

**HIWAY THEATRE, INC.
Financial Report
December 31, 2024 and 2023**

HIWAY THEATRE, INC.
December 31, 2024 and 2023

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Independent Auditors' Report

To the Board of Directors
Hiway Theatre, Inc.
Jenkintown, Pennsylvania

Opinion

We have audited the financial statements of Hiway Theatre, Inc., which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Hiway Theatre, Inc. as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

We are required to be independent of Hiway Theatre, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hiway Theatre, Inc.'s ability to continue as a going concern for 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hiway Theatre 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 Hiway Theatre, 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.

DunlapSLK, PC

Chalfont, Pennsylvania
October 7, 2025

HIWAY THEATRE, INC.
Statements of Financial Position
Years Ended December 31, 2024 and 2023

	2024	2023
Assets		
Cash	\$ 412,346	\$ 388,926
Accounts Receivable (See Note 1)	1,770	1,567
Pledges Receivable	33,662	-
Inventory	3,623	1,278
Property and Equipment, Net	471,070	552,454
Total Assets	\$ 922,471	\$ 944,225
 Liabilities and Net Assets		
Liabilities		
Mortgages Payable	\$ 577,834	\$ 591,064
Accounts Payable and Accrued Expenses	20,982	25,836
Gift Certificate Liability	17,649	16,258
Total Liabilities	616,465	633,158
 Net Assets		
Without Donor Restrictions	303,506	297,184
With Donor Restrictions	2,500	13,883
Total Net Assets	306,006	311,067
 Total Liabilities and Net Assets	\$ 922,471	\$ 944,225

See notes to financial statements.

HIWAY THEATRE, INC.
Statements of Activities
Years Ended December 31, 2024 and 2023

	<u>2024</u>			<u>2023</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and Support						
Contributions	\$ 92,679	\$ -	\$ 92,679	\$ 41,897	\$ 22,500	\$ 64,397
Grant Revenue	15,500	-	15,500	13,000	-	13,000
Ticket Sales	289,486	-	289,486	257,289	-	257,289
Membership Dues	86,518	-	86,518	75,623	-	75,623
Rental Income	35,898	-	35,898	36,103	-	36,103
Concessions	125,130	-	125,130	110,688	-	110,688
Gift Cards	3,327	-	3,327	2,372	-	2,372
Miscellaneous Income	53,669	-	53,669	36,511	-	36,511
Interest Income	645	-	645	599	-	599
Net Assets Released from Restrictions	11,383	(11,383)	-	9,151	(9,151)	-
Total Revenues and Support	<u>714,235</u>	<u>(11,383)</u>	<u>702,852</u>	<u>583,233</u>	<u>13,349</u>	<u>596,582</u>
Expenses						
Program Services	663,006	-	663,006	643,430	-	643,430
Supporting Services						
General and Administrative	27,545	-	27,545	25,910	-	25,910
Fundraising	17,362	-	17,362	15,774	-	15,774
Total Expenses	<u>707,913</u>	<u>-</u>	<u>707,913</u>	<u>685,114</u>	<u>-</u>	<u>685,114</u>
Change in Net Assets	6,322	(11,383)	(5,061)	(101,881)	13,349	(88,532)
Net Assets						
Beginning of Year	<u>297,184</u>	<u>13,883</u>	<u>311,067</u>	<u>399,065</u>	<u>534</u>	<u>399,599</u>
End of Year	<u>\$ 303,506</u>	<u>\$ 2,500</u>	<u>\$ 306,006</u>	<u>\$ 297,184</u>	<u>\$ 13,883</u>	<u>\$ 311,067</u>

See notes to financial statements.

HIWAY THEATRE, INC.
Statements of Functional Expenses
Years Ended December 31, 2024 and 2023

	2024				2023			
	Program Services	General and Administrative	Fundraising	Total	Program Services	General and Administrative	Fundraising	Total
Personnel Costs	\$ 253,285	\$ 8,207	\$ 13,935	\$ 275,427	\$ 222,665	\$ 6,309	\$ 12,537	\$ 241,511
Film Expenses	130,951	-	-	130,951	127,462	-	-	127,462
Depreciation	97,532	-	-	97,532	101,120	-	-	101,120
Equipment Repair and Maintenance	34,925	-	-	34,925	38,427	-	-	38,427
Utilities	25,482	2,831	-	28,313	23,059	2,562	-	25,621
Concessions Expense	26,899	-	-	26,899	26,082	-	-	26,082
Miscellaneous Expenses	23,565	2,619	-	26,184	28,362	3,151	-	31,513
General Supplies	12,709	1,232	3,427	17,368	13,590	1,107	3,237	17,934
Interest	15,735	-	-	15,735	16,290	-	-	16,290
Building Repair and Maintenance	14,453	-	-	14,453	17,383	-	-	17,383
Professional Fees	-	11,456	-	11,456	-	11,581	-	11,581
Events	11,067	-	-	11,067	9,217	-	-	9,217
Insurance	10,403	-	-	10,403	13,773	-	-	13,773
Booking Fees	6,000	-	-	6,000	6,000	-	-	6,000
Rent	-	1,200	-	1,200	-	1,200	-	1,200
Total Expenses	\$ 663,006	\$ 27,545	\$ 17,362	\$ 707,913	\$ 643,430	\$ 25,910	\$ 15,774	\$ 685,114

See notes to financial statements.

HIWAY THEATRE, INC.
Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Change in Net Assets	\$ (5,061)	\$ (88,532)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities		
Depreciation	97,532	101,120
Loss on Disposal of Equipment	3,451	-
Change in Assets and Liabilities		
(Increase) Decrease in		
Accounts Receivable	(203)	(690)
Pledges Receivable	(33,662)	1,650
Inventory	(2,345)	(465)
Increase (Decrease) in		
Accounts Payable and Accrued Expenses	(4,854)	16,540
Gift Certificate Liability	1,391	498
Net Cash Provided by Operating Activities	56,249	30,121
Cash Flows from Investing Activities		
Purchases of Property and Equipment	(19,599)	(7,686)
Cash Flows from Financing Activities		
Principal Payments on Mortgages Payable	(13,230)	(12,677)
Net Increase in Cash	23,420	9,758
Cash		
Beginning of Year	388,926	379,168
End of Year	\$ 412,346	\$ 388,926
Supplemental Disclosures of Cash Flow Information		
Cash Payments for Interest	\$ 15,167	\$ 15,722

See notes to financial statements.

HIWAY THEATRE, INC.
Notes to Financial Statements
December 31, 2024 and 2023

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Hiway Theatre, Inc. (the Theatre), located in Jenkintown, Pennsylvania, is a member supported, not-for-profit community theater incorporated in February 2003. The Theatre's mission is to preserve the historic Hiway Theatre and keep local tradition alive for people passionate about film and the cinematic experience. The Theatre has a geographic concentration in Montgomery County, Pennsylvania and the surrounding area.

The Theatre does not discriminate in any way and is open to people of any race, religion, sexual orientation and age.

Basis of Accounting

The financial statements of the Theatre have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned, and expenses are recognized when incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) 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.

Basis of Presentation

Accounting standards prescribe display standards for general-purpose financial statements for all not-for-profit organizations. The Theatre's financial statements have been prepared in accordance GAAP, which require the Theatre to report information regarding its financial position and activities according to the following net asset classifications:

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 Theatre. These net assets may be used at the discretion of the Theatre'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 the actions of the Theatre or by the passage of time. Other donor restrictions may be perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Theatre has no perpetual net assets at December 31, 2024 or 2023.

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

Contributions

Contributions received are recorded as with donor restrictions or without donor restrictions depending on the nature or existence of any donor restrictions. Contributions are considered to be available for unrestricted use unless they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), restricted net assets are reclassified to net assets without donor restrictions, and reported in the statement of activities as net assets released from purpose or time restrictions. If a restricted contribution is recognized and used in the same period, it is recognized as an increase in net assets without restrictions.

HIWAY THEATRE, INC.
Notes to Financial Statements
December 31, 2024 and 2023

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Contributed Services

Many individuals volunteer their time and perform ticket taking and office tasks that assist the Theatre in carrying out its programs. Because no objective basis is available to measure the value of these services, the value of these services was not recorded during the years ended December 31, 2024 and 2023.

Cash and Cash Equivalents

The Theatre maintains its cash accounts in one commercial bank. The amount on deposit may exceed the federally insured limit. The Theatre has not experienced any losses in such accounts. The Theatre believes it is not exposed to any significant credit risk on cash. For purposes of the statement of cash flows, the Theatre considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. At December 31, 2024 and 2023, there were \$33,662 and \$0 pledges receivable within one year.

Inventory

Inventory of food and supplies for the concession sales and merchandise is carried at the lower of cost, using the first-in, first-out method, or net realizable value.

Property and Equipment

Property and equipment are stated at cost. Major replacements and betterments are capitalized while maintenance and repairs are expensed as incurred. It is the policy of the Theatre to capitalize any property and equipment over \$1,000. Lesser amounts are expensed. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. The estimated useful lives of depreciable assets are:

<u>Classifications</u>	<u>Years</u>
Buildings	30
Building Improvements	7-25
Equipment and Furniture	7-10

HIWAY THEATRE, INC.
Notes to Financial Statements
December 31, 2024 and 2023

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Income Tax Status

The Theatre qualifies as a not-for-profit organization that is exempt from income taxes under paragraph 501(c)(3) of the Internal Revenue Code. Accordingly, its income related to its tax exempt purpose is not subject to federal or state income taxes. The Theatre did not have any unrelated business income during the years ended December 31, 2024 and 2023, that would be subject to federal or state income taxes. Consequently, the accompanying financial statements do not reflect any provision for income taxes.

The Theatre accounts for uncertainty in income taxes using a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold is met. Management determined there were no tax uncertainties that met the recognition threshold in for the years ended December 31, 2024 and 2023.

The Theatre's federal Forms 990 – *Return of Organization Exempt from Income Tax* - for the last three years' filing remain subject to examination by the Internal Revenue Service.

Functional Allocation of Expenses

The costs of providing the various programs and other activities are summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis that is consistently applied. Personnel costs are allocated based on the individual's role. The Theatre allocated other functional expenses based on time and effort or by square footage.

Accounts Receivable

Accounts receivable are stated at the amount the Theatre expects to collect. The Theatre maintains allowances for credit losses for estimated losses resulting from the inability of its sponsors to make required payments. Management considers the following factors when determining the collectability of specific sponsor accounts: sponsor credit-worthiness, past transaction history with the sponsor, current economic industry trends, and changes in sponsor payment terms. Past due balances over 90 days and other high risk amounts are reviewed individually for collectability. Based on management's assessment, the Theatre provides for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that remain outstanding after the Theatre has used reasonable collection efforts are written off through a charge to a valuation allowance and a credit to accounts receivable. Accounts receivable was \$1,770, \$1,567, and \$877 at December 31, 2024, 2023 and 2022, respectively. There was no credit loss expense or changes in the allowance for credit losses during the years ended December 31, 2024 and 2023. The allowance for credit loss expense was \$0 at December 31, 2024 and 2023 based on historical experience of minimal losses, current conditions, and reasonable and supportable forecasts.

Gift Cards and Gift Certificates

Outstanding gift cards and certificates liabilities were \$17,649, \$16,258, and \$15,760 at December 31, 2024, 2023, and 2022, respectively. The Theatre recognizes breakage based on the percentage of unused gift certificates in a particular year, using historical experience.

HIWAY THEATRE, INC.
Notes to Financial Statements
December 31, 2024 and 2023

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Revenue Recognition and Deferred Revenue

The Theatre derives its revenue from contributions, grants, ticket/box office sales, memberships, rental income, concession and merchandise sales, and gift card sales. Revenue from certain grants, memberships and theater operations are recognized under accounting standards as described below.

Grants

The Theatre receives grant funding from various sources. The grant agreements contain conditions relating to performance requirements or the incurrence of allowable expenditures. Revenue is recognized over time as each requirement is met or as the allowable expenditure is incurred. Any funds received prior to the Theatre's right to recognize revenue is reported as deferred revenue in the statement of financial position. The Theatre recognized grants, totaling \$2,500 and \$0 for the years ended December 31, 2024 and 2023, respectively. There was no deferred revenue at December 31, 2024, 2023 and 2022.

Ticket/Box Office Sales

The Theatre charges ticket prices to view movies or other events put on by the Theatre. The ticket price gives the customer access to the specific event ticketed for the specified time period. Payment is made prior to entering the theater and is nonrefundable.

Concession Sales

All of the Theatre's sales are single performance obligation arrangements for retail sale transactions for which the transaction price is equivalent to the stated price of the product, net of any stated discounts applicable at a point in time. Revenue from retail sales is recognized at the point of sale, net of sales tax.

Rental Income

The Theatre provides room for various programs that organizations or individuals can rent out for private use. The Theatre recognizes the rental revenue for these programs over the period of time the program takes place. The performance obligation of providing these programs is simultaneously received and consumed by the participants over the program period. All fees must be received before the program begins and are nonrefundable. Program fees are recorded as deferred revenue and recognized over the period of the program. There were no program fees received in advance as of December 31, 2024 and 2023.

HIWAY THEATRE, INC.
Notes to Financial Statements
December 31, 2024 and 2023

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Revenue Recognition and Deferred Revenue (continued)

Membership

The Theatre offers corporate and non-corporate memberships to patrons of the theater. These memberships can be purchased at any point in the year and are non-refundable. For non-corporate memberships, the main benefit is free or reduced cost admission to the theater. The membership fees are allocated between membership fees and ticket sales, based on the value of the benefits received at each level of membership. A member can select from several different levels that each provide pre-determined benefits. The Theatre recognizes the revenue for memberships received evenly throughout the membership year as the benefits are being provided and consumed by the member simultaneously.

Memberships received during the years ended December 31, 2024 and 2023 are reflected in the statements of activities as follows:

	2024	2023
Memberships	\$ 86,518	\$ 75,623
Ticket Sales	15,150	7,965
Total Memberships Received	\$ 101,668	\$ 83,588

The following is a summary of exchange revenue recognized over time and at a point in time, during the years ended December 31, 2024 and 2023.

	2024	2023
Over Time	\$ 89,018	\$ 75,623
Point in Time	465,152	419,452
	\$ 554,170	\$ 495,075

Adoption of New Accounting Standards

Accounting Standards Update (ASU) No. 2016-13, Measurement of Credit Losses on Financial Instruments (Topic 326), requires the Theatre to present financial assets measured at amortized cost. Estimated credit losses are based on relevant information about historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amounts. The Theatre adopted ASU No. 2016-13 on January 1, 2023 and concluded that there is no material impact to the financial statements.

HIWAY THEATRE, INC.
Notes to Financial Statements
December 31, 2024 and 2023

2. AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditures, that is, without donor restrictions or board designations limiting their use within one year of December 31, 2024 and 2023, comprise the following:

Financial Assets at Year End	
Cash	\$ 412,346
Accounts Receivable	1,770
Pledges Receivable	<u>33,662</u>
Total Financial Assets	447,778
Less Amounts Not Available to be Used Within One Year	
Net Assets with Donor Restrictions	<u>2,500</u>
Financial Assets Available to Meet General Expenditures	
Over the Next Year	<u><u>\$ 445,278</u></u>

The Theatre's goal is to have 90 days reserve in case of unanticipated/unplanned events that require a cash infusion to keep business moving forward.

3. PROMISES TO GIVE

The Theatre has received pledges for the years ended December 31, 2024 and 2023. The remaining pledges as of December 31, 2024 and 2023, are \$33,662 and \$0, respectively, and are due in less than one year. No reserve for uncollectible pledges has been deemed necessary at this time.

4. PROPERTY AND EQUIPMENT

At December 31, 2024 and 2023, the detail of property and equipment is as follows:

	2024	2023
Land	\$ 137,482	\$ 137,482
Buildings	360,765	360,765
Building Improvements	1,675,434	1,675,434
Equipment and Furniture	<u>226,418</u>	<u>224,071</u>
	2,400,099	2,397,752
Less Accumulated Depreciation	<u>(1,929,029)</u>	<u>(1,845,298)</u>
Property and Equipment, Net	<u><u>\$ 471,070</u></u>	<u><u>\$ 552,454</u></u>

Depreciation expense totaled \$97,532 and \$101,120 for the years ended December 31, 2024 and 2023, respectively.

HIWAY THEATRE, INC.
Notes to Financial Statements
December 31, 2024 and 2023

5. MORTGAGES PAYABLE

In January 2020, the Theatre received a mortgage from Fulton Bank in the amount of \$385,000, which was used to refinance an existing fifteen-year mortgage. The note bears an interest rate of 4.35% per annum and is secured by the Theatre's real estate, including improvements. Payments are due monthly in the amount of \$2,418, through February 4, 2041. Due to the COVID-19 pandemic and mandated theater closure, the bank suspended mortgage payments for several months. The interest of approximately \$5,000 from that time period was not added to the principal balance as it was considered immaterial.

The Theatre also received a loan used to renovate the building and real estate from Jenkintown Borough through a repayable grant program. The note bears an interest rate of 0% per annum and is secured by a mortgage. This note is subordinated to the Fulton mortgage. Payments are due in monthly installments of \$2,058, not beginning until September 1, 2026 with a final payment of \$2,058 on August 1, 2036.

At December 31, 2024 and 2023, the outstanding balance on these notes along with the unamortized debt issuance costs was \$577,834 and \$591,064, respectively.

Aggregate maturities on the consolidated notes are as follows:

<u>Year Ended</u> <u>December 31</u>	<u>Amount</u>
2025	\$ 14,677
2026	23,562
2027	40,709
2028	41,419
2029	42,161
Thereafter	<u>420,935</u>
	<u><u>\$ 583,463</u></u>

Interest expense for the periods ended December 31, 2024 and 2023, was \$15,735 and \$16,290, respectively.

At December 31, 2024 and 2023, the components of long-term notes payable consisted of the following:

	<u>2024</u>	<u>2023</u>
Total Outstanding Balance on Note Payable	\$ 583,463	\$ 597,261
Less Debt Financing Costs	<u>(5,629)</u>	<u>(6,197)</u>
Total Mortgages Payable	<u><u>\$ 577,834</u></u>	<u><u>\$ 591,064</u></u>

HIWAY THEATRE, INC.
Notes to Financial Statements
December 31, 2024 and 2023

5. MORTGAGES PAYABLE (continued)

Debt financing costs are being amortized on a straight line basis over the term of the related debt, which approximates the effective interest method.. The amortization of these costs was \$568 in each of the years ended December 31, 2024 and 2023, and is included in interest expense. The effective interest rates on the notes was 2.57% and 2.60% during the years ended December 31, 2024 and 2023, respectively.

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions held at December 31, 2024 and 2023, are restricted for the following purposes:

	2024	2023
Masonry Repairs	\$ 2,500	\$ 2,500
Sci-Fi Fest	-	11,383
	\$ 2,500	\$ 13,883

Assets released from donor restrictions were \$11,383 and \$9,151 during the years ended December 31, 2024 and 2023, respectively, and were spent on the Sci-Fi Fest.

7. RELATED PARTY TRANSACTIONS

In October 2017, the Theatre, became a corporate affiliate of Renew Theaters, Inc. (Renew). Renew had been the contractual management company of the Theatre for several years. This new affiliation created a parent-subsidiary corporate structure, whereby Renew acts as the sole corporate parent of the Theatre.

Four theaters in total, County Theater, Inc., Ambler Theater, Inc., Hiway Theatre, Inc., and Princeton Garden Theater, Inc., have entered into this affiliation relationship with Renew. Renew provides comprehensive management and personnel services to each theater. Renew does not charge a fee for its services, but simply is reimbursed for its expenditures by each theater. Personnel can contribute their own money to a 403b plan, as there is no match. The Board of Directors of Renew is appointed by its four affiliate theaters. Each affiliate remains a separate corporation.

The Theatre has a commitment to Renew under a service agreement in which Renew is to provide management and theater staffing services. Total payments under this agreement for the years ended December 31, 2024 and 2023, were \$117,069 and \$99,743, respectively.

The Theatre has made ongoing continuous monthly cash advances to Renew Theaters, Inc. for expenses in amounts that vary from \$3,000 to \$5,000. These advances were in effect for the years ending December 31, 2024 and 2023.

HIWAY THEATRE, INC.
Notes to Financial Statements
December 31, 2024 and 2023

8. COMMITMENT

In 2024, the Theatre was awarded a grant for \$36,400 to be used to make improvements to the Theatre's façade. The Theatre anticipates that these improvements will be completed in 2025.

9. SUBSEQUENT EVENTS

Management has evaluated events and transactions that occurred after December 31, 2024, through October 7, 2025, the date the financial statements were available to be issued.