

# **Grapevine Relief and Community Exchange**

Financial Report  
August 31, 2025

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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, 2025 and 2024, 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, 2025 and 2024, 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.

### ***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 are available to be issued.

### ***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 16, 2025

# Grapevine Relief and Community Exchange

## Statements of Financial Position August 31, 2025 and 2024

	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
Cash	\$ 585,202	\$ 309,510
Cash equivalents	1,759,268	1,684,462
Investments	3,242,246	3,456,705
Inventory	149,343	150,780
Pledges receivable	24,997	33,802
Other receivables	1,552	3,254
Prepaid expenses	221,453	217,047
Other assets	14,156	13,856
Property and equipment, net	5,191,230	5,429,700
Right-of-use assets, operating, net	79,215	277,111
<b>TOTAL ASSETS</b>	<b>\$ 11,268,662</b>	<b>\$ 11,576,227</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 54,279	\$ 46,391
Accrued payroll	84,239	98,021
Accrued liabilities	112,069	123,192
Deferred revenue	2,180,511	2,146,355
Operating lease liability	79,397	292,842
Mortgage payable	1,382,192	1,517,651
Total liabilities	3,892,687	4,224,452
<b>NET ASSETS</b>		
Net assets without donor restrictions		
Board designated	2,794,126	3,046,734
Undesignated	4,315,735	4,017,028
Total net assets without donor restrictions	7,109,861	7,063,762
Net assets with donor restrictions	266,114	288,013
Total net assets	7,375,975	7,351,775
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 11,268,662</b>	<b>\$ 11,576,227</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, 2025 and 2024

	2025			2024		
	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	\$ 2,305,465	\$ 224,713	\$ 2,530,178	\$ 1,997,414	\$ 549,436	\$ 2,546,850
Grants	130,860	443,775	574,635	342,109	282,810	624,919
In-kind contributions	4,012,038	-	4,012,038	3,020,852	-	3,020,852
Resale sales, net of donated inventory used	1,290,797	-	1,290,797	1,211,729	-	1,211,729
Contribution of donated goods for resale	892,195	-	892,195	876,956	-	876,956
Clinic donations	6,672	-	6,672	11,493	-	11,493
Investment income	258,892	26,778	285,670	457,667	41,466	499,133
Special events (gross receipts of \$1,641,284 net of costs of direct benefits to donors of \$401,831, and gross receipts of \$1,513,758 net of costs of direct benefits to donors of \$396,983)	1,239,453	-	1,239,453	1,116,775	-	1,116,775
Other income	57,230	-	57,230	44,100	-	44,100
Net assets released from restrictions	717,165	(717,165)	-	853,457	(853,457)	-
Total support and revenue	10,910,767	(21,899)	10,888,868	9,932,552	20,255	9,952,807
<b>EXPENSES</b>						
Program services	7,803,988	-	7,803,988	6,330,542	-	6,330,542
Management and general	240,152	-	240,152	172,543	-	172,543
Resale	2,018,781	-	2,018,781	2,111,581	-	2,111,581
Fundraising	801,747	-	801,747	802,921	-	802,921
Total expenses	10,864,668	-	10,864,668	9,417,587	-	9,417,587
Change in net assets	46,099	(21,899)	24,200	514,965	20,255	535,220
<b>NET ASSETS, beginning of year</b>	7,063,762	288,013	7,351,775	6,548,797	267,758	6,816,555
<b>NET ASSETS, end of year</b>	\$ 7,109,861	\$ 266,114	\$ 7,375,975	\$ 7,063,762	\$ 288,013	\$ 7,351,775

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, 2025

	Program Services						Supporting Services				2025 Total
	Emergency Assistance	Transitional Housing	Community Clinic	Food Pantry	Other Seasonal	Total	Management and General	Resale	Fundraising	Total	
Salaries and related costs	\$ 836,170	\$ 162,563	\$ 483,956	\$ 191,629	\$ 40,189	\$ 1,714,507	\$ 192,646	\$ 1,079,823	\$ 541,963	\$ 1,814,432	\$ 3,528,939
Client assistance	1,186,602	226,139	2,122,104	1,293,295	582,707	5,410,847	177	13,517	102,607	116,301	5,527,148
Accountant fees	3,827	756	2,250	891	187	7,911	6,593	4,108	5,538	16,239	24,150
Advertising	52	10	-	12	3	77	-	27,360	83	27,443	27,520
Bank charges	3,577	823	2,180	1,482	389	8,451	5,064	42,932	13,787	61,783	70,234
Contract services	11,836	2,337	6,959	2,755	578	24,465	-	185,782	-	185,782	210,247
Donated space	1,799	7,277	1,058	419	29,311	39,864	-	14,877	-	14,877	54,741
Dues and subscriptions	2,867	2,397	7,222	559	91	13,136	2,682	7,723	3,924	14,329	27,465
Staff development	2,013	519	882	365	104	3,883	1,400	925	1,437	3,762	7,645
Employee recognition	7,294	5,189	2,724	2,236	759	18,202	3,464	22,450	8,129	34,043	52,245
Insurance	23,040	28,299	31,975	30,556	6,854	120,724	1,670	75,433	12,514	89,617	210,341
Marketing	2,174	515	978	565	1,508	5,740	85	3,845	30,117	34,047	39,787
Meetings and travel	8,994	1,778	7,383	3,202	681	22,038	2,920	4,726	8,099	15,745	37,783
Occupancy	5,330	1,053	3,134	1,241	260	11,018	248	233,589	208	234,045	245,063
Other	9,682	77	1,736	590	90	12,175	513	480	462	1,455	13,630
Postage	607	72	420	316	17	1,432	445	23,565	2,402	26,412	27,844
Printing	5,373	78	2,887	93	19	8,450	468	920	2,315	3,703	12,153
Professional fees	1,686	333	991	393	82	3,485	2,905	1,810	2,440	7,155	10,640
Repairs and maintenance	11,693	7,694	9,824	10,070	1,720	41,001	4,516	31,543	7,205	43,264	84,265
Supplies	9,439	1,358	7,798	10,482	4,809	33,886	2,029	28,607	6,882	37,518	71,404
Telephone	12,306	3,281	5,111	4,329	690	25,717	1,491	14,542	6,219	22,252	47,969
Technology	17,463	4,095	14,477	4,942	803	41,780	2,980	36,975	28,809	68,764	110,544
Utilities	18,015	7,943	13,456	15,738	3,233	58,385	3,983	70,745	3,937	78,665	137,050
Vehicle	1,962	617	1,154	7,666	96	11,495	-	22,226	-	22,226	33,721
Depreciation	25,683	26,434	52,337	60,600	265	165,319	3,873	70,278	12,670	86,821	252,140
TOTAL EXPENSE BY FUNCTION	\$ 2,209,484	\$ 491,637	\$ 2,782,996	\$ 1,644,426	\$ 675,445	\$ 7,803,988	\$ 240,152	\$ 2,018,781	\$ 801,747	\$ 3,060,680	\$ 10,864,668

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, 2024

	Program Services						Supporting Services				2024 Total
	Emergency Assistance	Transitional Housing	Community Clinic	Food Pantry	Other Seasonal	Total	Management and General	Resale	Fundraising	Total	
Salaries and related costs	\$ 604,999	\$ 154,883	\$ 418,031	\$ 205,396	\$ 65,030	\$ 1,448,339	\$ 137,606	\$ 1,088,753	\$ 595,560	\$ 1,821,919	\$ 3,270,258
Client assistance	946,875	235,627	1,187,255	1,340,939	537,720	4,248,416	175	2,140	29,672	31,987	4,280,403
Accountant fees	2,249	652	1,678	1,545	466	6,590	3,262	8,687	4,739	16,688	23,278
Advertising	10	3	11	10	4	38	-	24,628	65	24,693	24,731
Bank charges	379	387	496	1,170	670	3,102	144	56,850	19,750	76,744	79,846
Contract services	6,885	1,733	7,122	6,860	2,674	25,274	-	240,051	-	240,051	265,325
Donated space	1,106	7,125	838	808	29,538	39,415	-	15,621	-	15,621	55,036
Dues and subscriptions	1,201	1,267	4,351	1,078	403	8,300	2,484	5,165	6,290	13,939	22,239
Staff development	466	647	260	983	73	2,429	551	664	1,268	2,483	4,912
Employee recognition	17,658	2,251	4,340	1,711	1,476	27,436	2,352	17,388	5,232	24,972	52,408
Insurance	18,767	24,723	28,151	28,075	6,366	106,082	1,977	76,346	11,682	90,005	196,087
Marketing	1,569	123	397	1,447	585	4,121	551	2,507	32,774	35,832	39,953
Meetings and travel	3,664	5,142	7,365	2,264	1,946	20,381	3,167	6,307	14,003	23,477	43,858
Occupancy	2,675	673	2,767	2,665	1,039	9,819	-	249,893	-	249,893	259,712
Other	3,966	152	1,804	1,425	172	7,519	446	3,883	2,297	6,626	14,145
Postage	82	20	84	81	32	299	209	8,548	2,710	11,467	11,766
Printing	4,230	38	2,270	152	59	6,749	125	2,265	3,361	5,751	12,500
Repairs and maintenance	9,154	12,655	13,292	18,653	1,794	55,548	5,188	42,212	8,534	55,934	111,482
Supplies	9,923	7,269	6,864	7,775	6,322	38,153	4,149	43,862	7,350	55,361	93,514
Telephone	10,484	2,776	5,721	3,633	986	23,600	936	14,249	5,500	20,685	44,285
Technology	15,924	3,413	12,587	5,441	6,720	44,085	4,145	29,522	30,716	64,383	108,468
Utilities	11,611	2,139	9,994	14,733	2,531	41,008	2,012	71,707	7,466	81,185	122,193
Vehicle	870	2,335	900	7,905	387	12,397	75	27,671	112	27,858	40,255
Depreciation	18,495	25,338	51,482	55,252	875	151,442	2,989	72,662	13,840	89,491	240,933
TOTAL EXPENSE BY FUNCTION	\$ 1,693,242	\$ 491,371	\$ 1,768,060	\$ 1,710,001	\$ 667,868	\$ 6,330,542	\$ 172,543	\$ 2,111,581	\$ 802,921	\$ 3,087,045	\$ 9,417,587

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, 2025 and 2024

	<b>2025</b>	<b>2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 24,200	\$ 535,220
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Operating lease amortization (included in occupancy)	197,896	189,989
Depreciation	252,140	240,933
Investment income	(285,670)	(499,133)
Changes in operating assets and liabilities		
Inventory	1,437	(36,516)
Pledges receivable	8,805	11,437
Other receivables	1,702	25,943
Grant receivables	-	24,322
Prepaid expenses	(4,406)	(76,100)
Other assets	(300)	4,988
Accounts payable	7,888	(35,778)
Accrued payroll	(13,782)	41,267
Accrued liabilities	(11,123)	24,292
Deferred revenue	34,156	1,702,267
Operating lease liabilities	(213,445)	(196,518)
Net cash provided by (used in) operating activities	(502)	1,956,613
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on mortgage payable	(135,459)	(667,740)
Net cash used in financing activities	(135,459)	(667,740)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales of investments	510,866	1,019
Purchases of investments	(10,737)	-
Purchases of property and equipment	(13,670)	(237,421)
Net cash provided by (used in) investing activities	486,459	(236,402)
Net change in cash and cash equivalents	350,498	1,052,471
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	1,993,972	941,501
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$ 2,344,470</u>	<u>\$ 1,993,972</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>		
Cash	\$ 585,202	\$ 309,510
Cash equivalents	1,759,268	1,684,462
Total cash and cash equivalents	<u>\$ 2,344,470</u>	<u>\$ 1,993,972</u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Cash paid during the year for interest	<u>\$ 49,780</u>	<u>\$ 59,249</u>

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, which are included in supporting services on the statements of functional expenses.

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.

# **Grapevine Relief and Community Exchange**

## **Notes to Financial Statements**

### **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 releases from restrictions.

Donated goods are recorded as contributions at their estimated fair value at the date of receipt. Donated use of facilities is recorded at the estimated fair value at the date of use or when the use of the facility is contributed if subject to a long-term promise to give. 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.

Event sponsorship revenue is recognized at the date the event occurs unless otherwise stipulated by the donor. Advanced payments for event sponsorships are reported as deferred revenue until the date of the event based on right of return. Deferred revenue related to events were \$347,716 and \$342,725 as of August 31, 2025 and 2024, respectively.

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, 2025 and 2024, respectively.

There are no other allowances for credit losses recorded as of August 31, 2025 and 2024 based on lack of collectability issues as of August 31, 2025 and 2024.

### **Promises to Give**

Unconditional promises to give, including pledges receivable, 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. Deferred revenue in the amount of \$1,748,543 and \$1,684,377 relate a conditional contribution as of August 31, 2025 and 2024, respectively. The contribution will be recognized as revenue when the Organization has satisfied the conditions established by the donor.

# **Grapevine Relief and Community Exchange**

## **Notes to Financial Statements**

### **Cash and Cash Equivalents**

Cash, for statement of cash flow purposes, includes cash accounts of the Organization and petty cash. The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

### **Investments**

Investments in equity mutual funds 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.

### **Inventory**

The Organization receives a substantial amount of donated goods. 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.

### **Prepaid expenses**

Prepaid expenses consist of payments made prior to year-end that relate to periods subsequent to year-end and are recorded at amount paid.

### **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**

### **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, 2025 and 2024, 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, 2025 and 2024, 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.

### **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.

### **Subsequent Events**

The Organization evaluated for recognition and disclosure all events that occurred after August 31, 2025 through December 16, 2025, the date these financial statements were available to be issued.

# Grapevine Relief and Community Exchange

## Notes to Financial Statements

### 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.

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      Unadjusted, quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2      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      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, 2025 or 2024, respectively.

The following table sets forth the Organization's investments in the fair value hierarchy as of August 31, 2025:

	Level 1	Level 2	Level 3	Total
Mutual funds				
Equity mutual funds	\$ 1,959,120	\$ -	\$ -	\$ 1,959,120
Fixed income mutual funds	1,282,294	-	-	1,282,294
Investments in fair value hierarchy	<u>\$ 3,241,414</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,241,414</u>

# Grapevine Relief and Community Exchange

## Notes to Financial Statements

The following table sets forth the Organization's investments in the fair value hierarchy as of August 31, 2024:

	Level 1	Level 2	Level 3	Total
Mutual funds				
Equity mutual funds	\$ 2,076,087	\$ -	\$ -	\$ 2,076,087
Fixed income mutual funds	1,374,356	-	-	1,374,356
Investments in fair value hierarchy	<u>\$ 3,450,443</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,450,443</u>

The following reconciles investments in the fair value hierarchy as of August 31, 2025 and 2024 to total investments:

	2025	2024
Investments in fair value hierarchy	\$ 3,241,414	\$ 3,450,443
Cash and cash equivalents	832	6,262
Total investments	<u>\$ 3,242,246</u>	<u>\$ 3,456,705</u>

Investment income consisted of the following for the year ended August 31, 2025 and 2024:

	2025	2024
Interest and dividends	\$ 67,171	\$ 77,488
Unrealized and realized gains	218,499	421,645
	<u>\$ 285,670</u>	<u>\$ 499,133</u>

### Note 3. Pledges Receivable

Pledges receivable consist of \$24,997 and \$33,802 as of August 31, 2025 and 2024, respectively, all of where are receivable in less than one year.

### Note 4. Property and Equipment

Property and equipment consist of the following at August 31:

	2025	2024
Land	\$ 991,945	\$ 991,945
Buildings	5,781,445	5,850,608
Leasehold improvements	276,746	266,252
Furniture and fixtures	10,292	10,292
Equipment	107,403	100,471
Vehicles	242,032	278,387
Construction in process	31,378	44,000
	<u>7,441,241</u>	<u>7,541,955</u>
Accumulated depreciation	<u>(2,250,011)</u>	<u>(2,112,255)</u>
Property and equipment, net	<u>\$ 5,191,230</u>	<u>\$ 5,429,700</u>

Depreciation expense for the years ended August 31, 2025 and 2024 totaled \$252,140 and \$240,933, 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, 2025 and 2024. The promissory note had an initial interest rate of 3.2% and only interest payments were 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, became payable monthly until maturity.

Future principal maturities of the mortgage payable for the years ending subsequent to August 31, 2025 are as follows:

Years Ending August 31,	
2026	\$ 99,944
2027	103,190
2028	106,541
2029	110,000
2030	113,572
Thereafter	848,945
	\$ 1,382,192

The Organization intends to pay down the mortgage payable balances prior to the due date, by making additional debt payments annually.

### 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, 2025 and 2024, respectively.

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

The board of directors has designated net assets for a general endowment fund totaling \$2,794,126 and \$3,046,734 as of August 31, 2025 and 2024, 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:

	2025	2024
Net assets with donor restrictions - time and purpose	\$ 55,363	\$ 77,262
Net assets with donor restrictions - held in perpetuity	210,751	210,751
	<u>\$ 266,114</u>	<u>\$ 288,013</u>

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

	2025	2024
Time	\$ 24,997	\$ 33,802
Emergency assistance and other	30,366	43,460
	<u>\$ 55,363</u>	<u>\$ 77,262</u>

As of August 31, 2025 and 2024, 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:

	2025	2024
Clothing	\$ 300	\$ 28,825
Pantry	81,829	227,015
Medical clinic	44,373	70,511
Transitional housing	12,114	31,219
Time	31,102	20,900
Signage	-	125,000
Emergency assistance	370,275	131,874
Other	177,172	218,113
	<u>\$ 717,165</u>	<u>\$ 853,457</u>

### 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.

# Grapevine Relief and Community Exchange

## Notes to Financial Statements

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 the Organization 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.

Endowment funds are categorized in the following net asset classes as of August 31, 2025:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions - Held in Perpetuity	2024 Total
Donor-restricted endowment funds	\$ -	\$ 210,751	\$ 210,751
Board-designated endowment funds	2,794,126	-	2,794,126
Total endowment net assets	<u>\$ 2,794,126</u>	<u>\$ 210,751</u>	<u>\$ 3,004,877</u>

# Grapevine Relief and Community Exchange

## Notes to Financial Statements

Changes in endowment net assets for the year ended August 31, 2025 are as follows:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions - Time and Purpose	Net Assets With Donor Restrictions - Held in Perpetuity	2024 Total
Endowment net assets, beginning of year	\$ 3,046,734	\$ -	\$ 210,751	\$ 3,257,485
Unrealized and realized gains	247,392	26,778	-	274,170
Contributions	-	-	-	-
Appropriation of assets for expenditure	(500,000)	(26,778)	-	(526,778)
Endowment net assets, end of year	<u>\$ 2,794,126</u>	<u>\$ -</u>	<u>\$ 210,751</u>	<u>\$ 3,004,877</u>

Endowment funds are categorized in the following net asset classes as of August 31, 2024:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions - Held in Perpetuity	2024 Total
Donor-restricted endowment funds	\$ -	\$ 210,751	\$ 210,751
Board-designated endowment funds	3,046,734	-	3,046,734
Total endowment net assets	<u>\$ 3,046,734</u>	<u>\$ 210,751</u>	<u>\$ 3,257,485</u>

Changes in endowment funds net assets for the year ended August 31, 2024 are as follows:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions - Held in Perpetuity	Net Assets With Donor Restrictions - Held in Perpetuity	2024 Total
Endowment net assets, beginning of year	\$ 2,607,698	\$ -	\$ 210,751	\$ 2,818,449
Unrealized and realized gains	439,036	41,466	-	480,502
Contributions	-	-	-	-
Appropriation of assets for expenditure	-	(41,466)	-	(41,466)
Endowment net assets, end of year	<u>\$ 3,046,734</u>	<u>\$ -</u>	<u>\$ 210,751</u>	<u>\$ 3,257,485</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.

# Grapevine Relief and Community Exchange

## Notes to Financial Statements

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:

	2025	2024
Emergency assistance supplies	\$ 1,301,811	\$ 1,388,887
Medical supplies	1,566,497	673,801
Media services and equipment	119,353	28,513
Client Christmas gifts	433,400	373,500
Medical services	536,236	501,410
Use of Facilities	54,741	54,741
<b>Total</b>	<b>\$ 4,012,038</b>	<b>\$ 3,020,852</b>

In-kind contributions for the years ended August 31, 2025 and 2024 consisted of the following:

	Revenue Recognized August 31, 2025	Utilization in Programs/ Activities	Donor Restrictions	Valuation Techniques and Inputs
Emergency assistance supplies	\$ 1,301,811	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	1,566,497	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.
Media services and equipment	119,353	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	433,400	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	536,236	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	54,741	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>\$ 4,012,038</u>			

# Grapevine Relief and Community Exchange

## Notes to Financial Statements

	Revenue Recognized August 31, 2024	Utilization in Programs/ Activities	Donor Restrictions	Valuation Techniques and Inputs
Emergency assistance supplies	\$ 1,388,887	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	673,801	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.
Media services	28,513	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	373,500	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	501,410	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	54,741	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>\$ 3,020,852</u>			

### Note 11. Resale Sales

For years ended August 31, 2025 and 2024, resale sales on the statements of activities consist of \$2,182,992 and \$2,088,685 of cash sales received in the Organization's resale shops, which are shown net of estimated fair value of donated inventory used of \$892,195 and \$876,956 for years ended August 31, 2025 and 2024, 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, 2025 and 2024.

### 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.

# Grapevine Relief and Community Exchange

## Notes to Financial Statements

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 2025 or 2024.

At the implementation of the lease standard, 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 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.

The components of lease expense, cash flow information, and other information for the years ended August 31, 2025 and 2024 were as follows:

	Year Ended August 31, 2025	Year Ended August 31, 2024
Operating lease cost (included in occupancy expenses on the Statement of Functional Expenses)	\$ 213,445	\$ 196,518
Weighted average remaining lease term - operating leases (in years)	0.42	1.42
Weighted average discount rate - operating leases	2.30%	2.30%

The supplemental statement of financial position information related to leases for the years ended August 31, 2025 and 2024 is as follows:

	August 31, 2025	August 31, 2024
Cash paid for amounts in the measurement of lease liabilities		
Operating lease amortization	\$ 197,896	\$ 189,989
Operating cash flows out for operating leases liabilities	213,445	196,518

# Grapevine Relief and Community Exchange

## Notes to Financial Statements

Maturities of the Organization's lease liabilities are as follows as of August 31, 2025:

Years Ending August 31,		
2026	\$	87,904
Less imputed interest		(8,507)
	\$	79,397

Maturities of the Organization's lease liabilities are as follows as of August 31, 2024:

Years Ending August 31,		
2025	\$	210,027
2026		87,904
Less imputed interest		(5,089)
	\$	292,842

### 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 \$43,761 and \$41,510 during the years ended August 31, 2025 and 2024, 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.

# Grapevine Relief and Community Exchange

## Notes to Financial Statements

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:

	2025	2024
Cash	\$ 585,202	\$ 309,510
Cash equivalents	1,759,268	1,684,462
Investments	3,242,246	3,456,705
Pledges receivable	24,997	33,802
Other receivable	1,552	3,254
Total financial assets, year-end	5,613,265	5,487,733
Less grantor and donor-imposed restrictions		
Board-designated endowment funds	(2,794,126)	(3,046,734)
Net assets with donor restrictions	(266,114)	(288,013)
Deferred contribution revenue	(1,748,543)	(1,684,377)
Total financial assets not available to be used within one year	(4,808,783)	(5,019,124)
Total financial assets available to meet general expenditures within one year	\$ 804,482	\$ 468,609

As of August 31, 2025 and 2024, the board of directors has designated net assets for a general endowment fund totaling \$2,794,126 and \$3,046,734, respectively, which are to be held for long-term investment. Based on the nature of the funds, the board of directors can, through board resolution, release the designation of these funds to be used for general operating expenditures.