



White Rock Center of Hope, Inc.

**Financial Statements
October 31, 2020 and 2019**

White Rock Center of Hope, Inc.

Contents

Independent Auditors' Report	1
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	6
Statements of Cash Flows	8
Notes to Financial Statements	9

Independent Auditors' Report

To the Board of Directors of
White Rock Center of Hope, Inc.

We have audited the accompanying financial statements of White Rock Center of Hope, Inc. (a nonprofit organization) which comprise the statements of financial position as of October 31, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of White Rock Center of Hope, Inc. as of October 31, 2020 and 2019 and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.


A Limited Liability Partnership

Arlington, Texas
February 26, 2021

White Rock Center of Hope, Inc.
Statements of Financial Position
October 31, 2020 and 2019

	2020	2019
Assets		
Current assets:		
Cash	\$ 403,761	286,671
Prepaid expenses	10,640	11,796
Resale store sales receivables	3,000	2,309
Investments	20,019	-
Inventories	54,686	73,694
Total current assets	492,106	374,470
Property and equipment, net	895,602	912,342
Total assets	\$ 1,387,708	\$ 1,286,812
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 14,128	\$ 13,316
Mortgage payable	-	4,163
Paycheck Protection Program loan	69,422	-
Total current liabilities	83,550	17,479
Net assets:		
Net assets without donor restrictions	1,298,860	1,264,356
Net assets with donor restrictions	5,298	4,977
Total net assets	1,304,158	1,269,333
Total liabilities and net assets	\$ 1,387,708	\$ 1,286,812

See notes to financial statements.

White Rock Center of Hope, Inc.
Statement of Activities
Year Ended October 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Donated goods and services	\$ 1,001,821	\$ -	\$ 1,001,821
Contributions	475,070	5,298	480,368
Government grants	42,500	-	42,500
Resale store sales	251,235	-	251,235
Investment income	1,260	-	1,260
Interest income	1,920	-	1,920
Net assets released from restrictions	4,977	(4,977)	-
Total revenue and support	1,778,783	321	1,779,104
Expenses:			
Program services	1,535,069	-	1,535,069
General and administrative	96,126	-	96,126
Fundraising	113,084	-	113,084
Total expenses	1,744,279	-	1,744,279
Change in net assets	34,504	321	34,825
Net assets at beginning of year	1,264,356	4,977	1,269,333
Net assets at end of year	\$ 1,298,860	\$ 5,298	\$ 1,304,158

See notes to financial statements.

White Rock Center of Hope, Inc.
Statement of Activities
Year Ended October 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Donated goods and services	\$ 1,392,527	\$ -	\$ 1,392,527
Contributions	232,431	4,977	237,408
Government grants	40,000	-	40,000
Resale store sales	382,791	-	382,791
Interest income	751	-	751
Total revenue and support	2,048,500	4,977	2,053,477
Expenses:			
Program services	1,897,899	-	1,897,899
General and administrative	71,021	-	71,021
Fundraising	111,100	-	111,100
Total expenses	2,080,020	-	2,080,020
Change in net assets from operations	(31,520)	4,977	(26,543)
Loss on disposal of equipment	(15,936)	-	(15,936)
Change in net assets	(47,456)	4,977	(42,479)
Net assets at beginning of year	1,311,812	-	1,311,812
Net assets at end of year	\$ 1,264,356	\$ 4,977	\$ 1,269,333

See notes to financial statements.

White Rock Center of Hope, Inc.
Statement of Functional Expenses
Year Ended October 31, 2020

	Program Services	General and Administrative	Fundraising	Total
Client assistance	\$ 863,013	\$ -	\$ -	\$ 863,013
Wages and payroll taxes	247,062	44,680	98,353	390,095
Resale store	259,893	-	-	259,893
Professional fees and contract labor	31,668	35,899	-	67,567
Occupancy	47,470	1,249	1,249	49,968
Depreciation	26,790	705	705	28,200
Property and liability insurance	25,890	858	1,328	28,076
Supplies and equipment	5,032	4,884	4,884	14,800
Telecommunications and database services	8,689	1,237	4,572	14,498
Bank and credit card fees	7,466	4,066	-	11,532
Property taxes	8,361	220	220	8,801
Program, staff and volunteer development	3,135	-	-	3,135
Dues and subscriptions	600	2,295	-	2,895
Marketing and fundraising	-	-	1,773	1,773
Interest	-	33	-	33
Total expenses	\$ 1,535,069	\$ 96,126	\$ 113,084	\$ 1,744,279

See notes to financial statements.

White Rock Center of Hope, Inc.
Statement of Functional Expenses
Year Ended October 31, 2019

	Program Services	General and Administrative	Fundraising	Total
Client assistance	\$ 1,105,891	\$ -	\$ -	\$ 1,105,891
Wages and payroll taxes	215,079	42,216	96,830	354,125
Resale store	382,482	-	-	382,482
Professional fees and contract labor	37,440	16,388	-	53,828
Occupancy	50,294	1,311	1,311	52,916
Depreciation	27,737	730	730	29,197
Property and liability insurance	26,733	502	517	27,752
Supplies and equipment	13,595	5,801	5,630	25,026
Telecommunications and database services	4,718	751	2,615	8,084
Bank and credit card fees	9,573	294	-	9,867
Property taxes	8,109	213	213	8,535
Program, staff and volunteer development	8,257	-	-	8,257
Dues and subscriptions	500	1,019	-	1,519
Postage and printing	403	415	2,621	3,439
Interest	-	675	-	675
Vehicle fuel and maintenance	7,088	-	-	7,088
Miscellaneous	-	706	633	1,339
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenses	<u>\$ 1,897,899</u>	<u>\$ 71,021</u>	<u>\$ 111,100</u>	<u>\$ 2,080,020</u>

See notes to financial statements.

White Rock Center of Hope, Inc.
Statements of Cash Flows
Years Ended October 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 34,825	\$ (42,479)
Adjustments to reconcile change in net assets to net cash provided (used) by operations:		
Depreciation	28,200	29,197
Donated stock	(18,759)	-
Unrealized gains on investments	(1,080)	-
Loss on disposal of equipment	-	15,936
Changes in operating assets and liabilities:		
Prepaid expenses	1,156	(1,103)
Resale store sales receivables	(691)	(705)
Inventories	19,008	(4,418)
Accounts payable and accrued liabilities	812	(1,941)
Net cash provided (used) by operating activities	63,471	(5,513)
Cash flows from investing activities:		
Purchases of property and equipment	(11,460)	(49,477)
Purchase of investments	(180)	-
Net cash used by investing activities	(11,640)	(49,477)
Cash flows from financing activities:		
Principal payments on mortgage payable	(4,163)	(15,738)
Proceeds from Paycheck Protection Program loan	69,422	-
Net cash provided (used) by financing activities	65,259	(15,738)
Change in cash	117,090	(70,728)
Cash at beginning of year	286,671	357,399
Cash at end of year	\$ 403,761	\$ 286,671
 Supplemental cash flow information:		
Cash paid during the year for interest	\$ 33	\$ 675

See notes to financial statements.

White Rock Center of Hope, Inc.

Notes to Financial Statements

1. Organization

White Rock Center of Hope, Inc. is a not-for-profit corporation founded in Texas in 1988 and governed by a 25-member board of directors (Board). The mission of White Rock Center of Hope, Inc. (Center) is to operate as an ecumenical organization that makes a difference in people's lives by providing a place where the east Dallas community can share God's love and blessings by satisfying basic human needs. The Center serves this mission by providing indigent individuals and families residing within 5 zip codes of east Dallas with food, clothing, financial assistance with rent, utilities and other basic needs. Voting members of the Center's Board include individuals who are representatives of churches and organizations as well as other individuals who have professional expertise beneficial to the governance of the Center. The Center is primarily supported by donations of goods and services, contributions and grants from individuals, organizations, foundations and member churches. The Center also receives revenue from its resale shop.

2. Summary of Significant Accounting Policies

The accounting policies of the Center conform to U.S. generally accepted accounting principles (GAAP). The more significant accounting policies of the Center are described below.

Basis of Accounting

The accompanying financial statements are presented on the accrual basis of accounting in accordance with GAAP.

Financial Statement Presentation

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets without donor restrictions – Net assets not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board.

Net assets with donor restrictions – Net assets subject to donor or grantor stipulations that will be met by actions of the Center and/or the passage of time.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Center to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy. As of October 31, 2020 and 2019, no such net asset restrictions existed.

White Rock Center of Hope, Inc.

Notes to Financial Statements

Gifts of cash and other assets received without donor-imposed restrictions are reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Gifts received with donor-imposed restrictions are reported as increases in net assets without donor restrictions if the restriction is met in the same reporting period in which the gift was received. Expenses are reported as decreases in net assets without donor restrictions. Expirations of restrictions on net assets are reported as net assets released and reclassified to net assets without donor restrictions when the donor stipulated uses have been fulfilled or the stipulated time period has elapsed.

Financial Instruments and Credit Risk Concentrations

Financial instruments which are potentially subject to concentrations of credit risk consist principally of cash. Cash is placed with high credit quality financial institutions to minimize risk.

The Center maintains cash balances at a financial institution located in Texas. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At October 31, 2020, the Center had uninsured balances totaling \$83,092.

Inventories

Inventories consist of donated goods held for resale in the Center's retail thrift store and donated and purchased goods held for distribution to clients. The Center's donated thrift store inventory is recorded at its estimated net realizable value. Donated inventory held for distribution to clients is recorded at its estimated fair value based on wholesale food prices. Purchased inventory held for distribution to clients is recorded using the first-in, first-out method.

Property and Equipment

Property and equipment are recorded at cost or if acquired by gift, at the fair value at the date of the gift. The Center follows the practice of capitalizing all expenditures for property and equipment in excess of \$3,000; the fair value of donated property and equipment is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets which range from 5 to 39 years.

Property and equipment are reviewed for impairment if the use of the asset significantly changes or another indicator of possible impairment is noted. If the carrying amount for the asset is not recoverable, the value is written down to the asset's fair value.

Investments

Investments are recorded at fair value in the accompanying statements of financial position. Changes in the fair values are reported in the statements of activities. Purchases and sales of securities are reflected on a trade-date basis. Gains or losses on sales of securities are included in the statements of activities.

White Rock Center of Hope, Inc.

Notes to Financial Statements

The Center's investments are subject to various risks, such as interest rate, credit and overall market volatility risks. Further, because of the significance of the investments to the Center's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of the investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements.

Revenue Recognition

The Center recognizes contributions when cash, securities or other assets or an unconditional promise to give is received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

Contributions other than cash are recorded at their estimated fair value on the date of donation. Food donated to the Center, the related food inventory and the value of donated food distributed to individuals is determined based on average wholesale food prices. The value of donations of goods held for sale in the resale store is determined based on estimated net realizable value. Donated goods are recorded as contributions at the date of gift and as expenses when the donated goods are used, sold or distributed to clients. Donated services are recognized if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing these skills and would typically need to be purchased if not provided by donation. Donated storage space is recorded as a contribution at the date of gift and as an expense when the donated space is utilized.

Government grants are recognized as contract terms are fulfilled. The Center has been awarded government grants of \$37,500 that have not been recognized at October 31, 2020 because qualifying expenditures have not yet been incurred.

Revenue from the retail store is recognized when resale goods are sold.

Federal Income Taxes

The Center is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code (IRC) and has not been classified as a private foundation as defined in the IRC. Income generated from activities unrelated to the Center's exempt purposes is subject to tax under IRC Section 511. The Center had no unrelated business income for the years ended October 31, 2020 and 2019. Accordingly, no provision has been made for federal income tax in the accompanying consolidated financial statements.

GAAP requires the evaluation of tax positions taken in the course of preparing the Center's tax returns and recognition of a tax liability (or asset) if the Center has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Center, and has concluded that as of

White Rock Center of Hope, Inc.

Notes to Financial Statements

October 31, 2020 and 2019, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Costs are allocated between program services and support services based on space used, time and effort or direct relation to the program and support service benefited.

Estimates and Assumptions

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

Resale Store Merchandise

Resale store merchandise sales are reported net of discounts, returned goods and sales taxes collected. Sales taxes collected during the years ended October 31, 2020 and 2019 totaled \$19,982 and \$30,292, respectively.

Compensated Absences

The Center's employees are compensated for vacation and other personal leave based on length of employment and other factors. The Center recognizes the cost of compensated absences when paid to employees.

New Accounting Pronouncements

Changes to GAAP are established by the Financial Accounting Standards Board (FASB) in the form of accounting standards updates (ASUs) to the FASB's Accounting Standards Codification.

The Center considers the applicability and impact of all ASUs. ASUs not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on the Center's financial position and results of activities.

In 2016, the FASB issued its leasing standard in ASU 2016-02, *Leases (ASC Topic 842)* for both lessees and lessors. Under its core principle, a lessee will recognize right-of-use (ROU) assets and related lease liabilities on the statement of financial position for all lease arrangements with terms longer than 12 months. The pattern of expense recognition in the statement of activities

White Rock Center of Hope, Inc.

Notes to Financial Statements

will depend on a lease's classification. The standard takes effect for fiscal years beginning after December 15, 2021.

The Center is currently assessing the impact that adopting this new guidance will have on the financial statements.

Accounting Pronouncements Adopted

The Center adopted FASB ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606) as of and for the year ended October 31, 2020. Topic 606 is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The entity should recognize revenue when (or as) the entity satisfies a performance obligation. Not-for-profit entities must consider whether certain arrangements are fully or partially subject to Topic 606. Examples include, but are not limited to memberships, sponsorships, grants and contracts. Further, judgment is required to bifurcate transactions between contribution and exchange components.

The Center adopted FASB ASU 2018-08 *Clarifying the Scope and Accounting Guidance for Contributions Received and Made*, as of and for the year ended October 31, 2020. ASU 2018-08 was issued to address difficulty and diversity in practice among not-for-profit entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) subject to Topic 958, Not-for-Profit Entities or as exchanges (reciprocal transactions) subject to Topic 606 and (2) determining between conditional and unconditional contributions. This ASU applies to all entities that receive or make contributions. The term used in the presentation of financial statements to label revenue (for example, contribution, grant, donation) that is accounted for within Topic 958 is not a factor for determining whether an agreement is within the scope of that guidance.

Analysis of various provisions of these standards resulted in no significant changes in the way the Center recognizes revenue, and therefore, no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the ASUs.

White Rock Center of Hope, Inc.
Notes to Financial Statements

3. Inventories

Inventories consist of the following at October 31:

	<u>2020</u>	<u>2019</u>
Held for distribution to clients:		
Food and toiletries	\$ 22,124	\$ 32,381
Clothing and toys	8,124	7,508
Held in resale store	<u>24,438</u>	<u>33,805</u>
	<u>\$ 54,686</u>	<u>\$ 73,694</u>

4. Property and Equipment

Property and equipment consist of the following at October 31:

	<u>2020</u>	<u>2019</u>
Building and improvements	\$ 864,932	\$ 853,472
Land and improvements	339,698	339,698
Vehicles	33,214	33,214
Furniture and equipment	<u>38,737</u>	<u>38,737</u>
	1,276,581	1,265,121
Less: accumulated depreciation	<u>(380,979)</u>	<u>(352,779)</u>
	<u>\$ 895,602</u>	<u>\$ 912,342</u>

Depreciation expense totaled \$28,200 and \$29,197 for the years ended October 31, 2020 and 2019, respectively.

5. Investments

Fair value accounting defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1 Quoted prices in active markets for identical assets or liabilities as of the reporting date;

White Rock Center of Hope, Inc.

Notes to Financial Statements

Level 2	Observable inputs other than Level 1 prices, such as quoted prices in active markets for similar assets or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets;
Level 3	Unobservable inputs that are supported by little or no market activity and the reporting entity makes estimates or assumptions related to the pricing of the asset or liability including assumptions regarding risk.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following is a description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy:

Money Market Funds

These investments are valued using \$1 for the net asset value (NAV).

Mutual Funds

These investments are public investment vehicles valued using the NAV provided by the administrator of the fund. The NAV is based on the value of the underlying asset owned by the fund, less its liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in an active market.

Equity Securities

These investments are valued at the closing price reported on the active markets in which the individual securities are traded.

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 Center believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The investments held by the Center are measured using Level 1 inputs.

White Rock Center of Hope, Inc.

Notes to Financial Statements

The following table presents the investments at fair value as of October 31, 2020:

Money market funds	\$ 4,965
Equity securities	11,733
Mutual funds	<u>3,320</u>
	<u>\$ 20,019</u>

The following table presents securities which represent 10% or more of total investments at October 31, 2020:

Fidelity Government Money Market	25%
Fidelity Tax-Free Bond	14%
Apple Inc.	30%
Sysco Corp.	12%

Investment income consists of the following for the year ended October 31, 2020:

Interest and dividend income	\$ 180
Unrealized gains on investments	<u>1,080</u>
	<u>\$ 1,260</u>

6. Mortgage Payable

The Center's mortgage is payable to a bank in monthly installments of principal and interest, bearing interest annually at the bank's prime rate minus one quarter percent, 3% and 4.5% for the years ending October 31, 2020 and 2019, respectively. This mortgage debt is secured by the Center's building and matured on February 17, 2020. During the year ended October 31, 2020, the mortgage debt was paid in full.

7. Paycheck Protection Program Loan

On April 15, 2020, the Center entered into an unsecured loan (PPP Loan) in the aggregate amount of \$69,422 with a bank pursuant to the Paycheck Protection Program (PPP), which is sponsored by the Small Business Administration (SBA), and is part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), as amended by the Paycheck Protection Program Flexibility Act of 2020 (Flexibility Act). The PPP provides for loans to qualifying businesses, the proceeds of which may only be used for payroll costs, rent, utilities, mortgage interest, and interest on other pre-existing indebtedness (Permissible Expenses). The PPP Loan matures on April 15, 2022, bears interest at a fixed rate of 1% percent per annum and is payable in monthly installments commencing on the earlier of the date on which the amount of loan forgiveness is determined or November 1, 2020. The PPP Loan may be prepaid at any time prior to maturity with no

White Rock Center of Hope, Inc.
Notes to Financial Statements

prepayment penalties. The PPP Loan, and accrued interest, may be forgiven partially or in full, if certain conditions are met. The most significant of the conditions are:

- Only amounts expended for Permissible Expenses during the eight-week or 24-week period, as elected by the Center, following April 15, 2020 (Covered Period) are eligible for loan forgiveness. The Center has elected a 24-week Covered Period;
- Of the total amount of Permissible Expenses for which forgiveness can be granted, at least 60% must be for payroll costs, or a proportionate reduction of the maximum loan forgiveness amount will occur; and
- If employee headcount is reduced, or employee compensation is reduced by more than 25%, during the Covered Period, a further reduction of the maximum loan forgiveness amount will occur, subject to certain safe harbors added by the Flexibility Act.

In order to obtain forgiveness of the PPP Loan, in whole or in part, the Center must request forgiveness and provide satisfactory documentation in accordance with applicable SBA guidelines. Any portion of the PPP Loan that is not forgiven, together with accrued interest, will be repaid based on the terms and conditions of the PPP Loan and in accordance with the PPP as amended by the Flexibility Act. The Center has recorded the full amount of the PPP Loan as debt at October 31, 2020 and intends to reflect the benefit of any loan forgiveness when the loan forgiveness application is submitted to, and approved by, the SBA and it has reasonable assurance from the SBA that it has met the eligibility and loan forgiveness requirements of the PPP. Management of the Center believes the entire loan amount will be forgiven. If the loan is not forgiven, \$46,284 and \$23,138 will be due during the years ended October 31, 2021 and 2022, respectively.

8. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of amounts restricted by donors for the following purposes or periods at October 31:

	2020	2019
Rent and utilities for client distribution	\$ 4,998	\$ -
Food for client distribution	300	4,087
Bus passes for client distribution	-	890
	\$ 5,298	\$ 4,977

White Rock Center of Hope, Inc.
Notes to Financial Statements

9. In-kind Donations

The Center recorded donations of goods, services and storage space during the years ended October 31:

	<u>2020</u>	<u>2019</u>
Client assistance:		
Food	\$ 651,546	\$ 772,789
Clothing	84,142	235,388
	<u>735,688</u>	<u>1,008,177</u>
Resale store merchandise	241,833	383,000
Accounting services	24,300	1,350
	<u>266,133</u>	<u>384,350</u>
Donated goods and services	<u>\$ 1,001,821</u>	<u>\$ 1,392,527</u>

As described in Note 10 to these financial statements, donated goods and services account for a significant portion of the Center's total revenue and support.

During the year ended October 31, 2020, the Center received donated stock totaling \$18,759 which is included in contribution revenue on the statements of activities and investments on the statements of financial position.

In addition to the donated goods and services that are recorded in the accompanying financial statements, the Center also utilizes the services of a significant number of volunteers in order to effectively and efficiently carry out its programs and supporting services. The Center estimates that during the year ended October 31, 2020, over 200 individuals provided approximately 21,000 total hours of volunteer services to the Center. During the year ended October 31, 2019, over 200 individuals provided approximately 34,000 total hours of volunteer services. While the Center considers the services of these volunteers to be critical to the success of the Center's operations, these services are not recorded in the accompanying statement of activities because the donated services did not possess the characteristics required in order to permit recording the services under GAAP, as described in Note 2 to these financial statements. The Center estimates the value of these unrecorded volunteer services to total approximately \$539,036 and \$860,000 for the years ended October 31, 2020 and 2019, respectively.

10. Concentrations

Donated goods, services and storage space accounted for approximately 56% and 68% of the Center's total revenue and support during the years ended October 31, 2020 and 2019, respectively. These donations were received from a variety of sources including the Center's member organizations and other related parties as well as from parties that are independent from the Center including the North Texas Food Bank, local grocers, retail stores, individuals and groups.

White Rock Center of Hope, Inc.

Notes to Financial Statements

During the years ended October 31, 2020 and 2019, the Center's resale store sales accounted for 14% and 19%, respectively, of total revenue and support.

Significant decreases of funding from these sources or alternative funding sources would have a material negative effect on the Center's operations. Management believes these concentration risks are mitigated by the number of prospective donors of in-kind goods and services and the Center's intentions to continue its resale store operations.

11. Liquidity and Availability of Resources

As of October 31, 2020, the Center has \$426,780 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure, consisting of cash of \$403,761, resale store sales receivables of \$3,000 and investments of \$20,019. As of October 31, 2019, the Center has \$288,980 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure, consisting of cash of \$286,671 and resale store sales receivables of \$2,309.

None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The Center strives to maintain liquid financial assets sufficient to cover near-term operating needs, and to maintain sufficient reserves to provide reasonable assurance that long-term obligations will be fulfilled. During the years ended October 31, 2020 and 2019, the level of liquidity was managed within the Center's expectations.

12. Uncertainty

In March 2020, the World Health Organization recognized the novel strain of coronavirus, COVID-19, as a pandemic. The coronavirus outbreak has severely restricted the level of economic activity around the world. Given the uncertainty of the spread of the coronavirus, the related financial impact to the Center, if any, cannot be determined at this time.

13. Subsequent Events

Management has evaluated subsequent events through the date which the financial statements were available to be issued, and concluded that no additional disclosures are required.