



White Rock Center of Hope, Inc.

**Financial Statements
October 31, 2021 and 2020**

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, 2021 and 2020, 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, 2021 and 2020 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.

Sutton Frost Cary

A Limited Liability Partnership

Arlington, Texas
February 7, 2022

White Rock Center of Hope, Inc.
Statements of Financial Position
October 31, 2021 and 2020

	2021	2020
Assets		
Current assets:		
Cash	\$ 542,445	403,761
Prepaid expenses	6,684	10,640
Resale store sales receivables	5,838	3,000
Investments	24,448	20,019
Inventories	72,646	54,686
Total current assets	652,061	492,106
Property and equipment, net	923,145	895,602
Total assets	\$ 1,575,206	\$ 1,387,708
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 24,535	\$ 14,128
Capital lease, current portion	2,328	-
Paycheck Protection Program loan	-	69,422
Total current liabilities	26,863	83,550
Capital lease, net	8,489	-
Total liabilities	35,352	83,550
Net assets:		
Net assets without donor restrictions	1,485,227	1,298,860
Net assets with donor restrictions	54,627	5,298
Total net assets	1,539,854	1,304,158
Total liabilities and net assets	\$ 1,575,206	\$ 1,387,708

See notes to financial statements.

White Rock Center of Hope, Inc.
Statement of Activities
Year Ended October 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Donated goods and services	\$ 1,219,243	\$ -	\$ 1,219,243
Contributions	451,350	37,127	488,477
Government grants	55,000	17,500	72,500
Resale store sales	357,605	-	357,605
Investment income	4,429	-	4,429
Interest income	2,412	-	2,412
Net assets released from restrictions	5,298	(5,298)	-
Total revenue and support	2,095,337	49,329	2,144,666
Expenses:			
Program services	1,728,591	-	1,728,591
General and administrative	106,809	-	106,809
Fundraising	120,655	-	120,655
Total expenses	1,956,055	-	1,956,055
Change in net assets from operations	139,282	49,329	188,611
Non-operating gains and losses:			
Gain on involuntary conversion	24,221	-	24,221
Loss on disposal of equipment	(46,558)	-	(46,558)
Forgiveness of Paycheck Protection Program loan	69,422	-	69,422
Total non-operating gains and losses	47,085	-	47,085
Change in net assets	186,367	49,329	235,696
Net assets at beginning of year	1,298,860	5,298	1,304,158
Net assets at end of year	\$ 1,485,227	\$ 54,627	\$ 1,539,854

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 Functional Expenses
Year Ended October 31, 2021

	Program Services	General and Administrative	Fundraising	Total
Client assistance	\$ 908,940	\$ -	\$ -	\$ 908,940
Wages and payroll taxes	250,638	40,808	93,493	384,939
Resale store	363,462	-	-	363,462
Professional fees and contract labor	39,137	49,050	-	88,187
Occupancy	67,894	1,787	1,787	71,468
Depreciation	29,102	765	766	30,633
Property and liability insurance	24,773	793	1,234	26,800
Supplies and equipment	3,017	2,928	2,928	8,873
Telecommunications and database services	16,335	2,659	6,093	25,087
Bank and credit card fees	9,581	3,874	-	13,455
Property taxes	8,308	219	219	8,746
Program, staff and volunteer development	3,573	-	6,291	9,864
Dues and subscriptions	785	3,478	820	5,083
Marketing and fundraising	2,468	-	7,024	9,492
Miscellaneous	578	448	-	1,026
Total expenses	\$ 1,728,591	\$ 106,809	\$ 120,655	\$ 1,956,055

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.
Statements of Cash Flows
Years Ended October 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 235,696	\$ 34,825
Adjustments to reconcile change in net assets to net cash provided by operations:		
Depreciation	30,633	28,200
Donated stock	-	(18,759)
Gain on involuntary conversion	(24,221)	-
Loss on disposal of equipment	46,558	-
Unrealized gains on investments	(4,144)	(1,080)
Gain on forgiveness of Paycheck Protection Program loan	(69,422)	-
Changes in operating assets and liabilities:		
Prepaid expenses	3,956	1,156
Resale store sales receivables	(2,838)	(691)
Inventories	(17,960)	19,008
Accounts payable and accrued liabilities	10,407	812
Net cash provided by operating activities	208,665	63,471
Cash flows from investing activities:		
Purchases of property and equipment	(69,696)	(11,460)
Purchase of investments	(285)	(180)
Net cash used by investing activities	(69,981)	(11,640)
Cash flows from financing activities:		
Principal payments on mortgage payable	-	(4,163)
Proceeds from Paycheck Protection Program loan	-	69,422
Net cash provided by financing activities	-	65,259
Change in cash	138,684	117,090
Cash at beginning of year	403,761	286,671
Cash at end of year	\$ 542,445	\$ 403,761
Supplemental cash flow information:		
Cash paid during the year for interest	\$ -	\$ 33
Non-cash financing activities:		
Forgiveness of Paycheck Protection Program loan	\$ 69,422	\$ -
Property and equipment acquired through capital lease	\$ 10,817	\$ -

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, 2021 and 2020, 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 financial institutions located in Texas. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. At October 31, 2021, the Center had uninsured balances totaling \$53,705.

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.

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, 2021 and 2020. 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 October 31, 2021 and 2020, 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.

White Rock Center of Hope, Inc.

Notes to 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, 2021 and 2020 totaled \$27,517 and \$19,982, 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 will depend on a lease's classification. The standard takes effect for fiscal years beginning after December 15, 2021.

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

In 2020, FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The Center will be required to present contributed nonfinancial assets as separate line items in the statement of activities, apart from contributions of cash or other financial assets, and additional quantitative and qualitative disclosures will be required. The standard takes effect for annual reporting periods beginning after June 15, 2021.

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

3. Inventories

Inventories consist of the following at October 31:

	<u>2021</u>	<u>2020</u>
Held for distribution to clients:		
Food and toiletries	\$ 15,716	\$ 22,124
Clothing and toys	29,315	8,124
Held in resale store	<u>27,615</u>	<u>24,438</u>
	<u>\$ 72,646</u>	<u>\$ 54,686</u>

4. Property and Equipment

Property and equipment consist of the following at October 31:

	<u>2021</u>	<u>2020</u>
Building and improvements	\$ 879,667	\$ 864,932
Land and improvements	328,936	339,698
Vehicles	33,214	33,214
Furniture and equipment	<u>45,944</u>	<u>38,737</u>
	1,287,761	1,276,581
Less: accumulated depreciation	<u>(364,616)</u>	<u>(380,979)</u>
	<u>\$ 923,145</u>	<u>\$ 895,602</u>

Depreciation expense totaled \$30,633 and \$28,200 for the years ended October 31, 2021 and 2020, 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

White Rock Center of Hope, Inc.

Notes to Financial Statements

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;
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:

	<u>2021</u>	<u>2020</u>
Money market funds	\$ 5,151	\$ 4,966
Equity securities	15,814	11,733
Mutual funds	<u>3,483</u>	<u>3,320</u>
	<u>\$ 24,448</u>	<u>\$ 20,019</u>

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

	<u>2021</u>	<u>2020</u>
Fidelity Government Money Market	21%	25%
Fidelity Tax-Free Bond	12%	14%
Apple Inc.	34%	30%
Sysco Corp.	14%	12%

Investment income consists of the following for the years ended October 31:

	<u>2021</u>	<u>2020</u>
Interest and dividend income	\$ 285	\$ 180
Unrealized gains on investments	<u>4,144</u>	<u>1,080</u>
	<u>\$ 4,429</u>	<u>\$ 1,260</u>

6. Capital Lease

The Center has entered into a lease agreement that is classified as a capital lease obligation. The present value of future minimum lease payments under this agreement and the corresponding liability have been recorded in the financial statements as capitalized equipment and capital lease payable, respectively. Amortization of the leased equipment is included in depreciation, and the net book value of the leased equipment is \$10,817 as of October 31, 2021.

The lease payable is due in monthly installments with an interest rate of 3.75%. The lease matures in October 2026. Capital lease payable totaled \$10,817 as of October 31, 2021.

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

The minimum amounts due to maturity under the capital lease are as follows for the years ended October 31:

2022	\$	2,376
2023		2,376
2024		2,376
2025		2,376
2026		<u>2,376</u>
Total minimum lease payments		11,880
Less amount representing interest		<u>(1,063)</u>
Present value of minimum lease payments		10,817
Less current maturities		<u>(2,328)</u>
Capital lease obligation, net of current maturities	\$	<u><u>8,489</u></u>

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, and is part of the Coronavirus Aid, Relief and Economic Security Act, as amended by the Paycheck Protection Program Flexibility Act of 2020. 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. The PPP Loan, and accrued interest, may be forgiven partially or in full, if certain conditions are met. On April 9, 2021, the Center received forgiveness of the entire amount of the PPP Loan. The forgiveness of the PPP Loan is included in non-operating revenue in the accompanying statements of activities.

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:

	<u>2021</u>	<u>2020</u>
Rent and utilities for client distribution	\$ 54,627	\$ 4,998
Food for client distribution	-	300
	<u>\$ 54,627</u>	<u>\$ 5,298</u>

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

9. In-kind Donations

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

	<u>2021</u>	<u>2020</u>
Client assistance:		
Food	\$ 783,026	\$ 651,546
Clothing	<u>54,218</u>	<u>84,142</u>
	837,244	735,688
Resale store merchandise	355,449	241,833
Accounting services	<u>26,550</u>	<u>24,300</u>
Donated goods and services	<u><u>\$ 1,219,243</u></u>	<u><u>\$ 1,001,821</u></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.

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, 2021, over 890 individuals provided approximately 21,600 total hours of volunteer services to the Center. During the year ended October 31, 2020, over 200 individuals provided approximately 21,000 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 statements 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 \$615,351 and \$539,036 for the years ended October 31, 2021 and 2020, respectively.

10. Concentrations

Donated goods and services accounted for approximately 56% of the Center's total revenue and support during the years ended October 31, 2021 and 2020. 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.

During the years ended October 31, 2021 and 2020, the Center's resale store sales accounted for 16% and 14%, respectively, of total revenue and support.

White Rock Center of Hope, Inc.

Notes to Financial Statements

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, 2021, the Center has \$572,731 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 \$542,445, resale store sales receivables of \$5,838 and investments of \$24,448. 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.

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, 2021 and 2020, the level of liquidity was managed within the Center's expectations.

12. Uncertainty

On 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. Involuntary Conversion

In March 2021, the Center's building suffered extensive water damage due to burst pipes. Insurance covered the damage that resulted in a gain on involuntary conversion of assets in the amount of \$24,221 reported in the statements of activities.

14. 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.