

High-Tech High Heels North Texas

Financial Statements – Modified Cash Basis December 31, 2019



High-Tech High Heels North Texas

Contents

Independent Accountants' Review Report	1
Financial Statements:	
Statement of Assets and Net Assets – Modified Cash Basis	3
Statement of Revenue, Expenses and Changes in Net Assets – Modified Cash Basis	4
Statement of Functional Expenses – Modified Cash Basis	5
Notes to Financial Statements – Modified Cash Basis	6



Independent Accountants' Review Report

To the Board of Directors of High-Tech High Heels North Texas

We have reviewed the accompanying financial statements of High-Tech High Heels North Texas, (a nonprofit organization) which comprise the statement of assets and net assets—modified cash basis as of December 31, 2019, and the related statements of revenues, expenses and changes in net assets—modified cash basis and functional expenses — modified cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Sutton Drost Cary
A Limited Liability Partnership

Arlington, Texas October 14, 2020

High-Tech High Heels North Texas Statement of Assets and Net Assets – Modified Cash Basis Year Ended December 31, 2019

Assets					
Cash Beneficial interest in assets held by others	\$	553,967 507,752			
Total assets	\$	1,061,719			
Net Assets					
Net assets without donor restrictions	\$	1,061,719			

High-Tech High Heels North Texas Statement of Revenue, Expenses, and Changes in Net Assets – Modified Cash Basis

Year Ended December 31, 2019

Revenue and support:		25/ 25/
Contributions		354,251
Income from beneficial interest in assets held by others, net		60,959
Total revenue and support		415,210
Expenses:		
Program		203,755
General and administrative		9,120
Fundraising		29,044
Total expenses		241,919
Increase in net assets		173,291
Net assets at beginning of the year		888,428
Net assets at end of the year	Ś	1,061,719

High-Tech High Heels North Texas Statement of Functional Expenses – Modified Cash Basis Year Ended December 31, 2019

	Program		General and Administrative		Fundraising		 Total
Grants	\$	203,755	\$	-	\$	-	\$ 203,755
Advertising		-		145		1,093	1,238
Bank charges and fees		-		886		3,320	4,206
Direct cost of special events		-		-		23,388	23,388
Office supplies		-		134		1,243	1,377
Contract services		-		1,229		-	1,229
Dues		-		6,676		-	6,676
Taxes and licenses				50			50
	\$	203,755	\$	9,120	\$	29,044	\$ 241,919

1. Organization

High-Tech High Heels – Texas Chapter dba High-Tech High Heels North Texas (Organization) is a nonprofit organization recognized as tax-exempt under the provisions of Section 501(c)(3) of the Internal Revenue Code (IRC). The mission of the Organization is to increase the number of girls entering into a college-level degree program in Science, Technology, Engineering or Math (STEM).

The Organization funds hands-on learning opportunities for K-12 girls to inspire and prepare them to pursue STEM degrees and provides resources to inspire and mentor the next generation. The Organization also improves STEM education by funding programs for K-12 teachers and counselors.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting. Accordingly, revenue is recorded when cash is received and expenses are recorded when paid. Modifications to the cash basis of accounting relate to the beneficial interest in assets held by others. These financial statements omit the recognition of receivables, prepaid expenses, accounts payable and grants payable. Therefore, these statements are not intended to and do not present financial position and results of operations in conformity with U.S. generally accepted accounting principles.

Financial Statement Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets without donor restrictions - Net assets not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the board of directors.

Net assets with donor restrictions - Net assets subject to donor stipulations that will be met by actions of the Organization and/or the passage of time. As of December 31, 2019 no such net asset restrictions existed.

Revenues are reported as increase in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses are reported as increases or decreases in

net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Financial Instruments and Credit Risk Concentrations

Financial instruments which are potentially subject to concentrations of credit risk consist principally of cash. Cash is placed with high credit quality financial institutions to minimize risk.

At December 31, 2019, cash balances exceeded federally insured limits by \$303,867. The Organization monitors credit worthiness of each financial institution with which it conducts business and has not experienced any losses in its accounts. The Organization believes it is not exposed to any significant risk on cash.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (IRC) as an organization described in IRC Section 501(c)(3), except to the extent it has unrelated business income. In addition, the Organization has been determined by the Internal Revenue Service (IRS) not to be a private foundation within the meaning of Section 509(a) of the IRC. The Organization did not have unrelated business income for the year ended December 31, 2019. Accordingly, no tax provision or liability has been reported in the accompanying financial statements.

GAAP requires the evaluation of tax positions taken in the course of preparing the Organization's tax return and recognition of tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2019, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

Functional Allocation of Expenses

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the statements of revenue, expenses and changes in net assets — modified cash basis. The expenses can be directly identified with the program or supporting service to which they relate and are charged accordingly.

3. Beneficial Interest in Assets Held by Others

The Organization has a beneficial interest in assets held by the Communities Foundation of Texas (CFT) valued at \$507,752 at December 31, 2019. These consists of funds contributed by the Organization and donors and include earnings thereon, net of distributions received. Distributions of the income earned from beneficial interests and principal amounts thereof are received at various times throughout the year based on grant requests to CFT.

Fair value of the Organization's beneficial interest in assets held by CFT is based on the value of the Organization's portion of the underlying investments in the funds using valuation methods that are appropriate for those investments as determined by third-party trustees. These values are based on unobservable inputs and are considered Level 3 assets in the fair value hierarchy.

Withdrawals are permitted from the fund as requested by the Organization. Any funds unspent in one year may remain in the portfolio and may be appropriated in the following fiscal year.

Beginning balance	\$ 601,986
Contributions	11,788
Total gains (realized/unrealized)	
included in change in net assets	66,430
Distributions	(167,131)
Fees	(5,321)
Ending balance	\$ 507,752

4. Liquidity and Availability of Resources

At December 31, 2019, the Organization has \$1,061,719 of financial assets available to be used within one year of the date of the statement of assets and net assets – modified cash basis to meet cash needs for general expenditure consisting of cash of \$553,967 and a beneficial interest in assets held by others of \$507,752. As a part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

5. Subsequent Events

In March 2020, the World Health Organization recognized the novel strain of coronavirus, COVID-19, as a pandemic. The coronavirus outbreak has severely restricted the level of economic activity in the north central Texas area. Given the uncertainty of the spread of the coronavirus, the related financial impact to the Organization, if any, cannot be determined at this time.

On January 31, 2020 the Organization was awarded a \$500,000 conditional grant from a foundation to create an educational ecosystem and pipeline centered around STEM in the Dallas Independent School District for girls in elementary school through high school.

The Organization evaluated subsequent events through the date the financial statements were available to be issued and concluded that no additional disclosures are required.