

ROCK THE STREET, WALL STREET

NASHVILLE, TENNESSEE

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2020 AND 2019

ROCK THE STREET, WALL STREET

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Rock the Street, Wall Street
Nashville, Tennessee

We have audited the accompanying financial statements of Rock the Street, Wall Street ("RTSWS") (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rock the Street, Wall Street as of June 30, 2020 and 2019, 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.

Yung CPA's PLLC

Nashville, Tennessee

March 16, 2021

ROCK THE STREET, WALL STREET

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Cash	\$ 1,430,984	\$ 656,312
Contributions receivable	5,000	177,500
Prepaid expenses	4,014	5,309
Property and equipment, net	<u>371</u>	<u>956</u>
 TOTAL ASSETS	 <u>\$ 1,440,369</u>	 <u>\$ 840,077</u>
 <u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Accounts payable	\$ 442	\$ 4,092
Paycheck Protection Program loan	<u>57,160</u>	<u>-</u>
 TOTAL LIABILITIES	 <u>57,602</u>	 <u>4,092</u>
 NET ASSETS		
Without donor restrictions	1,182,767	233,795
With donor restrictions	<u>200,000</u>	<u>602,190</u>
 TOTAL NET ASSETS	 <u>1,382,767</u>	 <u>835,985</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,440,369</u>	 <u>\$ 840,077</u>

See accompanying notes to financial statements.

ROCK THE STREET, WALL STREET

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020			2019		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
REVENUES AND SUPPORT						
Contributions	\$ 932,560	\$ 200,000	\$ 1,132,560	\$ 98,449	\$ 602,190	\$ 700,639
Contributed services of instructors	513,525	-	513,525	291,375	-	291,375
Other in-kind contributions	108,891	-	108,891	139,290	-	139,290
Interest income	167	-	167	251	-	251
Net assets released from restrictions	602,190	(602,190)	-	322,567	(322,567)	-
TOTAL REVENUES AND SUPPORT	2,157,333	(402,190)	1,755,143	851,932	279,623	1,131,555
EXPENSES						
Program services	961,617	-	961,617	664,441	-	664,441
Supporting services:						
Management and general	60,763	-	60,763	40,000	-	40,000
Fundraising	185,981	-	185,981	105,241	-	105,241
Total supporting services	246,744	-	246,744	145,241	-	145,241
TOTAL EXPENSES	1,208,361	-	1,208,361	809,682	-	809,682
CHANGE IN NET ASSETS	948,972	(402,190)	546,782	42,250	279,623	321,873
NET ASSETS - BEGINNING OF YEAR	233,795	602,190	835,985	191,545	322,567	514,112
NET ASSETS - END OF YEAR	\$ 1,182,767	\$ 200,000	\$ 1,382,767	\$ 233,795	\$ 602,190	\$ 835,985

See accompanying notes to financial statements.

ROCK THE STREET, WALL STREET
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services	Management and General	Fundraising	Total
Contributed services of instructors	\$ 513,525	\$ -	\$ -	\$ 513,525
Personnel	221,519	26,502	135,189	383,210
Advertising and promotion - in-kind	86,437	-	21,609	108,046
Advertising and promotion	333	-	12	345
Professional fees	27,936	24,472	11,983	64,391
Travel and transportation	21,979	1,386	5,545	28,910
Printing	23,857	-	-	23,857
Supplies and materials	22,064	2,138	1,604	25,806
Meals	12,205	280	280	12,765
Software and website	11,353	710	2,129	14,192
Lease expense	7,680	1,280	3,840	12,800
Licenses and fees	4,805	620	-	5,425
Volunteer appreciation	1,978	-	-	1,978
Insurance	2,068	689	-	2,757
Other expenses	845	2,353	2,353	5,551
Telephone and communication	1,638	273	819	2,730
Dues and subscriptions	1,022	-	438	1,460
Depreciation	350	59	176	585
Postage	23	1	4	28
TOTAL FUNCTIONAL EXPENSES	<u>\$ 961,617</u>	<u>\$ 60,763</u>	<u>\$ 185,981</u>	<u>\$ 1,208,361</u>

See accompanying notes to financial statements.

ROCK THE STREET, WALL STREET
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	Program Services	Management and General	Fundraising	Total
Contributed services of instructors	\$ 291,375	\$ -	\$ -	\$ 291,375
Personnel	112,528	21,716	63,173	197,417
Advertising and promotion - in-kind	72,744	-	18,186	90,930
Advertising and promotion	180	-	45	225
Professional fees - in-kind	46,860	-	-	46,860
Professional fees	31,106	8,095	5,822	45,023
Travel and transportation	36,523	2,308	9,230	48,061
Printing	18,965	92	139	19,196
Supplies and materials	14,683	1,110	833	16,626
Supplies and materials - in-kind	1,500	-	-	1,500
Meals	10,549	620	619	11,788
Software and website	7,600	475	1,425	9,500
Lease expense	5,679	947	2,839	9,465
Licenses and fees	3,725	2,306	-	6,031
Volunteer appreciation	4,174	-	-	4,174
Insurance	2,217	739	-	2,956
Other expenses	351	1,237	1,236	2,824
Telephone and communication	1,688	281	845	2,814
Dues and subscriptions	767	-	329	1,096
Professional development	700	-	300	1,000
Depreciation	388	65	194	647
Postage	139	9	26	174
TOTAL FUNCTIONAL EXPENSES	\$ 664,441	\$ 40,000	\$ 105,241	\$ 809,682

See accompanying notes to financial statements.

ROCK THE STREET, WALL STREET

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 546,782	\$ 321,873
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	585	647
Decrease (increase) in:		
Contributions receivable	172,500	80,245
Prepaid expenses	1,295	(5,309)
Increase (decrease) in:		
Accounts payable	<u>(3,650)</u>	<u>2,273</u>
TOTAL ADJUSTMENTS	<u>170,730</u>	<u>77,856</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>717,512</u>	<u>399,729</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Acquisition of property and equipment	<u>-</u>	<u>(399)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>-</u>	<u>(399)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program loan	<u>57,160</u>	<u>-</u>
NET CASH PROVIDED IN FINANCING ACTIVITIES	<u>57,160</u>	<u>-</u>
NET INCREASE IN CASH	774,672	399,330
CASH - BEGINNING OF YEAR	<u>656,312</u>	<u>256,982</u>
CASH - END OF YEAR	<u>\$ 1,430,984</u>	<u>\$ 656,312</u>

See accompanying notes to financial statements.

ROCK THE STREET, WALL STREET
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 - GENERAL

Rock the Street, Wall Street (“RTSWS”) is a Tennessee not-for-profit organization incorporated in 2013, dedicated to inspiring, educating and equipping girls with the skills to succeed financially throughout their lives. RTSWS provides a year-long financial literacy program designed to spark the interest of high school girls into careers in finance. Programming is offered at high schools in cities across the United States.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of RTSWS have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”), which require RTSWS to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the organization’s management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors. Some restrictions are temporary in nature; those restrictions will be met by actions of RTSWS or by the passage of time. Other restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. There are currently no donor restrictions that are perpetual in nature.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

ROCK THE STREET, WALL STREET

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2020 AND 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues and Support

Contributions are recognized when cash, securities or other assets, an unconditional promise to give or notification of a beneficial interest is received. A contribution is conditional if an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets exists. The presence of both a barrier and a right of return or right of release indicates that a recipient is not entitled to the contribution until it has overcome the barrier(s) in the agreement. Conditional promises to give are not recognized until the barrier(s) in the agreement are overcome.

Donated marketable securities are recorded at their fair value at the date of contribution based on their quoted market price.

Any gifts of equipment, facilities or materials are reported as net assets without donor restrictions unless explicit donor restrictions specify how the assets must be used. Gifts of long-lived assets with explicit restrictions as to how the assets are to be used or funds restricted for the acquisition of long-lived assets are reported as net assets with donor restrictions. Expirations of donor restrictions are recognized when the donated or acquired long-lived assets are placed in service.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by RTSWS. Such services are recognized at fair value as support and expense in the period the services are performed.

RTSWS has an all-volunteer faculty of female financial professionals who serve as program instructors. The services provided by these volunteers represent a material contribution to RTSWS' operations and are valued at an average hourly rate for professionals in the industry.

Cash

Cash consists principally of checking and money market accounts.

ROCK THE STREET, WALL STREET

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2020 AND 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions Receivable

Unconditional contributions receivable that are expected to be collected within one year are recorded at their net realizable value. Unconditional contributions receivable that are expected to be collected in future years are recorded at the present value of estimated future cash flows. All contributions receivable as of June 30, 2020 and 2019, were due within one year. Conditional promises to give, if any, are not included as support until such time as the conditions are substantially met.

An allowance for uncollectible contributions is provided based on management's estimate of uncollectible contributions receivable and historical trends. Contributions receivable are written off when deemed to be uncollectible. In management's opinion, no allowance for uncollectible contributions was necessary as of June 30, 2020 and 2019.

Property and Equipment

Property and equipment are reported at cost at the date of purchase or at estimated fair value at date of gift to RTSWS. RTSWS's policy is to capitalize purchases and or improvements with an estimated useful life greater than one year. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets, which range from two to seven years.

Income Taxes

RTSWS qualifies as a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, income taxes are not provided. RTSWS files a U.S. federal Form 990 for organizations exempt from income tax.

Management performs an evaluation of all income tax positions taken or expected to be taken in the course of preparing RTSWS's income tax return to determine whether the income tax positions meet a "more likely than not" standard of being sustained under examination by the applicable taxing authorities. Management has performed its evaluation of all income tax positions taken on all open income tax returns and has determined that there were no positions taken that do not meet the "more likely than not" standard. Accordingly, there were no provisions for income taxes, penalties, or interest receivable or payable relating to uncertain income tax positions in the accompanying financial statements.

ROCK THE STREET, WALL STREET

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2020 AND 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program and Supporting Services

The following program and supporting services are included in the accompanying financial statements:

Program Services - RTSWS provides a year-long program to girls that includes classroom workshops on money management and finance led by female financial professionals; hands-on financial projects on budgeting and spending, evaluating investments, salary negotiation and saving and investing for retirement; field trips to financial services firms, banks, state and corporate treasury departments, entrepreneur centers and more; and access to a supportive and engaged local network of teachers, mentors, professionals and fellow students that extends far beyond the duration of the program.

Management and General - relates to the overall direction of the organization. These expenses are not identifiable with a particular program service or with fundraising but are indispensable to the conduct of those activities and are essential to the organization.

Fundraising - includes costs of activities directed toward appeals for financial support. Other activities include the cost of solicitations and creation and distribution of fundraising materials.

Allocation of Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Certain costs have been allocated among program and supporting services benefited. Such allocations are determined by management on an equitable basis. The expenses that are allocated include personnel, travel expenses, professional fees and depreciation, which are allocated based on time and effort.

Advertising and Promotion Costs

RTSWS expenses advertising and promotions costs as they are incurred. Advertising and promotion expense totaled \$108,391 and \$91,155 for the year ended June 30, 2020 and 2019, respectively.

ROCK THE STREET, WALL STREET

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2020 AND 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of 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 estimates.

New Accounting Pronouncement

On July 1, 2019, RTSWS adopted Accounting Standards Update (“ASU”) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*. This guidance is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this guidance include clarification regarding the accounting for grants and contributions as exchange transactions or contributions and improved guidance to better distinguish between conditional and unconditional contributions. The adoption of this ASU did not materially impact the financial statements and related disclosures.

Recent Authoritative Accounting Guidance

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. In July 2018, the FASB issued ASU 2018-10, *Codification Improvements to Topic 842, Leases*, which makes narrow scope improvements to the standard for specific issues. In July 2018, the FASB also issued ASU 2018-11, *Leases (Topic 842): Targeted Improvements*, which provides an optional transition method allowing the standard to be applied at the adoption date. In March 2019, the FASB issued ASU 2019-01, *Leases (Topic 842) Codification Improvements*, which exempts entities from having to provide the interim disclosures required by Accounting Standards Codification (“ASC”) 250-10-50-3 in the fiscal year in which an organization adopts the new leases standard.

ROCK THE STREET, WALL STREET

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2020 AND 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Authoritative Accounting Guidance (Continued)

A modified retrospective transition approach is required. An entity may adopt the guidance either (1) retrospectively to each prior reporting period presented in the financial statements with a cumulative effect adjustment recognized at the beginning of the earliest comparative period presented or (2) retrospectively at the beginning of the period of adoption through a cumulative-effect adjustment. RTSWS expects to adopt the guidance retrospectively at the beginning of the period of adoption, July 1, 2022, through a cumulative-effect adjustment, and will not apply the new standard to comparative periods presented. The new standard provides a number of practical expedients. Upon adoption, RTSWS expects to elect all the practical expedients available. RTSWS is currently evaluating the impact of the pending adoption of the new standard on its financial statements but does not expect the impact to be material.

Events Occurring After Reporting Date

RTSWS has evaluated events and transactions that occurred between July 1, 2020 and March 16, 2021, the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

NOTE 3 - AVAILABILITY AND LIQUIDITY

Financial assets available for expenditure within one year of the statement of financial position date consist of the following as of June 30:

	<u>2020</u>	<u>2019</u>
Assets available for general expenditure:		
Cash	\$ 1,430,984	\$ 656,312
Contributions receivable	<u>5,000</u>	<u>177,500</u>
	<u>\$ 1,435,984</u>	<u>\$ 833,812</u>

Donor restricted net assets are restricted for the following year's program and therefore have not been deducted to arrive at financial assets available for general expenditure within one year.

As part of RTSWS'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. Cash in excess of daily requirements is invested in money market funds.

ROCK THE STREET, WALL STREET

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2020 AND 2019

NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of contributions received or promised during the year ending June 30, 2020 and 2019, that are designated for programming and operations in the subsequent year.

NOTE 5 - CONCENTRATIONS OF CREDIT RISK

RTSWS maintains cash balances at financial institutions whose accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to statutory limits. RTSWS's cash balances may at times exceed statutory limits. RTSWS has not experienced any losses in such accounts and management considers this to be a normal business risk.

Contributions received during the year from one donor comprised 36% of total contributions received for the year ended June 30, 2020. There were no concentrations in contributions received for the year ended June 30, 2019. Contributions receivable from one donor and five donors comprised 100% and 99% of the receivable balance as of June 30, 2020 and 2019, respectively.

NOTE 6 - PROPERTY AND EQUIPMENT

A summary of property and equipment as of June 30, is as follows:

	<u>2020</u>	<u>2019</u>
Furnishings and equipment	\$ 5,036	\$ 5,036
Less: accumulated depreciation	<u>(4,665)</u>	<u>(4,080)</u>
	<u>\$ 371</u>	<u>\$ 956</u>

NOTE 7 - LEASES

RTSWS leased office space on a month-to-month basis, however the lease was terminated in March 2020. Rent expense totaled \$12,800 and \$9,465 for the year ended June 30, 2020 and 2019, respectively.

ROCK THE STREET, WALL STREET

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2020 AND 2019

NOTE 8 - PAYCHECK PROTECTION PROGRAM LOAN

RTSWS entered into a Paycheck Protection Program loan of \$57,160 in April 2020, which is fully forgivable if at least 60% of the funds are used for payroll costs, and if certain other terms are met. As of the date of these financial statements were available to be issued, RTSWS is in the process of applying for forgiveness of the loan, and the amount of forgiveness has not been determined. If the loan is fully forgiven, RTSWS will not be responsible for any payments, and the balance of the loan will be reclassified to other income on the statements of activities at the time forgiveness is granted. If only a portion of the loan is forgiven, or if the forgiveness application is denied, any remaining balance due on the loan must be repaid on or before the maturity date of the loan, including interest. The loan bears interest at a fixed rate of 1% and matures on April 27, 2022. As the amount of forgiveness has not yet been determined, a schedule of required principal maturities of long-term borrowings has not been prepared.

NOTE 9 - COVID-19

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which RTSWS operates. While it is unknown how long these conditions will last and what the complete financial effect will be to RTSWS, the organization’s leadership is evaluating the evolving situation and will implement appropriate countermeasures as needed.