

ROCK THE STREET, WALL STREET
NASHVILLE, TENNESSEE
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2021 AND 2020

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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, 2021 and 2020, 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, 2021 and 2020, 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.

King CPA PLLC

Nashville, Tennessee
May 16, 2022

ROCK THE STREET, WALL STREET
STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Cash	\$ 2,449,063	\$ 1,430,984
Contributions receivable	79,399	5,000
Prepaid expenses	12,874	4,014
Property and equipment, net	<u>78</u>	<u>371</u>
 TOTAL ASSETS	 <u>\$ 2,541,414</u>	 <u>\$ 1,440,369</u>
 <u>LIABILITIES AND NET ASSETS</u>		
 LIABILITIES		
Accounts payable	\$ 4,289	\$ 442
Paycheck Protection Program loan	<u>57,160</u>	<u>57,160</u>
 TOTAL LIABILITIES	 <u>61,449</u>	 <u>57,602</u>
 NET ASSETS		
Without donor restrictions	2,479,965	1,182,767
With donor restrictions	<u>-</u>	<u>200,000</u>
 TOTAL NET ASSETS	 <u>2,479,965</u>	 <u>1,382,767</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 2,541,414</u>	 <u>\$ 1,440,369</u>

See accompanying notes to financial statements.

ROCK THE STREET, WALL STREET

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021			2020		
	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	\$ 1,808,136	\$ -	\$ 1,808,136	\$ 932,560	\$ 200,000	\$ 1,132,560
Contributed services of instructors	665,850	-	665,850	513,525	-	513,525
Other in-kind contributions	98,269	-	98,269	108,891	-	108,891
Interest income	1,057	-	1,057	167	-	167
Miscellaneous income	1,019	-	1,019	-	-	-
Gain on forgiveness of Payroll Protection Program loan	57,160	-	57,160	-	-	-
Net assets released from restrictions	200,000	(200,000)	-	602,190	(602,190)	-
TOTAL REVENUES AND SUPPORT	2,831,491	(200,000)	2,631,491	2,157,333	(402,190)	1,755,143
EXPENSES						
Program services	1,205,884	-	1,205,884	961,617	-	961,617
Supporting services:						
Management and general	83,190	-	83,190	60,763	-	60,763
Fundraising	245,219	-	245,219	185,981	-	185,981
Total supporting services	328,409	-	328,409	246,744	-	246,744
TOTAL EXPENSES	1,534,293	-	1,534,293	1,208,361	-	1,208,361
CHANGE IN NET ASSETS	1,297,198	(200,000)	1,097,198	948,972	(402,190)	546,782
NET ASSETS - BEGINNING OF YEAR	1,182,767	200,000	1,382,767	233,795	602,190	835,985
NET ASSETS - END OF YEAR	\$ 2,479,965	\$ -	\$ 2,479,965	\$ 1,182,767	\$ 200,000	\$ 1,382,767

See accompanying notes to financial statements.

ROCK THE STREET, WALL STREET
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services	Management and General	Fundraising	Total
Contributed services of instructors	\$ 665,850	\$ -	\$ -	\$ 665,850
Personnel	352,751	38,561	194,773	586,085
Advertising and promotion - in-kind	78,615	-	19,654	98,269
Professional fees	24,789	23,327	7,159	55,275
Travel and transportation	461	-	-	461
Printing	11,733	-	-	11,733
Supplies and materials	3,984	3,429	2,572	9,985
Meals	1,674	359	359	2,392
Software and website	35,455	1,970	1,970	39,395
Lease expense	20,000	3,333	10,000	33,333
Licenses and fees	5,019	3,879	-	8,898
Volunteer appreciation	14	-	-	14
Insurance	2,339	779	-	3,118
Other expenses	-	7,237	7,237	14,474
Telephone and communication	1,706	284	853	2,843
Dues and subscriptions	1,274	-	546	1,820
Depreciation	176	29	88	293
Postage	44	3	8	55
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 1,205,884</u>	<u>\$ 83,190</u>	<u>\$ 245,219</u>	<u>\$ 1,534,293</u>

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	\$ 961,617	\$ 60,763	\$ 185,981	\$ 1,208,361

See accompanying notes to financial statements.

ROCK THE STREET, WALL STREET

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
OPERATING ACTIVITIES		
Change in net assets	\$ 1,097,198	\$ 546,782
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	293	585
Gain on forgiveness of Paycheck Protection Program loan	(57,160)	-
Decrease (increase) in:		
Contributions receivable	(74,399)	172,500
Prepaid expenses	(8,860)	1,295
Increase (decrease) in:		
Accounts payable	3,847	(3,650)
TOTAL ADJUSTMENTS	(136,279)	170,730
NET CASH PROVIDED BY OPERATING ACTIVITIES	960,919	717,512
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program loan	57,160	57,160
NET CASH PROVIDED IN FINANCING ACTIVITIES	57,160	57,160
NET INCREASE IN CASH	1,018,079	774,672
CASH - BEGINNING OF YEAR	1,430,984	656,312
CASH - END OF YEAR	\$ 2,449,063	\$ 1,430,984

See accompanying notes to financial statements.

ROCK THE STREET, WALL STREET
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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 accounting principles generally accepted in the United States of America (“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, 2021 AND 2020

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, 2021 AND 2020

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, 2021 and 2020, 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, 2021 and 2020.

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, 2021 AND 2020

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 \$98,269 and \$108,046 for the year ended June 30, 2021 and 2020, respectively.

ROCK THE STREET, WALL STREET

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021 AND 2020

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.

Recent Authoritative Accounting Guidance

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“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 statement of financial position 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.

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.

ROCK THE STREET, WALL STREET

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Authoritative Accounting Guidance (continued)

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit entity to present nonfinancial assets in the statement of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. This ASU is effective for the Organization beginning July 1, 2021. The adoption of ASU 2020-07 is not expected to have a significant impact on the Organization's financial statements.

Events Occurring After Reporting Date

RTSWS has evaluated events and transactions that occurred between July 1, 2021 and May 16, 2022, 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>2021</u>	<u>2020</u>
Assets available for general expenditure:		
Cash	\$ 2,449,063	\$ 1,430,984
Contributions receivable	<u>79,399</u>	<u>5,000</u>
	<u>\$ 2,528,462</u>	<u>\$ 1,435,984</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, 2021 AND 2020

NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of contributions received or promised during the year ending June 30, 2021 and 2020, 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 two donors comprised 23% of total contributions received for the year ended June 30, 2021. Contributions received during the year from one donor comprised 36% of total contributions received for the year ended June 30, 2020. Contributions receivable from three donors and one donor comprised 94% and 100% of the receivable balance as of June 30, 2021 and 2020, respectively.

NOTE 6 - PROPERTY AND EQUIPMENT

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

	<u>2021</u>	<u>2020</u>
Furnishings and equipment	\$ 5,036	\$ 5,036
Less: accumulated depreciation	<u>(4,958)</u>	<u>(4,665)</u>
	<u>\$ 78</u>	<u>\$ 371</u>

NOTE 7 - LEASES

RTSWS leased office space on a month-to-month basis. Rent expense totaled \$33,333 and \$12,800 for the year ended June 30, 2021 and 2020, respectively.

ROCK THE STREET, WALL STREET

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021 AND 2020

NOTE 8 - PAYCHECK PROTECTION PROGRAM LOAN

In response to COVID-19 pandemic, the Paycheck Protection Program (“PPP”) was established under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) and administered by the Small Business Administration (“SBA”). In April 2020, RTSWS received a loan totaling \$57,160 under the PPP. The loan bore interest at a fixed rate of 1.0%. In April 2021, RTSWS received notification that the full balance of the PPP loan had been forgiven. As such, RTSWS has recognized \$57,160 of loan forgiveness income on the Statements of Activities and recorded no interest expense relating to this loan.

In February 2021, RTSWS received a second PPP loan totaling \$57,160. The loan bore interest at a fixed rate of 1.0%. In March 2022, RTSWS received notification that the full balance of the second PPP loan had been forgiven.

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.