

The New Path, Inc.

Audited Financial Statements

For the Years Ended December 31, 2025 and 2024

**Sam Brown, CPA, Inc.
Certified Public Accountant
Troy, Ohio**

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Years Ended December 31, 2025 and 2024

Contents

Report of Independent Auditors	1-2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4-5
Statements of Functional Expenses.....	6-7
Statements of Cash Flows	8
Notes to Financial Statements.....	9-14



Independent Auditor's Report

To the Board of Trustees of
The New Path, Inc.

Opinion

I have audited the accompanying financial statements of The New Path, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025 and 2024, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The New Path, Inc. as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. I am required to be independent of The New Path, Inc. and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 The New Path, 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

My 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 my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one

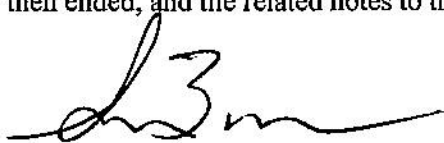
resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- 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 The New Path, 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The New Path, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

I have audited the accompanying financial statements of The New Path, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

A handwritten signature in black ink, appearing to read 'S. Brown', with a stylized flourish at the end.

Sam Brown, CPA, Inc.
Troy, Ohio
September 16, 2026

New Path, Inc.
Statements of Financial Position
For the Years Ended December 31, 2025 and 2024

Assets	2025	2024
Current Assets		
Cash	\$ 275,156	\$ 368,058
Inventories	304,222	249,797
Prepaid Expenses	23,740	6,359
Endowment Fund	179,343	131,003
Total Current Assets	<u>782,461</u>	<u>755,217</u>
Property and Equipment		
Property and Equipment	167,597	175,437
Total Property and Equipment	<u>167,597</u>	<u>175,437</u>
Total Assets	<u>\$ 950,058</u>	<u>\$ 930,654</u>
Liabilities and Net Assets		
Liabilities		
Current Liabilities		
Accounts Payable	\$ 53,940	\$ 35,232
Accrued Expenses	3,372	7,900
Total Current Liabilities	<u>57,312</u>	<u>43,132</u>
Total Liabilities	<u>57,312</u>	<u>43,132</u>
Net Assets		
Net Assets		
Net Assets Without Donor Restrictions	862,266	855,406
Net Assets With Donor Restrictions	30,480	32,116
Total Net Assets	<u>892,746</u>	<u>887,522</u>
Total Liabilities and Net Assets	<u>\$ 950,058</u>	<u>\$ 930,654</u>

New Path, Inc.
Statements of Activities
For the Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Support			
Contributions	\$ 1,852,397	\$ 4,200	\$ 1,856,597
Sale of Donated Items	427,398	0	427,398
Fundraising	1,932	0	1,932
Total Support Revenue	2,281,727	4,200	2,285,927
Other Income			
Realized Gain (Loss) on Investments	14,055	0	14,055
Unrealized Gain (Loss) on Investments	5,240	0	5,240
Interest Income	4,771	0	4,771
Total Other Income	24,066	0	24,066
Net Assets Released from Restrictions	5,836	(5,836)	0
Total Revenues	2,311,629	(1,636)	2,309,993
Expenses			
Program Services			
Program Services	2,173,057	0	2,173,057
Total Program Services	2,173,057	0	2,173,057
Supporting Services			
Management and General	72,939	0	72,939
Fundraising	58,773	0	58,773
Total Supporting Services	131,712	0	131,712
Total Expenses	2,304,769	0	2,304,769
Total Change In Net Assets	6,860	(1,636)	5,224
Net Assets at Beginning of Year	855,406	32,116	887,522
Net Assets at End of Year	\$ 862,266	\$ 30,480	\$ 892,746

New Path, Inc.
Statements of Activities
For the Year Ended December 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues			
Support			
Contributions	\$ 1,884,377	\$ 26,696	\$ 1,911,073
Sale of Donated Items	374,271	0	374,271
Fundraising	1,913	0	1,913
	<u>2,260,561</u>	<u>26,696</u>	<u>2,287,257</u>
Total Support Revenue			
Other Income			
Realized Gain (Loss) on Investments	3,052	0	3,052
Unrealized Gain (Loss) on Investments	6,857	0	6,857
Interest Income	3,895	0	3,895
	<u>13,804</u>	<u>0</u>	<u>13,804</u>
Total Other Income			
Net Assets Released from Restrictions	<u>24,906</u>	<u>(24,906)</u>	<u>0</u>
Total Revenues	<u>2,299,271</u>	<u>1,790</u>	<u>2,301,061</u>
Expenses			
Program Services			
Program Services	2,083,499	0	2,083,499
Total Program Services	<u>2,083,499</u>	<u>0</u>	<u>2,083,499</u>
Supporting Services			
Management and General	90,278	0	90,278
Fundraising	46,611	0	46,611
Total Supporting Services	<u>136,889</u>	<u>0</u>	<u>136,889</u>
Total Expenses	<u>2,220,388</u>	<u>0</u>	<u>2,220,388</u>
Total Change In Net Assets	78,883	1,790	80,673
Net Assets at Beginning of Year	<u>776,523</u>	<u>30,326</u>	<u>806,849</u>
Net Assets at End of Year	<u>\$ 855,406</u>	<u>\$ 32,116</u>	<u>\$ 887,522</u>

New Path, Inc.
Schedules of Functional Expenses
For the Year Ended December 31, 2025

	<u>Program</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Salaries and Related Expenses				
Other Salaries and Wages	\$ 432,680	\$ 44,232	\$ 30,502	\$ 507,414
Payroll Taxes and Employee Benefits	58,811	8,903	8,188	75,902
Payroll Processing	5,786	592	408	6,786
Total Salaries and Related Expenses	497,277	53,727	39,098	590,102
Other Expenses				
Financial Help	33,421	0	0	33,421
Food Pantry	1,369,581	0	0	1,369,581
Car Ministry	8,425	0	0	8,425
Furniture Warehouse	29,643	0	0	29,643
Gleaning Place	93,395	0	0	93,395
G.I.V.E.	42,185	0	0	42,185
Fort McKinley	52,292	0	0	52,292
Local Missions	11,964	0	0	11,964
Professional Fees	0	7,575	0	7,575
Supplies	0	3,306	1,969	5,275
Postage & Shipping	2,707	0	0	2,707
Occupancy	9,278	328	394	10,000
Travel	3,194	0	0	3,194
Conferences	1,524	8,003	3,490	13,017
Depreciation	12,010	0	0	12,010
Contract Labor	6,161	0	13,652	19,813
Miscellaneous	0	0	170	170
Total Functional Expenses - Support	\$ 2,173,057	\$ 72,939	\$ 58,773	\$ 2,304,769

New Path, Inc.
Schedules of Functional Expenses
For the Year Ended December 31, 2024

	<u>Program</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Salaries and Related Expenses				
Other Salaries and Wages	\$ 377,747	\$ 43,890	\$ 30,692	\$ 452,329
Payroll Taxes and Employee Benefits	53,422	7,705	7,544	68,671
Payroll Processing	4,057	471	330	4,858
Total Salaries and Related Expenses	435,226	52,066	38,566	525,858
Other Expenses				
Financial Help	40,823	0	0	40,823
Food Pantry	1,332,963	0	0	1,332,963
Car Ministry	8,466	0	0	8,466
Furniture Warehouse	26,480	0	0	26,480
Gleaning Place	91,226	0	0	91,226
G.I.V.E.	35,677	0	0	35,677
Fort McKinley	40,768	0	0	40,768
Transitional Housing	0	0	0	0
Local Missions	18,437	0	0	18,437
Professional Fees	0	11,850	0	11,850
Supplies	0	3,346	1,149	4,495
Postage & Shipping	2,805	0	0	2,805
Occupancy	9,278	328	394	10,000
Travel	3,917	0	0	3,917
Conferences	1,349	9,728	5,322	16,399
Depreciation	14,454	0	0	14,454
Contract Labor	21,630	12,960	0	34,590
Miscellaneous	0	0	1,180	1,180
Total Functional Expenses - Support	\$ 2,083,499	\$ 90,278	\$ 46,611	\$ 2,220,388

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

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities		
Change in Net Assets	\$ 5,224	\$ 80,673
Adjustments to reconcile net assets to net cash provided (used) by operating activities		
Depreciation	12,010	14,454
Unrealized (gain) loss on investments	5,240	6,857
(Increase) decrease in prepaid assets	(17,381)	17,006
(Increase) decrease in inventories	(54,425)	51,622
(Increase) decrease in investments	(53,580)	(39,298)
Increase (decrease) in accounts payable	18,708	16,467
Increase (decrease) in other accrued liabilities	(4,528)	(10,301)
Total adjustments	<u>(93,956)</u>	<u>56,807</u>
Net Cash Provided (Used) by Operating Activities	(88,732)	137,480
Cash Flows From Investing Activities		
Purchases of fixed assets	<u>(4,170)</u>	<u>(3,490)</u>
Net Cash Provided (Used) by Investing Activities	<u>(4,170)</u>	<u>(3,490)</u>
Net Increase (Decrease) in Cash	(92,902)	133,990
Cash at Beginning of Year	<u>368,058</u>	<u>234,068</u>
Cash at End of Year	<u><u>\$ 275,156</u></u>	<u><u>\$ 368,058</u></u>

The New Path, Inc.
Notes to Financial Statements
December 31, 2025 and 2024

1. Summary of Significant Accounting Principles

Operations

The New Path, Inc. was incorporated on May 18, 2000, and is a not-for-profit Ohio corporation supported primarily through contributions and grants and serves individuals in Miami County, Ohio and surrounding areas. The Organization provides assistance for individuals and/or families in various areas that may include: clothing, food, utilities, furniture, vehicles, and transitional housing, along with training, consultation services, medical supplies, and technical assistance, all from a Christian ministry perspective.

Date of Management's Review

Management has evaluated subsequent events through the date of the Independent Auditor's Report, the date on which the financial statements were available.

Method of Accounting

The accrual method of accounting is used for both financial and tax reporting purposes.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Income Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509 (a) and qualifies for deductible contributions as provided in Section 170 (b)(1)(A)(vi).

The income tax returns filed are not subject to examination by the U.S. federal tax authority for tax years ended before December 31, 2021.

Cash and Cash Equivalents

At various times during the fiscal year, the Organization's cash balances in financial institutions may exceed federal depository insurance limits.

Property and Equipment

All fixed assets are recorded at historical cost if purchased and fair value if donated. It is the Organization's policy to capitalize individual items costing more than \$500. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the respective assets.

The New Path, Inc.
Notes to Financial Statements (continued)
December 31, 2025 and 2024

1. Summary of Significant Accounting Policies (continued)

Functional Expenses

Expenses are charged directly to program or management in general categories based on specific identification.

Financial Statement Presentation

The Organization adopted FASB Accounting Standards Codification (ASC) No. 958-205, Financial Statements of Not-for-Profit Organizations. Under ASC No. 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Contributions

The Organization also adopted ASC No. 958, Accounting for Contributions Received and Contributions Made. In accordance with ASC No. 958, contributions received and recorded as with donor restrictions or without donor restrictions support depending on the existence or nature of any donor restriction. When a restriction expires, temporarily restricted net assets are classified to unrestricted net assets.

Accounts Receivable

Account's receivables are stated at the amount management expect to collect from outstanding balances. Management provides for probable uncollected amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables from grants and others. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable accounts receivable. In management's opinion, there are no material uncollectible receivable at December 31, 2025 and 2024 respectively. Therefore, allowances have not been established.

Statements of Cash Flows

For purposes of the statements of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.

Compensated Absences

It is impracticable to estimate the amount of compensation for future absences and, accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the costs of compensated absences when actually paid to employees.

The New Path, Inc.
Notes to Financial Statements (continued)
December 31, 2025 and 2024

1. Summary of Significant Accounting Policies (continued)

Inventories

Inventories consist of donated cars, food, clothing, furniture and medical supplies and are stated at fair market value on a first in, first out basis.

Contributed Property and Equipment

Contributed property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the asset must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

2. Property and Equipment

	2025	2024
Building & Building Improvements	\$ 235,366	\$ 235,366
Land	13,800	13,800
Furniture and Equipment	48,387	45,135
Automobiles	82,085	82,085
	<u>379,638</u>	<u>376,386</u>
Accumulated Depreciation	(212,041)	(200,949)
Total Property and Equipment	<u>\$ 167,597</u>	<u>\$ 175,437</u>

The organization considers the need to recognize a loss contingency from the impairment of long-lived assets whenever events or changes in circumstances indicate the carrying amount of the asset may not be recoverable based on a comparison of carrying value against future cash flows. If impairment is identified, the assets' carrying amounts are adjusted to fair value. There were no such adjustments for impairment charges made during the years ended December 31, 2025 and 2024.

The New Path, Inc.
Notes to Financial Statements (continued)
December 31, 2025 and 2024

3. Related Party Transactions

The Organization is an affiliate of Ginghamburg United Methodist Church (the Church). During the year the Church provided the following support:

	<u>2025</u>	<u>2024</u>
Support	<u>\$ 65,833</u>	<u>\$ 145,084</u>

The Organization occupies part of the facilities and land of Ginghamburg United Methodist Church under no formal agreement. No rent is paid by the Organization. The landlord has estimated the approximate fair value of the rent and it is included in contributions and expenses in the statement of activities. The estimate fair value of the rents is as follows:

	<u>2025</u>	<u>2024</u>
Fair Value of Rent	<u>\$ 10,000</u>	<u>\$ 10,000</u>

4. Donated Services, Materials, and Facilities

The Organization receives donated services from a variety of unpaid volunteers assisting the Organization in achieving its goals. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort under ASC No. 958 have not been satisfied.

The Organization occupies part of the Discipleship Center and land located at 7695 S. County Rd. 25A under a verbal agreement with Ginghamburg United Methodist Church. No rent is paid by the Organizations. The landlord has estimated the approximate fair value of the annual rental to be \$10,000 and it is included in contributions and expenses in the statements of activities.

Car, food, clothing, and furniture were donated to the Organization and have been recorded as contributions and expenses in the statements of activities. The value of the donated materials is as follows:

	<u>2025</u>	<u>2024</u>
Donated Materials	<u>\$ 937,422</u>	<u>\$ 817,599</u>