

PARKER COUNTY CENTER OF HOPE, INC.

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEARS ENDED
JUNE 30, 2026 AND 2025**

PARKER COUNTY CENTER OF HOPE, INC.
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2026 AND 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Parker County Center of Hope, Inc.
Weatherford, Texas

Opinion

We have audited the accompanying financial statements of Parker County Center of Hope, Inc. (a nonprofit Organization), which comprise the statements of financial position as of June 30, 2026 and 2025, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parker County Center of Hope, Inc. as of June 30, 2026 and 2025, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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 the Organization's ability to continue as a going concern within one year after the date that the financial statements 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 the nonprofit Organization'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 the nonprofit Organization'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.

George Morgan Freed, P.C.

Weatherford, Texas
September 28, 2026

PARKER COUNTY CENTER OF HOPE, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2026 AND 2025

	2026	2025
ASSETS		
CURRENT ASSETS:		
Cash	\$ 1,631,972	\$ 1,619,673
Certificates of Deposit	952,553	1,100,291
Investments	1,616,774	12,517
Receivables	34,942	35,549
Inventory	231,404	232,984
Prepaid Expense	26,813	16,525
Total current assets	<u>4,494,458</u>	<u>3,017,539</u>
PROPERTY AND EQUIPMENT:		
Land	192,390	192,390
Construction in Progress	14,790	7,500
Equipment - Food Store	52,549	52,549
Furniture, fixtures and equipment	116,402	77,089
Office Computer/Equipment	41,323	36,105
Vehicles	91,461	94,910
Training Center Equipment/Software	7,139	7,139
Buildings	5,491,872	5,474,272
Less-accumulated depreciation	<u>(1,295,607)</u>	<u>(1,098,384)</u>
Property and equipment-net	4,712,319	4,843,570
OTHER ASSETS:		
Cash restricted for Building Fund	<u>-</u>	<u>6,337</u>
TOTAL ASSETS	<u><u>9,206,777</u></u>	<u><u>\$ 7,867,446</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 4,467	\$ 5,857
Credit card payable	13,029	7,221
Accrued payroll	15,164	41,633
Other liabilities	<u>16,904</u>	<u>7,015</u>
Total current liabilities	<u>49,564</u>	<u>61,726</u>
NET ASSETS:		
With donor restrictions	238,750	203,102
Without donor restrictions	<u>8,918,463</u>	<u>7,602,618</u>
Total net assets	<u>9,157,213</u>	<u>7,805,720</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>9,206,777</u></u>	<u><u>\$ 7,867,446</u></u>

The accompanying notes are an integral part of this statement.

PARKER COUNTY CENTER OF HOPE, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026 AND 2025

	2026		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Contributions	\$ 2,038,829	\$ 363,103	\$ 2,401,932
In-kind Donations			
Assets	14,852	-	14,852
Groceries	1,265,115	-	1,265,115
Meals	275,643	-	275,643
Services	405,411	-	405,411
Donated resale items	690,080	-	690,080
Other	62,183	-	62,183
Special Events	83,970	-	83,970
Interest Income	112,219	46	112,265
Other Income	27,968	-	27,968
Sales resale store	682,547	-	682,547
Less cost of resale items	(681,972)	-	(681,972)
Net assets released from restrictions	327,501	(327,501)	-
TOTAL REVENUES, GAINS, AND OTHER SUPPO	5,304,346	35,648	5,339,994
EXPENSES AND LOSSES:			
Program Services			
Weatherford Basic Assistance	1,489,838	-	1,489,838
Springtown Basic Assistance	491,404	-	491,404
Weatherford Education and Career Development	939,772	-	939,772
Springtown Education and Career Development	60,527	-	60,527
Family Empowerment	61,684	-	61,684
Hope Chest	357,885	-	357,885
Kingdom Smiles	179,772	-	179,772
Total program services	3,580,882	-	3,580,882
Supporting services			
Management and general	273,336	-	273,336
Fund-raising	134,283	-	134,283
Total supporting services	407,619	-	407,619
TOTAL EXPENSES AND LOSSES	3,988,501	-	3,988,501
CHANGE IN NET ASSETS	1,315,845	35,648	1,351,493
NET ASSETS AT BEGINNING OF YEAR	7,602,618	203,102	7,805,720
NET ASSETS AT END OF YEAR	\$ 8,918,463	\$ 238,750	\$ 9,157,213

The accompanying notes are an integral part of this statement.

2025

Without Donor Restrictions	With Donor Restrictions	Total
\$ 1,104,974	\$ 318,992	\$ 1,423,966
9,299	-	9,299
1,045,873	-	1,045,873
256,762	-	256,762
405,022	-	405,022
673,208	-	673,208
49,077	-	49,077
63,887	-	63,887
82,377	72	82,449
16,043	-	16,043
645,686	-	645,686
(645,287)	-	(645,287)
326,935	(326,935)	-
4,033,856	(7,871)	4,025,985
1,342,171	-	1,342,171
350,978	-	350,978
844,129	-	844,129
10,850	-	10,850
66,123	-	66,123
316,044	-	316,044
164,064	-	164,064
3,094,359	-	3,094,359
253,895	-	253,895
127,024	-	127,024
380,919	-	380,919
3,475,278	-	3,475,278
558,578	(7,871)	550,707
7,044,040	210,973	7,255,013
<u>\$ 7,602,618</u>	<u>\$ 203,102</u>	<u>\$ 7,805,720</u>

PARKER COUNTY CENTER OF HOPE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2026

	Program Services				
	Weatherford Basic Assistance	Springtown Basic Assistance	Weatherford Education and Career Development	Springtown Education and Career Development	Family Empowerment
Compensation and related expenses					
Salaries	\$ 224,056	\$ 118,075	\$ 183,034	\$ -	\$ 29,372
Payroll taxes	16,910	9,045	14,440	-	2,425
Staff insurance	2,410	1,567	1,118	-	410
Health Reimbursement Account	705	-	4,942	-	-
Workers compensation ins	2,349	53	344	-	208
Retirement	4,880	1,884	3,381	-	290
Vehicle allowance	-	-	-	-	-
Client Assistance					
Medical, dental and prescriptions	12,074	1,467	11,964	658	-
Utilities	64,248	22,086	22,249	4,123	-
Other	7,786	482	4,873	115	-
Groceries	646,201	231,366	369,066	55,631	13,691
Meals Served	151,352	26,952	97,339	-	-
Advertising	205	-	-	-	-
Auto Expense	8,668	858	27	-	60
Auto Insurance	8,776	858	52	-	102
Bank and Credit Card Charges	-	-	3	-	-
Community Outreach	347	1,721	1,125	-	356
Occupancy					
Building Maintenance	6,055	5,264	6,022	-	829
Utilities	14,446	5,708	13,450	-	996
Garbage	992	1,802	868	-	174
Database User Fee	6,898	911	4,816	-	130
Depreciation Expense	53,210	18,575	49,541	-	3,670
Other Insurance	12,268	2,272	10,922	-	909
Dues and Subscriptions	-	-	99	-	-
Employee Business Expenses	560	1,395	477	-	418
Supplies					
Bible and study supplies	-	35	7,993	-	-
Kitchen	4,673	1,551	-	-	-
Maintenance	505	307	657	-	80
Office Supplies	1,916	966	6,596	-	1,011
Miscellaneous	41,146	9,110	3,391	-	5,422
Postage	826	330	661	-	66
Printing & Reproduction	3,084	94	1,892	-	308
Professional Fees	-	-	-	-	-
Special Events Expenses	-	50	-	-	-
Technical Support	1,632	326	1,979	-	326
Telephone	1,705	2,319	2,252	-	113
Training/Seminar	-	-	1,500	-	-
Travel	-	-	-	-	-
Uncollectible client accounts	-	-	-	-	-
Loss on disposal of assets	-	-	-	-	-
Volunteer Labor	187,973	23,773	111,750	-	28
Volunteer Expenses	982	202	949	-	290
Total expenses	\$ 1,489,838	\$ 491,404	\$ 939,772	\$ 60,527	\$ 61,684

The accompanying notes are an integral part of these financial statements.

Hope Chest	Kingdom Smiles	Management and General	Fund-raising	Total
\$ 208,011	\$ 29,496	\$ 128,804	\$ 112,753	\$ 1,033,601
16,708	2,303	11,189	8,910	81,930
2,738	227	853	953	10,276
5,577	1,632	9,954		22,810
4,232	9	898		8,093
4,197	582	2,800	1,602	19,616
-	-	11,599	-	11,599
				1,187,925
-	45,843			72,006
-	-			112,706
-	-			13,256
-	-			1,315,955
-	-			275,643
-	-	1,356	1,700	3,261
-	-		10	9,623
-	-		28	9,816
16,980	-	9,778		26,761
347	35	1,415		5,346
6,022	223	3,122		27,537
13,450	498	6,974		55,522
2,002	-	452		6,290
-	260	7225		20,240
49,540	1,835	26,066		202,437
12,251	454	4,868		43,944
-	-	330		429
220	25	2,777	80	5,952
-	-			8,028
-	-			6,224
569	20	364		2,502
10,753	56	1,149	148	22,595
-	-	2,697		61,766
66	165	1,456	299	3,869
196	-	1,152	145	6,871
-	-	26,589		26,589
		50	7,655	7,755
1,592	65	1,021		6,941
1,521	56	789		8,755
-	-	4,008		5,508
-	-			-
-	16,677			16,677
-	-			-
194	79,311	3,601		406,630
719	-			3,142
\$ 357,885	\$ 179,772	\$ 273,336	\$ 134,283	\$ 3,988,501

PARKER COUNTY CENTER OF HOPE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Program Services				
	Weatherford Basic Assistance	Springtown Basic Assistance	Weatherford Education and Career Development	Springtown Education and Career Development	Family Empowerment
Compensation and related expenses					
Salaries	\$ 151,942	\$ 101,431	\$ 153,866	\$ 334	\$ 28,057
Payroll taxes	11,251	7,771	11,850	27	2,750
Staff insurance	2,228	1,554	1,006	-	303
Health Reimbursement Account	894	-	2,311	-	-
Workers compensation ins	2,126	46	261	-	161
Retirement	3,442	1,494	2,520	-	439
Vehicle allowance	-	-	-	-	-
	171,883	112,296	171,814	361	31,710
Client Assistance					
Medical, dental and prescriptions	13,357	7,096	13,171	292	-
Utilities	59,725	22,809	25,560	1,254	-
Other	31,161	14,323	5,701	83	2,501
Groceries	573,165	139,511	287,324	8,722	16,290
Meals Served	148,138	9,872	98,752	-	-
Advertising	167	219	-	-	-
Auto Expense	5,458	1,049	-	-	87
Auto Insurance	8,365	1,669	-	-	145
Bank and Credit Card Charges	-	-	-	-	-
Community Outreach	302	993	604	-	317
Occupancy					
Building Maintenance	7,258	2,447	7,082	-	1,040
Rent	-	1,500	-	-	-
Garbage	789	1,030	672	-	126
Depreciation Expense	52,418	11,954	49,371	-	4,267
Other Insurance	11,899	212	11,093	-	899
Dues and Subscriptions	-	-	-	-	-
Employee Business Expenses	422	1,192	153	-	263
Supplies					
Bible and study supplies	112	285	9,425	119	157
Kitchen	2,066	2,297	-	-	-
Maintenance	1,330	361	1,330	-	161
Office Supplies	2,826	1,245	3,111	19	400
Miscellaneous	31,960	3,467	1,864	-	5,672
Postage	537	215	429	-	43
Printing & Reproduction	2,541	72	2,137	-	308
Professional Fees	-	-	-	-	-
Special Events Expenses	-	-	-	-	-
Telephone	1,604	2,210	2,223	-	125
Uncollectible client accounts	-	-	-	-	-
Volunteer Labor	193,474	7,798	132,044	-	14
Volunteer Expenses	216	112	208	-	78
Total expenses	\$ 1,342,171	\$ 350,978	\$ 844,129	\$ 10,850	\$ 66,123

The accompanying notes are an integral part of these financial statements.

	Hope Chest	Kingdom Smiles	Management and General	Fund-raising	Total
\$	177,181	\$ 27,218	\$ 125,998	\$ 114,342	\$ 880,369
	13,791	2,107	9,712	8,846	68,105
	2,306	250	1,608	1,415	10,670
	1,024	532	3,759	-	8,520
	3,674	9	458	-	6,735
	3,337	481	3,598	1,397	16,708
	-	-	5,169	-	5,169
	201,313	30,597	150,302	126,000	996,276
	-	44,852	-	-	78,768
	-		-	-	109,348
	-		-	-	53,769
	-		-	-	1,025,012
	-		-	-	256,762
	-		466	200	1,052
	3		-	-	6,597
	9		-	-	10,188
	14,469		7,166	-	21,635
	302	30	1,229	-	3,777
	7,712	262	3,672	-	29,473
	0		-	-	1,500
	1,804	2	346	-	4,769
	49,371	1,833	25,600	-	194,814
	11,221	415	5,818	-	41,557
	-		695	-	695
	105		4,445	-	6,580
	-		-	-	10,098
	-		-	-	4,363
	843	41	766	-	4,832
	12,412	81	1,845	14	21,953
	823		4,561	-	48,347
	59	107	772	69	2,231
	133		893	54	6,138
	-		26,320	-	26,320
	-		-	637	637
	1,447	54	751	-	8,414
	-	13,321	-	-	13,321
	130	71,718	85	-	405,263
	218		-	-	832
\$	316,044	\$ 164,064	\$ 253,895	\$ 127,024	\$3,475,278

PARKER COUNTY CENTER OF HOPE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025

	<u>2026</u>	<u>2025</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 1,351,493	\$ 550,707
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	202,437	194,814
(Gain) Loss on Sale of Fixed Assets	1,947	828
Unrealized(gains) Loss on Sale of Fixed Assets	-	(444)
(Increase) decrease in operating assets:		
Receivables	607	35,755
Inventory	1,580	(48,780)
Prepaid Expenses	(10,288)	(2,523)
Increase (decrease) in operating liabilities:		
Accounts payable	(1,391)	(12,732)
Credit Card Payable	5,808	6,365
Accrued Payroll	(26,469)	(3,781)
Other Liabilities	9,889	(1,503)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,535,613</u>	<u>718,706</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Property and equipment	(73,132)	(229,671)
Purchases of Certificates of Deposit	(952,553)	(438,919)
Maturities of certificates of deposit	1,100,291	
Purchase of Investments	(1,604,257)	(12,073)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(1,529,651)</u>	<u>(680,663)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,962	38,043
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,626,010</u>	<u>1,587,967</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,631,972</u>	<u>\$ 1,626,010</u>
 Cash	 \$ 1,631,972	 \$ 1,619,673
Cash restricted for Building Fund	-	6,337
Total cash and cash equivalents	<u>\$ 1,631,972</u>	<u>\$ 1,626,010</u>

The accompanying notes are an integral part of these financial statements.

PARKER COUNTY CENTER OF HOPE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Parker County Center of Hope, Inc. (the Organization) is a local area non-profit Christ-centered organization whose mission is to equip and empower people to live successful, joy-filled lives. Short-term help includes groceries distributed through a food pantry, limited financial assistance for utilities and prescriptions, daily meals prepared and served by churches, civic organizations and businesses on a rotational basis, weekly employment listings and the sharing of the Gospel. The Jobs for Life program, Camp Hope Program, computer classes, adult basic education classes, financial management classes, and parenting classes are offered to assist clients to work towards their own financial self-sufficiency.

In November 2011, Parker County Center of Hope, Inc. assumed ownership and operations of Kingdom Smiles Ministries. Kingdom Smiles Ministries is a tax-exempt entity formed in California and registered with the State of Texas; however, there has been no activity in the Kingdom Smiles Ministries tax-exempt entity since 2011. All activities of the Kingdom Smiles Ministries have been performed under Parker County Center of Hope, Inc. since November 2011.

Program Services

The following program services are included in the accompanying financial statements:

Basic Assistance

A crisis assistance program offers groceries, limited financial assistance with utilities and prescriptions, and daily meals to help families experiencing crisis.

Education & Career Development

Programs offered by Center of Hope help equip and empower people for success. These programs include computer training, adult education classes, financial coaching, the Jobs for Life program, as well as job training and internships.

Family Empowerment

The Family Empowerment program extends into low-income neighborhoods to reach kids and their families. Camp Hope is a summer program for children that provides weekly groceries, cooking skills, a reading program, crafts and activities, and mentoring support.

PARKER COUNTY CENTER OF HOPE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Hope Chest

The Hope Chest is an upscale resale establishment where the proceeds benefit families in Parker County struggling with poverty. The shop provides job-training and paid internships for Education and Career Development students.

Kingdom Smiles

This program provides financial assistance to qualifying individuals in need of emergency dental services. Clients meet with the Center of Hope for initial interview and financial assessment. Clients pay in advance for cost of dental exam. The dentist evaluates, recommends treatment plan and provides an estimate of cost. Clients meet with the Kingdom Smiles coordinator to determine the amount Kingdom Smiles will pay and agree to a payment plan for the client's portion of costs. Dental work is done, and the bill is paid from Kingdom Smiles funds. The client is billed monthly for their portion of the costs, which replenishes the program funds.

Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

PARKER COUNTY CENTER OF HOPE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Support and Revenue

Contributions are considered available for unrestricted use unless specifically restricted by the donor. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction.

When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenue from contracts is derived from sales at the Hope Chest resale shop. This revenue is recognized at a point in time when control of the goods transfers to the customer. Payment is due at the time of sale. There are no advance payments. Sales taxes the Organization collects concurrent with revenue producing activities are excluded from revenue.

In-kind Donations

Donated services are recognized at fair market value if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by individuals possessing those skills, and would otherwise be purchased if not provided by volunteers. Donated services of \$320,937, \$79,304, and \$5,170 were provided in the current year for the Education and Career Development, Kingdom Smiles programs, and Management and General, respectively. These in-kind services include professional, dental and educational services and are valued at estimated pricing for similar services. Volunteers also donated over 27,921 hours to the Organization's program and support services during the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

The Organization's policy related to gifts-in-kind is to utilize the assets to carry out the mission of the Organization. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses. Contributed groceries are recognized at estimated fair value by using the current approved rate of \$1.93 per pound, as provided by the Tarrant Area Food Bank.

PARKER COUNTY CENTER OF HOPE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed meals are recognized at estimated fair value of the low-end lunch price in the area of \$8 per meal. Donated resale items are recognized at fair value by comparing to sales of comparable items.

Property and Equipment

Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. The organization capitalizes property and equipment with a cost or fair value of over \$2,500. Property and equipment are depreciated using the straight-line method.

The estimated useful lives are as follows:

Buildings	30 years
Equipment	7 years
Furniture and fixtures	5 years
Vehicles	5 years

Income Taxes

The Parker County Center of Hope, Inc. is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

The Organization maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2026, the Organization's deposits were under collateralized by \$99,850. Collateralized deposits were \$2,530,013. At June 30, 2025, the Organization's deposits were fully collateralized. Collateralized deposits were \$2,475,283.

PARKER COUNTY CENTER OF HOPE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value of Financial Instruments

Generally accepted accounting principles requires disclosure of an estimate of fair value of certain financial instruments. The Organization's significant financial instruments are cash, certificates of deposits equity securities and grants receivable. For these financial instruments, carrying values approximate fair value.

Investments in equities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Fair values of investments are measured on a recurring basis. Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions (Level 1 inputs).

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equity basis. The expenses allocated include the following: time and effort for salaries and benefits, building utilization and specific identification for others.

Inventory

Inventory consists of groceries remaining in food stores and items for sale at the resale shop. The grocery inventory was donated and recorded at its fair value at date of the physical inventory. Fair value is determined by using the current approved rate of \$1.93 per pound, as provided by the Tarrant Area Food Bank. The resale inventory is donated and is recorded at its estimated resale value.

NOTE B – INVESTMENTS

Investments are carried at fair value based on quoted prices in active markets (all Level 1 measurements) and consist of the following at June 30, 2026 and 2025, respectively:

Investment Type	June 30, 2026			June 30, 2025		
	Cost	Fair Market Value	Unrealized Gain (Loss)	Cost	Fair Market Value	Unrealized Gain (Loss)
Money market	\$ 919	\$ 919	\$ -	\$ 13	\$ 13	\$ -
Mutual Funds	1,614,278	1,615,855	1,577	10,287	10,514	227
Equities				1,780	1,990	210
Total	<u>\$ 1,615,197</u>	<u>\$ 1,616,774</u>	<u>\$ 1,577</u>	<u>\$ 12,080</u>	<u>\$ 12,517</u>	<u>\$ 437</u>

PARKER COUNTY CENTER OF HOPE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE C – AVAILABILITY AND LIQUIDITY

The Organization receives support with and without donor restrictions to fund its programs and supporting services. A budget is adopted each year to plan spending. The following table presents financial assets available for expenditures within one year at June 30, 2026.

	<u>2026</u>	<u>2025</u>
Financial assets, at year end		
Cash and cash equivalents	\$ 1,631,972	\$ 1,626,010
Certificates of deposit	952,553	1,100,291
Investments	1,616,774	12,517
Accounts receivable	34,942	35,549
Total financial assets	<u>4,236,241</u>	<u>2,774,367</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(238,750)	(203,102)
Net assets designated by the board of directors	<u>(169,400)</u>	<u>(503,465)</u>
	(408,150)	(706,567)
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 3,828,091</u>	<u>\$ 2,067,800</u>

Cash, certificates of deposit, accounts receivable and investments make up the liquid financial assets of Parker County Center of Hope, Inc. However, \$952,553 of certificates of deposits, would be subject to early withdrawal penalties if withdrawn before the maturity date.

NOTE D – PROMISES TO GIVE RECEIVABLE

Promises to give receivable consist of the following at June 30, 2026 and 2025:

	<u>2026</u>	<u>2025</u>
Due in 1 Year		
Kingdom Smiles Clients	\$ 48,803	\$ 43,422
Christ Chapel	7,501	7,751
United Way	<u>10,360</u>	<u>12,600</u>
Total	66,664	63,773
Less: Allowance for uncollectible promises	<u>(31,722)</u>	<u>(28,224)</u>
Net Promises to Give	<u>\$ 34,942</u>	<u>\$ 35,549</u>

PARKER COUNTY CENTER OF HOPE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE E – RESTRICTIONS/LIMITATIONS ON NET ASSETS

The Organization's board of directors has chosen to place the following limitations on net assets without donor restrictions:

	2026	2025
Designated Special Reserve	\$ 169,400	\$ 503,465

Net assets with donor restrictions are available for the following purposes:

	2026	2025
Building Fund	\$ -	\$ 6,342
Food Fund	175,831	90,450
Family Empowerment	-	3,274
Kingdom Smiles	42,330	42,608
Medical & Prescriptions	7,387	12,764
Leather Bibles	13,202	13,763
The Fort Worth Found Trust	-	33,901
Other	-	-
	<u>\$ 238,750</u>	<u>\$ 203,102</u>

NOTE E – RESTRICTIONS/LIMITATIONS ON NET ASSETS (continued)

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

	2026	2025
Benevolence		
Education & Career Development	\$ 38,892	\$ 48,180
Benevolence	26,804	29,770
Building Fund	6,388	-
Food Fund	6,831	13,823
Family Empowerment	17,154	13,656
Kingdom Smiles	98,626	77,488
Springtown Program	25,787	100,549
Medical & Prescriptions	22,377	12,621
Leather Bibles	741	2,080
The Fort Worth Found Trust	83,901	28,768
	<u>\$ 327,501</u>	<u>\$ 326,935</u>

PARKER COUNTY CENTER OF HOPE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE F – EMPLOYEE BENEFIT PLAN

In 2011, the Organization began offering a Simple IRA Plan whereby all employees who earn at least \$5,000 per year may elect to contribute pursuant to a salary reduction agreement. Employees can elect to contribute up to \$17,000 for 2026, \$16,500 for 2025 and \$16,000 for 2024. In addition, employees who will be at least age 50 by the end of the year, can make additional catch-up contributions of \$4,000 for 2025 and \$3,500 for 2024. The Organization's matching contribution obligation is three percent of the employee's gross pay on the employees who elect to participate in the Plan. During the years ended June 30, 2026 and 2025, the Organization made matching contributions in the amount of \$19,616 and \$16,708 respectively.

NOTE G – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through September 28, 2026, the date which the financial statements are available to be issued.

NOTE H – LEASES

Under Financial Accounting Standards (FASB) Accounting Standards Codification (ACS) Topic 842: Leases; leases with terms greater than 12 months must be classified as an operating or financing leases on the statement of financial position to be in compliance with GAAP. The lessee recognizes a right-of-use asset, initially measured at the present value of the lease payments, and a lease liability on the balance sheet. The Organization does not have any leases greater than 12 months. The Organization is the lessee and lessor with terms less than 12 months for which the Organization has elected to recognize in operating expense and revenue on the straight-line basis.

NOTE I– FUTURE ACCOUNTING PRONOUNCEMENTS

The Financial Accounting Standards Board (FASB) has issued several standards that will be effective for future years. The Organization has not yet determined the effect of these new standards will have on its financial reporting.