



**High-Tech High Heels North Texas  
dba High-Tech High Heels – Texas Chapter**

**Financial Statements  
December 31, 2022 and 2021**

**High-Tech High Heels North Texas  
dba High-Tech High Heels – Texas Chapter**

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## **Independent Accountants' Review Report**

To the Board of Directors of  
High-Tech High Heels North Texas  
dba High-Tech High Heels – Texas Chapter

We have reviewed the accompanying financial statements of High-Tech High Heels North Texas dba High-Tech High Heels – Texas Chapter (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years 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 the organization's 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 accounting principles generally accepted in the United States of America (GAAP); 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.

### ***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 GAAP. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of High-Tech High Heels North Texas dba High-Tech High Heels – Texas Chapter and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our reviews.

***Accountants' Conclusion***

Based on our reviews, 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 GAAP.

*Sutton Frost Cary*

A Limited Liability Partnership

Arlington, Texas  
March 23, 2023

**High-Tech High Heels North Texas**  
**dba High-Tech High Heels – Texas Chapter**  
**Statements of Financial Position**  
**December 31, 2022 and 2021**

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<b>Assets</b>	2022	2021
Cash	\$ 701,353	\$ 900,941
Beneficial interest in assets held by others	508,894	589,241
<b>Total assets</b>	<b>\$ 1,210,247</b>	<b>\$ 1,490,182</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Refundable advance	\$ 100,000	\$ 250,000
<b>Net assets:</b>		
Net assets without donor restrictions	826,039	1,013,714
Net assets with donor restrictions	284,208	226,468
<b>Total net assets</b>	<b>1,110,247</b>	<b>1,240,182</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,210,247</b>	<b>\$ 1,490,182</b>

See notes to financial statements and independent accountants' review report.

**High-Tech High Heels North Texas**  
**dba High-Tech High Heels – Texas Chapter**  
**Statement of Activities**  
**Year Ended December 31, 2022**

<b>Revenue and support:</b>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Contributions	\$ 169,649	\$ 150,000	\$ 319,649
Special event, net of direct costs of \$45,102	61,451	-	61,451
Loss from beneficial interest in assets, net	(83,560)	-	(83,560)
Net assets released from restrictions	92,260	(92,260)	-
<b>Total revenue and support</b>	<b>239,800</b>	<b>57,740</b>	<b>297,540</b>
<b>Expenses:</b>			
Program	403,895	-	403,895
General and administrative	22,609	-	22,609
Fundraising	971	-	971
<b>Total expenses</b>	<b>427,475</b>	<b>-</b>	<b>427,475</b>
<b>Change in net assets</b>	<b>(187,675)</b>	<b>57,740</b>	<b>(129,935)</b>
<b>Net assets at beginning of the year</b>	<b>1,013,714</b>	<b>226,468</b>	<b>1,240,182</b>
<b>Net assets at end of the year</b>	<b>\$ 826,039</b>	<b>\$ 284,208</b>	<b>\$ 1,110,247</b>

See notes to financial statements and independent accountants' review report.

**High-Tech High Heels North Texas**  
**dba High-Tech High Heels – Texas Chapter**  
**Statement of Activities**  
**Year Ended December 31, 2021**

<b>Revenue and support:</b>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Contributions	\$ 223,910	\$ 150,000	\$ 373,910
Special event, net of direct costs of \$47,094	95,802	-	95,802
Income from beneficial interest in assets, net	30,063	-	30,063
Net assets released from restrictions	<u>20,601</u>	<u>(20,601)</u>	<u>-</u>
<b>Total revenue and support</b>	<b>370,376</b>	<b>129,399</b>	<b>499,775</b>
<b>Expenses:</b>			
Program	320,601	-	320,601
General and administrative	23,930	-	23,930
Fundraising	<u>4,699</u>	<u>-</u>	<u>4,699</u>
<b>Total expenses</b>	<u>349,230</u>	<u>-</u>	<u>349,230</u>
<b>Change in net assets</b>	<b>21,146</b>	<b>129,399</b>	<b>150,545</b>
<b>Net assets at beginning of the year</b>	<u>992,568</u>	<u>97,069</u>	<u>1,089,637</u>
<b>Net assets at end of the year</b>	<u><u>\$ 1,013,714</u></u>	<u><u>\$ 226,468</u></u>	<u><u>\$ 1,240,182</u></u>

See notes to financial statements and independent accountants' review report.

**High-Tech High Heels North Texas**  
**dba High-Tech High Heels – Texas Chapter**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2022**

	Program	General and Administrative	Fundraising	Total
Grants to others	\$ 333,273	\$ 655	\$ -	\$ 333,928
Professional fees	-	6,600	8,945	15,545
Contract services	70,622	-	-	70,622
Advertising and marketing	-	3,615	-	3,615
Office	-	3,788	-	3,788
National dues	-	5,000	-	5,000
Insurance	-	2,245	-	2,245
Bank charges and fees	-	413	3,591	4,004
Other	-	293	33,537	33,830
<b>Total expenses by function</b>	<b>403,895</b>	<b>22,609</b>	<b>46,073</b>	<b>472,577</b>
Less expenses included with revenues on the statement of activities -				
Direct costs of special event	-	-	(45,102)	(45,102)
<b>Total expenses included in the expense section on the statement of activities</b>	<b>\$ 403,895</b>	<b>\$ 22,609</b>	<b>\$ 971</b>	<b>\$ 427,475</b>

See notes to financial statements and independent accountants' review report.



**High-Tech High Heels North Texas**  
**dba High-Tech High Heels – Texas Chapter**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2021**

	Program	General and Administrative	Fundraising	Total
Grants to others	\$ 300,000	\$ -	\$ -	\$ 300,000
Professional fees	-	8,548	8,145	16,693
Contract services	20,601	-	-	20,601
Advertising and marketing	-	-	5,395	5,395
Office	-	6,141	-	6,141
National dues	-	4,469	-	4,469
Insurance	-	2,246	-	2,246
Bank charges and fees	-	543	4,960	5,503
Other	-	1,983	33,293	35,276
<b>Total expense by function</b>	<b>320,601</b>	<b>23,930</b>	<b>51,793</b>	<b>396,324</b>
Less expenses included with revenues on the statement of activities - Direct costs of special event	-	-	(47,094)	(47,094)
<b>Total expenses included in the expense section on the statement of activities</b>	<b>\$ 320,601</b>	<b>\$ 23,930</b>	<b>\$ 4,699</b>	<b>\$ 349,230</b>

See notes to financial statements and independent accountants' review report.

**High-Tech High Heels North Texas**  
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**Statements of Cash Flows**  
**Years Ended December 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (129,935)	\$ 150,545
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Change in beneficial interests in assets held by others	80,347	(39,127)
Changes in operating assets and liabilities:		
Prepaid expense	-	1,998
Refundable advance	(150,000)	100,000
<b>Net cash provided by operating activities and change in cash</b>	<b>(199,588)</b>	<b>213,416</b>
Cash at beginning of year	<u>900,941</u>	<u>687,525</u>
Cash at end of year	<u><u>\$ 701,353</u></u>	<u><u>\$ 900,941</u></u>

See notes to financial statements and independent accountants' review report.

**High-Tech High Heels North Texas**  
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**Notes to Financial Statements**

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## **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. The Organization is supported by contributions from corporations, foundations and individuals.

## **2. Summary of Significant Accounting Policies**

### ***Basis of Accounting***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

### ***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.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a board of directors approved spending policy. No such net asset restrictions existed at December 31, 2022 and 2021.

**High-Tech High Heels North Texas**  
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Revenues are reported as an 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 and Market 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 institution to minimize risk.

At December 31, 2022, cash balances exceeded federally insured limits by \$447,293. 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.

During the year ended December 31, 2022, contributions from two donors accounted for approximately 71% of total revenue and support. During the year ended December 31, 2021, contributions from three donors accounted for approximately 57% of total revenue and support.

***Fair Value Measurements***

Under the Fair Value Measurements and Disclosures topic of the Codification, ASC 820, disclosures are required about how fair value is determined for assets and liabilities and a hierarchy for which these assets and liabilities must be grouped is established, based on significant levels of inputs as follows:

- |         |   |
|---------|---|
| Level 1 | Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date;   |
| Level 2 | Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies; |

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Level 3            Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates or assumptions related to the pricing of the asset or liability including assumptions regarding risk.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following is a description of the valuation methodologies used for instruments measured at fair value including the general classification of such instruments pursuant to the valuation hierarchy.

Beneficial Interest in Assets Held by Others: valued based on underlying assets in the community foundation trust determined by third party trustees.

***Revenue Recognition***

The Organization recognizes contributions when cash, securities, other assets or an unconditional promise to give is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

Contributions of services are recorded at estimated fair value if the services received create or enhance nonfinancial assets or require specialized skills and would typically need to be purchased if not provided by donation. Numerous individuals donate significant amounts of time to the Organization. No donated services were utilized that met the criteria to be recorded as support on the Organization's financial statements.

***Grants to Others***

The Organization records unconditional grants to others when approved by the grant committee and acceptance of the grant terms by the recipient organization.

***Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated.

**High-Tech High Heels North Texas**  
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**Notes to Financial Statements**

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***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 years ended December 31, 2022 and 2021. 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, 2022 and 2021, 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 program services and supporting activities have been summarized on a functional basis in the statements of activities. 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 \$508,894 and \$589,241 at December 31, 2022 and 2021, respectively. This consists of funds contributed by the Organization and donors and includes 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.

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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.

The following table presents a rollforward of activity for assets held by CFT at fair value for the years ending December 31:

	<u>2022</u>	<u>2021</u>
Balance at beginning of year	\$ 589,241	\$ 550,114
Contributions	3,213	9,064
Total net investment income (loss) included in change in net assets	<u>(83,560)</u>	<u>30,063</u>
Balance at end of year	<u>\$ 508,894</u>	<u>\$ 589,241</u>
The amount of total gains or loss for the period included in change in assets attributable to the change in unrealized gains or losses relating to investment still held at the reporting date	<u>\$ (78,209)</u>	<u>\$ 35,762</u>

Total net income from beneficial interest in assets held by others consisted of the following for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Unrealized gain (loss)	\$ (78,209)	\$ 35,762
Less: investment fees	<u>(5,351)</u>	<u>(5,699)</u>
	<u>\$ (83,560)</u>	<u>\$ 30,063</u>

#### **4. Refundable Advance**

The Organization is the recipient of a \$500,000 grant that is conditioned upon meeting performance requirements and incurring specific costs. The purpose of the grant is to create an educational ecosystem and pipeline centered around STEM in the Dallas Independent School District. Upon receipt, the funds are recorded as a refundable advance until such time as the performance obligations are met.

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The activity in the refundable advance account for the years ended December 31, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 250,000	\$ 150,000
Grant funds received	-	250,000
Revenue recognized	<u>(150,000)</u>	<u>(150,000)</u>
Balance, end of year	<u>\$ 100,000</u>	<u>\$ 250,000</u>

### 5. Net Assets With Donor Restrictions

At December 31, 2022 and 2021, net assets with donor restrictions totaled \$284,208 and \$226,468 and are restricted for the purpose of creating an educational ecosystem and pipeline centered around STEM in the Dallas Independent School District.

### 6. Liquidity and Availability of Resources

The Organization's financial assets available to meet cash needs for general expenditures within the year are as follows at December 31:

	<u>2022</u>	<u>2021</u>
Cash	\$ 701,353	\$ 900,941
Beneficial interests in assets held by others	<u>589,241</u>	<u>508,894</u>
Total financial assets	<u>\$ 1,290,594</u>	<u>\$ 1,409,835</u>

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.

### 7. Subsequent Events

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