



Audited Financial Statements

For the Year Ended December 31, 2019

Women Rock, Inc.
For the Year Ended December 31, 2019

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Lori Ann Cannon

Certified Public Accountant

292 Mountain Climb Road
Sherman, Tx. 75092
903.815.6610

Lori@LoriAnnCannonCPA.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Women Rock, Inc.

Report on the Financial Statements

I have audited the accompanying financial statements of Women Rock, Inc. (Women Rock) (a Texas nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Women Rock as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Lori Ann Cannon, CPA

Sherman, Texas
October 27, 2020

Women Rock, Inc.
Statement of Financial Position
December 31, 2019

Assets

Current Assets	
Cash and Cash Equivalents	\$ 183,500
Accounts Receivable (net)	27,500
Inventory	1,123
Current Prepaid Expenses	<u>1,816</u>
Total Current Assets	<u>213,939</u>
Land, Property, and Equipment (net)	<u>177,776</u>
Other Assets	
Long Term Prepaid Expenses	5,447
Deposit	<u>500</u>
Total Other Assets	<u>5,947</u>
Total Assets	<u><u>\$ 397,662</u></u>

Liabilities and Net Assets

Current Liabilities	
Accounts Payable and Accrued Liabilities	\$ 14,487
Current Portion of Long-Term Debt	<u>3,160</u>
Total Current Liabilities	<u>17,647</u>
Long Term Liabilities	
Long-Term Portion of Debt	<u>105,185</u>
Total Liabilities	<u>122,832</u>
Net Assets	
Without Donor Restrictions	<u>274,830</u>
Total Net Assets	<u>274,830</u>
Total Liabilities and Net Assets	<u><u>\$ 397,662</u></u>

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

Women Rock, Inc.
Statement of Activities
For the Year Ended December 31, 2019

Operating Revenues, Support and Gains

Fundraising	
Bras for a Cause	\$ 256,156
Susan Hicks Memorial 5K Run	33,999
Other Fund Raising Events	107,201
Total Fundraising	<u>397,356</u>
Local Grants and Contributions	139,589
Product Sales	11,736
Total Revenues, Support and Gains	<u>548,681</u>

Operating Expenses

Program Services	329,670
Supporting Services	
Administrative Expenses	110,376
Product Sales	13,543
Fundraising	164,233
Total Operating Expenses	<u>617,822</u>

Net Increase (Decrease) in Net Assets Without

Donor Restrictions	(69,141)
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Net Assets Without Donor Restrictions, Beginning of Year	<u>343,971</u>
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Net Assets Without Donor Restrictions, End of Year	<u><u>\$ 274,830</u></u>
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The accompanying notes are an integral part of these financial statements.

Women Rock, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2019

	Without Donor Restrictions						Total
	Support Services					Other Fund Raisers	
	Program Services	Administrative	Product Sales	Fund Raising			
				Bras for a Cause	Susan Hicks Memorial 5K Run		
Salary and Related Taxes	79,164	6,597	-	6,597	6,597	6,598	105,553
Images of Hope	88,003	-	-	-	-	-	88,003
Fundraising Expense	-	-	-	62,906	7,138	10,442	80,486
Provisions of Hope	82,261	-	-	-	-	-	82,261
Donated In-Kind	500	-	-	54,049	-	-	54,549
Materials - Promotional and Educational	51,113	-	-	-	-	-	51,113
Professional Fees and Contract Services	16,699	13,042	-	1,392	1,392	1,392	33,917
Office Supplies	447	19,129	-	1,435	-	-	21,011
Product Sales	-	-	13,543	-	-	-	13,543
Advertising	7,860	3,822	-	-	-	-	11,682
Automobile Expense	1,811	6,719	-	840	-	-	9,370
Interest Expense	-	6,498	-	-	-	-	6,498
Miscellaneous	-	22,718	-	-	-	3,203	25,921
Insurance	-	3,856	-	-	-	-	3,856
Loan Refinance Cost	-	3,290	-	-	-	-	3,290
Repairs and Maintenance	-	3,199	-	-	-	-	3,199
Utilities	-	2,708	-	-	-	-	2,708
Telephone and Internet	254	2,018	-	252	-	-	2,524
Travel	1,558	-	-	-	-	-	1,558
Postage	-	324	-	-	-	-	324
Total Expenses Before Depreciation	<u>329,670</u>	<u>93,920</u>	<u>13,543</u>	<u>127,471</u>	<u>15,127</u>	<u>21,635</u>	<u>601,366</u>
Depreciation	<u>-</u>	<u>16,456</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,456</u>
Total Donated Goods and Services	<u>-</u>	<u>16,456</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,456</u>
Total Expenses	<u>\$ 329,670</u>	<u>\$ 110,376</u>	<u>\$ 13,543</u>	<u>\$ 127,471</u>	<u>\$ 15,127</u>	<u>\$ 21,635</u>	<u>\$ 617,822</u>

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

Women Rock, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2019

Cash Flows from Operating Activities

Change in Net Assets	\$ (69,141)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:	
Depreciation	16,456
(Increase) Decrease in Operating Assets:	
Accounts Receivable, Net	(7,795)
Prepaid Expenses	1,816
Increase (Decrease) in Operating Liabilities:	
Accounts Payable and Accruals	3,235
Net Cash Used in Operating Activities	(55,429)

Cash Flows from Investing Activities

Purchases of Property and Equipment	(65,908)
Net Cash Used in Investing Activities	(65,908)

Cash Flows from Financing Activities

Acquisition of New Long Term Debt	33,530
Payments on Long Term Debt	(2,373)
Net Cash Provided by Financing Activities	31,157

Net Decrease in Cash (90,180)

Cash and Cash Equivalents at Beginning of Year	273,680
Cash and Cash Equivalents at End of Year	\$ 183,500

Interest Expense	\$ 5,974
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Supplemental Disclosure of Non-Cash Investing and Financing Activity:

\$18,500 in remaining Net Book Value of the older motorhome from 2017 was added to the capitalization of the new motorhome that was purchased with new financing and a trade-in.

The \$76,970 remaining in outstanding long-term debt was refinanced with the newly acquired debt of \$33,530 to a total of \$110,500 in a new debt agreement as of March 6, 2019.

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

Women Rock, Inc.
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1 - Description of Organization

Organization, History and Purpose - Women Rock, Inc. (Women Rock or Organization) was founded in 2010 as a grassroots organization led by the passion and desire to provide free mammograms to women in the Texoma region, while also providing breast cancer victims and survivors with a therapeutic environment that promotes healing, fellowship and support. Enhancing breast cancer awareness and providing education on the importance of early detection in Texoma communities is the main focus of the Organization. Since then, Women Rock has worked toward the goal of creating a haven for rural communities facing the challenges of breast cancer and overall establishing a presence as a “rock” in these communities for the years to come. Women Rock is working toward tipping the scales in favor of breast cancer victims by providing a nourishing support infrastructure – one that heals the mind, body, and soul.

Women Rock has two main areas of focus: Images of Hope and Provisions of Hope programs. Images of Hope provides financial assistance for breast imaging services, including screening and diagnostic mammograms, ultrasounds, biopsies, as well as physician services and referral, and breast cancer awareness. The Provisions of Hope program aids those that are undergoing breast cancer treatment and often find themselves struggling financially to make ends meet. By providing funding for house payments, car payments, rent, utility bills, gas, groceries, and other everyday essentials, Women Rock can help alleviate the financial burden that many of those diagnosed with breast cancer encounter. Women Rock is proud to be able to work personally with these clients to find out what their greatest needs are during this most difficult time of diagnosis and treatment.

Tax Status - The Organization is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). Contributions to the Organization are tax deductible to donors under Section 170 of the IRC. The Organization is not classified as a private foundation.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation - The financial statements of Women Rock have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require Women Rock 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 Women Rock’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 Women Rock or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. There were no net assets with donor restrictions at December 31, 2019.

Women Rock, Inc.

Notes to the Financial Statements (continued)

For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies (continued)

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.

Cash and Cash Equivalents - Women Rock's cash consists of cash on deposit with banks. Cash equivalents are all highly liquid investments with an original maturity date of three months or less.

Classifications of Transactions - All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the use of the related resources is subject to donor restrictions. All expenses and net losses are reported as decreases in net assets without donor restrictions.

Contributions - Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as net assets with donor restrictions until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Gifts-in-Kind Contributions - The Organization receives contributions in a form other than cash or investments. Most are donated supplies, which are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed. If the Organization receives a contribution of land, buildings, or equipment, the contributed asset is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the Organization's capitalization policy. Donated use of facilities is reported as contributions and as expenses at the estimated fair value of similar space for rent under similar conditions. If the use of the space is promised unconditionally for a period greater than one year, the contribution is reported as a contribution and an unconditional promise to give at the date of gift, and the expense is reported over the term of use.

The Organization benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in the Organization's program operations and in its fund-raising campaigns. However, most of the contributed services do not meet the criteria for recognition in financial statements. GAAP allow recognition of contributed services only if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills. There were no donated services that met the above criteria. However, volunteers that did not meet the criteria had an estimated fair value of \$30,751 for the year.

Women Rock, Inc.

Notes to the Financial Statements (continued)

For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies (continued)

Accounts Receivable - Accounts receivable represents amounts due from donors for various fund-raising programs of Women Rock. The allowance for doubtful accounts represents receivables over 90-days as of the date of this audit report that Women Rock feels are still potentially collectable.

Prepaid Expenses - Prepaid expenses consists of a six-year license for a Donor and Grant Management software. There are four years remaining on the license.

Building and Equipment - Land, buildings and equipment are reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. All land and buildings are capitalized. Equipment is capitalized if it has a cost of \$500 or more and a useful life when acquired of more than 1 year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Buildings	50 Years
Other Equipment	5 - 7 Years

Land, buildings, and equipment are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the current period.

Use of Estimates - The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the Organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Organization's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

New Accounting Pronouncement - On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Corporation has adjusted the presentation of these statements accordingly.

Note 3 - Reporting of Expenses by Function

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program services and supporting services benefitted. Such allocations are determined by management on an equitable basis.

Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefitted based on periodic time or usage studies.

Women Rock, Inc.

Notes to the Financial Statements (continued)

For the Year Ended December 31, 2019

Note 3 - Reporting of Expenses by Function (continued)

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization. Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and general and administrative expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred.

Note 4 - Availability and Liquidity

The following represents Women Rock's financial assets at December 31, 2019:

	2019
Financial Assets at Year End	
Cash and Cash Equivalents	\$ 183,500
Accounts Receivable	27,500
Total Financial Assets	\$ 211,000
Financial Assets Available to Meet General	
Expenditures Over the Next Twelve Months	\$ 211,000

Women Rock's goal is generally to maintain financial assets to meet 3-6 months of operating expenses.

Note 5 - Property and Equipment

The following is a list of Women Rock's property and equipment at:

<u>Depreciable Assets</u>	December 31, 2018	Additions	Sales/ Adjustments	December 31, 2019
Buildings	\$ 111,303	\$ -	\$ -	\$ 111,303
Improvements	900	-	-	900
Furniture and Equipment	43,072	84,658	(25,000)	102,730
Accumulated Depreciation	(26,951)	(16,456)	6,250	(37,157)
	\$ 128,324	\$ 68,202	\$ (18,750)	\$ 177,776

Women Rock, Inc.

Notes to the Financial Statements (continued)
For the Year Ended December 31, 2019

Note 6 - Note Payable

In March 2019, Women Rock refinanced their outstanding debt with First United Bank and Trust, as well as incurred additional debt in order to purchase a new RV for their Education Station with the Women Rock building, its land and the new RV pledged as collateral. The amount of the new loan consisted of a refinance of \$76,970 plus new debt of \$33,530 for a total amount of \$110,500, with a 6% per annum interest rate, 59 monthly payments of \$797 and a balloon payment estimated at \$94,758, due March 2024.

	Balance 2018	Additions	Payments	Refinanced	Balance 2019	Current Portion
2015 Building Note Payable	\$ 77,188	\$ -	\$ (218)	\$ (76,970)	\$ -	\$ -
2019 Building and RV Note	-	33,530	(2,155)	76,970	108,345	3,160
	\$ 77,188	\$ 33,530	\$ (2,373)	\$ -	\$ 108,345	\$ 3,160

The payout schedule for this new debt is as follows:

	Principal	Interest
2020	\$ 3,160	\$ 6,409
2021	3,355	6,214
2022	3,562	6,007
2023	3,781	5,788
2024	94,487	942
	\$ 108,345	\$ 25,360

Note 7 - Net Assets

Net assets without donor restrictions for the year ended December 31, 2019 are allocated as follows:

Undesignated	\$ 274,830
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The Board designated funds from prior year that were set aside for a reduction of debt were used in the refinance of the Organization's debt as described in Note 6.

Note 8 - Commitments and Contingencies

Most of the Organization's contributions and grants are received from corporations, foundations, and individuals located in the North Texas. As such, the Organization's ability to generate resources via contributions and grants is dependent upon the economic health of that area.

Note 9 - Subsequent Events

Subsequent events have been evaluated through October 27, 2020, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

Women Rock, Inc.

Notes to the Financial Statements (continued)
For the Year Ended December 31, 2019

Note 9 – Subsequent Events (continued)

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the Organization's operations. Future potential impacts may include disruptions or restrictions on their employees' ability to work, donors and contributors' ability to provide financial assistance, or events of the Organization to be able to occur. Changes to the operating environment may increase operating costs. The future effects of these issues are unknown.

In April 2020, the Organization applied for and was approved a \$22,000 loan under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan accrues interest at 1%, but payments are not required to begin for six months after the funding of the loan. The Corporation is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the Federal government.