provides direct benefit to the donors are charged against the revenue earned from the event. For the years ended June 30, 2025 and 2024, the Organization recognized \$196,080 and \$208,336 in fundraising revenue, respectively, of which \$12,551 and \$21,850, respectively, was a cost of direct benefit to donors.

Income Taxes

HOPE For All, Inc. is a not-for-profit organization that is exempt from federal income taxes as a charitable organization under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been recorded. No unrelated business income was identified for the years ended June 30, 2025 and 2024. The Organization's evaluation on June 30, 2025 revealed no uncertain tax positions that would have a material impact on the financial statements.

The tax returns of the Organization for the previous three years are subject to examination by the IRS and state taxing authorities. The Organization does not believe that any reasonably possible changes will occur within the next 12 months that will have a material impact on the financial statements.

Contributed Services

Contributed services are recognized as revenue if the services are essential and create or enhance non-financial assets or require specified skills and are provided by individuals who possess those skills. No amounts have been reflected in the financial statements for contributed services. Many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

In-Kind Contributions of Goods

Contributions of non-cash assets include linens, clothing, housewares, shoes, and furnishings and are recorded at their estimated fair value at the time of donation. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. The goods are distributed in the Organization's service to clients. In valuing the goods, the Organization estimates fair value based on established pricing guidelines that are applied on a consistent basis. In-kind contributions for the years ended June 30, 2025 and 2024 totaled \$757,551 and \$514,961, respectively.

HOPE FOR ALL, INC.
NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

Note 1: Nature of Organization and Significant Accounting Policies (Continued)

Inventory

The inventory consists of clothing, linens, shoes, household items and furnishings, which are held for distribution to those in need of basic living items. Contributed inventory is valued at estimated fair value based on established pricing guidelines that are applied on a consistent basis. Purchased inventory is stated at the lower of cost or net realizable value.

FASB ASC No. 360

Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) No. 360 requires that long-lived assets and certain identifiable intangibles held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Application of FASB ASC No. 360 has not materially affected the Organization's reported net assets, financial condition, or cash flows.

Advertising

Advertising costs are charged to operations when incurred. Advertising expense for the years ended June 30, 2025 and 2024 amounted to \$4,462 and \$4,210, respectively.

Property and Equipment

Expenditures for property, equipment, and improvements in excess of \$500 are capitalized at cost. Donated assets are capitalized at their estimated fair value on the date of the gift. Depreciation is computed on the straight-line method over the estimated useful lives of the assets as follows:

Office Furniture and Equipment	5 Years
Leasehold Improvements	10-15 Years
Vehicles	5 Years

Depreciation expense totaled \$26,487 and \$29,822 for the years ended June 30, 2025 and 2024, respectively.

Allocation of Functional Expenses

The costs of providing the programs and services have been summarized as program; management and general; and fundraising in the statement of activities and functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited on the basis of periodic time or usage studies.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising costs are expensed as incurred, although they may result in contributions received in future years. The Organization generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and general and administrative expenses in accordance with standards for accounting for costs of activities that include fundraising.

HOPE FOR ALL, INC.
NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

Note 1: Nature of Organization and Significant Accounting Policies (Continued)

Leases

The Organization leases space and determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on the 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 arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Organization's leases did not provide an implicit rate, therefore the Organization elected to use a discount rate based on the risk-free rate, which is used to determine the present value of lease payments. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The lease agreement does not contain any variable lease payments. The lease agreement does not contain any material residual value guarantees or material restrictive covenants.

In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if all of the rights to the underlying asset were substantially obtained through exclusivity, if the Organization has the right to direct the use of the asset and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

The Organization elected not to apply the recognition requirements to all short-term leases, defined as leases with a term of 12 months or less at commencement.

Date of Management's Review

The Organization has evaluated events and transactions that occurred during the period from the date of the financial statements through August 25, 2025, the date the Organization's financial statements were available to be issued. There were no events or transactions that occurred during the period that materially impacted the amounts or disclosures in the Organization's financial statements.

HOPE FOR ALL, INC.
NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

Note 2: Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the dates of the statements of financial position:

	June 30, 2025	June 30, 2024
Financial Assets at Year End		
Cash and Cash Equivalents	\$ 737,416	\$ 552,452
Grants Receivable	21,345	30,770
	<u>758,761</u>	<u>583,222</u>
TOTAL FINANCIAL ASSETS AT YEAR END	758,761	583,222
Donor Imposed Restricted Net Assets	<u>(5,000)</u>	<u>-</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 753,761</u>	<u>\$ 583,222</u>

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Note 3: Operating Lease Commitments

The Organization rents warehouse space under an operating lease beginning January 1, 2019 and expiring December 31, 2028. The lease calls for monthly base rents plus CAM charges. The initial monthly rental and CAM charges are \$4,070, with increases of 5% each year through 2028. The remaining lease term is 42 months. The discount rate is 2.9%.

During the year ended June 30, 2025 the Organization signed a new amendment to the above operating lease agreement that includes rental of additional warehouse space beginning March 1, 2025 and expiring December 31, 2028. The initial monthly rental payment for the additional warehouse space is \$2,594, with increases of 5% each year through 2028. The remaining lease term is 42 months. The discount rate is 3.97%.

Rent expense was \$77,615 and \$66,471 for the years ended June 30, 2025 and 2024, respectively. Amounts below include CAM charges since the amounts are specified in the leases. As of June 30, 2025 and 2024, the lease liability was \$338,061 and \$287,468, respectively, and right-of-use asset was \$328,618 and \$278,520, respectively.

The weighted average remaining lease term is 3.5 years. The weighted average discount rate is 3.24%.

HOPE FOR ALL, INC.
NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

Note 3: Operating Lease Commitments (Continued)

The following is a maturity analysis of the annual undiscounted cash flows of the operating lease liabilities as of June 30, 2025:

<u>For the Years Ending June 30,</u>	
2026	\$ 90,685
2027	103,669
2028	108,853
2029	<u>55,900</u>
Total Future Minimum Lease Payments	359,107
Less: Imputed Interest	<u>(21,046)</u>
TOTAL LEASE LIABILITY	<u>\$ 338,061</u>

Note 4: Risk Management

The Organization is exposed to various risks or loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Organization maintains commercial insurance coverage for property and liability. Any potential liability of the Organization with respect to loss claims would be equal to the deductibles associated with policies and events which may exceed coverage limits. There have not been any significant reductions in insurance coverage amounts.

Note 5: CARES Act Provision

Employee Retention Credit

Under the provisions of the Coronavirus Aid, Relief, and Economic Security Act (the "Cares Act") signed into law on March 27, 2020, and the subsequent extension of the CARES Act, the Organization was eligible for a refundable employee retention credit subject to certain criteria. During the fiscal year ended June 30, 2025, the Organization received employee retention credits in the amount of \$79,592 and interest income of \$13,040. Such credits are included in other income and interest income - employee retention credit, respectively, in the statements of activities.

HOPE FOR ALL, INC.
NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

Note 6: Net Assets with Donor Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. Donor restricted net assets are as follows:

	<u>Baskets of HOPE</u>
AS OF JULY 1, 2024	\$ -
Additions	5,000
Less: Releases	<u>-</u>
AS OF JUNE 30, 2025	<u>\$ 5,000</u>