

# Grapevine Relief and Community Exchange

Financial Report  
August 31, 2023

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## Independent Auditor's Report

To the Board of Directors of  
Grapevine Relief and Community Exchange

### Opinion

We have audited the financial statements of Grapevine Relief and Community Exchange (GRACE), which comprise the statements of financial position as of August 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 accompanying financial statements present fairly, in all material respects, the financial position of Grapevine Relief and Community Exchange as of August 31, 2023 and 2022, and the changes in its net assets, functional expenses, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Grapevine Relief and Community Exchange 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.

### Emphasis of Matter

As discussed in Note 1 to the financial statements, during the year ended August 31, 2023, Grapevine Relief and Community Exchange adopted Accounting Standards Update (ASU) 2016-02, *Leases*, and related amendments ("Topic 842") effective September 1, 2022. Our opinion is not modified with respect to this matter.

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Grapevine Relief and Community Exchange's ability to continue as a going concern for one year after the date that the financial statements are issued (or, when applicable, one year after the date that the financial statements are available to be issued).

The Board of Directors of  
Grapevine Relief and Community Exchange

### **Auditor's 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 auditor's 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 Grapevine Relief and Community Exchange'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 Grapevine Relief and Community Exchange'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.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas  
December 19, 2023

# Grapevine Relief and Community Exchange

## Statements of Financial Position

August 31, 2023 and 2022

	2023	2022
<b>ASSETS</b>		
<b>ASSETS</b>		
Cash	\$ 941,501	\$ 703,731
Investments	2,958,591	2,757,088
Inventory	114,264	126,454
Pledges receivable	74,436	93,442
Grant receivables	24,322	-
Prepaid expenses	140,947	153,152
Other assets	18,844	16,844
Property and equipment, net	5,433,212	5,616,469
Right-of-use assets, operating, net	467,100	-
<b>TOTAL ASSETS</b>	<b>\$ 10,173,217</b>	<b>\$ 9,467,180</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 82,169	\$ 113,364
Accrued payroll	56,754	61,949
Accrued liabilities	98,900	100,991
Deferred revenue	444,088	260,750
Deferred rent	-	37,969
Operating lease liability	489,360	-
Note payable	2,185,391	2,428,189
Total liabilities	3,356,662	3,003,212
<b>NET ASSETS</b>		
Net assets without donor restrictions		
Board designated	2,607,698	2,430,767
Undesignated	3,941,099	3,744,804
Total net assets without donor restrictions	6,548,797	6,175,571
Net assets with donor restrictions	267,758	288,397
Total net assets	6,816,555	6,463,968
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 10,173,217</b>	<b>\$ 9,467,180</b>

The Notes to Financial Statements  
are an integral part of these statements.

# Grapevine Relief and Community Exchange

## Statements of Activities

Years Ended August 31, 2023 and 2022

	2023			2022		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>						
Contributions	\$ 1,985,329	\$ 423,495	\$ 2,408,824	\$ 1,653,220	\$ 724,160	\$ 2,377,380
Grants	92,046	604,378	696,424	460,532	-	460,532
In-kind contributions	2,645,615	-	2,645,615	2,261,816	-	2,261,816
Resale sales, net of donated inventory used	1,123,283	-	1,123,283	933,476	-	933,476
Contribution of donated goods for resale	800,732	-	800,732	821,650	-	821,650
Client donations	6,200	-	6,200	3,987	-	3,987
Investment income (loss)	206,534	17,247	223,781	(445,327)	-	(445,327)
Special event, net of direct costs of \$370,069 and \$330,895	854,138	-	854,138	640,654	-	640,654
Loss on disposal of assets	-	-	-	(30,544)	-	(30,544)
Other income	16,800	-	16,800	4,742	-	4,742
Net assets released from restrictions	1,065,759	(1,065,759)	-	814,204	(814,204)	-
Total support and revenue	8,796,436	(20,639)	8,775,797	7,118,410	(90,044)	7,028,366
<b>EXPENSES</b>						
Program services	5,435,827	-	5,435,827	4,648,188	-	4,648,188
Management and general	174,092	-	174,092	197,092	-	197,092
Resale	2,040,936	-	2,040,936	1,850,779	-	1,850,779
Fundraising	772,355	-	772,355	643,792	-	643,792
Total expenses	8,423,210	-	8,423,210	7,339,851	-	7,339,851
Change in net assets	373,226	(20,639)	352,587	(221,441)	(90,044)	(311,485)
<b>NET ASSETS, beginning of year</b>	6,175,571	288,397	6,463,968	6,397,012	378,441	6,775,453
<b>NET ASSETS, end of year</b>	<u>\$ 6,548,797</u>	<u>\$ 267,758</u>	<u>\$ 6,816,555</u>	<u>\$ 6,175,571</u>	<u>\$ 288,397</u>	<u>\$ 6,463,968</u>

The Notes to Financial Statements are an integral part of these statements.

# Grapevine Relief and Community Exchange

## Statement of Functional Expenses

### Year Ended August 31, 2023

	Program Services					Supporting Services				2023 Total	
	Emergency Assistance	Transitional Housing	Community Clinic	Food Pantry	Other Seasonal	Total	Management and General	Resale	Fundraising		Total
Salaries and related costs	\$ 575,502	\$ 165,205	\$ 419,312	\$ 188,007	\$ 67,393	\$1,415,419	\$ 128,754	\$ 968,551	\$ 498,697	\$1,596,002	\$3,011,421
Client assistance	719,421	161,512	923,577	1,092,439	503,357	3,400,306	316	5,230	115,597	121,143	3,521,449
Accountant fees	4,140	603	2,983	3,062	215	11,003	755	7,647	2,842	11,244	22,247
Advertising	57	14	59	56	25	211	-	24,378	7,478	31,856	32,067
Bank charges	2,896	852	2,820	4,385	2,001	12,954	5,684	70,151	23,911	99,746	112,700
Contract services	8,551	2,157	8,868	9,763	3,769	33,108	-	302,630	-	302,630	335,738
Donated space	734	6,530	761	725	27,111	35,861	-	14,319	-	14,319	50,180
Dues and subscriptions	1,172	422	1,827	1,216	403	5,040	1,668	5,454	3,929	11,051	16,091
Staff development	647	1,870	1,854	473	151	4,995	723	2,216	2,019	4,958	9,953
Employee recognition	6,181	2,756	5,437	3,956	2,044	20,374	5,783	21,660	7,487	34,930	55,304
Insurance	18,442	20,507	26,870	25,114	5,773	96,706	1,156	61,446	7,636	70,238	166,944
Marketing	1,379	300	2,233	1,490	819	6,221	1,957	20,230	29,405	51,592	57,813
Meetings and travel	6,576	4,532	6,116	4,973	2,201	24,398	6,999	11,978	16,531	35,508	59,906
Occupancy	4,390	1,107	4,552	4,340	1,935	16,324	-	268,284	-	268,284	284,608
Other	2,791	557	2,840	3,522	589	10,299	3,228	5,367	4,001	12,596	22,895
Postage	163	54	169	161	222	769	338	1,852	2,703	4,893	5,662
Printing	2,399	58	1,602	228	102	4,389	362	1,705	1,600	3,667	8,056
Repairs and maintenance	8,248	14,582	12,604	21,085	1,946	58,465	4,542	42,378	5,873	52,793	111,258
Supplies	5,129	8,680	4,398	6,043	4,546	28,796	2,282	32,153	5,553	39,988	68,784
Telephone	9,601	2,518	7,516	3,781	974	24,390	1,090	16,764	4,685	22,539	46,929
Technology	11,401	2,091	19,160	8,390	1,141	42,183	3,483	29,619	17,957	51,059	93,242
Utilities	11,984	2,384	10,454	14,181	1,302	40,305	2,508	69,440	6,796	78,744	119,049
Vehicle	245	62	255	8,706	108	9,376	374	5,283	286	5,943	15,319
Depreciation	11,855	21,606	48,665	50,990	819	133,935	2,090	52,201	7,369	61,660	195,595
<b>TOTAL EXPENSE BY FUNCTION</b>	<b>\$1,413,904</b>	<b>\$ 420,959</b>	<b>\$1,514,932</b>	<b>\$1,457,086</b>	<b>\$ 628,946</b>	<b>\$5,435,827</b>	<b>\$ 174,092</b>	<b>\$2,040,936</b>	<b>\$ 772,355</b>	<b>\$2,987,383</b>	<b>\$8,423,210</b>

The Notes to Financial Statements are an integral part of this statement.

# Grapevine Relief and Community Exchange

## Statement of Functional Expenses

Year Ended August 31, 2022

	Program Services					Supporting Services				2022 Total	
	Emergency Assistance	Transitional Housing	Community Clinic	Food Pantry	Other Seasonal	Total	Management and General	Resale	Fundraising		Total
Salaries and related costs	\$ 442,648	\$ 144,227	\$ 387,081	\$ 166,556	\$ 63,569	\$1,204,081	\$ 141,591	\$ 897,457	\$ 441,938	\$1,480,986	\$2,685,067
Client assistance	577,162	190,339	881,466	730,512	456,098	2,835,577	552	1,297	13,136	14,985	2,850,562
Accountant fees	2,601	865	1,329	1,029	151	5,975	336	10,970	1,926	13,232	19,207
Advertising	115	38	143	101	59	456	3	34,996	7,979	42,978	43,434
Bank charges	3,353	1,096	2,918	3,498	1,710	12,575	5,960	57,816	23,072	86,848	99,423
Contract services	6,911	2,267	8,596	6,079	3,522	27,375	3,673	171,695	2,082	177,450	204,825
Donated space	30,327	7,518	2,261	1,599	66,707	108,412	2,335	19,827	7,392	29,554	137,966
Dues and subscriptions	599	329	1,242	523	194	2,887	1,115	2,488	5,044	8,647	11,534
Staff development	98	838	1,073	720	35	2,764	179	1,041	3,297	4,517	7,281
Employee recognition	6,492	1,695	2,941	2,076	1,066	14,270	3,392	29,421	4,033	36,846	51,116
Insurance	16,227	17,633	23,014	21,099	5,398	83,371	1,534	60,097	7,180	68,811	152,182
Marketing	713	234	959	627	397	2,930	1,171	4,326	40,338	45,835	48,765
Meetings and travel	3,812	2,135	4,317	2,338	2,158	14,760	6,562	9,113	11,146	26,821	41,581
Occupancy	3,420	1,122	4,255	3,009	1,743	13,549	-	270,428	-	270,428	283,977
Other	3,148	114	2,985	3,021	724	9,992	924	13,547	2,843	17,314	27,306
Postage	464	79	604	144	84	1,375	463	5,568	5,406	11,437	12,812
Printing	1,552	121	1,167	121	915	3,876	166	619	33,418	34,203	38,079
Repairs and maintenance	7,921	18,552	7,917	8,970	2,899	46,259	12,207	25,937	4,677	42,821	89,080
Supplies	2,990	9,766	4,886	4,121	4,049	25,812	1,808	34,612	1,684	38,104	63,916
Telephone	10,431	2,877	5,866	3,692	764	23,630	1,642	14,363	4,616	20,621	44,251
Technology	10,974	2,672	16,074	3,212	816	33,748	3,074	38,012	7,072	48,158	81,906
Utilities	13,059	2,805	10,747	12,320	1,528	40,459	5,423	71,871	8,958	86,252	126,711
Vehicle	666	56	211	5,814	87	6,834	987	7,586	120	8,693	15,527
Depreciation	14,303	21,617	43,064	47,466	771	127,221	1,995	67,692	6,435	76,122	203,343
<b>TOTAL EXPENSE BY FUNCTION</b>	<b><u>\$1,159,986</u></b>	<b><u>\$ 428,995</u></b>	<b><u>\$1,415,116</u></b>	<b><u>\$1,028,647</u></b>	<b><u>\$ 615,444</u></b>	<b><u>\$4,648,188</u></b>	<b><u>\$ 197,092</u></b>	<b><u>\$1,850,779</u></b>	<b><u>\$ 643,792</u></b>	<b><u>\$2,691,663</u></b>	<b><u>\$7,339,851</u></b>

The Notes to Financial Statements are an integral part of this statement.



# Grapevine Relief and Community Exchange

## Statements of Cash Flows

Years Ended August 31, 2023 and 2022

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 352,587	\$ (311,485)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Operating lease amortization	185,595	-
Depreciation	195,595	203,343
Investment (income) loss	(223,781)	445,327
Loss on disposal of assets	-	30,544
Changes in operating assets and liabilities		
Inventory	12,190	(55,010)
Pledges receivable	19,006	43,459
Grant receivables	(24,322)	-
Prepaid expenses	12,205	(33,494)
Other assets	(2,000)	4,000
Accounts payable	(31,195)	(363,823)
Accrued payroll	(5,195)	13,281
Accrued liabilities	(2,091)	(1,887)
Deferred revenue	183,338	(72)
Deferred rent	-	(364)
Operating lease liabilities	(201,304)	-
Net cash provided by (used in) operating activities	470,628	(26,181)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from construction note payable	-	452,499
Payments on construction note payable	(242,798)	(51,043)
Net cash provided by (used in) financing activities	(242,798)	401,456
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales of investments	45,922	-
Purchases of investments	(23,644)	(226,158)
Purchases of property and equipment	(12,338)	(94,575)
Net cash provided by (used in) investing activities	9,940	(320,733)
Net change in cash	237,770	54,542
<b>CASH, beginning of year</b>	703,731	649,189
<b>CASH, end of year</b>	\$ 941,501	\$ 703,731
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Cash paid during the year for interest	\$ 81,411	\$ 83,326
Operating lease assets obtained in exchange for lease liabilities, net	\$ 652,695	\$ -

The Notes to Financial Statements  
are an integral part of these statements.

# Grapevine Relief and Community Exchange

## Notes to Financial Statements

### Note 1. Summary of Significant Accounting Policies

#### Nature of Operations

Grapevine Relief and Community Exchange (the Organization) (GRACE) was organized in Texas in 1987 as a nonprofit corporation for the purpose of centralizing resources and providing food, clothing, referral, and available financial assistance to the needy of the Grapevine-Southlake-Colleyville area, and others as referred by its members. The Organization's support and revenue comes primarily from civic organizations, local government agencies, churches, and individuals in the Northeast Tarrant County area.

The Organization pursues its objectives through the execution of the following programs and initiatives:

Emergency Assistance provides aid to individuals and families who are faced with financial challenges due to low-income or recent emergency. Aid is given on an as-needed basis. While the program provides food, clothing, toiletries, household goods, furniture, financial assistance, and information/referrals to those in need, it is the in-depth and individualized case management that helps to improve the overall stability of the individuals served. On average, GRACE serves about 5,000 individuals each year; however, for the past two years that number has increased to approximately 12,000. GRACE continues to feel the impact that the pandemic has had on its community and is working hard to provide the ongoing emergency assistance that its clients will need to continue their ability to provide for their families.

Transitional Housing allows homeless individuals and families the stability and comfort of their own apartment for up to two years while they work toward independence. Housing clients participate in intensive case management while pursuing educational, career, financial, and personal development goals during their stay. All program activities are aimed at helping the clients to achieve self-determination and eventual self-sufficiency.

GRACE Community Clinic is a comprehensive program that provides a holistic approach to health care for families who do not have access to traditional medical care. Four dedicated staff members organize volunteer physicians, nurses, pharmacists and other healthcare professionals to provide more than 5,000 patient visits to close to 850 patients who consider the GRACE Clinic their medical home. The clinic provides the following services: routine office visits and health screenings, medications, specialist referrals, diagnostic testing and lab services, dietary/nutritional consultations, and general health education. For five years, the Clinic has been awarded the Gold Status from the American Heart Association (AHA) and American Medical Association (AMA) for their commitment to reducing the number of Americans at risk for cardiovascular disease.

GRACE Food Pantry provides perishable and nonperishable food to individuals and families in need. The pantry uses a voucher system for the Organization's clients to shop and select the food items that meet the cultural and dietary needs of their households. The pantry is designed as a grocery store that gives the Organization's clients an element of dignity in the process of providing food for their families. Currently, they serve more than 400 visits to the pantry each month, in addition to monthly supplemental food that is delivered to the homes of seniors and individuals with disabilities.

In addition to the Organization's year-round programs, clients, volunteers, and donors can participate in various seasonal opportunities.

The Organization also operates resale locations to fund their programs.

# Grapevine Relief and Community Exchange

## Notes to Financial Statements

Resale funds a large portion of the annual budget. The Organization receives more donations from the community than necessary to meet client demand. Donations are received, sorted, and distributed to programs, and any leftover goods are sold at one of the Organization's two resale shops.

### **Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

### **Support and Revenue**

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed stipulations. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor-imposed restrictions on net assets (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.

Donated goods other than inventory and use of facilities are reflected as contributions at their estimated fair value at the date of receipt. Contributions of services are recorded at estimated fair value if the services received create or enhance nonfinancial assets or require specialized skills and would typically need to be purchased if not provided by donation. Numerous individuals donate significant amounts of time to the Organization.

Event sponsorship revenue is recognized at the date the event occurs unless otherwise stipulated by the donor. Advanced payments for the event sponsorships are reported as deferred revenue until the date of the event.

Resale sales are recognized at the date the sale occurs and are recorded net of the estimated fair value of donated inventory sold on the statement of activities.

### **Allowance for Doubtful Accounts**

The Organization provides an allowance for doubtful pledges receivable based on prior experience, review of individual accounts, historical losses, existing economic conditions, and management's evaluation of other pertinent factors. Accounts are written off as they are deemed uncollectible based on a periodic review of accounts. Management believes that all amounts are collectible, and, therefore, no allowance for doubtful accounts was recorded as of August 31, 2023 and 2022, respectively.

### **Promises to Give**

Unconditional promises to give that are made by the donor and received by the Organization are recognized when the promise to give is communicated by the donor.

Conditional promises to give received by the Organization, which stipulate the occurrence of some specified future event before payment will be made, are recognized when the specified future event takes place and the promise to give becomes unconditional.

As of August 31, 2023 and 2022, approximately 27% and 32% of total pledges receivable were due from one and two donors, respectively.

# **Grapevine Relief and Community Exchange**

## Notes to Financial Statements

### **Cash**

Cash, for statement of cash flow purposes, includes cash accounts of the Organization and petty cash.

### **Investments**

Investments in equity and fixed income mutual funds are recorded at their fair values in the accompanying statement of financial position. Investment income includes interest, dividends and unrealized gains and losses, and is included in the statements of activities as an increase or decrease in net assets without donor restrictions, unless the donor or law restricts the income or loss.

### **Grant Receivable**

Grant receivables of \$24,322 as of August 31, 2023 consist of amounts due from grantors related to applicable expenses incurred prior to year-end, and are recognized in the year the expenses are incurred and the revenue is earned.

### **Inventory**

The Organization receives a substantial amount of donated goods during the year. At the end of the fiscal year, the Organization estimates the value of donated goods on hand and records the amount as inventory with a corresponding adjustment to in-kind contributions by applying the retail inventory method. This method estimates the inventory value of donated goods based on a 12-month rolling average of retail sales, less cost of sales multiplied by the estimated shelf life of inventory on hand at August 31. Additionally, the Organization also records inventory related to the food pantry, estimating the value of donated food on hand based on a physical inventory.

The change in donated inventory on hand at year end is included in contributions of donated goods for resale on the statement of activities.

### **Property and Equipment**

Property and equipment purchased by the Organization are recorded at cost or if acquired by gift, at the fair value at the date of the gift. The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$5,000 and having a useful life of more than one year; the fair value of donated property and equipment is similarly capitalized. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as revenue with donor restrictions. Depreciation is calculated using the straight-line method based upon the estimated useful lives of 2 to 30 years, except for leasehold improvements which are depreciated using the lesser of the useful life of the asset or the term of the lease.

Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Absent explicit donor stipulations about how those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

# **Grapevine Relief and Community Exchange**

## Notes to Financial Statements

### **Deferred Rent**

As of August 31, 2022, the Organization had entered into two office leases which included rent abatements and escalating rent over the term of the lease. In accordance with GAAP, rent cost is accounted for on a straight-line basis over the rent term. Deferred rent of \$37,969 was recorded as of August 31, 2022 related to this difference. Effective September 1, 2022, this amount was rolled in to operating lease liability.

### **Federal Income Taxes**

The Organization 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 Organization's exempt purposes is subject to tax under IRC Section 511. The Organization had no unrelated business income for the years ended August 31, 2023 and 2022, respectively. 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 Organization's tax returns and recognition of a tax liability (or asset) if the Organization 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 Organization, and has concluded that as of August 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.

### **Financial Instruments and Credit and Market Risk Concentrations**

The Organization places cash, which at times may exceed the federally insured limits, with high credit quality financial institutions to minimize risk. The Organization has not experienced losses on such assets.

The Organization operates mainly in the Tarrant County, Texas area. Therefore, results of operations are subject to economic conditions of the area.

### **Use of Estimates**

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

# Grapevine Relief and Community Exchange

## Notes to Financial Statements

### Functional Allocation of Expenses

In some cases, expenses are incurred which support the work performed under more than one program. Such expenses are allocated among various programs on the basis which appears most reasonable. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. Personnel expenses are allocated based on estimates of time and effort. Allocable costs of the administration, development and volunteer departments, such as accountant fees, advertising, bank charges, contract services, dues and subscriptions, staff development, employee recognition, insurance, marketing, meetings and travel, occupancy, postage, printing, professional fees, repairs and maintenance, supplies, telephone, technology, utilities, vehicle, depreciation and other expenses, are allocated to the programs and resale expense categories based on the annual estimates of time and effort related to the personnel in the administration, development and volunteer departments.

### Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, including subsequent related ASU amendments, that supersedes Accounting Standards Codification (ASC) 840 Leases and replaces it with ASC 842, Leases. The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the standard effective September 1, 2022 (the beginning of the period of adoption), with no impact on beginning balances.

The Organization has elected the package of practical expedients to account for any existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under ASC Topic 842, (b) whether the classification of capital leases or operating lease would be different in accordance with ASC Topic 842, or (c) whether the unamortized initial direct costs before transition would have met the definition of initial direct costs in ASC Topic 842 at lease commencement.

### Subsequent Events

The Organization evaluated for recognition and disclosure all events that occurred after August 31, 2023 through December 19, 2023, the date these financial statements were available to be issued.

### Note 2. Investments

The Organization records its investments at fair value. Fair value is defined 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. Where available, fair value is based on observable market prices or parameters or derived from such prices or parameters. Where observable prices or inputs are not available, valuation models are applied. These valuation techniques involve some level of management estimation and judgment, the degree of which is dependent on the price transparency for the instrument or market and the instrument's complexity.

# Grapevine Relief and Community Exchange

## Notes to Financial Statements

GAAP establishes 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 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). The three levels of the fair value hierarchy are described below:

Level 1 inputs: Unadjusted, quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 inputs: Inputs (other than quoted market prices included within Level 1) that are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date. Inputs may include quoted prices for the identified instrument in an inactive market; prices for similar instruments; interest rates, credit risk, and similar data.

Level 3 inputs: Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable. Fair value for these investments are determined using valuation methodologies that consider a range of factors including but not limited to the nature of the investment, market conditions, current and projected operating performance and changes in operating characteristics of the investment.

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. 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 methodology used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy:

Equity and fixed income mutual funds are valued at the last sales price on the largest securities exchange in which such securities have been traded on the valuation date, and are classified within Level 1 on the fair value hierarchy. There were no changes in valuation methodologies during years ended August 31, 2023 or 2022, respectively.

The following table sets forth the Organization's investments in the fair value hierarchy as of August 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds				
Equity mutual funds	\$ 1,767,704	\$ -	\$ -	\$ 1,767,704
Fixed income mutual funds	1,182,291	-	-	1,182,291
Investments in fair value hierarchy	<u>\$ 2,949,995</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,949,995</u>

The following table sets forth the Organization's investments in the fair value hierarchy as of August 31, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds				
Equity mutual funds	\$ 1,661,830	\$ -	\$ -	\$ 1,661,830
Fixed income mutual funds	1,082,796	-	-	1,082,796
Investments in fair value hierarchy	<u>\$ 2,744,626</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,744,626</u>

# Grapevine Relief and Community Exchange

## Notes to Financial Statements

The following reconciles investments in the fair value hierarchy as of August 31, 2023 and 2022 to total investments:

	2023	2022
Investments in fair value hierarchy	\$ 2,949,995	\$ 2,744,626
Cash and cash equivalents	8,596	12,462
Total investments	\$ 2,958,591	\$ 2,757,088

Investment income consisted of the following for the year ended August 31, 2023 and 2022:

	2023	2022
Interest and dividends	\$ 79,909	\$ 68,514
Unrealized and realized gains (losses)	143,872	(513,841)
	\$ 223,781	\$ (445,327)

### Note 3. Pledges Receivable

Pledges receivable consist of \$74,436 and \$93,442 as of August 31, 2023 and 2022, respectively, all of where are receivable in less than one year.

As all collections are expected to be within one year or less, pledges receivable estimate or approximate discounted value. Thus, no discount was taken on long-term pledges in years ended August 31, 2023 and 2022.

### Note 4. Property and Equipment

Property and equipment consist of the following at August 31:

	2023	2022
Land	\$ 991,945	\$ 991,945
Buildings	5,810,620	5,804,067
Leasehold improvements	189,587	183,801
Furniture and fixtures	10,292	10,292
Equipment	143,206	143,206
Vehicles	201,323	201,323
	7,346,973	7,334,634
Accumulated depreciation	(1,913,761)	(1,718,165)
Property and equipment, net	\$ 5,433,212	\$ 5,616,469

Depreciation expense for the years ended August 31, 2023 and 2022 totaled \$195,595 and \$203,343, respectively.



# Grapevine Relief and Community Exchange

## Notes to Financial Statements

### Note 5. Mortgage Payable

In November 2019, the Organization purchased property for a sale price of approximately \$1,600,000, which was financed through a promissory note with a financial institution. In April 2021, the Organization modified their loan agreement to allow for renovations to the building. The promissory note is secured by the property purchased, is due in April 2042, and is subject to certain covenants. The Organization was either in compliance or had received a waiver for any covenants as of August 31, 2023 and 2022. The promissory note had an initial interest rate of 3.2% and only interest payments are due and payable until April 2022, at which time principal and interest, at a fixed rate of the Five-Year Treasury Index Rate plus 2.8% adjusted every five years, are payable monthly until maturity.

Future principal maturities of the mortgage payable for the years ending subsequent to August 31, 2023 are as follows:

Years Ending August 31,		
2024	\$	93,756
2025		96,801
2026		99,944
2027		103,190
2028		106,541
Thereafter		<u>1,685,159</u>
	\$	<u>2,185,391</u>

### Note 6. Line of Credit

The Organization has a \$100,000 revolving line of credit with a bank. The line of credit matured April 17, 2018 and bore interest at the prime rate with a floor of 4.0%. The line of credit was renewed in January 2022, with a new maturity date of January 2023, and was subsequently renewed in January 2023 with a maturity date of January 2025. The line of credit bears interest at the prime rate. The line of credit is secured by the land and buildings of the Organization, exclusive of the land and buildings included in Note 5 above. No balance was outstanding on the line of credit as of August 31, 2023 and 2022, respectively.

### Note 7. Net Assets without Donor Restrictions – Board-Designated

The board of directors has designated net assets for a general endowment fund totaling \$2,607,698 and \$2,430,767 as of August 31, 2023 and 2022, respectively, which are to be held for long-term investment.

# Grapevine Relief and Community Exchange

## Notes to Financial Statements

### Note 8. Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following at August 31:

	2023	2022
Net assets with donor restrictions - time and purpose	\$ 57,007	\$ 77,646
Net assets with donor restrictions - held in perpetuity	210,751	210,751
	\$ 267,758	\$ 288,397

Net assets with donor restrictions – time and purpose consisted of the following items related to the capital campaign and other purposes at August 31:

	2023	2022
Time and capital campaign	\$ 20,900	\$ 37,100
Emergency assistance	36,107	40,546
	\$ 57,007	\$ 77,646

As of August 31, 2023 and 2022, net assets with donor restrictions – held in perpetuity consist of endowment funds to be held indefinitely, the income from which is expendable to support program services.

Net assets with donor restrictions – time and purpose were released as follows during years ended August 31:

	2023	2022
Debt Service	\$ 150,000	\$ -
Clothing	1,200	1,200
Pantry	224,504	131,793
Medical clinic	35,660	88,387
Transitional housing	157,108	58,459
Time and capital campaign	36,111	59,430
Emergency assistance	256,829	291,282
Other	204,347	183,653
	\$ 1,065,759	\$ 814,204

# Grapevine Relief and Community Exchange

## Notes to Financial Statements

### **Note 9. Net Assets with Donor Restrictions – Held In Perpetuity**

The Organization's endowment consists of two funds established for various purposes including both donor-restricted endowment funds and funds designated by the Organization's board of directors to function as endowments. Net assets associated with endowment funds, including funds designated by the board of directors, are classified and reported based on the existence or absence of donor-imposed restrictions.

During the year ended August 31, 1998, the Organization received a grant in the amount of \$200,000 from the Nannie Hogan Boyd Trust, to create an endowment fund for emergency assistance, case management, and transitional housing for homeless and needy people who have special needs. As a condition of receiving this grant, the Organization has agreed to restrict the use of the earnings to the purposes mentioned above. The grant further stipulates that if any of the monies are not utilized for the designated purposes, the entire unused portion of the grant must be returned to the trustee. All gifts to the endowment as well as earnings thereon are accounted for in accordance with the endowment agreements terms.

During the year ended August 31, 2014, the Organization received a grant in the amount of \$50,000 from Exxon Mobil Corporation. The board designated these funds and formed the GRACE Endowment. All corpus and earnings on endowment funds are to be used by GRACE to achieve or further its charitable purposes. These funds are shown in net assets without donor restrictions in the accompanying statements of financial position.

#### **Relevant Law**

The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring "ordinary business care and prudence" regarding the preservation of donor-restricted endowment funds absent explicit donor stipulations to the contrary. The Organization classifies as net assets with donor restrictions – held in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration of preservation of the funds
- The purposes of the Organization and the endowment funds
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The Organization's investment policy

The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions – held in perpetuity is classified as net assets with donor restrictions – time and purpose until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

# Grapevine Relief and Community Exchange

## Notes to Financial Statements

Endowment funds are categorized in the following net asset classes as of August 31, 2023:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions - Held in Perpetuity	2023 Total
Donor-restricted endowment funds	\$ -	\$ 210,751	\$ 210,751
Board-designated endowment funds	2,607,698	-	2,607,698
<b>Total endowment net assets</b>	<b>\$ 2,607,698</b>	<b>\$ 210,751</b>	<b>\$ 2,818,449</b>

Changes in endowment net assets for the year ended August 31, 2023 are as follows:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions - Time and Purpose	Net Assets With Donor Restrictions - Held in Perpetuity	2023 Total
Endowment net assets, beginning of year	\$ 2,430,767	\$ -	\$ 210,751	\$ 2,641,518
Unrealized and realized gain	176,931	17,247	-	194,178
Contributions	-	-	-	-
Appropriation of assets for expenditure	-	(17,247)	-	(17,247)
<b>Endowment net assets, end of year</b>	<b>\$ 2,607,698</b>	<b>\$ -</b>	<b>\$ 210,751</b>	<b>\$ 2,818,449</b>

Endowment funds are categorized in the following net asset classes as of August 31, 2022:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions - Held in Perpetuity	2022 Total
Donor-restricted endowment funds	\$ -	\$ 210,751	\$ 210,751
Board-designated endowment funds	2,430,767	-	2,430,767
<b>Total endowment net assets</b>	<b>\$ 2,430,767</b>	<b>\$ 210,751</b>	<b>\$ 2,641,518</b>

# Grapevine Relief and Community Exchange

## Notes to Financial Statements

Changes in endowment funds net assets for the year ended August 31, 2022 are as follows:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions - Held in Perpetuity	2022 Total
Endowment net assets, beginning of year	\$ 2,588,807	\$ 210,751	\$ 2,799,558
Unrealized and realized losses	(408,040)	-	(408,040)
Contributions	250,000	-	250,000
Appropriation of assets for expenditure	-	-	-
Endowment net assets, end of year	<u>\$ 2,430,767</u>	<u>\$ 210,751</u>	<u>\$ 2,641,518</u>

The Organization has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds, while also maintaining the purchasing power of those endowment assets over the long term.

Endowment assets are invested in mutual funds that are intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make annual distributions, while growing the funds if possible. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

The Organization has a policy of appropriating the net interest and dividends of its endowment fund. In establishing this policy, the Organization considers the long-term expected return on its endowment. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional growth through new gifts.

### Note 10. In-Kind Contributions

The Organization recognized the following in-kind contributions and expense in the accompanying financial statements during the years ended August 31:

	2023	2022
Emergency assistance supplies	\$ 1,228,017	\$ 959,448
Medical supplies	337,225	354,355
Other supplies	1,448	4,169
Media services	110,391	-
Client Christmas gifts	342,550	291,595
Medical services	575,805	514,284
Use of Facilities	50,179	137,965
Total	<u>\$ 2,645,615</u>	<u>\$ 2,261,816</u>

# Grapevine Relief and Community Exchange

## Notes to Financial Statements

Contributed nonfinancial assets for the years ended August 31, 2023 and 2022 consisted of the following:

	Revenue Recognized - August 31, 2023	Utilization in Programs/ Activities	Donor Restrictions	Valuation Techniques and Inputs
Emergency assistance supplies	\$ 1,228,017	Emergency Assistance, Transitional Housing, Community Clinic, Food Pantry, Other Seasonal Programs	No associated donor restrictions	Estimated fair value on the basis of values that would be received for selling similar products in Grapevine, Texas.
Medical supplies	337,225	Community Clinic	No associated donor restrictions	Estimated fair value on the basis of values that would be received for selling similar products in Grapevine, Texas.
Other supplies	1,448	Emergency Assistance, Transitional Housing, Community Clinic, Food Pantry, Other Seasonal Programs, Management and General, Resale and Fundraising	No associated donor restrictions	Estimated fair value on the basis of values that would be received for selling similar products in Grapevine, Texas.
Media services	110,391	Fundraising	No associated donor restrictions	Estimated fair value on the basis of values that would be received for similar services in Grapevine, Texas.
Client Christmas gifts	342,550	Seasonal Programs	No associated donor restrictions	Estimated fair value on the basis of values that would be received for selling similar products in Grapevine, Texas.
Medical services	575,805	Community Clinic	No associated donor restrictions	Estimated fair value on the basis of values that would be received for similar services in Grapevine, Texas, based on position of resource provider.
Use of Facilities	50,179	Emergency Assistance, Transitional Housing, Community Clinic, Food Pantry, Other Seasonal Programs, Management and General, Resale and Fundraising	No associated donor restrictions	Estimated fair value on the basis of values that would be received for renting comparable storage space in Grapevine, Texas.
	<u>\$ 2,645,615</u>			

# Grapevine Relief and Community Exchange

## Notes to Financial Statements

	Revenue Recognized - August 31, 2022	Utilization in Programs/ Activities	Donor Restrictions	Valuation Techniques and Inputs
Emergency assistance supplies	\$ 959,448	Emergency Assistance, Transitional Housing, Community Clinic, Food Pantry, Other Seasonal Programs	No associated donor restrictions	Estimated fair value on the basis of values that would be received for selling similar products in Grapevine, Texas.
Medical supplies	354,355	Community Clinic	No associated donor restrictions	Estimated fair value on the basis of values that would be received for selling similar products in Grapevine, Texas.
Other supplies	4,169	Emergency Assistance, Transitional Housing, Community Clinic, Food Pantry, Other Seasonal Programs, Management and General, Resale and Fundraising	No associated donor restrictions	Estimated fair value on the basis of values that would be received for selling similar products in Grapevine, Texas.
Client Christmas gifts	291,595	Seasonal Programs	No associated donor restrictions	Estimated fair value on the basis of values that would be received for selling similar products in Grapevine, Texas.
Medical services	514,284	Community Clinic	No associated donor restrictions	Estimated fair value on the basis of values that would be received for similar services in Grapevine, Texas, based on position of resource provider.
Use of Facilities	137,965	Emergency Assistance, Transitional Housing, Community Clinic, Food Pantry, Other Seasonal Programs, Management and General, Resale and Fundraising	No associated donor restrictions	Estimated fair value on the basis of values that would be received for renting comparable storage space in Grapevine, Texas.
	<u>\$ 2,261,816</u>			

### Note 11. Resale Sales

For years ended August 31, 2023 and 2022, resale sales on the statements of activities consist of \$1,936,205 and \$1,700,116 of cash sales received in the Organization's resale shops, which are shown net of estimated fair value of donated inventory used of \$812,922 and \$766,640 for years ended August 31, 2023 and 2022, respectively. Operating costs related to the Organization's resale shops are included in Resale expenses on the statements of functional expenses and statements of activities for years ended August 31, 2023 and 2022.

# Grapevine Relief and Community Exchange

## Notes to Financial Statements

### Note 12. Leases

The Organization leases certain real estate under long-term, non-cancelable lease agreements. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating 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. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term, utilizing the discount rate implicit in the lease. The ROU assets also include any lease pre-payments made and exclude lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if it has obtained substantially all of the rights to the underlying asset through exclusivity, if it can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

None of the Organization's lease agreements contain contingent rental payments, material residual value guarantees or material restrictive covenants. The depreciable life of related leasehold improvements is based on the shorter of the useful life or the lease term. The Organization has no sublease agreements. The Organization performs interim reviews of its long-lived assets for impairment when evidence exists that the carrying value of an asset group, including a lease asset, may not be recoverable, and the Organization did not recognize an impairment expense associated with operating lease assets during 2023.

The Organization has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, the Organization accounted for its existing operating leases as operating leases under the new guidance, without reassessing (a) whether the contract contains a lease under ASC Topic 842, (b) whether classification of the operating lease would be different in accordance with ASC Topic 842, or (c) whether the unamortized initial direct costs before transition would have met the definition of initial direct costs in ASC Topic 842 at lease commencement. The present value of the Organization's lease payments may include: (1) rental payments adjusted for inflation or market rates, and (2) lease terms with options to renew the lease when it is reasonably certain the Organization will exercise such an option.

The exercise of lease renewal options is generally at the Organization's discretion. Payments based on a change in an index or market rate are not considered in the determination of lease payments for purposes of measuring the related lease liability. The Organization also elected not to restate comparative prior periods, and to utilize the transition date (September 1, 2022) as the date of initial application, as permitted by ASC Topic 842. The Organization has elected to apply the short-term lease exemption whereby leases that are less than twelve months in duration are not included as ROU assets and lease liabilities.

The Organization has lease agreements with lease and non-lease components, which are generally accounted for separately. These variable lease payments, which are primarily comprised of common area maintenance, utilities, and real estate taxes that are passed on from the lessor, are recognized in operating expenses in the period in which the obligation for those payments was incurred.

The Organization's leases contain various terms and expire at various dates. For leases containing renewal options, the Organization has evaluated whether it is reasonably certain to renew.



# Grapevine Relief and Community Exchange

## Notes to Financial Statements

The components of lease expense, cash flow information, and other information for the year-ended August 31, 2023 were as follows:

	Year Ended August 31, 2023
	2023
Operating lease cost (included in occupancy expenses on the Statement of Functional Expenses)	\$ 201,304
Short-term lease cost (included in occupancy expenses on the Statement of Functional Expenses)	-
Right-of-use operating lease assets obtained in exchange for lease liabilities	\$ 654,315
Weighted average remaining lease term - operating leases (in years)	2.42
Weighted average discount rate - operating leases	2.30%

The supplemental statement of financial position information related to leases for the period is as follows:

	August 31, 2023
	2023
Cash paid for amounts in the measurement of lease liabilities	
Operating lease amortization	\$ 185,595
Operating cash flows out for operating leases liabilities	\$ 201,304
Right-of-use operating lease assets obtained in exchange for lease liabilities	\$ 654,315

Maturities of the Organization's lease liabilities are as follows:

Years Ending August 31,	
2024	\$ 205,002
2025	209,792
2026	87,904
Less: imputed interest	(13,338)
	\$ 489,360

# Grapevine Relief and Community Exchange

## Notes to Financial Statements

### Prior Disclosures under ASC 840

Total rental expense was \$283,977 for year ended August 31, 2022. Future minimum lease payments under non-cancelable operating leases as of August 31, 2022 were as follows:

Years Ending August 31,		
2023	\$	198,293
2024		205,002
2025		209,792
2026		78,404
	<u>\$</u>	<u>691,491</u>

### Note 13. Employee Benefit Plan

The Organization sponsors a 401(k) plan for all qualified employees. The Organization matches employee contributions at a rate of \$1.00 for each employee dollar up to 3% of the employee's salary. Employer contributions to the plan amounted to \$38,156 and \$39,092 during the years ended August 31, 2023 and 2022, respectively.

### Note 14. Liquidity

As a nonprofit entity, the Organization receives significant funding in the form of contributions each year from donors, which are restricted to be used in a particular manner. The Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of managing the financial assets, the Organization ensures these become available when obligations come due.

The following reflects the Organization's financial assets as of the financial position date, including amounts not available within one year of the financial position dates. Amounts not available include contributions with donor restrictions:

	<u>2023</u>	<u>2022</u>
Cash	\$ 941,501	\$ 703,731
Investments	2,958,591	2,757,088
Pledges receivable	74,436	93,442
Grant receivable	24,322	-
	<u>3,998,850</u>	<u>3,554,261</u>
Total financial assets, year-end		
Less grantor and donor-imposed restrictions		
Board-designated endowment funds	(2,607,698)	(2,430,767)
Net assets with donor restrictions	<u>(267,758)</u>	<u>(288,397)</u>
Total financial assets not available to be used within one year	<u>(2,875,456)</u>	<u>(2,719,164)</u>
Total financial assets available to meet general expenditures within one year	<u>\$ 1,123,394</u>	<u>\$ 835,097</u>