

ROCK THE STREET, WALL STREET

NASHVILLE, TENNESSEE

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2022 AND 2021

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INDEPENDENT AUDITOR'S REPORT

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of Rock the Street, Wall Street ("RTSWS") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022 and 2021, and the related statement of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of RTSWS as of June 30, 2022 and 2021, 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 (GAAS). 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 RTSWS and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 RTSWS'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 GAAS 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, internal omissions, misrepresentations, or the override of internal control. Misstatements 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 GAAS, 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 RTSWS '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 RTSWS'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.

Kraft CPAs PLLC

Nashville, Tennessee
May 30, 2023

ROCK THE STREET, WALL STREET

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Cash	\$ 2,533,351	\$ 2,449,063
Contributions receivable	877,500	79,399
Prepaid expenses	18,068	12,874
Property and equipment, net	<u>1,286</u>	<u>78</u>
 TOTAL ASSETS	 <u>\$ 3,430,205</u>	 <u>\$ 2,541,414</u>
 <u>LIABILITIES AND NET ASSETS</u>		
 LIABILITIES		
Accounts payable	\$ 13,138	\$ 4,289
Accrued expenses	3,626	-
Paycheck Protection Program loan	<u>-</u>	<u>57,160</u>
 TOTAL LIABILITIES	 <u>16,764</u>	 <u>61,449</u>
 NET ASSETS		
Without donor restrictions	<u>3,413,441</u>	<u>2,479,965</u>
 TOTAL NET ASSETS	 <u>3,413,441</u>	 <u>2,479,965</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 3,430,205</u>	 <u>\$ 2,541,414</u>

See accompanying notes to financial statements.

ROCK THE STREET, WALL STREET

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022			2021		
	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	\$ 2,020,703	\$ -	\$ 2,020,703	\$ 1,808,136	\$ -	\$ 1,808,136
Contributed services of instructors	486,000	-	486,000	665,850	-	665,850
Other in-kind contributions	101,406	-	101,406	98,269	-	98,269
Interest income	1,796	-	1,796	1,057	-	1,057
Miscellaneous income	4,896	-	4,896	1,019	-	1,019
Gain on forgiveness of Payroll Protection Program loan	57,160	-	57,160	57,160	-	57,160
Net assets released from restrictions	-	-	-	200,000	(200,000)	-
TOTAL REVENUES AND SUPPORT	<u>2,671,961</u>	<u>-</u>	<u>2,671,961</u>	<u>2,831,491</u>	<u>(200,000)</u>	<u>2,631,491</u>
EXPENSES						
Program services	1,313,732	-	1,313,732	1,205,884	-	1,205,884
Supporting services:						
Management and general	116,679	-	116,679	83,190	-	83,190
Fundraising	<u>308,074</u>	<u>-</u>	<u>308,074</u>	<u>245,219</u>	<u>-</u>	<u>245,219</u>
Total supporting services	<u>424,753</u>	<u>-</u>	<u>424,753</u>	<u>328,409</u>	<u>-</u>	<u>328,409</u>
TOTAL EXPENSES	<u>1,738,485</u>	<u>-</u>	<u>1,738,485</u>	<u>1,534,293</u>	<u>-</u>	<u>1,534,293</u>
CHANGE IN NET ASSETS	933,476	-	933,476	1,297,198	(200,000)	1,097,198
NET ASSETS - BEGINNING OF YEAR	<u>2,479,965</u>	<u>-</u>	<u>2,479,965</u>	<u>1,182,767</u>	<u>200,000</u>	<u>1,382,767</u>
NET ASSETS - END OF YEAR	<u>\$ 3,413,441</u>	<u>\$ -</u>	<u>\$ 3,413,441</u>	<u>\$ 2,479,965</u>	<u>\$ -</u>	<u>\$ 2,479,965</u>

See accompanying notes to financial statements.

ROCK THE STREET, WALL STREET
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	Program Services	Management and General	Fundraising	Total
Contributed services of instructors	\$ 486,000	\$ -	\$ -	\$ 486,000
Instructors	404	-	-	404
Personnel	523,713	45,411	253,529	822,653
Advertising and promotion - in-kind	81,125	-	20,281	101,406
Professional fees	13,114	53,410	4,978	71,502
Travel and transportation	26,723	1,715	6,860	35,298
Printing	37,524	-	-	37,524
Supplies and materials	46,033	3,509	2,632	52,174
Meals	13,232	855	855	14,942
Software and website	16,352	908	908	18,168
Lease expense	30,257	2,837	14,183	47,277
Licenses and fees	29,194	5,538	-	34,732
Volunteer appreciation	1,390	-	-	1,390
Insurance	2,396	799	-	3,195
Other expenses	-	1,467	1,467	2,934
Telephone and communication	1,348	126	633	2,107
Dues and subscriptions	3,307	-	1,417	4,724
Depreciation	93	9	44	146
Postage	1,527	95	287	1,909
	<u>1,527</u>	<u>95</u>	<u>287</u>	<u>1,909</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 1,313,732</u>	<u>\$ 116,679</u>	<u>\$ 308,074</u>	<u>\$ 1,738,485</u>

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
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

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 933,476	\$ 1,097,198
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	146	293
Gain on forgiveness of Paycheck Protection Program loan	(57,160)	(57,160)
Decrease (increase) in:		
Contributions receivable	(798,101)	(74,399)
Prepaid expenses	(5,194)	(8,860)
Increase (decrease) in:		
Accounts payable	8,849	3,847
Accrued Expenses	<u>3,626</u>	<u>-</u>
TOTAL ADJUSTMENTS	<u>(847,834)</u>	<u>(136,279)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>85,642</u>	<u>960,919</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Acquisition of property and equipment	<u>(1,354)</u>	<u>-</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(1,354)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program loan	<u>-</u>	<u>57,160</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>-</u>	<u>57,160</u>
NET INCREASE IN CASH	84,288	1,018,079
CASH - BEGINNING OF YEAR	<u>2,449,063</u>	<u>1,430,984</u>
CASH - END OF YEAR	<u>\$ 2,533,351</u>	<u>\$ 2,449,063</u>

See accompanying notes to financial statements.

ROCK THE STREET, WALL STREET
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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, 2022 AND 2021

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.

RTSWS reports any gifts of property, equipment, or materials at the estimated fair value at the date of gift as support 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 support 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 if they create or enhance non-financial assets, or the donated service requires specialized skills, were performed by a donor who possesses such skills, and would have been purchased by RTSWS if not donated. Such services are recognized at fair value as support and expense in the period the services are performed.

Cash

Cash consists principally of checking and money market accounts.

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, 2022 and 2021, 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, 2022 and 2021.

ROCK THE STREET, WALL STREET

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

ROCK THE STREET, WALL STREET

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 \$101,406 and \$98,269 for the year ended June 30, 2022 and 2021, respectively.

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.

Events Occurring After Reporting Date

RTSWS has evaluated events and transactions that occurred between July 1, 2022 and May 30, 2023, 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>2022</u>	<u>2021</u>
Assets available for general expenditure:		
Cash	\$ 2,533,351	\$ 2,449,063
Contributions receivable	<u>877,500</u>	<u>79,399</u>
	<u>\$ 3,410,851</u>	<u>\$ 2,528,462</u>

ROCK THE STREET, WALL STREET

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022 AND 2021

NOTE 3 - AVAILABILITY AND LIQUIDITY (CONTINUED)

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.

NOTE 4 - 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. There were no contribution concentrations for the year ended June 30, 2022. Contributions receivable from three donors comprised 94% of the receivable balance as of June 30, 2021. There were no contributions receivable concentrations as of June 30, 2022.

NOTE 5 - PROPERTY AND EQUIPMENT

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

	<u>2022</u>	<u>2021</u>
Furnishings and equipment	\$ 4,817	\$ 5,036
Less: accumulated depreciation	<u>(3,531)</u>	<u>(4,958)</u>
	<u>\$ 1,286</u>	<u>\$ 78</u>

NOTE 6 - LEASES

RTSWS leased office space on a month-to-month basis. Rent expense totaled \$47,277 and \$33,333 for the year ended June 30, 2022 and 2021, respectively.

ROCK THE STREET, WALL STREET

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022 AND 2021

NOTE 7 - 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 8 - IN-KIND CONTRIBUTIONS

RTSWS received the following in-kind contributions for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Advertising and promotion	\$ 101,406	\$ 98,269
Instructors	<u>486,000</u>	<u>665,850</u>
	<u>\$ 587,406</u>	<u>\$ 764,119</u>

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. These professional services are an integral part of the mission and are utilized by RTSWS in their educational programs.

RTSWS receives and utilizes in-kind advertising and promotional services which are valued at the price that would otherwise be paid for such services.