

New Hope Chapel of Plymouth, Inc.
Financial Statements
December 31, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Elders
New Hope Chapel of Plymouth, Inc.
Plymouth, MA

Opinion

We have audited the accompanying financial statements of New Hope Chapel of Plymouth, Inc. (a nonprofit corporation), which comprise the statements of financial position as of December 31, 2025 and 2024 and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Hope Chapel of Plymouth, Inc., as of December 31, 2025 and 2024 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.

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 New Hope Chapel of Plymouth, 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 New Hope Chapel of Plymouth, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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, including omissions, 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.

Independent Auditor's Report
New Hope Chapel of Plymouth, Inc.

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 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 New Hope Chapel of Plymouth, 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 New Hope Chapel of Plymouth, 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.

Freeman & Bornema, PLLC

May 14, 2026

New Hope Chapel of Plymouth, Inc.
Statements of Financial Position
As of December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 873,470	\$ 466,531
Sinking Fund	189,966	185,362
Total Current Assets	<u>1,063,436</u>	<u>651,893</u>
<u>Property and Equipment</u>		
Land and Improvements	1,411,500	1,411,500
Building and Improvements	9,833,928	521,200
Furniture, Fixtures and Equipment	450,716	54,050
Total Cost of Property and Equipment	<u>11,696,144</u>	<u>1,986,750</u>
Less Accumulated Depreciation	<u>258,016</u>	<u>89,748</u>
Net Property and Equipment	<u>11,438,128</u>	<u>1,897,002</u>
<u>Other Assets</u>		
Construction in Progress	-	8,865,547
Project Fund	-	912,548
Total Other Assets	<u>-</u>	<u>9,778,095</u>
TOTAL ASSETS	<u>12,501,564</u>	<u>12,326,990</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Accounts Payable	2,922	4,964
Accrued Interest Payable	168,538	168,539
Construction Payable	-	231,031
Current Portion - Bonds	59,000	-
Total Current Liabilities	<u>230,460</u>	<u>404,534</u>
<u>Long-Term Liabilities</u>		
Bonds Payable	<u>5,616,738</u>	<u>5,662,227</u>
Total Long-Term Liabilities	<u>5,616,738</u>	<u>5,662,227</u>
Total Liabilities	<u>5,847,198</u>	<u>6,066,761</u>
<u>Net Assets</u>		
Net Assets with Donor Restrictions	<u>243,424</u>	<u>211,009</u>
Net Assets without Donor Restrictions		
Board Designated	106,073	241,073
Without Restriction or Designation	<u>6,304,869</u>	<u>5,808,147</u>
Total Net Assets without Restrictions	<u>6,410,942</u>	<u>6,049,220</u>
Total Net Assets	<u>6,654,366</u>	<u>6,260,229</u>
TOTAL LIABILITIES AND NET ASSETS	<u>12,501,564</u>	<u>12,326,990</u>

See Notes to Financial Statements

New Hope Chapel of Plymouth, Inc.
Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<u>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</u>		
<u>Support and Revenues</u>		
Tithes, Offerings and Other Support	\$ 1,997,289	\$ 1,325,768
Ministry and Missions	57,025	114,156
Other Income	12,845	-
Interest	2,268	6,294
Net Assets Released from Restrictions	460,337	3,242,372
Total Support and Revenue	<u>2,529,764</u>	<u>4,688,590</u>
<u>Expenses</u>		
Program Expenses	1,687,257	1,098,115
Supporting Services	480,785	389,738
Total Expenses	<u>2,168,042</u>	<u>1,487,853</u>
 Change in Net Assets without Donor Restrictions	 <u>361,722</u>	 <u>3,200,737</u>
 <u>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</u>		
Contributions and Other Revenue:		
Expansion Project	272,579	1,462,734
Ministry and Missions	220,173	188,675
Net Assets Released from Restrictions	<u>(460,337)</u>	<u>(3,242,372)</u>
Change in Net Assets with Donor Restrictions	<u>32,415</u>	<u>(1,590,963)</u>
 Total Change in Net Assets	 394,137	 1,609,774
 Net Assets - Beginning of the Year	 6,260,229	 4,650,455
 Net Assets - End of the Year	 <u>6,654,366</u>	 <u>6,260,229</u>

See Notes to Financial Statements

New Hope Chapel of Plymouth, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2025

	Program Expenses	Supporting Services	Total
<u>Operating Expenses</u>			
Personnel	\$ 601,844	\$ 232,300	\$ 834,144
Benevolence	18,140	-	18,140
Celebrate Recovery	8,995	-	8,995
Discipleship	10,750	-	10,750
Dues and Subscriptions	-	11,856	11,856
Fellowship	19,012	-	19,012
Gathering	6,385	-	6,385
Honorarium	10,855	-	10,855
Insurance	41,216	4,580	45,796
Information Technology	8,884	987	9,871
Learning Pod	42,460	-	42,460
Merchant Fees	-	39,333	39,333
Ministry	83,624	-	83,624
Missions and Outreach	58,439	-	58,439
NHLA	-	-	-
Office Expense	-	12,161	12,161
Office Supplies	-	5,950	5,950
Postage and Printing	872	97	969
Production	9,543	-	9,543
Professional Fees	-	17,060	17,060
Promotion	4,873	-	4,873
Repairs and Maintenance	124,320	13,813	138,133
Rental Expense	-	-	-
Security	21,300	2,367	23,667
Storage	-	4,790	4,790
Telephone and Internet	10,653	1,183	11,836
Travel and Conference	8,802	-	8,802
Utilities	58,885	58,885	117,770
Vehicle Expense	7,219	-	7,219
Total Operating Expenses	<u>1,157,071</u>	<u>405,362</u>	<u>1,562,433</u>
<u>Other Expenses</u>			
Depreciation Expense	151,442	16,827	168,269
Interest Expense	376,202	41,800	418,002
Trustee Fees	2,542	282	2,824
Joshua's Way Project Expense	-	16,514	16,514
Total Other Expenses	<u>530,186</u>	<u>75,423</u>	<u>605,609</u>
Total Functional Expenses	<u><u>1,687,257</u></u>	<u><u>480,785</u></u>	<u><u>2,168,042</u></u>

See Notes to Financial Statements

New Hope Chapel of Plymouth, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2024

	Program Expenses	Supporting Services	Total
<u>Operating Expenses</u>			
Personnel	\$ 566,203	\$ 222,959	\$ 789,162
Benevolence	13,970	-	13,970
Celebrate Recovery	9,902	-	9,902
Discipleship	12,388	-	12,388
Dues and Subscriptions	-	13,801	13,801
Fellowship	15,006	-	15,006
Fundraising	-	12,827	12,827
Gathering	10,869	-	10,869
Honorarium	6,468	-	6,468
Insurance	23,592	2,621	26,213
Information Technology	8,148	905	9,053
Learning Pod	40,758	-	40,758
Merchant Fees	-	32,494	32,494
Ministry	61,375	-	61,375
Missions and Outreach	62,387	-	62,387
NHLA	-	250	250
Office Expense	-	4,069	4,069
Office Supplies	-	11,885	11,885
Postage and Printing	545	61	606
Production	11,059	-	11,059
Professional Fees	-	15,686	15,686
Promotion	9,315	-	9,315
Repairs and Maintenance	61,169	6,796	67,965
Rental Expense	114,000	-	114,000
Security	1,899	211	2,110
Storage	-	2,830	2,830
Telephone and Internet	8,179	909	9,088
Travel and Conference	8,307	-	8,307
Utilities	13,446	13,446	26,892
Vehicle Expense	8,719	-	8,719
Total Operating Expenses	<u>1,067,704</u>	<u>341,750</u>	<u>1,409,454</u>
<u>Other Expenses</u>			
Depreciation Expense	13,840	1,538	15,378
Interest Expense	13,762	1,529	15,291
Trustee Fees	2,809	312	3,121
Joshua's Way Project Expense	-	44,609	44,609
Total Other Expenses	<u>30,411</u>	<u>47,988</u>	<u>78,399</u>
Total Functional Expenses	<u><u>1,098,115</u></u>	<u><u>389,738</u></u>	<u><u>1,487,853</u></u>

See Notes to Financial Statements

New Hope Chapel of Plymouth, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in Net Assets	\$ 394,137	\$ 1,609,774
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Contributions received restricted for building project	(272,579)	(1,462,734)
Items not requiring cash:		
Depreciation	168,269	15,378
Amortization	13,511	-
Changes in operating assets and liabilities:		
Increase (Decrease) in Accounts Payable	(2,042)	688
Increase (Decrease) in Accrued Interest Payable	(1)	168,539
Net Cash Provided (Used) by Operating Activities	<u>301,295</u>	<u>331,645</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Additions to Property and Equipment	(394,517)	(32,405)
Construction in Progress Expenditures	(449,331)	(7,446,192)
Net Cash Provided (Used) by Investing Activities	<u>(843,848)</u>	<u>(7,478,597)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Principal Payments on Loan Payable	-	(952,447)
Proceeds from Issuance of Bonds Payable	-	6,000,000
Finance Costs Incurred	-	(337,773)
Contributions received restricted for building project	272,579	1,462,734
Construction Payable	(231,031)	231,031
Increase in Sinking Fund	(4,604)	(185,362)
(Additions) Expenditures - Project Fund	912,548	(912,548)
Net Cash Provided (Used) by Financing Activities	<u>949,492</u>	<u>5,305,635</u>
Net Change in Cash and Cash Equivalents	406,939	(1,841,317)
Cash and Cash Equivalents - Beginning of Year	<u>466,531</u>	<u>2,307,848</u>
Cash and Cash Equivalents - End of Year	<u><u>873,470</u></u>	<u><u>466,531</u></u>
<u>Supplemental Information</u>		
Cash Paid for Interest:		
Interest Expensed	<u>404,492</u>	<u>15,291</u>
Interest Capitalized	<u><u>-</u></u>	<u><u>370,785</u></u>

See Notes to Financial Statements

**New Hope Chapel of Plymouth, Inc.
Notes to Financial Statements
December 31, 2025 and 2024**

1. NATURE OF ACTIVITIES

New Hope Chapel of Plymouth, Inc. (the "Church") was incorporated under the laws of the commonwealth of Massachusetts on June 30, 2009. The Church is a not-for-profit corporation as defined by Massachusetts law and was organized exclusively for charitable, religious, and educational purposes as allowed by U.S and state law and is exempt from federal and state income taxes. The Church was granted 501(c)(3) status on March 1, 2013.

The Church is dedicated to charitable religious and educational purposes, including missionary activities, worship services and counseling. The mission of the Church is to "Love God by becoming Christ followers who pray, learn, and worship personally and corporately. Love people by connecting in small groups and doing life together on a regular basis. Change the world by participating in ministry and influencing others to follow Christ". The Church operates its ministry and holds services from locations in Plymouth, Massachusetts.

The Church is a member of the Evangelical Council for Financial Accountability (ECFA).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Church have been prepared on the accrual basis of accounting following principles generally accepted in the United States and accordingly reflect all significant receivables, payables, and other liabilities.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the reported activities and changes in net assets, and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Financial Statement Presentation

The Church reports net assets, revenues, gains and losses based upon donor-imposed restrictions. Accordingly, net assets of the Church and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Represents those resources over which the Board of Directors has discretionary control and may be expended for any purpose in performing the primary objectives of the Church. Designated amounts represent those revenues which the Board has set aside for a particular purpose. Property and equipment net of related debt is considered unrestricted.

Net Assets With Donor Restrictions – Represents those resources subject to donor-imposed restrictions. Some donor restrictions are temporary in nature; those restrictions will be satisfied by actions of the Church or passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

New Hope Chapel of Plymouth, Inc.
Notes to Financial Statements
December 31, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measure of Operations

The statement of activities reports changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Church's ministry activities and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered unusual or nonrecurring.

Cash and Cash Equivalents

Cash and cash equivalents include cash, monies in banks and highly liquid investments that are readily convertible to cash or with an original maturity of three months or less.

Property and Equipment

The land and equipment of the Church are recorded at cost if purchased or self-constructed, or at approximate fair value as of the date received, if donated. Improvements to the leased facilities are capitalized and depreciated over the term of the lease. It is the policy of the Church to capitalize those expenditures which exceed \$2,000 and will provide an economic benefit greater than two years into the future. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 60 years.

Revenue and Expense Recognition

The Church receives the majority of its support in the form of voluntary tithes, offerings and revenues from its members and attendees. Contribution income is recorded when cash is received or when ownership of donated assets is transferred. Faith Pledges are not recorded on the Church's financial statements. At December 31, 2025 and 2024, there were no outstanding unconditional promises to give that would require recognition of a pledge receivable.

Revenues are reported as increases in Net Assets without Restrictions unless use of the related asset is limited by donor-imposed restrictions. Expenses are recorded when incurred in accordance with the accrual basis of accounting and are reported as decreases in Net Assets without Restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in Net Assets without Restrictions unless their use is restricted by donor-imposed stipulations. Contributions with restrictions are reported as increases in Net Assets with Restrictions, depending upon the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends, or the purpose of the restriction is accomplished), the transfer of Net Assets with Donor Restrictions is reported in the statement of activities as "Net Assets Released from Restriction."

Contributions received with restrictions that are satisfied in the same period as received are reported as contributions and support without restriction.

Expenses are recorded when incurred in accordance with the accrual basis of accounting and are reported as decreases in Net Assets without Restrictions.

Contributed Services

The Church receives services donated by its members in carrying out the Church's ministry. No amounts have been reflected in the financial statements for those services because they do not meet the criteria for recognition under accounting guidance.

New Hope Chapel of Plymouth, Inc.
Notes to Financial Statements
December 31, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The Church is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3), except for taxes that may result from unrelated business activities. In addition, ordained ministers of the Church are granted certain income tax exemptions, if applied for and documented in the

At December 31, 2025 and 2024, the Church has determined that there are no unrelated business activities for which income taxes would be due. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

Accounting standards prescribe a recognition threshold and measurement principles for the financial statement disclosure of tax positions taken or expected to be taken on a tax return that are not certain to be realized. Management has evaluated for uncertain tax positions and to date has determined that there are no material uncertain tax positions that would require recognition in the financial statements at December 31, 2025 and 2024.

Leases

The Church determines if an arrangement is a lease or contains a lease at inception of a contract. Leases are included in right-of-use (ROU) assets and lease liabilities in the Statement of Financial Position. Lease liabilities reflect the present value of the future minimum lease payments over the lease term. ROU assets reflect the related operating lease liability and also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term.

The Church does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less), or leases that are considered to be immaterial. Instead, the payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Functional Expenses

The costs of providing ministry programs and other activities have been summarized on a functional basis in the statement of functional expense. Supporting services include management and general expenses that are not directly identifiable with any specific function or program but provide for the overall support and direction of the Church. Certain costs have been allocated among ministry programs and supporting services. Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and Benefits	Time and effort
Facility and Occupancy	Square footage
Equipment & Communication	Time and effort
Depreciation	Square footage
Interest Expense	Square footage

New Hope Chapel of Plymouth, Inc.
Notes to Financial Statements
December 31, 2025 and 2024

3. LIQUIDITY

The following represents the Church's financial assets at December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Financial Assets at Year End:		
Cash and Cash Equivalents	\$ 873,470	\$ 466,531
Sinking Fund	189,966	185,362
Project Fund	-	912,548
Total Financial Assets	<u>1,063,436</u>	<u>1,564,441</u>
Less: Amounts not available to be used within one year:		
Sinking and Project Funds restricted for use	189,966	1,097,910
Board Designated Net Assets	103,880	241,073
Net Assets with Donor Restrictions	<u>243,424</u>	<u>211,009</u>
Total not available for general expenditures	<u>537,270</u>	<u>1,549,992</u>
Financial assets available to meet general expenditures over the next twelve months	<u>526,166</u>	<u>14,449</u>

In addition to financial assets available to meet general expenditures over the next 12 months, the Church operates with a balanced budget and anticipates collecting sufficient support to cover general expenditures not covered by donor restricted resources. Refer to the statement of cash flows which identifies the sources and uses of the Church's cash and shows positive cash generated by operations for the years ended December 31, 2025 and 2024. In the event the need arises, board designated assets could be drawn upon by board resolution. As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts and bank savings accounts.

4. SINKING AND PROJECT FUNDS

The Church issued First Mortgage Bonds, 2024 Series dated January 30, 2024. In the original principal amount of \$6,000,000.

Gross proceeds from the issuance of the Bonds of \$6.0 million, along with \$1,813,069 of funds from the Church, were deposited to a Project Fund with a trust company. The funds were used to pay-off a loan from Wesleyan Investments (Note #6), for construction costs deposited to the Project Fund and for costs related to the issuance of the Bonds. Proceeds of approximately \$6.5 million were deposited to the Project Fund. The funds are restricted for construction costs (Note #5). The Project Fund balance was \$912,548 at December 31, 2024 and were fully expended for the construction project during the year ended December 31, 2025.

The Church is required to set aside funds for payment of principal and interest on the First Mortgage Bonds and has set up a sinking fund account with a trust company for weekly deposits. The Church is obligated to make weekly sinking fund payments in the amount of \$8,540 commencing on February 9, 2024, through and including July 26, 2024; and in the amount of \$7,890 commencing on August 2, 2024 through and including January 23, 2026; and in the amount of \$10,130 commencing January 30, 2026 and each seven days thereafter until the Series 2024 bonds are paid in full. The Sinking Fund balance was \$189,966 and \$185,362 at December 31, 2025 and 2024.

New Hope Chapel of Plymouth, Inc.
Notes to Financial Statements
December 31, 2025 and 2024

5. PROPERTY AND CONSTRUCTION IN PROGRESS

At December 31, 2025 and 2024 the Church's property and equipment were as follows:

	<u>2025</u>	<u>2024</u>
Land – 89 Court Street	\$ 124,000	\$ 124,000
Land – Joshua's Way	1,287,500	1,287,500
Total Land	1,411,500	1,411,500
Building and Improvements		
89 Court Street	521,200	521,200
Joshua's Way	9,312,878	-
Furniture, Fixtures and Equipment	450,716	54,050
Total Cost	11,696,144	1,986,750
Less Accumulated Depreciation	258,016	89,748
Net Property and Equipment	<u>11,438,128</u>	<u>1,897,002</u>

The Church owns real property at 89 Court Street in Plymouth, MA where its offices are located and where certain ministry operations are conducted.

The Church purchased land at Joshua's Way, Plymouth, MA in 2020 for \$1,287,500 with the intent to construct a new ministry facility.

The Church has entered into a Guaranteed Maximum Price Contract (GMPC) with a contractor to manage the construction of the new ministry facility. This project to be completed at the Joshua's Way site includes a building of approximately 26,000 square feet which includes a worship sanctuary with seating for approximately 780 persons, a lobby/fellowship area, classrooms, ministry/worship areas, and offices. The project will also include exterior improvements including an amphitheater area, playground and parking.

The Church incurred construction expenditures and other costs including architectural, engineering, permits, fees and initial development costs for the Joshua's Way projects. These costs were capitalized and classified as Construction in Progress. Accumulated amounts capitalized were \$8,865,547 as of December 31, 2024. Included in the total capitalized as of the year ended 2024 was construction period interest of \$370,785. The project was completed in 2025 and a total of \$9,314,878 was capitalized as Building and Improvements and \$396,666 was capitalized as Furniture and Equipment.

Until the Church received a Certificate of Occupancy for the Joshua Way property (see below), it leased various school rooms and space from Sacred Heart School in Kingston, MA for worship services during the week and Sunday mornings. This agreement was annually renewable and terminated at the end of 2024.

Certain expenditures related to preliminary project analysis, legal fees related to land-use and other miscellaneous costs were recorded as expense. The amount expensed was \$44,609 for the year ended December 31, 2024.

New Hope Chapel of Plymouth, Inc.
Notes to Financial Statements
December 31, 2025 and 2024

6. DEBT

Wesleyan Investment Foundation

The Church was obligated to Wesleyan Investment Foundation, Inc. evidenced by a promissory note dated August 27, 2020, in the original principal amount of \$1,000,000 and with a maturity date of August 27, 2040. The loan has an initial interest rate of 4.95% which is adjustable every three years. Monthly payments of interest only were due for a period of one year. Monthly payments of principal and interest are due, starting August 27, 2021, in the amount of \$5,817 with a final balloon payment of any outstanding principal and interest due at maturity. This promissory note is secured by a Mortgage to Lender on real property located in Plymouth County, Commonwealth of Massachusetts. The balance of the loan was \$952,447 at December 31, 2023, and the loan was paid in full in 2024.

First Mortgage Bonds

The Church issued First Mortgage Bonds, 2024 Series dated January 30, 2024. The original principal amount of the bonds issued is \$6,000,000. The bonds have mandatory semi-annual redemptions beginning on July 30, 2026 and a final maturity of January 30, 2049. Semi-annual interest only payments are due beginning July 30, 2024 and on each January 30th and July 30th. Interest and principal payments are due on each January 30th and July 30th, beginning July 30, 2026. Interest rates range from 5.80% to 7.10%. The bonds are secured by a Trust Indenture and Mortgage on real property owned by the Church in Plymouth, MA along with the sinking fund and certain equipment owned by the Church. The principal balance of the bonds was \$6,000,000 at December 31, 2025 and 2024.

Finance Costs

The Church incurred various costs in obtaining financing for the construction project, which resulted in the issuance of the First Mortgage Bonds. These costs totaled \$337,773 and were capitalized as finance costs which will be amortized over the term of the bonds. Deferred finance costs are reported as a direct deduction from the face amount of the debt, as reflected in the following table.

The balance of the loans at December 31, 2025 and 2024 was as follows:

	<u>2025</u>	<u>2024</u>
Bonds Payable	\$6,000,000	\$6,000,000
Less: Unamortized Deferred Finance Costs	<u>324,262</u>	<u>337,773</u>
Net Long-Term Debt	5,675,738	5,662,227
Less Current Portion	<u>59,000</u>	<u>-</u>
Bonds Payable, Long-Term Portion	<u><u>5,616,738</u></u>	<u><u>5,662,227</u></u>

New Hope Chapel of Plymouth, Inc.
Notes to Financial Statements
December 31, 2025 and 2024

6. DEBT (continued)

Scheduled bond maturities for the next five years are as follows:

	<u>Year ending Dec 31,</u>
2026	\$ 59,000
2027	124,000
2028	130,000
2029	138,000
2030	146,000

7. NET ASSETS

Board Designated Net Assets

The board designates unrestricted funds for ministries and capital expenditures. At December 31, 2025 and 2024 board designated net assets were as follows:

	<u>2025</u>	<u>2024</u>
Rainy Day	\$ 58,090	\$ 156,184
89 Building Repair	20,000	84,889
Missions	27,983	-
Total Board Designated Net Assets	<u>106,073</u>	<u>241,073</u>

Donor Restricted Net Assets

The Church receives contributions with restrictions for various ministry purposes. At December 31, 2025 and 2024, amounts restricted were as follows:

	<u>2025</u>	<u>2024</u>
Outreach	\$ 99,927	\$ 95,102
Gathering	60,246	33,176
Missions	-	17,930
NH Learning Pod	39,906	33,390
All Other	43,345	26,051
Build Hope	-	5,360
Total Donor Restricted Net Assets	<u>243,424</u>	<u>211,009</u>

In April 2022, the Church initiated a fundraising campaign known as "Build Hope" to raise additional funds for the construction of the church facility. This campaign was scheduled from April 2022 through April 2024. Faith Pledges totaling \$1,647,416 were committed to the campaign.

Direct expenditures related to the fundraising campaigns were recorded as fundraising expense in the amount of \$12,827 for the year ended December 31, 2024.

New Hope Chapel of Plymouth, Inc.
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7. NET ASSETS (continued)

The Church has received funds from donors that are restricted for the Build Hope building project. At December 31, 2025 and 2024, net assets with donor purpose restrictions for the building project were as follows:

	<u>2025</u>	<u>2024</u>
Beginning Balance – Build Hope	\$ 5,360	\$ 1,660,138
Contributions Received	272,579	1,462,734
Less Released from Restriction	<u>277,939</u>	<u>3,117,512</u>
Ending Balance – Build Hope	<u>-</u>	<u>5,360</u>

8. RETIREMENT PLAN

The Church sponsors a retirement plan for eligible employees. For the years ended December 31, 2025 and 2024, contributions by the Church for the benefit of the eligible employees were \$9,288 and \$10,147, respectively.

9. CONCENTRATIONS AND RISKS

The Church maintains cash in bank deposit accounts which, at times, may exceed federally insured limits.

The Church is primarily dependent upon contributions from its congregation to meet expenses of operation and for the payment of principal and interest on debt. Although management of the Church expects contributions to be adequate to service all obligations, there can be no assurance that such contributions will be sufficient to meet these obligations. Also, there is no assurance that Church membership will increase or remain stable.

Any adverse change in the tax laws, or any adverse change in the Church's tax status as a tax-exempt organization, would affect contributors who are currently entitled to deduct their contributions to the Church from gross income. Any such change, in turn, could adversely affect the level of contributions to the Church and the ability of the Church to meet its obligations, including principal and interest on debt. Additional income and payroll taxes can be assessed against the Church and its ministers if exemption requirements are not met.

The Church's Senior Pastor plays an important role in the management, spiritual leadership and continued viability of the Church. While significant pastoral, administrative and ministerial duties are delegated to the Church's Assistant Pastors, Council and staff members, the impact upon the Church in the event of either absence, resignation or death, would likely be significant.

New Hope Chapel of Plymouth, Inc.
Notes to Financial Statements
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10. RELATED PARTIES

During the construction of the Joshua Way Ministry Facility, the Church utilized the electrical contracting services of a company owned by a member of the Board. The selection of the company was approved by the Board and the selection was based on the same guidelines and standards utilized for all other contractors. The selection was reviewed by the General Contractor and the services provided were supervised by the General Contractor. The amounts paid for electrical services were on similar terms and conditions to the estimates provided by other unrelated contractors.

11. SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 14, 2026, which is the date the financial statements were available to be issued.