White Rock Center of Hope, Inc.

Financial Statements
October 31, 2023 and 2022

SFC
Certified Public Accountants

White Rock Center of Hope, Inc.

Contents

SFC
Certified Public Accountants

Independent Auditors' Report

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

Opinion

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, 2023 and 2022, 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 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, 2023 and 2022, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

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 White Rock Center of Hope, 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 GAAP, 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 White Rock Center of Hope, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of 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, including omissions, 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 White Rock Center of Hope, 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 White Rock Center of Hope, 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 audits.

Sutton Frost Cary
A Limited Liability Partnership

Arlington, Texas
January 31, 2024

White Rock Center of Hope, Inc.
Statements of Financial Position
October 31, 2023 and 2022

	2023	2022
Assets		
Current assets:		
Cash	$ 535,458	$ 589,615
Prepaid expenses	16,280	19,562
Resale store sales receivables	992	2,254
Investments	23,837	23,717
Inventories	175,659	151,396
Total current assets	752,226	786,544
Property and equipment, net	961,177	924,281
Right-of-use asset - finance lease, net	7,727	9,272
Total assets	$ 1,721,130	$ 1,720,097
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	$ 27,979	$ 38,229
Right-of-use liability - finance lease	1,981	2,053
Total current liabilities	29,960	40,282
Right-of-use liability - finance lease, net	4,086	6,246
Total liabilities	34,046	46,528
Net assets:		
Net assets without donor restrictions	1,647,445	1,598,304
Net assets with donor restrictions	39,639	75,265
Total net assets	1,687,084	1,673,569
Total liabilities and net assets	$ 1,721,130	$ 1,720,097

See notes to financial statements.

White Rock Center of Hope, Inc.
Statement of Activities
Year Ended October 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Contributions of nonfinancial assets	$ 1,504,359	$ -	$ 1,504,359
Contributions of cash and other financial assets	534,689	25,297	559,986
Government grants	39,362	638	40,000
Resale store sales, net	494,538	-	494,538
Net assets released from restrictions	61,561	(61,561)	-
Total revenue and support	2,634,509	(35,626)	2,598,883
Operating expenses:			
Program services	2,303,591	-	2,303,591
General and administrative	143,612	-	143,612
Fundraising	147,327	-	147,327
Total operating expenses	2,594,530	-	2,594,530
Excess (deficit) of revenue and support over operating expenses	39,979	(35,626)	4,353
Non-operating gains:			
Investment income	211	-	211
Interest income	8,951	-	8,951
Total non-operating income	9,162	-	9,162
Change in net assets	49,141	(35,626)	13,515
Net assets at beginning of year	1,598,304	75,265	1,673,569
Net assets at end of year	$ 1,647,445	$ 39,639	$ 1,687,084

See notes to financial statements.

White Rock Center of Hope, Inc.
Statement of Activities
Year Ended October 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Contributions of nonfinancial assets	$ 1,354,692	$ -	$ 1,354,692
Contributions of cash and other financial assets	409,963	53,316	463,279
Government grants	45,629	4,371	50,000
Resale store sales, net	470,198	-	470,198
Net assets released from restrictions	37,049	(37,049)	-
Total revenue and support	2,317,531	20,638	2,338,169
Operating expenses:			
Program services	1,973,344	-	1,973,344
General and administrative	109,770	-	109,770
Fundraising	132,140	-	132,140
Total operating expenses	2,215,254	-	2,215,254
Excess of revenue over operating expenses	102,277	20,638	122,915
Non-operating gains and (losses):			
Gain on involuntary conversion	6,152	-	6,152
Other income	4,315	-	4,315
Investment loss	(731)	-	(731)
Interest income	1,064	-	1,064
Total non-operating income	10,800	-	10,800
Change in net assets	113,077	20,638	133,715
Net assets at beginning of year	1,485,227	54,627	1,539,854
Net assets at end of year	$ 1,598,304	$ 75,265	$ 1,673,569

White Rock Center of Hope, Inc.
Statement of Functional Expenses
Year Ended October 31, 2023

	Program Services	General and Administrative	Fundraising	Total
Client assistance	$ 1,095,935	$ -	$ -	$ 1,095,935
Wages and payroll taxes	478,053	70,457	117,231	665,741
Resale store	509,359	-	-	509,359
Professional fees and contract labor	-	47,625	-	47,625
Occupancy	77,122	2,030	2,029	81,181
Depreciation and amortization	39,219	1,032	1,032	41,283
Property and liability insurance	33,110	3,229	1,048	37,387
Supplies and equipment	2,157	2,222	2,157	6,536
Telecommunications and database services	45,075	4,831	7,374	57,280
Bank and credit card fees	12,273	7,934	-	20,207
Property taxes	211	6	5	222
Program, staff and volunteer development	5,852	1,270	8,512	15,634
Dues and subscriptions	983	844	1,461	3,288
Marketing and fundraising	4,242	-	6,478	10,720
Interest	-	179	-	179
Miscellaneous	-	1,953	-	1,953
Total expenses	$ 2,303,591	$ 143,612	$ 147,327	$ 2,594,530

See notes to financial statements.

White Rock Center of Hope, Inc.
Statement of Functional Expenses
Year Ended October 31, 2022

	Program Services	General and Administrative	Fundraising	Total
Client assistance	$ 897,123	$ -	$ -	$ 897,123
Wages and payroll taxes	392,349	59,556	106,790	558,695
Resale store	488,200	-	-	488,200
Occupancy	54,269	1,428	1,428	57,125
Telecommunications and database services	35,411	3,522	8,405	47,338
Professional fees and contract labor	4,463	34,300	-	38,763
Depreciation and amortization	36,019	948	948	37,915
Property and liability insurance	33,119	952	1,195	35,266
Bank and credit card fees	11,000	3,808	-	14,808
Marketing and fundraising	3,547	-	7,173	10,720
Program, staff and volunteer development	6,562	1,492	2,480	10,534
Property taxes	8,079	213	212	8,504
Supplies and equipment	2,149	2,213	2,149	6,511
Dues and subscriptions	800	1,238	1,360	3,398
Miscellaneous	254	45	-	299
Interest	-	55	-	55
Total expenses	$ 1,973,344	$ 109,770	$ 132,140	$ 2,215,254

See notes to financial statements.

White Rock Center of Hope, Inc.
Statements of Cash Flows
Years Ended October 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	$ 13,515	$ 133,715
Adjustments to reconcile change in net assets to net cash provided by operations:		
Depreciation and amortization	41,283	37,915
Gain on involuntary conversion	-	(6,152)
Unrealized loss on investments	434	1,072
Changes in operating assets and liabilities:		
Prepaid expenses	3,282	(12,878)
Resale store sales receivables	1,262	3,584
Inventories	(24,263)	(78,750)
Accounts payable and accrued liabilities	(10,250)	13,694
Net cash provided by operating activities	25,263	92,200
Cash flows from investing activities:		
Proceeds from insurance for involuntary conversion	-	6,152
Purchases of property and equipment	(76,634)	(48,323)
Purchase of investments	(554)	(341)
Net cash used by investing activities	(77,188)	(42,512)
Cash flows from financing activities:		
Principal payments on finance lease liability	(2,232)	(2,518)
Change in cash	(54,157)	47,170
Cash at beginning of year	589,615	542,445
Cash at end of year	$ 535,458	$ 589,615

See 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 23-member board of directors (Board). The mission of White Rock Center of Hope, Inc. (Center) is to cultivate hope through basic needs and personalized empowerment. 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 accounting principles generally accepted in the United States of America (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, 2023 and 2022, no such net asset restrictions existed.

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, 2023, the Center had no uninsured balances.

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.

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 or 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, 2023 and 2022. Accordingly, no provision has been made for federal income tax in the accompanying 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, 2023 and 2022, 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, 2023 and 2022 totaled $37,894 and $36,959, 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.

3. Inventories

Inventories consist of the following at October 31:

	2023	2022
Held for distribution to clients:		
Food and toiletries	$ 75,341	$ 63,465
Clothing and toys	33,735	20,427
Held in resale store	66,583	67,504
Total	$ 175,659	$ 151,396

4. Property and Equipment

Property and equipment consist of the following at October 31:

	2023	2022
Building and improvements	$ 916,270	$ 902,772
Land and improvements	328,936	328,936
Vehicles	32,062	32,062
Furniture and equipment	118,481	55,345
	1,395,749	1,319,115
Less: accumulated depreciation	(434,572)	(394,834)
Property and equipment, net	$ 961,177	$ 924,281

Depreciation expense totaled $39,738 and $36,370 for the years ended October 31, 2023 and 2022, 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;

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.

Real Estate Investment Trusts

These investments are valued at the NAV which is based on the estimated market value of the trust's total assets minus the value of all liabilities. The NAV is a quoted price in an active market.

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.

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

	2023	2022
Money market funds	$ 5,838	$ 5,386
Equity securities	14,641	14,942
Mutual funds	3,110	3,009
Real estate investment trusts	248	380
Total	$ 23,837	$ 23,717

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

	2023	2022
Fidelity Government Money Market	24%	23%
Apple Inc.	40%	36%
Sysco Corp.	12%	16%

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

	2023	2022
Interest and dividend income	$ 645	$ 341
Unrealized losses on investments	(434)	(1,072)
Investment Income (loss), net	$ 211	$ (731)

6. Leases

In evaluating its contracts, the Center separately identifies lease and nonlease components, such as maintenance costs, in calculating the right-of-use (ROU) assets and lease liabilities for its equipment. The Center has elected the practical expedient to not separate the lease and nonlease components and classifies the contract as a lease if consideration in the contract allocated to the lease component is greater than the consideration allocated to the nonlease component.

Leases result in the recognition of ROU assets and lease liabilities on the statement of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Center determines lease classification as operating or finance at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payment over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent and lease incentives. The Center uses the implicit rate when readily determinable. As most of the leases do not provide an implicit rate, the Center uses the risk-free rate based on the information available at the commencement date to determine the present value of lease payments. Risk-free rates used to determine the present value of lease payments were derived by reference to the interest paid on short-term government debt.

The lease term may include options to extend or to terminate the lease that the Center is reasonably certain to exercise. Lease expense is generally recognized on a straight line basis over the lease term. The Center has elected not to record leases with an initial term of 12 months or less on the statement of financial position. Lease expense on such leases is recognized on a straight line basis over the lease term.

Nature of Leases

In November 2021, the Center entered into a lease agreement that is classified as a finance lease. The present value of future minimum lease payments under this agreement and the corresponding liability have been recorded in the financial statements as ROU asset – finance lease and ROU liability – finance lease, respectively. Amortization of the leased equipment is included in depreciation and amortization, and the net book value of the leased equipment totaled $7,727 and $9,272 as of October 31, 2023 and 2022, respectively.

The lease liability is due in monthly installments with an interest rate of 3.75%. The lease matures in October 2026. ROU liability totaled $6,067 and $8,299 as of October 31, 2023 and 2022, respectively.

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

2024	$ 2,376
2025	2,376
2026	2,376
Total minimum lease payments	7,128
Less amount representing interest	(1,061)
Present value of minimum lease payments	6,067
Less current maturities	(1,981)
Finance lease liability, net of current maturities	$ 4,086

7. Net Assets With Donor Restrictions

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

	2023	2022
Neighbor rent, utilities and assistance	$ 39,639	$ 61,950
Client database	-	7,737
Building safety	-	5,578
Total	$ 39,639	$ 75,265

8. Contributions of Nonfinancial Assets

The Center received the following contributions of nonfinancial assets during the years ended October 31:

Description	2023	2022	Was in-kind sold?	Utilization in program/activities Program, Fundraising, G&A	Donor restrictions	Valuation technique and inputs
Resale Store	$ 493,616	$ 512,146	Yes	Program	None	Fair market value of similar items in thrift stores
Clothing Distribution	222,483	107,560	No	Program	None	Fair market value of similar items in thrift stores
Computers	-	10,000	No	Program	None	Fair market value of similar items
Supplies	303	-	No	Program	None	Fair market value of similar items
Professional services	24,700	22,400	No	General and administrative	None	Value reported at the standard invoice offered by the donor
Food and toiletries	763,257	702,586	No	Progam	None	$1.70 per pound based on the average value reported per the North Texas Food Bank and Feeding America
Total	$ 1,504,359	$ 1,354,692				

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, 2023, over 1,300 individuals and 570 groups provided approximately 27,000 total hours of volunteer services to the Center. During the year ended October 31, 2022, over 1,100 individuals and 290 groups provided approximately 23,000 total hours of volunteer services to the Center. 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 $855,000 and $699,000 for the years ended October 31, 2023 and 2022, respectively.

9. Related Party Transactions

The Center received contributions totaling $37,093 and $38,489 during the years ended October 31, 2023 and 2022, respectively from members of the board of directors and employees.

The Center received contributions of donated services totaling $24,700 and $22,400 during the years ended October 31, 2023 and 2022, respectively from a member of the board of directors.

10. Concentrations

Donated goods and services accounted for approximately 58% of the Center's total revenue and support during the years ended October 31, 2023 and 2022. 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, 2023 and 2022, two donors accounted for 34% and 26%, respectively of total donated goods and services.

During the year ended October 31, 2023, one donor accounted for 10% of total contributions.

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, 2023, the Center has $560,287 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure, consisting of cash totaling $535,458, resale store sales receivables totaling $992 and investments totaling $23,837. As of October 31, 2022, the Center has $615,586 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure, consisting of cash totaling $589,615, resale store sales receivables totaling $2,254 and investments totaling $23,717.

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, 2023 and 2022, the level of liquidity was managed within the Center's expectations.

12. Involuntary Conversion

In May 2022, the Center's vehicle suffered extensive damage due to a collision. Insurance covered the damage that resulted in a gain on involuntary conversion of assets totaling $6,152 reported in the statements of activities.

13. Subsequent Events

Management has evaluated subsequent events through January 31, 2024, the date the financial statements were available to be issued, and concluded that no additional disclosures are required.