

**HOPE IGNITES NORTHEASTERN OHIO, INC.  
(FORMERLY THE JESUIT PROGRAM FOR  
LIVING AND  
LEARNING OF NORTHEASTERN OHIO, INC.  
(dba BOYS HOPE GIRLS HOPE OF  
NORTHEASTERN OHIO)) AND BOYS HOPE  
GIRLS HOPE ACADEMY PROGRAM**

**CONSOLIDATED FINANCIAL REPORT**

**JUNE 30, 2025 and 2024**



HOPE IGNITES NORTHEASTERN OHIO, INC.  
(FORMERLY THE JESUIT PROGRAM FOR LIVING AND LEARNING OF NORTHEASTERN  
OHIO, INC. (dba BOYS HOPE GIRLS HOPE OF NORTHEASTERN OHIO)) AND BOYS HOPE  
GIRLS HOPE ACADEMY PROGRAM

CONTENTS

---

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS	1-3
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated statements of financial position	4
Consolidated statements of activities and changes in net assets	5
Consolidated statements of functional expenses	6
Consolidated statements of cash flows	7
Notes to consolidated financial statements	8-21
INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION	22
SUPPLEMENTARY INFORMATION	
Consolidating statement of financial position	23
Consolidating statement of activities and changes in net assets	24



+ 1111 Superior Avenue, Suite 700, Cleveland, Ohio 44114

+ p 216.363.0100 | f 216.363.0500

+ www.maloneynovotny.com

## Independent Auditors' Report

To the Board of Directors  
Hope Ignites Northeastern Ohio, Inc.  
(formerly The Jesuit Program for Living and Learning of Northeastern Ohio, Inc.  
(dba Boys Hope Girls Hope of Northeastern Ohio)) and Boys Hope  
Girls Hope Academy Program  
Cleveland, Ohio

### **Opinion**

We have audited the consolidated financial statements of Hope Ignites Northeastern Ohio, Inc. (formerly The Jesuit Program for Living and Learning of Northeastern Ohio, Inc. (dba Boys Hope Girls Hope of Northeastern Ohio)) and Boys Hope Girls Hope Academy Program (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated 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 accompanying consolidated financial statements present fairly, in all material respects, the financial position of Hope Ignites Northeastern Ohio, Inc. (formerly The Jesuit Program for Living and Learning of Northeastern Ohio, Inc. (dba Boys Hope Girls Hope of Northeastern Ohio)) and Boys Hope Girls Hope Academy Program 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 Audits of the Financial Statements section of our report. We are required to be independent of Hope Ignites Northeastern Ohio, Inc. (formerly The Jesuit Program for Living and Learning of Northeastern Ohio, Inc. (dba Boys Hope Girls Hope of Northeastern Ohio)) and Boys Hope Girls Hope Academy Program 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.

### **Emphasis of Matter – Name Change**

As discussed in Note 1 to the financial statements, effective April 23, 2025, the organization legally changed its name from The Jesuit Program for Living and Learning of Northeastern Ohio, Inc. (dba Boys Hope Girls Hope of Northeastern Ohio) to Hope Ignites Northeastern Ohio, Inc. Our opinion is not modified with respect to this matter.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hope Ignites Northeastern Ohio, Inc. (formerly The Jesuit Program for Living and Learning of Northeastern Ohio, Inc. (dba Boys Hope Girls Hope of Northeastern Ohio)) and Boys Hope Girls Hope Academy Program's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

## **Auditors' Responsibilities for the Audits of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 it 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 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 consolidated 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 consolidated 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 consolidated 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 Ignites Northeastern Ohio, Inc. (formerly The Jesuit Program for Living and Learning of Northeastern Ohio, Inc. (dba Boys Hope Girls Hope of Northeastern Ohio)) and Boys Hope Girls Hope Academy Program'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hope Ignites Northeastern Ohio, Inc. (formerly The Jesuit Program for Living and Learning of Northeastern Ohio, Inc. (dba Boys Hope Girls Hope of Northeastern Ohio)) and Boys Hope Girls Hope Academy Program'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 audits, significant audit findings, and certain internal control related matters that we identified during the audits.

*Meloney + Novotny LLC*

Cleveland, Ohio  
September 16, 2025

HOPE IGNITES NORTHEASTERN OHIO, INC.  
(FORMERLY THE JESUIT PROGRAM FOR LIVING AND LEARNING OF NORTHEASTERN OHIO, INC.  
(dba BOYS HOPE GIRLS HOPE OF NORTHEASTERN OHIO)) AND BOYS HOPE  
GIRLS HOPE ACADEMY PROGRAM

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 422,984	\$ 486,296
Investments	7,191,945	6,952,561
Pledges receivable	<u>186,904</u>	<u>356,483</u>
Total current assets	7,801,833	7,795,340
PROPERTY AND EQUIPMENT - NET	6,440,316	6,780,431
OTHER ASSETS		
Pledges receivable	-	50,000
Note receivable	-	3,481,200
Right-of-use asset - operating	7,548	21,771
Other asset	<u>61,542</u>	<u>70,710</u>
	<u>69,090</u>	<u>3,623,681</u>
Total assets	<u>\$ 14,311,239</u>	<u>\$ 18,199,452</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 55,434	\$ 40,745
Accrued expenses	274,127	303,381
Deferred revenue	1,050	1,395
Operating lease liabilities	<u>7,548</u>	<u>14,223</u>
Total current liabilities	338,159	359,744
LONG-TERM DEBT, NET	-	5,640,000
OPERATING LEASE LIABILITIES, NET OF CURRENT PORTION	-	7,548
NET ASSETS		
Without donor restrictions		
Undesignated	6,572,273	4,943,365
Designated by Board of Directors	<u>5,013,363</u>	<u>4,668,113</u>
Total net assets without donor restrictions	11,585,636	9,611,478
With donor restrictions	<u>2,387,444</u>	<u>2,580,682</u>
Total net assets	<u>13,973,080</u>	<u>12,192,160</u>
Total liabilities and net assets	<u>\$ 14,311,239</u>	<u>\$ 18,199,452</u>

The accompanying notes are an integral part of these financial statements.

HOPE IGNITES NORTHEASTERN OHIO, INC.  
(FORMERLY THE JESUIT PROGRAM FOR LIVING AND LEARNING OF NORTHEASTERN OHIO, INC.  
(dba BOYS HOPE GIRLS HOPE OF NORTHEASTERN OHIO)) AND BOYS HOPE  
GIRLS HOPE ACADEMY PROGRAM

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
SUPPORT AND REVENUES		
Support		
Contributions of cash and financial assets	\$ 1,281,300	\$ 1,381,862
Contributions of nonfinancial assets	52,156	150,109
Special events	<u>438,252</u>	<u>628,681</u>
	1,771,708	2,160,652
Revenues		
Investment income, net	141,949	147,852
Realized and unrealized gain on investments	555,035	874,037
Net assets released from restrictions	<u>946,378</u>	<u>819,623</u>
	<u>1,643,362</u>	<u>1,841,512</u>
Total support and revenues	3,415,070	4,002,164
EXPENSES		
Program services	2,372,535	2,503,951
Supporting services		
Fundraising	619,857	615,660
Administrative and general	<u>325,749</u>	<u>468,052</u>
Total expenses	<u>3,318,141</u>	<u>3,587,663</u>
INCREASE IN NET ASSETS FROM OPERATIONS	96,929	414,501
OTHER INCOME (EXPENSE)		
Interest expense	(56,049)	(57,000)
Other income	90,300	98,832
Gain on unwind of new market tax credit	2,161,300	-
Contribution to Village Collective	<u>(318,322)</u>	<u>-</u>
Total other income (expense)	<u>1,877,229</u>	<u>41,832</u>
	1,974,158	456,333
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	753,140	591,857
Net assets released from restrictions	<u>(946,378)</u>	<u>(819,623)</u>
	<u>(193,238)</u>	<u>(227,766)</u>
INCREASE IN NET ASSETS	1,780,920	228,567
NET ASSETS – BEGINNING OF YEAR	<u>12,192,160</u>	<u>11,963,593</u>
NET ASSETS – END OF YEAR	<u>\$ 13,973,080</u>	<u>\$ 12,192,160</u>

The accompanying notes are an integral part of these financial statements.

HOPE IGNITES NORTHEASTERN OHIO, INC.  
(FORMERLY THE JESUIT PROGRAM FOR LIVING AND LEARNING OF NORTHEASTERN OHIO, INC.  
(dba BOYS HOPE GIRLS HOPE OF NORTHEASTERN OHIO)) AND BOYS HOPE  
GIRLS HOPE ACADEMY PROGRAM

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended June 30, 2025 and 2024

	2025			
	Program Services	Supporting Services		Total
		Fundraising	Administrative and General	
Salaries and wages	\$ 1,003,541	\$ 238,637	\$ 110,767	\$ 1,352,945
Contract labor	170,565	77,417	8,920	256,902
Special events	-	183,985	-	183,985
Assistance to youths	327,410	-	564	327,974
Taxes and benefits	192,400	62,883	24,747	280,030
Building utilities	75,149	-	8,966	84,115
Insurance	96,419	-	5,848	102,267
Depreciation and amortization	255,882	-	111,583	367,465
Administrative	59,980	27,478	32,817	120,275
Transportation	67,080	12	2,660	69,752
Building maintenance	23,887	-	3,198	27,085
National assessment	25,281	8,427	8,427	42,135
Building furnishings	4,653	-	96	4,749
Professional fees	45,401	21,010	7,085	73,496
Special programs	20,325	-	-	20,325
Supplies	4,562	8	71	4,641
Total expenses	<u>\$ 2,372,535</u>	<u>\$ 619,857</u>	<u>\$ 325,749</u>	<u>\$ 3,318,141</u>

	2024			
	Program Services	Supporting Services		Total
		Fundraising	Administrative and General	
Salaries and wages	\$ 1,104,663	\$ 185,994	\$ 221,151	\$ 1,511,808
Contract labor	197,150	54,990	14,623	266,763
Special events	-	276,887	-	276,887
Assistance to youths	290,371	240	-	290,611
Taxes and benefits	202,705	46,492	37,836	287,033
Building utilities	72,027	-	6,732	78,759
Insurance	89,717	-	5,942	95,659
Depreciation and amortization	249,022	-	123,541	372,563
Administrative	78,383	30,512	30,823	139,718
Transportation	62,706	-	6,498	69,204
Building maintenance	45,724	-	3,625	49,349
National assessment	25,763	8,588	8,588	42,939
Building furnishings	31,050	-	35	31,085
Professional fees	26,595	11,900	8,650	47,145
Special programs	24,157	-	-	24,157
Supplies	3,918	57	8	3,983
Total expenses	<u>\$ 2,503,951</u>	<u>\$ 615,660</u>	<u>\$ 468,052</u>	<u>\$ 3,587,663</u>

The accompanying notes are an integral part of these financial statements.

HOPE IGNITES NORTHEASTERN OHIO, INC.  
(FORMERLY THE JESUIT PROGRAM FOR LIVING AND LEARNING OF NORTHEASTERN OHIO, INC.  
(dba BOYS HOPE GIRLS HOPE OF NORTHEASTERN OHIO)) AND BOYS HOPE  
GIRLS HOPE ACADEMY PROGRAM

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 1,780,920	\$ 228,567
Adjustments to reconcile increase in net assets to net cash (used in) provided by operating activities:		
Change in discount on pledges receivable	-	(23,042)
Depreciation	364,964	370,063
Contribution of property and equipment	-	(92,169)
Donation of property and equipment to Village Collective	20,477	-
Amortization of right-of-use asset	14,223	13,132
Amortization of debt issuance costs	2,501	2,500
Realized and unrealized gains on marketable securities	(555,035)	(874,037)
Gain on unwind of new market tax credit	(2,161,300)	-
Changes in operating assets and liabilities:		
Decrease in pledges receivable	219,579	452,295
Decrease (increase) in other assets	9,168	(16,447)
Increase (decrease) in accounts payable	14,689	(47,464)
(Decrease) increase in accrued expenses	(29,254)	127,519
Decrease in deferred income	(345)	(71,195)
Decrease in operating lease liabilities	(14,223)	(13,132)
Total adjustments	<u>(2,114,556)</u>	<u>(171,977)</u>
Net cash (used in) provided by operating activities	(333,636)	56,590
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments - marketable securities	315,651	(615,429)
Purchases of property and equipment	<u>(45,327)</u>	<u>(142,613)</u>
Net cash provided by (used in) investing activities	<u>270,324</u>	<u>(758,042)</u>
<b>NET DECREASE IN CASH</b>	(63,312)	(701,452)
<b>CASH – BEGINNING OF YEAR</b>	<u>486,296</u>	<u>1,187,748</u>
<b>CASH – END OF YEAR</b>	<u>\$ 422,984</u>	<u>\$ 486,296</u>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid during the year for:		
Interest	<u>\$ 56,049</u>	<u>\$ 57,000</u>
<b>Noncash transactions during fiscal year 2025 and 2024:</b>		
Contribution revenue related to donation of property and equipment	\$ -	\$ 92,169
Expenses related to donation of property and equipment to Village Collective	20,477	-
Assignment of note receivable	3,481,200	-
Assignment of note payable	5,700,000	-

The accompanying notes are an integral part of these financial statements.

HOPE IGNITES NORTHEASTERN OHIO, INC. (FORMERLY THE JESUIT PROGRAM FOR  
LIVING AND LEARNING OF NORTHEASTERN OHIO, INC.  
(dba BOYS HOPE GIRLS HOPE OF NORTHEASTERN OHIO)) AND BOYS HOPE  
GIRLS HOPE ACADEMY PROGRAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**Note 1. Summary of Significant Accounting Policies**

- A. Nature of Activities – Hope Ignites Northeastern Ohio, Inc. (formerly The Jesuit Program for Living and Learning of Northeastern Ohio, Inc. (dba Boys Hope Girls Hope of Northeastern Ohio)) (the "Organization") (an Ohio nonprofit organization) is located in Garfield Heights, Ohio. The Organization was organized as a not-for-profit corporation on November 7, 1986 and is a separately incorporated affiliate of Hope Ignites (formerly Boys Hope Girls Hope) (the "National Program"). The purpose of the Organization is to help academically capable and motivated children-in-need to meet their full potential and become men and women for others by providing value-centered, family-life home, opportunities, and education from middle school through college. The Organization places these boys and girls in a family environment that allows them to mature and succeed through guidance, education, financial support, and encouragement. Various activities are sponsored to secure support from the public for the needs and overall direction of the Organization.

Effective April 23, 2025, the Organization legally changed its name from The Jesuit Program for Living and Learning of Northeastern Ohio, Inc. (dba Boys Hope Girls Hope of Northeastern Ohio) to Hope Ignites Northeastern Ohio, Inc. to better reflect its mission and programming. The name change was approved by the Board of Directors and filed with the Ohio Secretary of State. The change does not affect the Organization's tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.

Boys Hope Girls Hope Academy Program was formed on March 21, 2018 and was created for the purpose of purchasing a building for the sole benefit of Hope Ignites Northeastern Ohio, Inc. (formerly Boys Hope Girls Hope of Northeastern Ohio). Hope Ignites Northeastern Ohio, Inc. (formerly Boys Hope Girls Hope of Northeastern Ohio) entered into a transaction with Boys Hope Girls Hope Academy Program to lease the building to Hope Ignites Northeastern Ohio, Inc. (formerly Boys Hope Girls Hope of Northeastern Ohio).

- B. Principles of Consolidation – Accounting principles generally accepted in the United States of America ("GAAP") require a not-for-profit entity to consolidate another not-for-profit entity when the reporting entity has control through a majority voting interest in its Board and has an economic interest in that other entity. The consolidated financial statements include the amounts of Hope Ignites Northeastern Ohio, Inc. (formerly The Jesuit Program for Living and Learning of Northeastern Ohio, Inc. (dba Boys Hope Girls Hope of Northeastern Ohio)) and its special purpose entity, Boys Hope Girls Hope Academy Program (collectively the "Association"). All significant intercompany transactions have been eliminated.
- C. Basis of Presentation – The accompanying consolidated financial statements have been prepared on the accrual basis of accounting. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Association and changes therein are classified and reported as follows:

HOPE IGNITES NORTHEASTERN OHIO, INC. (FORMERLY THE JESUIT PROGRAM FOR  
LIVING AND LEARNING OF NORTHEASTERN OHIO, INC.  
(dba BOYS HOPE GIRLS HOPE OF NORTHEASTERN OHIO)) AND BOYS HOPE  
GIRLS HOPE ACADEMY PROGRAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 1. Summary of Significant Accounting Policies (Continued)**

C. Basis of Presentation (Continued)

Net assets without donor restrictions – This category includes net assets that are not subject to donor-imposed restrictions. Periodically, the Association's Board voluntarily transfers amounts from operating funds to the endowment fund, which is accounted for as a quasi-endowment. As this amount is a Board-designated endowment and not restricted by a donor, it is included in net assets without donor restrictions. Earnings from this endowment have been designated to be reinvested until such time that the Board determines to do otherwise. Earnings and losses are accounted for as increases and decreases, respectively, in net assets without donor restrictions.

Net assets with donor restrictions – This category includes net assets subject to donor-imposed stipulations that may or will be met by actions of the Association and/or the passage of time. This category also includes net assets subject to restrictions of gift instruments which require that the principal be invested in perpetuity. The income or loss from investment of these assets is to be included in the investment income or loss of net assets with donor restrictions, as appropriate, in the consolidated statements of activities. Annual investment earnings of the endowments are to be used for the charitable objectives of the Association, with no specific donor-imposed restrictions, except the annual investment earnings of the GAR Foundation are to be used for the academy program. The Board of Directors has designated all income from these endowments, including capital gains, to be reinvested until such time that the Board determines to do otherwise.

D. Contributions and Pledges Receivable – Contributions received are recorded as support with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions. Unconditional pledges receivable are recognized as revenues with donor restrictions in the period the promise is received. Conditional pledges receivable are recognized when the conditions on which they depend are met. The pledges are stated at their estimated realizable value.

Pledges receivable are reflected in the consolidated statements of financial position net of an allowance for doubtful accounts. There was no allowance for doubtful accounts at June 30, 2025 and 2024. The Association determines its allowance by considering a number of factors, including the length of time pledges are past due and the donor's current ability to pay its pledges to the Association. The Association writes off pledges receivable when they are determined to be uncollectible, and payments subsequently received on such receivables are credited to the allowance for doubtful accounts.

Pledges that are to be received over a period of years are discounted to their present value assuming their respective payment terms and a discount rate of 5.50%. All long-term pledges are to be collected within the next five years. The discount is amortized into contribution revenue over the term of the respective pledge agreement. There was no discount at June 30, 2025 and 2024.

HOPE IGNITES NORTHEASTERN OHIO, INC. (FORMERLY THE JESUIT PROGRAM FOR LIVING AND LEARNING OF NORTHEASTERN OHIO, INC. (dba BOYS HOPE GIRLS HOPE OF NORTHEASTERN OHIO)) AND BOYS HOPE GIRLS HOPE ACADEMY PROGRAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 1. Summary of Significant Accounting Policies (Continued)**

D. Contributions and Pledges Receivable – Continued

Conditional contributions are recognized as revenue when the conditions on which they depend on have been met. Contributions and grants are conditional upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Consequently, at June 30, 2025 and 2024, contributions approximating \$100,000 and \$165,063, respectively, of which no amounts have been received in advance, have not been recognized in the accompanying consolidated financial statements because the conditions have not yet been met.

E. Special Events – Generally, the Association hosts two special events per year to raise funds for the scholars of the Association. For the years ended June 30, 2025 and 2024, the Association hosted one gala and two galas, respectively. The direct benefit expense to donors for the years ended June 30, 2025 and 2024 was \$91,965 and \$69,669, respectively, and is included with special events expense on the consolidated statements of functional expenses.

F. Use of Estimates – The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

G. Concentrations of Credit Risk – The Association has significant investments in equity and debt securities and is, therefore, subject to concentrations of credit risk. Investments are managed by the finance committee who is supervised by the Board of Directors. Though the market value of investments is subject to fluctuations on a year-to-year basis, the Board of Directors believes that the investment policy is prudent for the long-term welfare of the Association. In addition, the Association maintains cash in financial institutions, which may exceed federally insured amounts.

H. Investments – The Association invests its endowment funds in various marketable securities that are included in the consolidated statements of financial position at quoted market values.

I. Property and Equipment – Property and equipment are stated at cost. The Association capitalizes expenditures for building, furniture, and equipment that exceed \$2,500 and computer equipment costs that exceed \$1,000. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	5 - 50 years
Furniture and equipment	5 - 10 years
Vehicles	5 years

Maintenance and repairs are charged to expense as incurred.

HOPE IGNITES NORTHEASTERN OHIO, INC. (FORMERLY THE JESUIT PROGRAM FOR  
LIVING AND LEARNING OF NORTHEASTERN OHIO, INC.  
(dba BOYS HOPE GIRLS HOPE OF NORTHEASTERN OHIO)) AND BOYS HOPE  
GIRLS HOPE ACADEMY PROGRAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 1. Summary of Significant Accounting Policies (Continued)**

- J. **Income Tax Status** – The Association is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. It believes it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to the consolidated financial statements. The Association's federal Exempt Organization Business Returns are subject to examination by the IRS, generally for three years after they were filed. Annual informational returns are filed by the National Program.
- K. **Functional Expenses** – The costs of providing various programs and related supporting services have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated to the appropriate program and supporting services. The consolidated financial statements report certain categories of expenses that are attributable to more than one program or support function. The expenses include salaries and wages which are allocated based on department, job classification, time estimates, and management and general tasks. Other costs are classified in each functional category based on the underlying purpose of each transaction.
- L. **Loan Fees** – The capitalized loan fees are related to the acquisition of term debt. These fees are amortized using the straight-line method, which approximates the effective interest method, over the life of the loan. Amortization expense related to the loan fees for the years ended June 30, 2025 and 2024 was \$2,500. Amortization of loan fees is included in interest expense. The debt was forgiven in June 2025.
- M. **Leases** – Operation lease right-of-use ("ROU") assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As the Association's leases generally do not include an implicit rate, the Association used the rate that would be used if using a lender to purchase the asset over the time frame of the lease to determine the present value of future payments. The operating lease ROU asset also includes any payments made and excludes lease incentives and any initial direct costs incurred. The Association's operating lease ROU assets and operating lease liabilities are calculated including options to extend the lease when it is reasonably certain that the Association will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the term of the lease. The Association does not record ROU assets and lease liabilities for leases that are twelve months or less.
- N. **Subsequent Events** – The Association evaluated subsequent events through September 16, 2025, the date these consolidated financial statements were available to be issued. See Note 15 and Note 16 for information on subsequent events.

HOPE IGNITES NORTHEASTERN OHIO, INC. (FORMERLY THE JESUIT PROGRAM FOR  
LIVING AND LEARNING OF NORTHEASTERN OHIO, INC.  
(dba BOYS HOPE GIRLS HOPE OF NORTHEASTERN OHIO)) AND BOYS HOPE  
GIRLS HOPE ACADEMY PROGRAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 2. Investments**

Investments are stated at fair value and consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Stock index funds	\$ 5,428,460	\$ 5,119,272
Money market funds	1,545,625	1,637,186
Short-term bond index funds	105,467	99,223
Bond index funds	13,200	12,448
International growth funds	89,687	76,044
Strategic equity funds	<u>9,506</u>	<u>8,388</u>
	<u>\$ 7,191,945</u>	<u>\$ 6,952,561</u>

**Note 3. Fair Value Measurements**

GAAP requires disclosure of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into the following three broad categories:

Level 1 – Quoted unadjusted prices for identical instruments in active markets to which the Association has access at the date of measurement.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets. Level 2 inputs are those in markets for which there are few transactions, the prices are not current, little public information exists, or in instances where prices vary substantially over time or among brokered market makers.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

Fair value measurement of all financial assets at June 30, 2025 and 2024 consisted of Level 1 investments at quoted prices in active markets for identical assets.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

HOPE IGNITES NORTHEASTERN OHIO, INC. (FORMERLY THE JESUIT PROGRAM FOR  
LIVING AND LEARNING OF NORTHEASTERN OHIO, INC.  
(dba BOYS HOPE GIRLS HOPE OF NORTHEASTERN OHIO)) AND BOYS HOPE  
GIRLS HOPE ACADEMY PROGRAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 4. Net Assets With Donor Restrictions**

Net assets with donor restrictions at June 30 were comprised of the following:

	<u>2025</u>	<u>2024</u>
F. J. O'Neill Endowment	\$ 1,233,700	\$ 1,233,700
National Program Match	250,000	250,000
GAR Foundation	100,000	100,000
All others	<u>803,744</u>	<u>996,982</u>
	<u>\$ 2,387,444</u>	<u>\$ 2,580,682</u>

The F. J. O'Neill Endowment, National Program Match, and GAR Foundation are subject to the Association's spending policy and appropriation. The remaining funds are restricted for use, focusing on providing opportunities and education to the students they serve.

**Note 5. Financial Assets and Liquidity**

The Association receives substantial donor-restricted gifts to establish endowments that will exist in perpetuity and contributions with donor time and purpose restrictions. The income generated from donor-restricted endowments may be donor-restricted or unrestricted as to use. In addition, the Association receives support without donor restrictions, investment income without donor restrictions, and appropriated earnings from gifts with donor restrictions to fund its general expenditures.

The Association manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining a sufficient level of asset liquidity, and
- Monitoring and maintaining reserves to provide reasonable assurance that long-term grant commitments and obligations related to endowments with donor restrictions will continue to be met, ensuring the sustainability of the Association.

As part of the Association's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Association has Board-designated funds of \$5,013,363 and \$4,668,113 as of June 30, 2025 and 2024, respectively. Although the Association does not intend to spend from its Board-designated funds other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its Board-designated endowment could be made available if necessary.

HOPE IGNITES NORTHEASTERN OHIO, INC. (FORMERLY THE JESUIT PROGRAM FOR  
LIVING AND LEARNING OF NORTHEASTERN OHIO, INC.  
(dba BOYS HOPE GIRLS HOPE OF NORTHEASTERN OHIO)) AND BOYS HOPE  
GIRLS HOPE ACADEMY PROGRAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 5. Financial Assets and Liquidity (Continued)**

The following represents the Association's financial assets available for expenditure within one year of June 30:

	<u>2025</u>	<u>2024</u>
Current financial assets at year end:		
Cash	\$ 422,984	\$ 486,296
Investments	7,191,945	6,952,561
Pledges receivable	<u>186,904</u>	<u>406,483</u>
	7,801,833	7,845,340
Less amounts not available to be used within one year:		
Funds with Board designations	(5,013,363)	(4,668,113)
Funds with donor restrictions	<u>(2,387,444)</u>	<u>(2,580,682)</u>
	(7,400,807)	(7,248,795)
Expected amount designated by Board for spending	<u>350,000</u>	<u>265,000</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 751,026</u>	<u>\$ 861,545</u>

**Note 6. Property and Equipment**

Property and equipment as of June 30 consist of:

	<u>2025</u>	<u>2024</u>
Land	\$ 136,136	\$ 136,136
Buildings and building improvements	9,118,115	9,078,403
Furniture and equipment	650,714	664,146
Vehicles	174,094	174,094
Construction in progress	<u>-</u>	<u>19,027</u>
	10,079,059	10,071,806
Less: accumulated depreciation	<u>(3,638,743)</u>	<u>(3,291,375)</u>
	<u>\$ 6,440,316</u>	<u>\$ 6,780,431</u>

**Note 7. New Market Tax Credit**

In 2018, Boys Hope Girls Hope Academy Program (the "Program") was formed for the sole purpose of purchasing a building for the Organization. The costs incurred in connection with purchasing the building qualify for federal tax credits under the New Market Tax Credit Program. As a result of the structure of this transaction multiple layers of debt were obtained between the Organization, the tax credit entity and the Program.

HOPE IGNITES NORTHEASTERN OHIO, INC. (FORMERLY THE JESUIT PROGRAM FOR LIVING AND LEARNING OF NORTHEASTERN OHIO, INC. (dba BOYS HOPE GIRLS HOPE OF NORTHEASTERN OHIO)) AND BOYS HOPE GIRLS HOPE ACADEMY PROGRAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 7. New Market Tax Credit (Continued)**

In order to qualify for new market tax credits, the Program must comply with various federal requirements governing the tax credit program during a defined compliance period. Failure to meet all such requirements may result in generating a lesser amount of tax credits than the expected amount or a recapture of tax credits that have been previously claimed. The Program is subject to certain indemnification provisions with the various tax credit entities should an event of recapture occur.

During 2025, the Program completed the unwinding of the new market tax credit project upon expiration of the tax credit compliance period. The Program's notes payable totaling \$5,700,000 were assigned by the note holders Cleveland New Markets Investment Fund (CNMIF II (Z), LLC). As a result of the assignment, the payable and notes receivable totaling \$3,481,200 were forgiven. The Association recognized a gain of \$2,161,300 which was net of loan fees totaling \$57,500 and is reflected in non-operating activity in the consolidated statement of activities.

The Organization's note receivable was due from COCRF Investor 134, LLC. The note required quarterly interest-only payments at 1.64% with principal payments beginning in September 2025 through maturity in June 2043. The note was secured by the borrowers' membership interests in the underlying tax credit community development entities and was settled in full on expiration of the tax credit compliance period.

**Note 8. Long-Term Debt, Net**

The Program obtained two notes from Cleveland New Markets Investment Fund (CNMIF II (Z), LLC) for \$3,481,200 and \$2,218,800, which were associated with new market tax credits, for the purpose of purchasing the building in 2018. The notes required monthly interest-only payments at 1% through September 2025, at which time monthly interest and principal payments were due through maturity in June 2048. As of June 30, 2025, the Program no longer has any outstanding obligations related to these two notes as a result of the unwinding of the new market tax credit upon the expiration of the compliance period (Note 7).

**Note 9. Endowment**

*Spending Policy*

The Association has a policy of appropriating for distribution 5% of its endowment fund's average fair value over the three fiscal years preceding the fiscal year in which the distribution is planned. In establishing this policy, the Association considered the long-term expected return on its endowment. This policy is consistent with the Association's objective to maintain the purchasing power of the endowment assets held in perpetuity, or for an otherwise specified term, as well as to provide additional real growth through new gifts and investment returns. During the years ended June 30, 2025 and 2024, distributions under the spending policy were \$275,000 and \$265,000, respectively. During the year ended June 30, 2025, the Board of Directors approved an additional distribution of \$75,000 from the board-designated endowment funds. There was no additional distribution during the year ended June 30, 2024.

HOPE IGNITES NORTHEASTERN OHIO, INC. (FORMERLY THE JESUIT PROGRAM FOR  
LIVING AND LEARNING OF NORTHEASTERN OHIO, INC.  
(dba BOYS HOPE GIRLS HOPE OF NORTHEASTERN OHIO)) AND BOYS HOPE  
GIRLS HOPE ACADEMY PROGRAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 9. Endowment (Continued)**

*Return Objectives and Risk Parameters*

The Association has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds, while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Association must hold in perpetuity, as well as Board-designated funds. In general, it is desired that the Association's portfolio earns at least competitive nominal returns in comparison with their respective benchmarks.

*Strategies Employed for Achieving Objectives*

To satisfy its long-term rate-of-return objectives, the Association relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). In recognition of the difficulty in predicting the direction of the markets or the future state of the economy, the Association's assets are diversified among asset classes, managers, funds, and investment styles.

The purpose of this approach is to incorporate diversification within the investment portfolio, enhancing expected returns, and/or reducing risk of the total portfolio. This structure is reviewed by the investment committee on an ongoing basis as part of the overall monitoring process.

These allocations may vary and are designed to reflect the long-term expectations of the Association. The Finance Committee reviews the portfolio on a regular basis (at least quarterly) to consider the portfolio's asset mix relative to its target and the allowable range around the target.

The investment strategy for the Association's portfolio may include domestic and international equities and fixed income investments and alternatives. Strategies of the Association's investment manager(s) may include investing in securities in another asset category and/or in derivatives, futures contracts, and currency hedging. Alternatives include, but are not limited to, domestic and international equities, open-end and closed-end funds, real estate investment trusts, the shorting of securities, hedge funds, private equity, venture capital, and exchange-traded funds. It is expected the alternative investments in the aggregate will not increase the risk of the Association's portfolio beyond the level anticipated in the Association's investment strategy.

*Net Asset Classification of Endowment Funds*

The Board of Directors of the Association has interpreted the Ohio enacted version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Association classifies as net assets with donor restrictions (a) the original value of gifts donated, (b) the original value of subsequent gifts, and (c) additions to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the additions are made to the fund.

HOPE IGNITES NORTHEASTERN OHIO, INC. (FORMERLY THE JESUIT PROGRAM FOR  
LIVING AND LEARNING OF NORTHEASTERN OHIO, INC.  
(dba BOYS HOPE GIRLS HOPE OF NORTHEASTERN OHIO)) AND BOYS HOPE  
GIRLS HOPE ACADEMY PROGRAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 9. Endowment (Continued)**

In accordance with UPMIFA, the Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) the duration and preservation of the fund,
- (2) the purpose of the Association and the donor-restricted endowment fund,
- (3) general economic conditions, and
- (4) the investment policies of the Association

*Endowment Funds With Deficiencies*

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Association to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets without donor restrictions. As of June 30, 2025 and 2024, no such deficiencies were noted.

*Endowment Net Assets Composition by Type of Fund*

	June 30, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 1,583,700	\$ 1,583,700
Board-designated endowment funds	4,833,268	-	4,833,268
	\$ 4,833,268	\$ 1,583,700	\$ 6,416,968
	June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 1,583,700	\$ 1,583,700
Board-designated endowment funds	4,486,284	-	4,486,284
	\$ 4,486,284	\$ 1,583,700	\$ 6,069,984

HOPE IGNITES NORTHEASTERN OHIO, INC. (FORMERLY THE JESUIT PROGRAM FOR  
LIVING AND LEARNING OF NORTHEASTERN OHIO, INC.  
(dba BOYS HOPE GIRLS HOPE OF NORTHEASTERN OHIO)) AND BOYS HOPE  
GIRLS HOPE ACADEMY PROGRAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 9. Endowment (Continued)**

*Changes in Endowment Net Assets*

	June 30, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets – June 30, 2024	\$ 4,486,284	\$ 1,583,700	\$ 6,069,984
Investment gain:			
Interest and dividends	141,949	-	141,949
Realized and unrealized gains	555,035	-	555,035
Total investment gain	696,984	-	696,984
Contributions to endowment	-	-	-
Distributions under spending policy	(350,000)	-	(350,000)
Endowment net assets – June 30, 2025	\$ 4,833,268	\$ 1,583,700	\$ 6,416,968
	June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets – June 30, 2023	\$ 3,729,395	\$ 1,583,700	\$ 5,313,095
Investment gain:			
Interest and dividends	147,852	-	147,852
Realized and unrealized gains	874,037	-	874,037
Total investment gain	1,021,889	-	1,021,889
Contributions to endowment	-	-	-
Distributions under spending policy	(265,000)	-	(265,000)
Endowment net assets – June 30, 2024	\$ 4,486,284	\$ 1,583,700	\$ 6,069,984

HOPE IGNITES NORTHEASTERN OHIO, INC. (FORMERLY THE JESUIT PROGRAM FOR  
LIVING AND LEARNING OF NORTHEASTERN OHIO, INC.  
(dba BOYS HOPE GIRLS HOPE OF NORTHEASTERN OHIO)) AND BOYS HOPE  
GIRLS HOPE ACADEMY PROGRAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 10. Employee Benefit Plan**

The Association sponsors a 401(k) retirement plan covering all qualified employees. Employees must be employed by the Association for one year before they are eligible to participate. For employee contributions up to 3% of earnings, the Association matches 100% of employee contributions. For employee contributions of greater than 3%, the Association may match 100% of employee contributions up to 6%, at the discretion of the Association. An employee's interest in the Association's matching contributions vest according to the following table:

<u>Years of Service</u>	<u>Percentage Vested</u>
1	0%
2	20%
3	40%
4	60%
5	80%
6	100%

All employees are 100% vested in their contributions, including earnings. The Association contributed \$28,308 and \$23,304 to this plan for the years ended June 30, 2025 and 2024, respectively.

**Note 11. Related Party Transactions**

The Association is required to pay an annual assessment to the National Program for program support, administrative, and promotional services rendered on behalf of the Association. The annual assessment was \$42,135 and \$42,939 for the years ended June 30, 2025 and 2024, respectively, of which \$0- remained unpaid as of June 30, 2025 and 2024.

Members of the Association's Board of Directors made personal contributions to the Association of \$579,325 and \$474,464 during the years ended June 30, 2025 and 2024, respectively, and is recorded on the consolidated statements of activities and changes in net assets in contributions of cash and financial assets.

**Note 13. Commitments and Contingencies**

Operating Leases

The Association leases certain automobiles under operating lease agreements through December 2025. The Association also leases equipment under a variable lease. Lease expense from all arrangements was \$18,723 and \$18,299 for the years ended June 30, 2025 and 2024, respectively. For the years ended June 30, 2025 and 2024, operating lease expense was \$15,348, and variable lease expense was \$3,375 and \$2,951, respectively.

Cash paid against the lease liability under these arrangements was \$15,348 for the years ended June 30, 2025 and 2024, and is included in operating cash flows.

HOPE IGNITES NORTHEASTERN OHIO, INC. (FORMERLY THE JESUIT PROGRAM FOR  
LIVING AND LEARNING OF NORTHEASTERN OHIO, INC.  
(dba BOYS HOPE GIRLS HOPE OF NORTHEASTERN OHIO)) AND BOYS HOPE  
GIRLS HOPE ACADEMY PROGRAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 13. Commitments and Contingencies (Continued)**

The following table displays the undiscounted cash flows related to operating leases as of June 30, 2025, along with a reconciliation to the discounted amount recorded in the consolidated statements of financial position. Minimum lease payments under non-cancellable leases due within the years ended June 30 were as follows:

2026	\$ <u>7,674</u>
Total undiscounted cash flows	7,674
Impact of present value discount	<u>(126)</u>
Total operating lease liabilities	<u>\$ 7,548</u>

As of June 30, 2025 and 2024, the weighted-average remaining lease term for all operating leases is 0.50 and 1.42 years, respectively. Because the Association generally does not have access to the rate implicit in the lease, the Association utilized its incremental borrowing rate as the discount rate. The weighted-average discount rate associated with operating leases as of June 30, 2025 and 2024 is 8.0%.

Lien

The Association has a lien against one of its properties. The lien specifies that, upon the first sale or transfer of the property to a grantee which is other than a Roman Catholic organization, the sum of \$180,380, along with simple interest accruing at the rate of 2% per annum beginning on April 4, 2005, is due to the Roman Catholic Diocese of Cleveland. However, the total amount of said obligation may not exceed the assessed value of the property on the date of said first transfer of the property to a grantee which is other than a Roman Catholic organization.

**Note 14. Contributed Nonfinancial Assets**

The Association recognized contributed nonfinancial assets within revenue, including contributed tuition, computers, services, and vehicles. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

The Association received \$52,156 and \$56,505 in contributed tuition for scholars at middle school and high school levels during the years ended June 30, 2025 and 2024, respectively. The Association received a renovation of their gymnasium with a new basketball court, wall pads and floor covering with an estimated fair value of \$92,169 during the year ended June 30, 2024.

The Association receives a significant amount of donated services (general assistance, fundraising events, etc.) from unpaid volunteers who assist in fundraising and special projects. The Association recognizes significant contributions of services received when those services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by the donor. The Association recognized revenue from contributed services of \$-0- and \$1,435 for the years ended June 30, 2025 and 2024, respectively.

HOPE IGNITES NORTHEASTERN OHIO, INC. (FORMERLY THE JESUIT PROGRAM FOR  
LIVING AND LEARNING OF NORTHEASTERN OHIO, INC.  
(dba BOYS HOPE GIRLS HOPE OF NORTHEASTERN OHIO)) AND BOYS HOPE  
GIRLS HOPE ACADEMY PROGRAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 14. Contributed Nonfinancial Assets (Continued)**

The value of contributed tuition represents stated rates of tuition for comparable scholars. In addition, purchased services are valued and reported at the estimated fair value of similar services. Lastly, the value of contributed property represents an estimated fair value provided by the installer for similar projects.

**Note 15. Contribution to Village Collective**

During 2025, the Organization contributed \$318,322 of financial assets to the Village Collective. The Village Collective was formerly a program of the Organization and became it's own not-for-profit entity in 2025.

In July 2025, the Organization also contributed a building and vehicle with a net book value of \$195,251 and \$11,180, respectively, which will be recognized as a contribution during the year ended June 30, 2026.

**Note 16. Boys Hope Girls Hope Academy Program**

Effective August 19, 2025, Boys Hope Girls Hope Academy Program was dissolved, and all assets were transferred to Hope Ignites Northeastern Ohio, Inc. (formerly The Jesuit Program for Living and Learning of Northeastern Ohio, Inc. (dba Boys Hope Girls Hope of Northeastern Ohio)). The dissolution was approved by the Board of Directors and filed with the Ohio Secretary of State.



+ 1111 Superior Avenue, Suite 700, Cleveland, Ohio 44114

+ p 216.363.0100 | f 216.363.0500

+ www.maloneynovotny.com

### Independent Auditors' Report on Supplementary Information

To the Board of Directors

Hope Ignites Northeastern Ohio, Inc.

(formerly The Jesuit Program for Living and Learning of Northeastern Ohio, Inc.

(dba Boys Hope Girls Hope of Northeastern Ohio)) and Boys Hope

Girls Hope Academy Program

Cleveland, Ohio

We have audited the consolidated financial statements of Hope Ignites Northeastern Ohio, Inc. (formerly The Jesuit Program for Living and Learning of Northeastern Ohio, Inc. (dba Boys Hope Girls Hope of Northeastern Ohio)) and Boys Hope Girls Hope Academy Program as of and for the years ended June 30, 2025 and 2024, and our report thereon dated September 16, 2025, which expressed an unmodified opinion on those consolidated financial statements, appears on pages 1-2. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating statement of financial position at June 30, 2025 and consolidating statement of activities and changes in net assets for the year ended June 30, 2025 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

A handwritten signature in black ink that reads 'Maloney + Novotny LLC'.

Cleveland, Ohio

September 16, 2025

HOPE IGNITES NORTHEASTERN OHIO, INC.  
AND BOYS HOPE GIRLS HOPE ACADEMY PROGRAM

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2025

	Hope Ignites Northeastern Ohio, Inc.	Boys Hope Girls Hope Academy Program	Eliminations	Total
<u>ASSETS</u>				
CURRENT ASSETS				
Cash	\$ 422,984	\$ -	\$ -	\$ 422,984
Investments	7,191,945	-	-	7,191,945
Pledges receivable	186,904	-	-	186,904
Total current assets	<u>7,801,833</u>	<u>-</u>	<u>-</u>	<u>7,801,833</u>
PROPERTY AND EQUIPMENT - NET	1,789,618	4,650,698	-	6,440,316
OTHER ASSETS				
Right-of-use asset - operating	7,548	-	-	7,548
Other asset	61,542	-	-	61,542
	<u>69,090</u>	<u>-</u>	<u>-</u>	<u>69,090</u>
Total assets	<u>\$ 9,660,541</u>	<u>\$ 4,650,698</u>	<u>\$ -</u>	<u>\$ 14,311,239</u>
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES				
Accounts payable	\$ 55,434	\$ -	\$ -	\$ 55,434
Accrued expenses	274,127	-	-	274,127
Deferred revenue	1,050	-	-	1,050
Operating lease liabilities	7,548	-	-	7,548
Total current liabilities	<u>338,159</u>	<u>-</u>	<u>-</u>	<u>338,159</u>
NET ASSETS				
Without donor restrictions				
Undesignated	1,921,575	4,650,698	-	6,572,273
Designated by Board of Directors	5,013,363	-	-	5,013,363
Total net assets without donor restrictions	<u>6,934,938</u>	<u>4,650,698</u>	<u>-</u>	<u>11,585,636</u>
With donor restrictions	2,387,444	-	-	2,387,444
Total net assets	<u>9,322,382</u>	<u>4,650,698</u>	<u>-</u>	<u>13,973,080</u>
Total liabilities and net assets	<u>\$ 9,660,541</u>	<u>\$ 4,650,698</u>	<u>\$ -</u>	<u>\$ 14,311,239</u>

HOPE IGNITES NORTHEASTERN OHIO, INC.  
AND BOYS HOPE GIRLS HOPE ACADEMY PROGRAM

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30, 2025

	Hope Ignites Northeastern Ohio, Inc.	Boys Hope Girls Hope Academy Program	Eliminations	Total
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>				
<b>SUPPORT AND REVENUES</b>				
Support				
Contributions of cash and financial assets	\$ 1,523,352	\$ -	\$ (242,052)	\$ 1,281,300
Contributions of nonfinancial assets	52,156	-	-	52,156
Special events	438,252	-	-	438,252
	<u>2,013,760</u>	<u>-</u>	<u>(242,052)</u>	<u>1,771,708</u>
Revenues				
Investment income, net	141,949	-	-	141,949
Realized and unrealized gain on investments	555,035	-	-	555,035
Net assets released from restrictions	946,378	-	-	946,378
	<u>1,643,362</u>	<u>-</u>	<u>-</u>	<u>1,643,362</u>
Total support and revenues	3,657,122	-	(242,052)	3,415,070
<b>EXPENSES</b>				
Program services	2,498,062	414,626	(540,153)	2,372,535
Supporting services				
Fundraising	619,857	-	-	619,857
Administrative and general	325,749	-	-	325,749
Total expenses	<u>3,443,668</u>	<u>414,626</u>	<u>(540,153)</u>	<u>3,318,141</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	213,454	(414,626)	298,101	96,929
<b>OTHER INCOME (EXPENSE)</b>				
Interest expense	-	(56,049)	-	(56,049)
Other income	90,300	-	-	90,300
(Loss) gain on unwind of new market tax credit	(3,912,380)	6,073,680	-	2,161,300
Contribution to Village Collective	(318,322)	-	-	(318,322)
Rental income	-	298,101	(298,101)	-
Total other income (expense)	<u>(4,140,402)</u>	<u>6,315,732</u>	<u>(298,101)</u>	<u>1,877,229</u>
	(3,926,948)	5,901,106	-	1,974,158
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>				
Contributions	753,140	-	-	753,140
Net assets released from restrictions	(946,378)	-	-	(946,378)
	<u>(193,238)</u>	<u>-</u>	<u>-</u>	<u>(193,238)</u>
<b>(DECREASE) INCREASE IN NET ASSETS</b>	(4,120,186)	5,901,106	-	1,780,920
<b>NET ASSETS – BEGINNING OF YEAR</b>	<u>13,442,568</u>	<u>(1,250,408)</u>	<u>-</u>	<u>12,192,160</u>
<b>NET ASSETS – END OF YEAR</b>	<u>\$ 9,322,382</u>	<u>\$ 4,650,698</u>	<u>\$ -</u>	<u>\$ 13,973,080</u>