



**Women Rock, Inc.**

**Audited Financial Statements**

For the Year Ended December 31, 2022

**Women Rock, Inc.**  
For the Year Ended December 31, 2022

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report .....	1 - 2
 <b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position .....	3
Statement of Activities .....	4
Statement of Functional Expenses .....	5
Statement of Cash Flows .....	6
Notes to Financial Statements .....	7 - 12



292 Mountain Climb Road  
Sherman, TX 75092  
(903) 815-6610  
FAX: (903) 598-7850  
Lori@LoriAnnCannonCPA.com

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Women Rock, Inc.

### Opinion

I have audited the accompanying financial statements of Women Rock, Inc. (the Organization) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2022, 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.

### Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Organization and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 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

My 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 my 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 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, I:

- 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 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

*Lori Ann Cannon, CPA*

Sherman, Texas  
November 15, 2023

**Women Rock, Inc.**  
Statement of Financial Position  
December 31, 2022

**Assets**

Current Assets	
Cash and Cash Equivalents	\$ 468,173
Accounts Receivable, net	5,280
Inventory	<u>1,123</u>
Total Current Assets	<u>474,576</u>
Fixed Assets	
Buildings	111,303
Improvements	900
Furniture and Equipment	189,585
Accumulated Depreciation	<u>(61,240)</u>
Total Fixed Assets, Net of Accumulated Depreciation	<u>240,548</u>
Other Assets	
Long Term Prepaid Expenses	5,447
Deposit	<u>500</u>
Total Other Assets	<u>5,947</u>
<b>Total Assets</b>	<b><u><u>\$ 721,071</u></u></b>

**Liabilities and Net Assets**

Current Liabilities	
Accounts Payable and Accrued Liabilities	\$ 9,170
Current Portion of Long-Term Debt	<u>3,781</u>
Total Current Liabilities	<u>12,951</u>
Long Term Liabilities	
Long-Term Portion of Debt	<u>94,571</u>
Total Long Term Liabilities	<u>94,571</u>
<b>Total Liabilities</b>	<b><u>107,522</u></b>
Net Assets	
Without Donor Restrictions	<u>613,549</u>
Total Net Assets	<u>613,549</u>
<b>Total Liabilities and Net Assets</b>	<b><u><u>\$ 721,071</u></u></b>

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

**Women Rock, Inc.**  
Statement of Activities  
For the Year Ended December 31, 2022

**Operating Revenues, Support and Gains**

Fundraising	
Bras for a Cause	\$ 127,634
Drink for Pink	67,090
Bingo	47,911
Casino Night	30,219
Susan Hicks Memorial 5K Run	24,097
Other Fund Raising Events	<u>82,425</u>
Total Fundraising	379,376
In-Kind Revenue	147,700
Local Grants and Contributions	236,829
Product Sales	<u>11,457</u>
Total Revenues, Support and Gains	<u><u>775,362</u></u>

**Operating Expenses**

Program Services	339,033
Supporting Services	
Administrative Expenses	92,478
Product Sales	11,233
Fundraising	<u>240,419</u>
Total Operating Expenses	<u><u>683,163</u></u>

**Net Increase (Decrease) in Net Assets Without**

<b>Donor Restrictions</b>	92,199
---------------------------	--------

Net Assets Without Donor Restrictions, Beginning of Year	<u>521,350</u>
--	----------------

<b>Net Assets Without Donor Restrictions, End of Year</b>	<u><u>\$ 613,549</u></u>
---	--------------------------

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

**Women Rock, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2022**

Without Donor Restrictions

	Support Services						Total
	Program Services	Administrative	Product Sales	Fund Raising			
				Bras for a Cause	Drink for Pink	Other Fund Raisers	
Advertising	\$ 2,817	\$ 1,387	\$ -	\$ -	\$ -	\$ -	\$ 4,204
Automobile Expense	-	50	-	5	-	-	55
Donated In-Kind	-	-	-	42,000	77,000	28,700	147,700
Fundraising Expense	-	-	-	21,268	3,041	35,340	59,649
Images of Hope	77,748	-	-	-	-	-	77,748
Insurance Expense	-	8,735	-	-	-	-	8,735
Interest Expense	-	6,113	-	-	-	-	6,113
Materials - Promotional and Educational	32,084	-	-	-	-	-	32,084
Miscellaneous	-	508	-	-	-	2,030	2,538
Office Expenses	2,802	23,057	-	1,730	-	-	27,589
Payroll Taxes	5,038	420	-	420	420	420	6,718
Product Sales	-	-	11,233	-	-	-	11,233
Professional Fees and Contract Services	23,549	18,742	-	1,922	1,922	1,922	48,057
Provisions of Hope	106,655	-	-	-	-	-	106,655
Repairs and Maintenance	-	635	-	-	-	-	635
Salaries and Wages	88,084	7,341	-	7,341	7,341	7,341	117,448
Telephone and Internet	256	2,043	-	256	-	-	2,555
Utilities	-	3,341	-	-	-	-	3,341
Total Expenses Before Depreciation	<u>339,033</u>	<u>72,372</u>	<u>11,233</u>	<u>74,942</u>	<u>89,724</u>	<u>75,753</u>	<u>663,057</u>
Depreciation	-	20,106	-	-	-	-	20,106
Total Expenses	<u>\$ 339,033</u>	<u>\$ 92,478</u>	<u>\$ 11,233</u>	<u>\$ 74,942</u>	<u>\$ 89,724</u>	<u>\$ 75,753</u>	<u>\$ 683,163</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, 2022

**Cash Flows from Operating Activities**

Change in Net Assets	\$	92,195
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation		20,106
(Increase) Decrease in Operating Assets:		
Accounts Receivable, Net		2,150
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accruals		(8,135)
Net Cash Provided by Operating Activities		<u>106,316</u>

**Cash Flows from Capital and Related Investing Activities**

Purchases of Property and Equipment		<u>(49,774)</u>
Net Cash Used by Investing Activities		<u>(49,774)</u>

**Cash Flows from Financing Activities**

Payments on Long Term Debt		<u>(3,457)</u>
Net Cash Used by Financing Activities		<u>(3,457)</u>

**Net Increase in Cash** 53,085

Cash and Cash Equivalents at Beginning of Year 415,088

**Cash and Cash Equivalents at End of Year** \$ 468,173

Interest Expense \$ 5,857

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, 2022

**Note 1 - Description of Organization**

**Organization, History and Purpose** - Women Rock, Inc. (Women Rock or the 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, the Organization 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, 2022.

## Women Rock, Inc.

Notes to the Financial Statements (continued)

For the Year Ended December 31, 2022

### **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. Total amount of gifts-in-kind for the year ended December 31, 2022 were \$147,700.

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.

## Women Rock, Inc.

Notes to the Financial Statements (continued)

For the Year Ended December 31, 2022

### **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 three 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 Pronouncements** - In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, Leases (topic 842), for reporting leases, which requires an entity that is a lessee to classify leases as either finance or operating and to recognize a lease liability and a right-of-use asset for all leases that have a term greater than twelve months. Leases of twelve months or less will be accounted for like existing guidance for operating leases. The Organization did not have any leases that were material to the financial statements to be reported under this new guidance.

### **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.

## Women Rock, Inc.

Notes to the Financial Statements (continued)

For the Year Ended December 31, 2022

### **Note 3 - Reporting of Expenses by Function (continued)**

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 benefited based on periodic time or usage studies.

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, 2022:

Women Rock's goal is generally to maintain financial assets to meet 3-6 months of operating expenses. At December 31, 2022, the Organization had approximately 8 months of operating expenses available. The largest fund raiser for the Organization is held in October, which is near year end. So, cash on hand increases at year end for that event.

Financial Assets at Year End	\$ 473,453
Less Those Unavailable for General Expenses	
Within One Year, Due To:	
Accounts Payable and Accrued Liabilities	(9,170)
Current Portion of Long-Term Debt	<u>(3,562)</u>
Financial Assets Available to Meet General	
Expenditures Over the Next Twelve Months	<u>\$ 460,721</u>

### **Note 5 - Property and Equipment**

The following is a list of Women Rock's property and equipment at December 31, 2022:

	<b>December 31,</b>			<b>December 31,</b>
	<b>2021</b>	<b>Additions</b>	<b>Deletions</b>	<b>2022</b>
Buildings	\$ 111,303	\$ -	\$ -	\$ 111,303
Improvements	900	-	-	900
Furniture and Equipment	<u>139,811</u>	<u>49,774</u>	<u>-</u>	<u>189,585</u>
Total Fixed Assets	252,014	49,774	-	301,788
Accumulated Depreciation	<u>(41,134)</u>	<u>(20,106)</u>	<u>-</u>	<u>(61,240)</u>
Net Fixed Assets	<u>\$ 210,880</u>	<u>\$ 29,668</u>	<u>\$ -</u>	<u>\$ 240,548</u>

**Women Rock, Inc.**  
Notes to the Financial Statements (continued)  
For the Year Ended December 31, 2022

**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 2021	Additions	Payments	Balance 2022	Current Portion
2019 Building and RV Note	\$ 101,809	\$ -	\$ (3,457)	\$ 98,352	\$ 3,781
	\$ 101,809	\$ -	\$ (3,457)	\$ 98,352	\$ 3,781

The payout schedule for this new debt is as follows:

	Principal	Interest
2023	\$ 3,781	\$ 5,788
2024	94,571	942
	\$ 98,352	\$ 6,730

**Note 7 - Commitments and Contingencies**

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

**Note 8 - Subsequent Events**

Subsequent events have been evaluated through November 15, 2023, 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.