

NEW PERCEPTIONS, INC.
FINANCIAL STATEMENTS
Years Ended June 30, 2025 and 2024
WITH
Independent Auditors' Report

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BRAMEL & ACKLEY, PSC

Certified Public Accountants and Business Advisors

INDEPENDENT AUDITORS' REPORT

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The Board of Directors
New Perceptions, Inc.
Edgewood, Kentucky

Opinion

We have audited the accompanying financial statements of New Perceptions, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 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 Perceptions, Inc. as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of New Perceptions, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 these 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 Perceptions, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

Bramel & Ackley, P.S.C.

September 12, 2025

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NEW PERCEPTIONS, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2025 and 2024

ASSETS	2025	2024
Current Assets		
Cash and cash equivalents	\$ 662,118	\$ 806,361
Certificates of deposit	695,087	518,483
Accounts receivable	157,036	144,260
Other current assets	26,132	22,206
Total current assets	<u>1,540,373</u>	<u>1,491,310</u>
Other Assets		
Investments	3,262,030	2,782,295
Property and equipment - net	<u>442,530</u>	<u>451,178</u>
Total assets	<u><u>\$ 5,244,933</u></u>	<u><u>\$ 4,724,783</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 47,530	\$ 48,693
Current portion of lease liability	1,600	1,318
Accrued paid time off	94,204	95,669
Other current liabilities	39,728	20,382
Total current liabilities	<u>183,062</u>	<u>166,062</u>
Long-term Liabilities		
Leases	<u>3,735</u>	<u>4,236</u>
Total long-term liabilities	<u>3,735</u>	<u>4,236</u>
Total liabilities	<u>186,797</u>	<u>170,298</u>
Net Assets		
With donor restrictions	10,000	68,000
Without donor restrictions	<u>5,048,136</u>	<u>4,486,485</u>
Total net assets	<u>5,058,136</u>	<u>4,554,485</u>
Total liabilities and net assets	<u><u>\$ 5,244,933</u></u>	<u><u>\$ 4,724,783</u></u>

See accompanying notes to financial statements.

NEW PERCEPTIONS, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the years ended June 30, 2025 and 2024

NET ASSETS WITHOUT DONOR RESTRICTIONS	2025	2024
Support		
Program service fees	\$ 2,470,340	\$ 2,297,152
Contributions	176,027	225,657
United Way	8,516	3,303
Annual Dinner - net	26,531	18,639
Fundraising, special events - net	18,179	31,917
Total support	<u>2,699,593</u>	<u>2,576,668</u>
Revenue		
Contract sales	510,569	458,128
Investment income	110,717	92,120
Realized (loss) on sales of investments	(4,765)	(495)
Unrealized gain on investments held	231,879	233,653
(Loss) on disposal of asset	(180)	(669)
Miscellaneous income	191	297
Total revenue	<u>848,411</u>	<u>783,034</u>
Total support and revenue	3,548,004	3,359,702
Net assets released from restriction	<u>68,000</u>	<u>-</u>
Total support and revenue without donor restrictions	<u>3,616,004</u>	<u>3,359,702</u>
Functional Expenses		
Program expenses	2,686,518	2,480,937
Management and general	270,373	267,791
Fundraising	97,462	94,023
Total functional expenses	<u>3,054,353</u>	<u>2,842,751</u>
Net change in net assets without donor restrictions	561,651	516,951
Net assets without donor restrictions, beginning of year	<u>4,486,485</u>	<u>3,969,534</u>
Net assets without donor restrictions, end of year	<u>5,048,136</u>	<u>4,486,485</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Support		
Contributions	10,000	68,000
Net assets released from restriction	<u>(68,000)</u>	<u>-</u>
Net change in net assets with donor restrictions	(58,000)	68,000
Net assets with donor restrictions, beginning of year	<u>68,000</u>	<u>-</u>
Net assets with donor restrictions, end of year	<u>10,000</u>	<u>68,000</u>
CHANGE IN TOTAL NET ASSETS		
Net change in total net assets	503,651	584,951
Total net assets, beginning of year	<u>4,554,485</u>	<u>3,969,534</u>
Total net assets, end of year	<u>\$ 5,058,136</u>	<u>\$ 4,554,485</u>

See accompanying notes to financial statements.

NEW PERCEPTIONS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2025

	Adult Programs			Child Programs
	The Learning Center	Site Based	Community Based	Home Based
Staff salaries	\$ 159,015	\$ 703,573	\$ 300,490	\$ 430,688
Client wages	-	327,237	-	-
Fringe benefits	39,188	163,586	62,283	74,876
Total salaries and related expenses	198,203	1,194,396	362,773	505,564
In-kind expenses	-	-	-	-
Office expenses	8,466	35,528	9,759	8,468
Occupancy	17,658	74,458	10,933	12,299
Depreciation and amortization	1,019	32,947	5,303	4,717
Staff travel	-	-	18,499	17,126
Professional services	13,308	66,655	22,815	4,055
Direct program expenses	3,819	20,548	3,341	3,768
Miscellaneous expenses	85	634	227	61
Insurance	3,543	18,772	3,254	3,517
Bank and investment fees	-	-	-	-
Total other expenses	47,898	249,542	74,131	54,011
Total functional expenses	<u>\$ 246,101</u>	<u>\$ 1,443,938</u>	<u>\$ 436,904</u>	<u>\$ 559,575</u>

See accompanying notes to financial statements.

Total Programs	Management and General	Fundraising	Total
\$ 1,593,766	\$ 143,416	\$ 61,815	\$ 1,798,997
327,237	4,663	-	331,900
339,933	28,436	10,921	379,290
2,260,936	176,515	72,736	2,510,187
-	-	15,768	15,768
62,221	4,277	4,934	71,432
115,348	25,207	1,365	141,920
43,986	9,962	720	54,668
35,625	1,470	-	37,095
106,833	9,627	657	117,117
31,476	843	324	32,643
1,007	12,464	501	13,972
29,086	5,722	442	35,250
-	24,286	15	24,301
425,582	93,858	24,726	544,166
<u>\$ 2,686,518</u>	<u>\$ 270,373</u>	<u>\$ 97,462</u>	<u>\$ 3,054,353</u>

NEW PERCEPTIONS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2024

	Adult Programs			Child Programs
	The Learning Center	Site Based	Community Based	Home Based
Staff salaries	\$ 128,635	\$ 681,282	\$ 298,012	\$ 442,181
Client wages	-	271,442	-	-
Fringe benefits	29,450	150,827	59,303	72,227
Total salaries and related expenses	158,085	1,103,551	357,315	514,408
In-kind expenses	-	-	-	-
Office expenses	4,609	35,087	10,824	9,678
Occupancy	14,902	81,019	11,922	13,412
Depreciation and amortization	1,079	42,511	5,350	5,005
Staff travel	-	-	17,154	19,599
Professional services	1,863	9,616	3,336	2,856
Direct program expenses	2,256	20,414	5,594	3,127
Miscellaneous expenses	175	100	266	43
Insurance	3,098	16,620	2,923	3,140
Bank and investment fees	-	-	-	-
Total other expenses	27,982	205,367	57,369	56,860
Total functional expenses	<u>\$ 186,067</u>	<u>\$ 1,308,918</u>	<u>\$ 414,684</u>	<u>\$ 571,268</u>

See accompanying notes to financial statements.

Total Programs	Management and General	Fundraising	Total
\$ 1,550,110	\$ 150,606	\$ 61,418	\$ 1,762,134
271,442	2,604	-	274,046
311,807	25,606	9,366	346,779
2,133,359	178,816	70,784	2,382,959
-	-	16,125	16,125
60,198	5,083	3,038	68,319
121,255	27,314	1,808	150,377
53,945	11,072	712	65,729
36,753	1,380	-	38,133
17,671	8,421	536	26,628
31,391	657	68	32,116
584	8,563	545	9,692
25,781	5,028	407	31,216
-	21,457	-	21,457
347,578	88,975	23,239	459,792
<u>\$ 2,480,937</u>	<u>\$ 267,791</u>	<u>\$ 94,023</u>	<u>\$ 2,842,751</u>

NEW PERCEPTIONS, INC.
STATEMENTS OF CASH FLOWS
For the years ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 503,651	\$ 584,951
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	54,668	65,729
Loss on disposal of fixed assets	180	669
Realized loss on investments	4,765	495
Unrealized (gain) on investments	(231,879)	(233,653)
Donated fixed assets included in contribution	-	(3,350)
(Increase) decrease in accounts receivable	(12,776)	48,759
Decrease in refunds receivable	-	266,690
(Increase) in other current assets	(3,926)	(2,801)
(Decrease) increase in accounts payable	(1,163)	28,844
Increase in other current liabilities	17,881	10,821
Net cash provided by operating activities	<u>331,401</u>	<u>767,154</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(44,892)	(46,990)
Reinvestment in certificates of deposit	(176,604)	(115,075)
Purchase of securities	(563,468)	(562,372)
Net proceeds from the sale of securities	310,847	312,816
Net cash (used in) investing activities	<u>(474,117)</u>	<u>(411,621)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (payments) on capital leases	(1,527)	(1,291)
Net cash (used in) financing activities	<u>(1,527)</u>	<u>(1,291)</u>
NET (DECREASE) INCREASE IN CASH	(144,243)	354,242
CASH AT BEGINNING OF YEAR	<u>806,361</u>	<u>452,119</u>
CASH AT END OF YEAR	<u><u>\$ 662,118</u></u>	<u><u>\$ 806,361</u></u>

See accompanying notes to financial statements.

NEW PERCEPTIONS, INC.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

New Perceptions, Inc. (the “Organization”) provides services to infants, preschoolers, and adults with intellectual and developmental disabilities in the Northern Kentucky area. These services maximize developmental growth, enabling individuals to function as independently as possible in the least restrictive environment within the community.

Basis of Presentation

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

- Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.
- Net Assets with Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

As of June 30, 2025, the Organization had \$10,000 of net assets with donor restrictions. As of June 30, 2024, the Organization had \$68,000 of net assets with donor restrictions.

Cash and Cash Equivalents

The Organization considers all cash in banks and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Property and Equipment

Property and equipment are depreciated using the straight-line method over their estimated useful lives, ranging from 5 to 40 years. The Organization’s policy is to capitalize assets purchased at a cost of \$1,000 or greater. Donations of property and equipment are recorded as support at their estimated fair value.

Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give—that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Estimates

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

NEW PERCEPTIONS, INC.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE A – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

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 is not aware of any tax positions that require recording of unrecognized tax benefits along with related interest or penalties as of June 30, 2025. The Organization's policy with regard to interest or penalties on such liabilities is to record them as part of tax expense. Tax returns for 2022-2025 remain subject to Federal examination as of June 30, 2025.

Accounts Receivable

Accounts receivable are stated at their contractual outstanding balances, net of any allowance for credit losses. The balances of accounts receivable as of the beginning and end of the year 2024 were \$193,019 and \$144,260, respectively. The beginning and end balances for the year 2025 were \$144,260 and \$157,036, respectively.

Accounts are considered past due if any portion of an account has not been paid in full within the contractual terms of the account. The Organization begins to assess its ability to collect receivables that are over 90 days past due and provides for an adequate allowance for credit losses based on the Organization's collection history, the financial stability and recent payment history of the customer and other pertinent factors. Based on these criteria, the Organization has recorded no allowance for credit losses since management feels that any uncollectible amounts would be immaterial.

Investments

In accordance with generally accepted accounting principles, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair market values in the statement of financial position. Unrealized gains and losses are included in the change in net assets and are included in changes in net assets without donor restrictions, because the gains and losses are unrestricted.

Consigned Inventory

The Organization has consigned inventory, consisting of various molded parts, at its facility. The parts are assembled by the Adult Site Based Work program participants. After assembly, the items are shipped to the manufacturer, who then pays the Organization for the labor involved in assembling the product. In accordance with generally accepted accounting principles, the Organization is not recognizing inventory on the financial statements because title never transfers to the Organization. However, the consigned inventory in the facility at June 30, 2025 and June 30, 2024 was approximately \$83,327 and \$82,452, respectively.

Other Current Assets

The Organization sponsors a flexible spending account (FSA) for all full-time employees. Employees are allowed to defer \$3,300 and \$5,000 for medical expenses and childcare expenses, respectively, for the calendar year. The plan owes New Perceptions, Inc. for amounts advanced in prior years. There was no amount due at June 30, 2025 or June 30, 2024.

Allocated Expenses

Expenses by function have been allocated between program and supporting service classifications on the basis of time records and on estimates made by the Organization's management. Direct expenses are charged directly to the program when specifically identifiable.

NEW PERCEPTIONS, INC.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE A – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Materials

The Organization receives numerous materials and supplies from donors throughout the year for use in its fundraising and program services. Donated items, greater than \$100, that would ordinarily be purchased by the Organization and have readily determinable market values are recorded in the financial statements at their estimated fair value upon the date of receipt.

Reclassifications

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

Leases

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This guidance enhances the relevance and consistency of information of the Organization's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset. The Organization adopted the standard as of July 1, 2022. With this adoption, the Organization recognized a right to use lease asset and a lease liability at June 30, 2024 of \$7,058. Additionally, at June 30, 2025, the Organization recognized a second right of use lease asset and a lease liability of \$1,309.

NOTE B – CONCENTRATION OF RISK

The Organization may be subject to credit risk related to its bank accounts. Balances at June 30, 2025 were insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Throughout the year ended on June 30, 2025, the Organization maintained amounts on deposit in excess of the FDIC limits. However, management believes the Organization is not exposed to any significant credit risk on cash, money market and certificate of deposit funds. As of June 30, 2025, the Organization has approximately \$399,358 in cash in excess of the FDIC limits in its accounts.

NOTE C – AVAILABILITY AND LIQUIDITY

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, certificates of deposit, investments and a line of credit. See Note F for information about the Organization's line of credit.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of adult and child programs as well as the conduct of services undertaken to support those activities to be general expenditures.

The following represents the Organization's financial assets at June 30, 2025 and 2024:

	2025	2024
Financial assets at year end:		
Cash and cash equivalents	\$ 662,118	\$ 806,361
Certificates of deposit	695,087	518,483
Accounts Receivable	157,036	144,260
Investments	3,262,030	2,782,295
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,776,271</u>	<u>\$ 4,251,399</u>

NEW PERCEPTIONS, INC.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE D – INVESTMENTS

Investments are stated at fair value. The fair value and unrealized appreciation at June 30, 2025 and 2024 are summarized as follows:

June 30, 2025:		Quoted Market Value	Unrealized Appreciation (Depreciation)
	Cost		
Money market	\$ 43,759	\$ 43,759	\$ -
Taxable bonds	1,037,101	1,052,187	15,086
Equities	1,628,371	2,166,084	537,713
Total:	<u>\$ 2,709,231</u>	<u>\$ 3,262,030</u>	<u>\$ 552,799</u>

June 30, 2024:		Quoted Market Value	Unrealized Appreciation (Depreciation)
	Cost		
Money market	\$ 81,935	\$ 81,935	\$ -
Taxable bonds	741,712	741,084	(628)
Equities	1,639,614	1,959,276	319,662
Total:	<u>\$ 2,463,261</u>	<u>\$ 2,782,295</u>	<u>\$ 319,034</u>

Accounting pronouncements establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quotes prices in active markets for identical assets and have the highest priority, and Level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 2 or 3 inputs were used by the Organization.

NOTE E – PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30:

	2025	2024
Land and improvements	\$ 128,382	\$ 128,382
Building and improvements	1,720,899	1,701,595
Equipment and furniture	429,067	417,305
Right of use asset - copiers	7,058	7,058
Right of use asset - postage meter	1,309	-
Total	2,286,715	2,254,340
Less: accumulated depreciation	<u>(1,844,185)</u>	<u>(1,803,162)</u>
Property and equipment - net	<u>\$ 442,530</u>	<u>\$ 451,178</u>

NEW PERCEPTIONS, INC.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE F – LINE OF CREDIT

The Organization has a \$250,000 line of credit with Truist Bank, which was renewed on September 10, 2024. Borrowings under the line carry interest at the prime rate plus 0.25% (7.50% at June 30, 2025). At June 30, 2025, there was no outstanding draw on the line of credit. The note is secured by the Organization's accounts, inventory and property and equipment. The line of credit maturity is October 20, 2025.

NOTE G – LEASES

On April 25, 2023, the Organization entered into a capital lease agreement for two copiers located in their facility. The lease term is five years and will expire in July 2028. Lease payments are made on a monthly basis. The initial lease liability was \$7,058 using a discount rate of 2%. At June 30, 2025, the lease liability balance is \$4,235.

On August 10, 2024, the Organization entered into a lease agreement for a postage meter. The lease term is five years and will expire in August 2029. Lease payments are made on a monthly basis. The initial lease liability was \$1,309 using a discount rate of 2%. At June 30, 2025, the lease liability balance is \$1,100.

The future minimum lease obligations and net present value of these minimum lease payments as of June 30, 2025, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 1,600	\$ 92	\$ 1,692
2027	1,633	60	1,693
2028	1,666	27	1,693
2029	391	4	395
2030	45	-	45
	<u>\$ 5,335</u>	<u>\$ 183</u>	<u>\$ 5,518</u>

See Note E for right of use lease asset information.

NOTE H – COMPENSATED ABSENCES

The Organization's accrual for future employee compensated absences amounted to \$94,204 and \$95,669 for the years ended June 30, 2025 and 2024, respectively.

NOTE I – CONTRACT SALES

Contract sales are fees for services provided by the Organization to various companies participating in the Adult Site Based work program. Contract sales, which represent fees per unit for units produced, were \$510,569 and \$458,128 for the years ended June 30, 2025 and 2024, respectively.

NEW PERCEPTIONS, INC.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE J – PENSION PLAN

The Organization has a 401K plan. Under the Plan and approved by the Board of Directors, a matching contribution of no more than 2% can be made annually to the account of each individual employee, based on annual compensation levels, and accrued for their benefit. In order to participate in the Plan, an employee must be twenty-one years of age or older, currently employed by the Organization, and have completed one year of service for the Organization and at least 1,000 hours in the previous twelve-month period. The Organization contributed \$30,331 to the 401K portion of the Plan for the year ended June 30, 2025 and \$27,948 for the year ended June 30, 2024. Also, under the Plan, and upon approval by the Board of Directors, a discretionary contribution can be made annually. The Board of Directors elected to make a discretionary contribution of \$32,113 and \$15,000 for the years ended June 30, 2025 and 2024, respectively.

NOTE K – SPECIAL EVENTS

The Organization reports special events at net on the statements of activities. Gross income from special events was \$34,911 and \$48,171 for the periods ending June 30, 2025 and 2024, respectively. Expenses directly related to those activities were \$16,732 and \$16,254 at June 30, 2025 and 2024, respectively.

NOTE L – ANNUAL DINNER

The Organization reports the annual dinner at net on the statements of activities. Gross income from the annual dinner was \$40,210 and \$33,705 for the periods ended June 30, 2025 and 2024, respectively. Expenses directly related to those activities were \$13,679 and \$15,066 at June 30, 2025 and 2024, respectively.

NOTE M – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through September 12, 2025, the date which the financial statements were available to be issued.