

**WHITE ROCK CENTER OF HOPE, INC.**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**OCTOBER 31, 2024**

**White Rock Center of Hope, Inc.**  
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**October 31, 2024**

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## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of White Rock Center of Hope, Inc. (a nonprofit organization) which comprise the statement of financial position as of October 31, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of White Rock Center of Hope, Inc. as of October 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

#### ***Basis for Opinion***

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

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of 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 for one year after the date that the financial statements are issued.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

*SST Accountants & Consultants*

SST Accountants & Consultants PLLC

March 28, 2025

**White Rock Center of Hope, Inc.**  
**Statement of Financial Position**  
**October 31, 2024**

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**ASSETS**

**Current Assets**

Cash	\$ 328,740
Certificate of deposit	111,166
Contributions receivable	62,318
Thrift store sales receivables	4,290
Investments	28,713
Inventory	201,852
Prepaid expenses	64,842
Total Current Assets	<u>801,921</u>

**Noncurrent Assets**

Property and equipment, net	1,036,667
Finance lease right-of-use asset	6,181
Total Noncurrent Assets	<u>1,042,848</u>

TOTAL ASSETS \$ 1,844,769

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts payable and accrued expenses	\$ 36,861
Finance lease liability, current portion	1,913
Total Current Liabilities	<u>38,774</u>

**Long-Term Liabilities**

Finance lease liability, net of current portion	2,005
Total Long-Term Liabilities	<u>2,005</u>

Total Liabilities 40,779

**Net Assets**

Without donor restrictions	1,732,466
With donor restrictions	71,524
TOTAL NET ASSETS	<u>1,803,990</u>

TOTAL LIABILITIES AND NET ASSETS \$ 1,844,769

The accompanying notes are an integral part of this financial statement.

**White Rock Center of Hope, Inc.**  
**Statement of Activities and Changes in Net Assets**  
**For the Year Ended October 31, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues and Support</b>			
Contributions of cash and other financial assets	\$ 538,391	\$ 98,980	\$ 637,371
Contributions of nonfinancial assets	2,070,531	-	2,070,531
Government grants	50,000	45,000	95,000
Thrift store sales, net	494,866	-	494,866
Investment return	5,151	-	5,151
Interest income	15,237	-	15,237
Other income	2,477	-	2,477
	<u>3,176,653</u>	<u>143,980</u>	<u>3,320,633</u>
Net assets released from restrictions	112,095	(112,095)	-
Total Revenues and Support	<u>3,288,748</u>	<u>31,885</u>	<u>3,320,633</u>
<b>Expenses</b>			
Program services	2,907,705	-	2,907,705
General and administrative	139,886	-	139,886
Fundraising	156,136	-	156,136
Total Expenses	<u>3,203,727</u>	<u>-</u>	<u>3,203,727</u>
Change in Net Assets	85,021	31,885	116,906
<b>Net Assets, Beginning of Year</b>	<u>1,647,445</u>	<u>39,639</u>	<u>1,687,084</u>
<b>Net Assets, End of Year</b>	<u>\$ 1,732,466</u>	<u>\$ 71,524</u>	<u>\$ 1,803,990</u>

The accompanying notes are an integral part of this financial statement.

**White Rock Center of Hope, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended October 31, 2024**

	<b>Program Services</b>	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Total</b>
Client assistance	\$ 1,672,251	\$ -	\$ -	\$ 1,672,251
Salaries and benefits	492,802	77,089	121,389	691,280
Thrift store	510,055	-	-	510,055
Professional fees and contract labor	-	17,650	-	17,650
Occupancy	86,771	2,284	2,284	91,339
Depreciation and amortization	49,907	1,313	1,313	52,533
Property and liability insurance	33,598	3,952	1,231	38,781
Supplies and equipment	1,975	1,917	1,918	5,810
Telecommunications and database services	40,681	4,945	8,475	54,101
Bank and credit card fees	11,656	8,761	4	20,421
Program, staff and volunteer development	7,300	882	2,375	10,557
Dues and subscriptions	709	998	1,169	2,876
Marketing	-	13,696	15,978	29,674
Interest	-	228	-	228
Miscellaneous	-	6,171	-	6,171
Total	<u>\$ 2,907,705</u>	<u>\$ 139,886</u>	<u>\$ 156,136</u>	<u>\$ 3,203,727</u>

The accompanying notes are an integral part of this financial statement.

**White Rock Center of Hope, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended October 31, 2024**

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**Cash Flows From Operating Activities**

Change in Net Assets	\$ 116,906
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation and amortization	52,533
Donated inventory	(2,064,281)
Noncash distributions of inventory	2,038,087
Unrealized gain on investments	(4,255)
Reinvested dividends and interest	(5,958)
Gain on sale of property and equipment	(2,024)
Changes in operating assets and liabilities:	
Contributions receivable	(62,318)
Thrift store sales receivables	(3,298)
Prepaid expenses	(48,562)
Accounts payable and accrued expenses	8,882
Net Cash Provided (Used in) by Operating Activities	25,712

**Cash Flows From Investing Activities**

Purchase of property and equipment	(127,253)
Proceeds from sale of property and equipment	2,800
Net Cash Provided (Used in) by Investing Activities	(124,453)

**Cash Flows from Financing Activities**

Principal payments on finance lease liability	(2,148)
Net Cash Provided (Used in) by Financing Activities	(2,148)

**Net Change in Cash** (100,889)

**Cash, Beginning of Year** 429,629

**Cash, End of Year** \$ 328,740

**Supplemental Cash Flow**

Interest Paid	\$ 228
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The accompanying notes are an integral part of this financial statement.

**White Rock Center of Hope, Inc.**  
**Notes to Financial Statements**  
**October 31, 2024**

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**Note 1: Organization and Summary of Significant Accounting Policies**

The summary of significant accounting policies of White Rock Center of Hope, Inc. (Center) is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Center's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) and have been consistently applied in the preparation of the financial statements.

**Organization**

The Center is a not-for-profit corporation founded in Texas in 1988 and governed by a board of directors (Board). The mission of the 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 churches. The Center also receives revenue from its thrift store.

**Accounting Pronouncement Adopted in 2024**

In 2016, Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which changes the impairment model used to measure credit losses for most financial assets. Under the new model the Center is required to estimate expected credit losses over the life of its trade receivables, certain other receivables and certain other financial instruments. The new model replaced the existing incurred credit loss model and generally results in earlier recognition of allowances for credit losses. The Center adopted this guidance on November 1, 2023, using the modified retrospective approach, and the adoption did not have a material impact on the financial statements or disclosures.

**Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. It is at least reasonably possible that the significant estimates used will change within the next year. Actual results could vary from estimates.

**White Rock Center of Hope, Inc.**  
**Notes to Financial Statements**  
**October 31, 2024**

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**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**  
**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 and reported as follows:

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Center and/or the passage of time.

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.

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, 2024, no such net assets 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 asset 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 net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

**Cash**

For purposes of the statement of cash flows, the Center considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The Center had no cash equivalents at October 31, 2024. The Center places cash, which at times may exceed federally insured limits, with high-credit quality financial institutions. The Center has not experienced any losses on such assets.

**Certificate of Deposit**

Certificate of deposit with maturity dates of three months or more when purchased are valued at face value plus accrued interest. The Center has a certificate of deposit with an interest rate of 4.75%. The certificate of deposit matures in July 2025 and automatically renews upon maturity.

**White Rock Center of Hope, Inc.**  
**Notes to Financial Statements**  
**October 31, 2024**

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**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**  
**Contributions Receivable**

Contributions receivable consist of unconditional promises to give from various donors. Management evaluates the contributions receivable for collectability based on due dates and provides an allowance for estimated uncollectible accounts. The Center also receives conditional promises to give which are reimbursement-basis federal awards. Receivables and grant revenue are recognized once eligible expenditures are incurred and recorded.

**Inventory**

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 prices. Purchased inventory held for distribution to clients is recorded using the first-in, first-out method.

Inventory at October 31, 2024 consisted of the following:

Food and toiletries	\$ 99,310
Clothing	30,642
Thrift store	<u>71,900</u>
	<u>\$ 201,852</u>

**Property and Equipment**

Property and equipment are stated at cost when purchased or fair value at the date of donation, less accumulated depreciation and amortization. Major expenditures which substantially increase useful lives are capitalized. Maintenance and repairs which do not improve or extend the lives of the respective assets are expensed when incurred. When property and equipment is sold or otherwise disposed of, the asset and related accumulated depreciation and amortization are removed, and any gain or loss is included in the statement of activities and changes in net assets.

Depreciation and amortization of property and equipment are calculated using the straight-line convention over the estimated useful lives of the respective assets. Estimated useful lives are as follows:

Land improvements	5 – 39 years
Building improvements	5 – 39 years
Furniture and equipment	5 – 10 years
Vehicles	5 years

**Impairment of Long-Lived Assets**

The Center regularly evaluates its long-lived assets for indicators of possible impairment. Should impairment exist, the impairment loss would be measured based on the excess carrying value of the asset over the asset's fair value. No impairment losses were recognized for the year ended October 31, 2024.

**White Rock Center of Hope, Inc.**  
**Notes to Financial Statements**  
**October 31, 2024**

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**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**  
**Investments**

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

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.

Government grants are recognized as contract terms are fulfilled.

Revenue from the thrift store is recognized when goods are sold.

**Allocation of Functional Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets 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.

**Leases**

The Center determines if a contract is classified as a lease at the contract's inception. Lease agreements are evaluated to determine whether the lease is a finance or operating lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the net present value of lease payments over the remaining lease term. The Center's lease does not provide an implicit rate; therefore, it has elected to use a risk-free rate as its incremental borrowing rate, based on the information available at the implementation commencement date to determine the present value of the lease payments over the remaining lease term. Leases with an initial term of 12 months or less are not recorded on the accompanying statement of financial position and are recognized as lease expense on a straight-line basis over the lease term.

**White Rock Center of Hope, Inc.**  
**Notes to Financial Statements**  
**October 31, 2024**

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**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**  
**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 year ended October 31, 2024. Accordingly, no provision has been made for federal income tax in the accompanying financial statements.

**Accounting for Uncertainty in Income Taxes**

Management has concluded that any tax positions that would not meet the more-likely-than-not criterion of FASB *Accounting Standards Codification* (ASC) Topic 740-10, *Accounting for Income Taxes*, would be immaterial to the financial statements taken as a whole. Accordingly, the accompanying financial statements do not include any provision for uncertain tax positions, and no related interest or penalties have been recorded in the statement of activities and changes in net assets or accrued in the statement of financial position. Federal and state tax returns of the Center are generally open to examination by the relevant taxing authorities for a period of three years from the date the returns are filed.

**Fair Value of Financial Instruments**

FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC Topic 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Center has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**White Rock Center of Hope, Inc.**  
**Notes to Financial Statements**  
**October 31, 2024**

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**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**  
**Fair Value of Financial Instruments (Continued)**

An asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. For the year ended October 31, 2024, there were no significant transfers between levels.

The following is a description of the valuation methodology used for assets measured at fair value.

*Money Market Funds:* Valued at \$1 for the net asset value (NAV).

*Mutual Funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Center are open-ended mutual funds that are registered with the U.S. Securities and Exchange Commission (SEC). These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Center are deemed to be actively traded.

*Equity Securities:* Valued at the closing price reported on the active markets in which the individual securities are traded.

*Real Estate Investment Funds (REIF):* 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 method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

In accordance with FASB ASC Subtopic 820-10, certain investments that are measured at NAV per share as a practical expedient (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statement of financial position.

**White Rock Center of Hope, Inc.**  
**Notes to Financial Statements**  
**October 31, 2024**

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**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**  
**Contributions of Nonfinancial Assets**

Contributions of nonfinancial assets are recognized at their estimated fair value at the date of receipt.

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific programs and assignments; however, those services do not meet the above criteria.

**Thrift Store Merchandise**

Thrift store merchandise sales are reported net of discounts and returned good. Sales tax collected during the year ended October 31, 2024 totaled \$37,408.

**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.

**Date of Management's Review**

The Center has evaluated subsequent events through March 28, 2025, the date the financial statements were available to be issued.

**Note 2: Property and Equipment**

Property and equipment at October 31, 2024 consisted of the following:

Land	\$ 277,344
Land improvements	90,792
Building and improvements	922,236
Furniture and equipment	142,939
Vehicles	<u>74,390</u>
	1,507,701
Less accumulated depreciation and amortization	<u>(471,034)</u>
Property and equipment, net	<u>\$ 1,036,667</u>

**White Rock Center of Hope, Inc.**  
**Notes to Financial Statements**  
**October 31, 2024**

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**Note 3: Investments and Fair Value of Financial Instruments**

Fair values of assets measured on a recurring basis at October 31, 2024 are as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market	\$ 6,349	\$ 6,349	\$ -	\$ -
Equity securities	18,531	18,531	-	-
Mutual funds	3,474	3,474	-	-
REIF	359	359	-	-
	\$ 28,713	\$ 28,713	\$ -	\$ -

Investment return consisted of the following for the year ended October 31, 2024:

Interest and dividend income	\$ 896
Unrealized gain on investments	4,255
	\$ 5,151

**Note 4: Commitments**

**Finance Lease**

The Center has an obligation under a noncancelable financing type lease agreement expiring in October 2026. The assets and liabilities under the lease are recorded at the present value of the minimum lease payments. The assets are amortized over the lesser of the estimated useful life or the lease term. Amortization of the assets under the lease is included in the statement of functional expenses for the year ended October 31, 2024.

The components of financing lease costs were as follows for the year ended October 31, 2024:

Amortization of right-of-use asset	\$ 1,545
Interest	\$ 228

The Center's weighted average remaining lease term and discount rate relating to its financing lease was as follows for the year ended October 31, 2024:

Weighted average remaining lease term (years)	2
Weighted average discount rate	3.75%

Supplemental information related to the Center's financing lease for the year ended October 31, 2024:

Operating cash flows from financing lease	\$ 228
Financing cash flows from financing lease	\$ 2,148

**White Rock Center of Hope, Inc.**  
**Notes to Financial Statements**  
**October 31, 2024**

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**Note 4: Commitments (Continued)**  
**Finance Lease (Continued)**

Future minimum lease payments required under this financing lease agreement are approximately as follows:

For the years ending October 31,				
2025		\$	2,376	
2026 and thereafter			2,376	
Total lease payments			4,752	
Less interest			(834)	
Present value of lease liabilities		\$	3,918	

**Note 5: Contributions of Nonfinancial Assets**

For the year ended October 31, 2024, contributed nonfinancial assets recognized within the statement of activities and changes in net assets included following:

Category	Revenue Recognized	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques and Inputs
Thrift Store	500,207	Program	No donor restrictions	Fair market value of similar items in thrift store.
Clothing Distribution	229,575	Program	No donor restrictions	Estimated fair value is \$3.00 per unit on the basis of Salvation Army's recommended valuation.
Food and Toiletries	1,334,499	Program	No donor restrictions	Estimated fair value is \$1.70 per pound on the basis of Feeding America's recommended valuation.
Professional Services	6,250	General and Administrative	No donor restrictions	Value reported at the standard invoice offered by the donor.
Total	\$ 2,070,531			

**White Rock Center of Hope, Inc.**  
**Notes to Financial Statements**  
**October 31, 2024**

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**Note 5: Contributions of Nonfinancial Assets (Continued)**

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, 2024, over 1,300 individuals provided approximately 28,000 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 statement of activities and changes in net assets because the donated services did not possess the characteristics required in order to permit recording the services under GAAP, as described in Note 1 to these financial statements. The Center estimates the value of these unrecorded volunteer services to total approximately \$905,000 for the year ended October 31, 2024.

**Note 6: Net Assets With Donor Restrictions**

At October 31, 2024, the purposes and corresponding balances remaining in net assets with donor restrictions were as follows:

Neighbor rent, utilities, food & other assistance	\$ 19,647
Building remodeling, landscaping, & I.T. equipment	44,897
Vehicle costs	<u>6,980</u>
Total	<u>\$ 71,524</u>

Net assets with donor restrictions released from restrictions during 2024 were as follows:

Neighbor rent, utilities, food & other assistance	\$ 33,992
Building remodeling, landscaping, & I.T. equipment	<u>78,103</u>
Total	<u>\$ 112,095</u>

**Note 7: Defined Contribution Plan**

The Center sponsors a defined contribution plan (Plan) for its employees. The Plan covers all eligible employees who are 18 years or older and complete three months of service, as defined by the Plan. It is an employee salary reduction plan with a safe harbor matching provision of 100% of the first 3% of employees' salaries. The employees are vested immediately in their contribution and safe harbor matching contributions. The Center made safe harbor matching contributions totaling \$15,047 for the year ended October 31, 2024. The Center also has the ability to make discretionary profit-sharing contributions, which are determined annually by the Board. The Center did not make any profit-sharing contributions for the year ended October 31, 2024.

**White Rock Center of Hope, Inc.**  
**Notes to Financial Statements**  
**October 31, 2024**

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**Note 8: Liquidity**

As part of the Center's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The policy is that monthly revenues are to cover monthly expenses. Monthly revenues and expenditures are deposited in and deducted from the operating accounts.

The Center's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Financial assets available at October 31, 2024	\$ 535,227
Less those unavailable for general expenditures within one year, due to:	
Donor-imposed restrictions	
Subject to appropriation and satisfaction of donor restrictions	<u>(71,524)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 463,703</u>

**Note 9: Concentrations**

Contributions of nonfinancial assets accounted for approximately 62% of the Center's total revenue and support during the year ended October 31, 2024. These donations were received from a variety of sources including the Center's 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 year ended October 31, 2024, 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 nonfinancial goods and services and the Center's intentions to continue its thrift store operations.

**Note 10: Related Party Transactions**

The Center received contributions totaling \$132,273 during the year ended October 31, 2024 from members of the Board and employees. One Board member contributed 91% of the total Board contributions during the fiscal year.