

**Women Rock, Inc.**

**Audited Financial Statements**

**For the Year Ended December 31, 2015**

**Women Rock, Inc.**  
**For the Year Ended December 31, 2015**

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**Certified Public Accountant**

**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, 2015, 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. 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, 2015, 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  
June 8, 2016

**Women Rock, Inc.**  
Statement of Financial Position  
December 31, 2015

**Assets**

Current Assets		
Cash and cash equivalents	\$	241,146
Accounts receivable (net)		14,720
Inventory		940
Total Current Assets		<u>256,806</u>
Land, Property, and Equipment (net)		<u>115,417</u>
Other Assets		
Deposit		<u>500</u>
Total Other Assets		<u>500</u>
<b>Total Assets</b>	<b>\$</b>	<b><u><u>372,723</u></u></b>

**Liabilities and Net Assets**

Current Liabilities		
Accounts payable and accrued liabilities	\$	1,967
Current portion of long-term debt		<u>3,335</u>
Total Current Liabilities		<u>5,302</u>
Long Term Liabilities		
Long term portion of debt		<u>82,472</u>
<b>Total Liabilities</b>		<u>87,774</u>
Net Assets		
Temporarily restricted net assets		16,677
Unrestricted net assets		<u>268,272</u>
Total Net Assets		<u>284,949</u>
<b>Total Liabilities and Net Assets</b>	<b>\$</b>	<b><u><u>372,723</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, 2015

Support and Revenues	Unrestricted	Temporarily Restricted	Totals
Fundraising			
Bras for a Cause	\$ 216,129	\$ -	\$ 216,129
Susan Hicks Memorial 5K Run	28,630	-	28,630
Other fund raising events	26,133	-	26,133
Total fund raising	<u>270,892</u>	-	<u>270,892</u>
Local grants and contributions	80,269	-	80,269
Product sales	16,229	-	16,229
Net transfers that met restrictions	-	-	-
Total Support and Revenues	<u>367,390</u>	<u>-</u>	<u>367,390</u>
 Expenses			
Program services	115,828	-	115,828
Support services			
Administrative expenses	58,145	-	58,145
Product sales	13,627	-	13,627
Fund raising	105,159	-	105,159
Total Expenses	<u>292,758</u>	<u>-</u>	<u>292,758</u>
 Change in net assets	74,632	-	74,632
Net assets, beginning of year	<u>193,640</u>	<u>16,677</u>	<u>210,317</u>
Net assets, end of year	<u>\$ 268,272</u>	<u>\$ 16,677</u>	<u>\$ 284,949</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, 2015

	Unrestricted						Total
	Support Services						
	Program Services	Administrative	Product Sales	Fund Raising			
				Bras for a Cause	Susan Hicks Memorial 5K Run	Other Fund Raisers	
Images of Hope	\$ 71,298	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,298
Salary and related taxes	12,191	24,381	-	6,095	6,095	-	48,762
Donated In-Kind	-	-	-	45,517	-	-	45,517
Fundraising expense	-	-	-	17,693	3,635	13,975	35,303
Provisions of Hope	19,108	-	-	-	-	-	19,108
Product sales	-	-	13,627	-	-	-	13,627
Office supplies	609	10,840	-	953	-	-	12,402
Meals	-	843	-	8,250	-	-	9,093
Materials - promotional and educational	6,440	-	-	-	-	271	6,711
Advertising	2,870	1,386	-	-	-	-	4,256
Interest expense	-	3,625	-	-	-	-	3,625
Rent	-	1,043	-	2,118	-	-	3,161
Repairs and maintenance	-	3,132	-	-	-	-	3,132
Utilities	-	2,752	-	-	-	-	2,752
Automobile Expense	-	2,750	-	-	-	-	2,750
Printing	-	1,800	-	400	-	-	2,200
Insurance	-	2,045	-	-	-	-	2,045
Telephone and utilities	156	1,250	-	156	-	-	1,563
Miscellaneous	858	25	-	-	-	-	883
Travel	748	-	-	-	-	-	748
Postage	-	417	-	-	-	-	417
Total expenses before depreciation	<u>114,278</u>	<u>56,290</u>	<u>13,627</u>	<u>81,182</u>	<u>9,730</u>	<u>14,246</u>	<u>289,353</u>
Depreciation	<u>1,550</u>	<u>1,855</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,405</u>
Total donated goods and services	<u>1,550</u>	<u>1,855</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,405</u>
Total expense	<u>\$ 115,828</u>	<u>\$ 58,145</u>	<u>\$ 13,627</u>	<u>\$ 81,182</u>	<u>\$ 9,730</u>	<u>\$ 14,246</u>	<u>\$ 292,758</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, 2015

<b>Cash Flows from Operating Activities</b>	
Change in Net Assets	\$ 74,632
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:	
Depreciation	3,405
(Increase) Decrease in:	
Accounts receivable, net	(14,720)
Increase (Decrease) in:	
Accounts payable and accruals	<u>1,681</u>
Net Cash Provided by (Used in) Operating Activities	<u>64,998</u>
 <b>Cash Flows from Investing Activities</b>	
Purchase of building	<u>(112,203)</u>
Net Cash Provided by (Used in) Investing Activities	<u>(112,203)</u>
 <b>Cash Flows from Financing Activities</b>	
Increase in Long Term Debt	88,000
Payments on Long Term Debt	<u>(2,193)</u>
Net Cash Provided by (Used in) Financing Activities	<u>85,807</u>
 <b>Net Increase (Decrease) in Cash</b>	 38,602
Cash at Beginning of Year	<u>202,544</u>
<b>Cash at End of Year</b>	<b><u>\$ 241,146</u></b>
 Interest Expense	 <u>\$ 3,627</u>

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, 2015

Note 1: Description of Organization

A. 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 provides assistance to 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.

B. 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

A. Basis of Accounting

The accompanying financial statements of Women Rock have been prepared on the accrual basis of accounting and accounting principles generally accepted in the United States of America. Under the accrual basis, revenues are recognized when earned and expenses are recognized when the obligation is incurred.



**Women Rock, Inc.**  
Notes to the Financial Statements (continued)  
For the Year Ended December 31, 2015

Note 2: Summary of Significant Accounting Policies (continued)

B. Classifications of Transactions

All revenues and net gains are reported as increases in unrestricted net assets in the statement of activities unless the use of the related resources is subject to temporary or permanent donor restrictions. All expenses and net losses are reported as decreases in unrestricted net assets.

C. Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in unrestricted net assets 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 either temporarily restricted or permanently restricted net assets, consistent with the nature of the restriction. 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 temporarily restricted until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with permanent restrictions. 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.

D. 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, the majority 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 \$17,060 for the year.

**Women Rock, Inc.**  
Notes to the Financial Statements (continued)  
For the Year Ended December 31, 2015

Note 2: Summary of Significant Accounting Policies (continued)

E. Cash and Cash Equivalents

Women Rock considers all highly liquid investments with an original maturity date of three months or less to be cash equivalents.

F. Accounts Receivable

Accounts receivable represents amounts due from donors for various fund raising programs of Women Rock. All outstanding receivables are fully collectible, therefore, no allowance for doubtful accounts has been provided.

G. 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:

Building	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.

H. 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.

**Women Rock, Inc.**  
Notes to the Financial Statements (continued)  
For the Year Ended December 31, 2015

Note 2: Summary of Significant Accounting Policies (continued)

I. Functional Allocation of Expenses

The cost of providing the organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. 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 on the basis of 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.

J. Subsequent Events

Management has evaluated subsequent events through the date of the independent auditor's report, the date on which the financial statements were available to be issued. Management has not identified any additional subsequent events for the current year.

Note 3: Net Assets

Net assets are classified into three separate categories: unrestricted, temporarily restricted, and permanently restricted. The classifications are determined based upon the existence and/or nature of any donor restrictions.

- A. Unrestricted net assets are resources available to support operations. The only limits on the use of unrestricted net assets are the broad limits resulting for the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. Unrestricted net assets are available for current operating expenses or for designation by the Board of Directors for a specific purpose.

**Women Rock, Inc.**  
Notes to the Financial Statements (continued)  
For the Year Ended December 31, 2015

Note 3: Net Assets (continued)

- B. Temporarily restricted net assets are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The organization's unspent contributions are classified in this class if the donor limited their use, as are the unspent appreciation of its donor-restricted endowment funds.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from temporarily restricted to unrestricted net assets. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as temporarily restricted until the specified asset is placed in service by the organization, unless the donor provides more specific directions about the period of its use. As of December 31, 2015, \$16,677 has been restricted for a retreat center.

- C. Permanently restricted net assets have principal balances restricted by donors that will not expire by being used in accordance with a donor's restriction nor by the passage of time. There are no permanently restricted net assets at December 31, 2015.

Note 4: Property and Equipment

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

<u>Depreciable Assets</u>	<u>2014</u>	<u>Additions</u>	<u>Sales/Adjustments</u>	<u>2015</u>
Building and Improvement: \$	-	\$ 112,203	\$ -	\$ 112,203
Furniture and equipment	10,323	\$ -	\$ -	10,323
Accumulated depreciation	<u>(3,704)</u>	<u>(3,405)</u>	<u>-</u>	<u>(7,109)</u>
	<u>\$ 6,619</u>	<u>\$ 108,798</u>	<u>\$ -</u>	<u>\$ 115,417</u>

**Women Rock, Inc.**  
Notes to the Financial Statements (continued)  
For the Year Ended December 31, 2015

Note 5: Note Payable

In February 2015, Women Rock purchased a building and acquired debt for the building. The purchase price of the building was \$110,000, of which \$22,000 plus closing costs were paid at closing. The building was purchased by a mortgage note payment in the amount of \$88,000 for 59 monthly payments of \$582 and a final payment of \$74,048 due in February 6, 2020. The note bears interest at 4.95%. The balance on this note at December 31, 2015 was \$85,807.

	<u>2014</u>	<u>Additions</u>	<u>Payments</u>	<u>2015</u>	<u>Current Portion</u>
Note Payable	<u>\$ -</u>	<u>\$ 88,000</u>	<u>\$ (2,193)</u>	<u>\$ 85,807</u>	<u>\$ 3,335</u>

Following is the estimated debt payout:

2016	\$ 3,335
2017	3,483
2018	3,638
2019	<u>75,351</u>
	<u>\$ 85,807</u>

Note 6: Commitments and Contingencies

The majority 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.