

RESONANCE

Helping Women Change. For Good.

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022



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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Resonance Center for Women, Inc.

Opinion

We have audited the accompanying financial statements of Resonance Center for Women, Inc. (the Organization), which comprise the statements of financial position as of December 31, 2023 and 2022 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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

Our 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 our 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, including omissions, 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, we:

- 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 our 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.

We are 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 we identified during the audit.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2024, on our consideration of Resonance Center for Women, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Resonance Center for Women, Inc.'s internal control over financial reporting and compliance.

Conklin, Gilpin & Wertz, P.L.L.C.

CONKLIN, GILPIN & WERTZ, P.L.L.C.

Certified Public Accountants

May 29, 2024

Tulsa, Oklahoma

RESONANCE CENTER FOR WOMEN, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,814,647	\$ 1,783,129
Accounts receivable	79,080	67,529
Promises to give	125,382	115,190
Food inventory	4,880	5,985
Prepaid expenses	37,166	34,385
	<u>2,061,155</u>	<u>2,006,218</u>
NONCURRENT ASSETS		
Investments	566,587	446,596
Beneficial interest in assets held by Tulsa Community Foundation	182,895	159,851
Operating lease right of use assets	149,660	72,264
Property and equipment, net of depreciation	199,232	177,006
	<u>1,098,374</u>	<u>855,717</u>
TOTAL ASSETS	<u>\$ 3,159,529</u>	<u>\$ 2,861,935</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 25,963	\$ 20,480
Accrued payroll	41,338	35,160
Current portion of operating lease liabilities	95,474	63,262
	<u>162,775</u>	<u>118,902</u>
Long-term portion of operating lease liabilities	54,186	9,002
	<u>216,961</u>	<u>127,904</u>
NET ASSETS		
Without donor restrictions	2,412,351	1,979,256
With donor restrictions	530,217	754,775
	<u>2,942,568</u>	<u>2,734,031</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,159,529</u>	<u>\$ 2,861,935</u>

RESONANCE CENTER FOR WOMEN, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Contributions of cash and other assets and grants	\$ 512,793	\$ 382,500	\$ 895,293
Contributions of nonfinancial assets	37,206	-	37,206
Federal and state contracts	849,131	-	849,131
Program fees	9,110	-	9,110
Take 2 food sales	341,803	-	341,803
Net investment return	149,970	-	149,970
Other income	54,364	-	54,364
	<u>1,954,377</u>	<u>382,500</u>	<u>2,336,877</u>
Gross special event revenue	184,158	-	184,158
Less cost of direct benefits to donors	<u>(14,428)</u>	<u>-</u>	<u>(14,428)</u>
Net special event revenue	<u>169,730</u>	<u>-</u>	<u>169,730</u>
Net assets released from restrictions	<u>607,058</u>	<u>(607,058)</u>	<u>-</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>2,731,165</u>	<u>(224,558)</u>	<u>2,506,607</u>
EXPENSES			
Program services	2,026,917	-	2,026,917
Management and general	71,292	-	71,292
Fundraising	<u>199,861</u>	<u>-</u>	<u>199,861</u>
TOTAL EXPENSES	<u>2,298,070</u>	<u>-</u>	<u>2,298,070</u>
INCREASE (DECREASE) IN NET ASSETS	<u>433,095</u>	<u>(224,558)</u>	<u>208,537</u>
NET ASSETS, BEGINNING OF YEAR	<u>1,979,256</u>	<u>754,775</u>	<u>2,734,031</u>
NET ASSETS, END OF YEAR	<u><u>\$ 2,412,351</u></u>	<u><u>\$ 530,217</u></u>	<u><u>\$ 2,942,568</u></u>

RESONANCE CENTER FOR WOMEN, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Contributions of cash and other assets and grants	\$ 443,463	\$ 709,000	\$ 1,152,463
Contributions of nonfinancial assets	89,162	-	89,162
Federal and state contracts	830,636	-	830,636
Program fees	7,117	-	7,117
Take 2 food sales	284,694	-	284,694
Net investment return	(134,969)	-	(134,969)
Other income	31,060	-	31,060
	<u>1,551,163</u>	<u>709,000</u>	<u>2,260,163</u>
Gross special event revenue	201,223	-	201,223
Less cost of direct benefits to donors	<u>(17,201)</u>	<u>-</u>	<u>(17,201)</u>
Net special event revenue	<u>184,022</u>	<u>-</u>	<u>184,022</u>
Net assets released from restrictions	<u>529,973</u>	<u>(529,973)</u>	<u>-</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>2,265,158</u>	<u>179,027</u>	<u>2,444,185</u>
EXPENSES			
Program services	1,790,776	-	1,790,776
Management and general	68,237	-	68,237
Fundraising	<u>212,189</u>	<u>-</u>	<u>212,189</u>
TOTAL EXPENSES	<u>2,071,202</u>	<u>-</u>	<u>2,071,202</u>
INCREASE IN NET ASSETS	<u>193,956</u>	<u>179,027</u>	<u>372,983</u>
NET ASSETS, BEGINNING OF YEAR	<u>1,785,300</u>	<u>575,748</u>	<u>2,361,048</u>
NET ASSETS, END OF YEAR	<u><u>\$ 1,979,256</u></u>	<u><u>\$ 754,775</u></u>	<u><u>\$ 2,734,031</u></u>

RESONANCE CENTER FOR WOMEN, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 208,537	\$ 372,983
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	53,310	57,338
Gain on sale of asset	-	(1,000)
Net realized and unrealized (gain) loss on investments and beneficial interest in assets held by Tulsa Community Foundation	(143,035)	135,205
Changes in assets and liabilities:		
Change in accounts receivable	(11,551)	(40,097)
Change in prepaid expenses	(2,781)	(1,551)
Change in food inventory	1,105	(5,985)
Change in promises to give	(10,192)	6,810
Change in accounts payable and accrued expenses	5,483	8,016
Change in accrued payroll	6,178	573
Net change in cash and cash equivalents from operating activities	<u>107,054</u>	<u>532,292</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(75,536)	(38,289)
Proceeds from sale of assets	<u>-</u>	<u>1,000</u>
Net change in cash and cash equivalents from investing activities	<u>(75,536)</u>	<u>(37,289)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on note payable	<u>-</u>	<u>(3,380)</u>
Net change in cash and cash equivalents from financing activities	<u>-</u>	<u>(3,380)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	31,518	491,623
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,783,129</u>	<u>1,291,506</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 1,814,647</u></u>	<u><u>\$ 1,783,129</u></u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	\$ -	\$ 334

RESONANCE CENTER FOR WOMEN, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Program Services					Management and General	Fundraising	Total
	Clinical Services	Re-Entry Services	Take 2 Café	ADSAC	Total Program Services			
Salaries	\$ 307,362	\$ 560,286	\$ 275,218	\$ 3,757	\$1,146,623	\$ 40,656	\$ 88,316	\$ 1,275,595
Payroll taxes	27,219	48,770	22,785	327	99,101	3,972	7,410	110,483
Employee benefits	22,606	34,589	24,453	218	81,866	5,113	10,204	97,183
Total salaries and related benefits	357,187	643,645	322,456	4,302	1,327,590	49,741	105,930	1,483,261
Employee recognition and development	8,269	5,746	1,977	40	16,032	1,997	1,836	19,865
Professional fees	27,150	55,628	20,351	262	103,391	4,406	5,267	113,064
Cost of food sales	-	-	152,683	-	152,683	-	-	152,683
Facility expense	32,054	80,399	77,386	426	190,265	5,638	9,600	205,503
Liability insurance expense	3,152	2,249	-	51	5,452	559	979	6,990
Equipment	8,944	5,520	23,165	74	37,703	901	6,611	45,215
Supplies and postage	10,703	43,894	8,034	50	62,681	725	970	64,376
Communications expense	1,540	7,254	4,116	23	12,933	324	479	13,736
Automobile and travel	8,873	29,681	3,019	14	41,587	2,664	2,428	46,679
Subscriptions and dues	1,250	35	-	1	1,286	1,254	15	2,555
Marketing and printing	441	408	2,327	-	3,176	250	49,539	52,965
Public assistance expense	7,112	17,845	-	-	24,957	-	-	24,957
Other expense	388	235	134	6	763	327	11,821	12,911
Total expenses before depreciation	467,063	892,539	615,648	5,249	1,980,499	68,786	195,475	2,244,760
Depreciation expense	14,127	10,085	21,982	224	46,418	2,506	4,386	53,310
Total expenses	<u>\$ 481,190</u>	<u>\$ 902,624</u>	<u>\$ 637,630</u>	<u>\$ 5,473</u>	<u>\$2,026,917</u>	<u>\$ 71,292</u>	<u>\$ 199,861</u>	<u>\$ 2,298,070</u>

RESONANCE CENTER FOR WOMEN, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	Program Services							
	Clinical Services	Re-Entry Services	Take 2 Café	ADSAC	Total Program Services	Management and General	Fundraising	Total
Salaries	\$ 299,405	\$ 504,758	\$ 208,610	\$ 4,554	\$1,017,327	\$ 32,312	\$ 74,912	\$ 1,124,551
Payroll taxes	25,965	43,836	14,035	381	84,217	3,186	6,256	93,659
Employee benefits	23,727	24,683	20,981	260	69,651	2,617	7,160	79,428
Total salaries and related benefits	349,097	573,277	243,626	5,195	1,171,195	38,115	88,328	1,297,638
Employee recognition and development	9,231	6,113	1,498	79	16,921	1,869	1,343	20,133
Professional fees	19,609	37,429	16,097	243	73,378	9,384	4,755	87,517
Cost of food sales	-	-	123,066	-	123,066	-	-	123,066
Facility expense	27,792	71,256	84,948	611	184,607	4,901	8,577	198,085
Liability insurance expense	2,828	2,011	-	63	4,902	504	881	6,287
Equipment	12,841	5,933	25,266	254	44,294	2,139	4,565	50,998
Supplies and postage	13,520	22,005	5,096	459	41,080	1,011	1,673	43,764
Communications expense	1,917	6,653	4,181	40	12,791	924	567	14,282
Automobile and travel	7,574	22,027	3,573	37	33,211	1,678	2,191	37,080
Subscriptions and dues	123	45	-	1	169	1,634	355	2,158
Marketing and printing	62	1,319	4,976	-	6,357	279	81,398	88,034
Public assistance expense	3,180	23,888	-	525	27,593	-	-	27,593
Other expense	331	463	1,600	43	2,437	2,685	12,107	17,229
Total expenses before depreciation	448,105	772,419	513,927	7,550	1,742,001	65,123	206,740	2,013,864
Depreciation expense	17,513	12,454	18,419	389	48,775	3,114	5,449	57,338
Total expenses	<u>\$ 465,618</u>	<u>\$ 784,873</u>	<u>\$ 532,346</u>	<u>\$ 7,939</u>	<u>\$1,790,776</u>	<u>\$ 68,237</u>	<u>\$ 212,189</u>	<u>\$2,071,202</u>

RESONANCE CENTER FOR WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

A – DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Resonance Center for Women, Inc. (Resonance) is an Oklahoma non-profit organization formed to promote and support the well-being and self-sufficiency of women and their families challenged by their experience with the criminal justice system. Resonance generates its revenue primarily through private donations from individuals, corporations and foundations; grants from governmental entities and others; and fundraising activities.

Program services include:

Clinical services include outpatient, recovery-oriented treatment for women struggling with substance abuse who have been referred to Resonance through various state and local diversion programs. Therapists work one on one and in group settings to identify the root causes that lead these women into drug and alcohol lifestyles, which lead to the loss of jobs, children, and homes, as well as to the potential for incarceration.

Re-entry support services are offered to non-violent offenders about to transition from prison back into society. The tools and resources provided are designed to reinforce the skills necessary for these women to live self-sufficiently, serve as role models for their children, and pursue positive courses in life.

In March 2016, Resonance expanded its re-entry services by opening Take 2: A Resonance Café (Take 2), a restaurant that serves as a work training program for women transitioning out of prison. Take 2 offers participants a safe, positive, and educational work environment as well as housing in loft space above the restaurant. In April 2021, Resonance further expanded its re-entry services by opening Resonance House, a residence providing additional housing to women post-incarceration.

Resonance also provides Alcohol and Drug Substance Abuse Courses (ADSAC) assessments, including 10- and 24-hour DUI classes, as mandated by the judicial system in order for participants to have drivers' licenses reinstated.

Cash and cash equivalents

For purposes of the statements of cash flows, Resonance considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Receivables and credit policies

Accounts receivable at December 31, 2023 and 2022, consists mainly of amounts due to Resonance for services performed under governmental grants. Resonance considers accounts receivable to be fully collectible and, accordingly, no allowance for doubtful accounts is required. Accounts receivable are short-term, non-interest bearing, and uncollateralized.

Promises to give

Resonance records unconditional contributions receivable that are expected to be collected within one year at net realizable value. Unconditional contributions receivable expected to be collected in future years, if any, are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. Resonance determines the allowance for uncollectable unconditional contributions receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Unconditional contributions receivables are written off when deemed uncollectable. At December 31, 2023 and 2022, Resonance considers all unconditional contributions receivable to be collectible and therefore no allowance has been provided.

RESONANCE CENTER FOR WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

A – DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Investments

Investment purchases are recorded at cost, or if donated, at fair market value on the date of the donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

Beneficial interest in assets held by Tulsa Community Foundation

Resonance has an endowment fund with Tulsa Community Foundation (the Foundation), an Oklahoma not-for-profit corporation and community foundation. The mutual intent of Resonance and the Foundation is to create a permanent endowment for the benefit of Resonance. Investment management policies are directed by the Foundation.

The funds are reported at fair value in the statements of financial position with distributions and changes in value recorded in the statements of activities as a component of net investment return. The fair value of Resonance's contributions to the Foundation was \$182,895 and \$159,851 at December 31, 2023 and 2022, respectively. The Foundation has also received contributions for the benefit of Resonance that are not recorded in Resonance's financial statements, because they were contributed by third parties directly to the Foundation. The fair value of funds held by the Foundation for the benefit of Resonance, but not reported as an asset, was \$43,184 and \$37,743 at December 31, 2023 and 2022, respectively.

The Foundation has variance power over all funds held by the Foundation for the benefit of Resonance. Under its variance power, the Foundation's trustees may modify any restrictions or conditions on distributions from the fund if, in the sole judgement of the trustees, the restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs served by the Foundation.

Property and equipment

Property and equipment is recorded at cost less accumulated depreciation. Donated property and equipment is recorded at fair value on the date of the donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 31 years. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any remaining gain or loss is included in the statements of activities. Maintenance, repairs and minor replacements are expensed.

Resonance reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent the carrying value exceeds the fair value of the asset. No impairments were recorded in 2023 or 2022.

Net assets

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

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 Resonance's management and the Board of Trustees.

RESONANCE CENTER FOR WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

A – DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Net assets (continued)

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 Resonance or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increase 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 statement of activities.

Revenue recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. All goods and services are transferred at a point in time. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met.

Revenue for services performed under various state contracts are recognized as expenses are incurred.

In-kind contributions

In addition to receiving cash contributions, Resonance receives in-kind contributions of goods and services. It is the policy of Resonance to record the estimated fair value of certain in-kind donations as an expense in its financial statements and similarly increase contribution revenue by a like amount.

Functional allocation of expenses

The costs of program and supporting services have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services. Salaries, payroll taxes, and employee benefits are allocated based on time studies performed by Resonance. All other expense categories are allocated based on estimates of usage by each program or supporting service.

Income taxes

Resonance is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the Code) and has been determined not to be a private foundation under Section 509(a) of the Code. As a result, as long as Resonance maintains its tax exemption, and does not engage in business activities that are unrelated to its exempt purposes, it will not be subject to income tax.

Resonance files income tax returns in the U.S. federal jurisdiction and the state of Oklahoma. The statute of limitations for both federal and Oklahoma tax returns is three years, therefore tax returns filed over three years ago are no longer subject to examination.

RESONANCE CENTER FOR WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

A – DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Leases

Resonance accounts for leases in accordance with ASC Topic 842. Resonance is a lessee in noncancellable operating leases for real property and equipment. Leases for other equipment are evaluated using the criteria outlined in ASC Topic 842 to determine whether they will be classified as operating leases or finance leases. Resonance determines if an arrangement is a lease, or contains a lease, at inception of a contract and when terms of an existing contract are changed. Resonance determines if an arrangement conveys the right to use an identified asset and whether Resonance obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. Resonance recognizes a lease liability and right of use asset at the commencement date of the lease.

Operating lease right of use assets and related current and long-term portions of operating lease liabilities have been presented in the statement of financial position.

Lease liabilities

A lease liability is measured based on the present value of its future lease payments. Lease payments are remeasured when any of the following occur: (1) the lease is modified (and the modification is not accounted for as a separate contract), (2) certain contingencies related to variable lease payments are resolved, or (2) there is a reassessment of any of the following: the lease term, purchase options, or amounts that are probable of being owed under a residual value guarantee. The discount rate is the rate implicit in the lease if it is readily determinable; otherwise, Resonance uses its incremental borrowing rate. The implicit rates of Resonance's leases are not readily determinable; accordingly, Resonance uses its incremental borrowing rate based on the information available at the commencement date for each lease. Resonance's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic and geographic location. Resonance determines its incremental borrowing rates by starting with the interest rates on recent borrowings and other observable market rates and adjusting those rates to reflect differences in the amount of collateral and the payment terms of the leases.

Right of use assets

A right of use asset is measured at the commencement date at the amount of the initially measured liability plus any lease payments made to the lessor before or after the commencement date at the amount of initially measured liability plus any lease payments made to the lessor before or after commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, the right of use asset is subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus amortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of any lease incentives received. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

Accounting policy election for short-term leases

Resonance has elected, for all underlying classes of assets, to not recognize right of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less, but greater than one month at lease commencement, and do not include an option to purchase the underlying asset that Resonance is reasonably certain to exercise.

Management estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the

RESONANCE CENTER FOR WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS
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A – DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Management estimates (continued)

date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Credit and market risk

Financial instruments that potentially subject Resonance to concentration of credit and market risk consist primarily of cash and cash equivalents, and investments.

Resonance maintains its cash and cash equivalents in Federal Deposit Insurance Corporation (FDIC) bank deposit accounts. From time to time, amounts on deposit may exceed FDIC limits or include uninsured investments in money market mutual funds. As of December 31, 2023 and 2022, Resonance's cash balances exceeded FDIC insurance limits by approximately \$1,494,000 and \$1,377,000, respectively. To date, Resonance has not experienced losses in any of these accounts.

Investments are diversified according to Resonance's investment policy and their performance is reviewed and monitored by management and the Board of Directors. Although fair values of investments are subject to fluctuation on a year-to-year basis, management and the Board of Directors believe that the investment policies and guidelines are prudent for the long-term welfare of Resonance.

Subsequent events

Resonance has evaluated subsequent events through May 29, 2024, the date the financial statements were available to be issued.

B – FAIR VALUE MEASUREMENTS

Accounting Standards Codification (ASC) Topic 820-10, Fair Value Measurements and Disclosures, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It also establishes a framework for measuring fair value and provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of inputs are as follows:

Level 1

- Unadjusted quoted prices for identical assets or liabilities in active markets that the organization has the ability to access.

Level 2

- Quoted prices in active markets for similar assets and liabilities.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3

- Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Resonance's investment assets are classified at Level 1 as they are comprised of open-end mutual funds with readily determinable fair values based on daily redemption values. The fair value of Resonance's beneficial interest in assets held by Tulsa Community Foundation is based on the fair value of fund investments reported by Tulsa Community Foundation.

RESONANCE CENTER FOR WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

B – FAIR VALUE MEASUREMENTS (continued)

Investments measured at fair value on a recurring basis are summarized as follows:

	Fair Value Measurements		
	Level 1	Level 2	Level 3
December 31, 2023			
Equity securities	\$ 566,587	\$ -	\$ -
Beneficial interest in assets held by Tulsa Community Foundation	-	-	182,895
Total	<u>\$ 566,587</u>	<u>\$ -</u>	<u>\$ 182,895</u>
	Fair Value Measurements		
	Level 1	Level 2	Level 3
December 31, 2022			
Equity securities	\$ 446,596	\$ -	\$ -
Beneficial interest in assets held by Tulsa Community Foundation	-	-	159,851
Total	<u>\$ 446,596</u>	<u>\$ -</u>	<u>\$ 159,851</u>

Resonance's Level 1 investments at December 31, 2023 and 2022, consist of mutual funds and exchange traded funds and are held at fair value. Net investment return during the years ended December 31, 2023 and 2022 consisted of the following:

	2023	2022
Interest	\$ -	\$ 903
Net realized and unrealized gain/(loss)	119,991	(104,647)
Net investment return	<u>\$ 119,991</u>	<u>\$ (103,744)</u>

Below is a reconciliation of the beginning and ending balances of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year end December 31:

	2023	2022
Balance, January 1	\$ 159,851	\$ 191,312
Net realized and unrealized gain/(loss)	24,126	(30,322)
Investment management fees	(1,082)	(1,139)
Balance, December 31	<u>\$ 182,895</u>	<u>\$ 159,851</u>

RESONANCE CENTER FOR WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

C – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2023	2022
Land	\$ 26,000	\$ 26,000
Buildings and leasehold improvements	797,157	797,157
Equipment	206,818	185,771
Furniture and fixtures	66,412	66,412
Vehicles	116,239	88,739
	<u>1,212,626</u>	<u>1,164,079</u>
Accumulated depreciation	(1,013,394)	(987,073)
Property and equipment, net	<u>\$ 199,232</u>	<u>\$ 177,006</u>

Depreciation expense was \$53,310 and \$57,338 for 2023 and 2022, respectively.

D – PROMISES TO GIVE

Promises to give consist of amounts due from foundations recorded at present value. Resonance has determined an allowance for uncollectable promises to give is not necessary.

E – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31:

	2023	2022
Re-entry services	\$ 441,365	\$ 711,785
Clinical services	71,000	6,975
Time restricted - promise to give	3,183	683
Property and equipment purchases	14,669	35,332
	<u>\$ 530,217</u>	<u>\$ 754,775</u>
Total subject to expenditure for specified purpose or period	<u>\$ 530,217</u>	<u>\$ 754,775</u>

Net assets released from donor restrictions were as follows for the year ending December 31:

	2023	2022
Re-entry	\$ 515,375	\$ 443,019
Clinical	71,020	65,000
Property and equipment purchases	20,663	21,168
Other	-	786
	<u>\$ 607,058</u>	<u>\$ 529,973</u>
Total released from donor restriction	<u>\$ 607,058</u>	<u>\$ 529,973</u>

RESONANCE CENTER FOR WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

F – LEASES

Resonance entered into a leasing agreement for a residential home in Tulsa, OK. At December 31, 2023, Resonance classified this lease as an operating lease and included it on the statement of financial position as a \$9,003 right of use asset with an associated current portion of operating lease liability of \$9,003. At December 31, 2022, Resonance classified this lease as an operating lease and included it on the statement of financial position as a \$35,319 right of use asset with an associated current portion of operating lease liability of \$26,317 and a \$9,002 long-term operating lease liability. Minimum monthly rent payments are \$2,300 through April 2024. Resonance's calculation of the right of use asset and related lease liabilities was based on the enforceable written terms and conditions of the lease.

Effective September 2023, Resonance entered into a leasing agreement for a second residential home in Tulsa, OK. At December 31, 2023, Resonance classified this lease as an operating lease and included it on the statement of financial position as a \$42,050 right of use asset with an associated current portion of operating lease liability of \$24,902 and a \$17,148 long-term operating lease liability. Minimum monthly rent payments are \$2,175 through August 2025. Resonance's calculation of the right of use asset and related lease liabilities was based on the enforceable written terms and conditions of the lease.

Resonance entered into a leasing agreement for the Take 2 restaurant location and loft housing above the restaurant. in Tulsa, OK. At December 31, 2023, Resonance classified this lease as an operating lease and included it on the statement of financial position as a \$98,607 right of use asset with an associated current portion of operating lease liability of \$61,569 and a \$37,038 long-term operating lease liability. At December 31, 2022, Resonance classified this lease as an operating lease and included it on the statement of financial position as a \$36,945 right of use asset with an associated current portion of operating lease liability of \$36,945. Minimum monthly rent payments are \$5,360 through July 2024 and \$5,460 through July 2025. Resonance's calculation of the right of use asset and related lease liabilities was based on the enforceable written terms and conditions of the lease.

The weighted average remaining lease term as of or for the year ended December 31, 2023 is 1.53 years and the weighted average discount rate is 3.9%.

Total lease expense was \$100,924 and \$94,104 for the years ended December 31, 2023 and 2022, respectively, and is included with facility and equipment expenses on the Statements of Functional Expenses.

Future minimum lease payments are as follows:

<u>Year ending December 31,</u>	
2024	\$ 99,498
2025	54,921
Total lease payments	<u>154,419</u>
Less: present value adjustment	<u>(4,759)</u>
Present value of lease liabilities	<u>\$ 149,660</u>

G – EMPLOYEE BENEFITS

Resonance sponsors a 401(k) defined contribution plan in which employees who have attained age 21 may voluntarily contribute a percentage of their earnings, up to the maximum contribution allowed under the Internal Revenue Code. Discretionary employer contributions are determined and authorized by the Board of Directors each year. No discretionary employer contributions were made during 2023 and 2022.

RESONANCE CENTER FOR WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

H – CONCENTRATIONS

A substantial portion of Resonance’s support and revenue is derived from various grants and contracts which depend directly or indirectly, on continued funding from state and federal contracts. Resonance also received approximately 28% and 22%, respectively, of its total contributions from one donor for the years ended December 31, 2023, and 2022. The loss of these funds or extended delays of the receipt of these funds could adversely impact the clinical programs of Resonance.

I – LIQUIDITY AND AVAILABILITY OF RESOURCES

Resonance’s financial assets available for general expenditure within one year of the statement of financial position are as follows for December 31:

	2023	2022
Cash and cash equivalents	\$ 1,814,647	\$ 1,783,129
Promises to give	125,382	115,190
Accounts receivable	79,080	67,529
Total financial assets available within one year	2,019,109	1,965,848
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose restrictions	527,034	754,092
Total financial assets available to management for general expenditure within one year	<u>\$ 1,492,075</u>	<u>\$ 1,211,756</u>

Resonance maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Resonance follows the recommended practice of having a three-month cash availability to cover daily operating expenses, including payroll.

J – NON-CASH DONATIONS

Non-cash donations consist primarily of materials donated to defray program costs, or as part of fundraising events. Fundraising event auction and other items are valued at fair value as determined by the donor. Program contributed labor expenses are valued at employee hourly wages. For the fiscal years ended December 31, 2023 and 2022, Resonance received the following non-cash donations:

	2023	2022
Fundraising events	\$ 17,563	\$ 44,331
Programs	19,535	44,650
Other	108	181
	<u>\$ 37,206</u>	<u>\$ 89,162</u>

SUPPLEMENTAL INFORMATION

RESONANCE CENTER FOR WOMEN, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2023

Grantor / Program Title	Contract Period	Amount Recognized*
Oklahoma Department of Health and Substance Abuse Services		
Medicaid	Medicaid	\$ 129,244
02 Contract	July 1, 2022 - June 30, 2023	13,045
	July 1, 2023 - June 30, 2024	13,161
Gambling Screen	July 1, 2022 - June 30, 2023	335
	July 1, 2023 - June 30, 2024	230
Drug Court	July 1, 2022 - June 30, 2023	220,661
	July 1, 2023 - June 30, 2024	69,279
Community Sentencing CS	July 1, 2022 - June 30, 2023	21,545
	July 1, 2023 - June 30, 2024	23,792
Total Oklahoma Department of Health and Substance Abuse Services		491,292
Oklahoma Department of Corrections Programming Contract	Jan. 1, 2023 - Dec. 31, 2023	315,059
Total state assistance		806,351
U.S. Department of Housing and Urban Development / City of Tulsa, Oklahoma Community Development Block Grants / Entitlement Grants:	July 1, 2022 - June 30, 2023	18,258
	July 1, 2023 - June 30, 2024	17,848
Total U.S. Department of Housing and Urban Development		36,106
U.S. Department of the Treasury / City of Tulsa, Oklahoma Coronavirus State and Local Fiscal Recovery Fund as established under the American Rescue Plan Act:	Nov. 1, 2023 - Aug. 31, 2024	6,674
Total federal assistance		42,780
Total state and federal assistance		\$ 849,131

*Amount recognized represents revenue recognized under each award in accordance with revenue recognition accounting policies outlined in Note A.

OTHER REPORT

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Resonance Center for Women, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Resonance Center for Women, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 29, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Resonance Center for Women, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Resonance Center for Women, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Resonance Center for Women, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Resonance Center for Women, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Conklin, Gilpin & Wertz, P.L.L.C.

CONKLIN, GILPIN & WERTZ, P.L.L.C.

Certified Public Accountants

May 29, 2024

Tulsa, Oklahoma