

ROCKHOUSE FOUNDATION
AND
AFFILIATE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021

GRACE NKENKE
CERTIFIED PUBLIC ACCOUNTANT

**ROCKHOUSE FOUNDATION AND AFFILIATE
JUNE 30, 2021**

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Grace Nkenke

Certified Public
Accountant

221-10 Jamaica Avenue • Queens Village, New York 11428

Phone: (718) 468-1240

Fax: (718) 468-9209

Independent Accountant's Review Report

To the Board of Directors of
Rockhouse Foundation and Affiliate
New York, New York

We have reviewed the accompanying consolidated financial statements of **Rockhouse Foundation and Affiliate**, which comprise the consolidated statement of financial position as of **June 30, 2021**, and the related consolidated statements of activities, statement of functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of **Rockhouse Foundation and Affiliate's** management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Consolidated Financial Statements

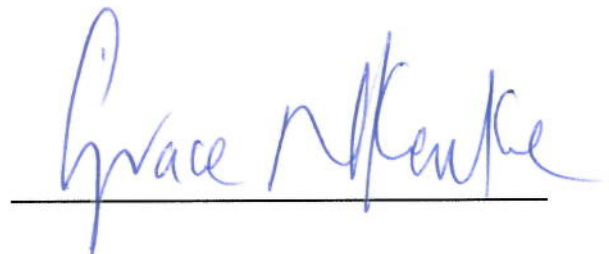
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the consolidated financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion. We are required to be independent of **Rockhouse Foundation and Affiliate** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modification that should be made to the accompanying consolidated financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



Queens Village, New York
May 6, 2022

ROCKHOUSE FOUNDATION AND AFFILIATE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
ASSETS			
Cash	\$ 177,444	-	\$ 177,444
Contributions Receivable	49,190	-	49,190
Other Current Assets	1,492	-	1,492
Total Assets (all current)	\$ 228,126	-	\$ 228,126
LIABILITIES AND NET ASSETS			
Accounts Payable	1,660	-	1,660
Accrued Expenses	5,000	-	5,000
Total Assets (all current)	6,660	-	6,660
Net Assets	221,466	-	221,466
Total Liabilities and Net Assets	\$ 228,126	-	\$ 228,126

See accompanying notes and independent accountant's review report.

**ROCKHOUSE FOUNDATION AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
Year ended June 30, 2021**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Contributions	\$ 283,647	-	\$ 283,647
Donations	50,885	-	50,885
Total Revenue and Other Support	334,532	-	334,532
EXPENSES			
Program services	378,153	-	378,153
Management and general	21,436	-	21,436
Total Expenses	399,589	-	399,589
Changes in Net Assets	\$ (65,057)	-	\$ (65,057)

See accompanying notes and independent accountant's review report.

ROCKHOUSE FOUNDATION AND AFFILIATE
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
Year ended June 30, 2021

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Net Assets (Deficit), Beginning of Year (Adjusted)	\$ 286,523	-	\$ 286,523
Change in Net Assets as Adjusted	(65,057)	-	(65,057)
Net Assets (Deficit), End of Year	<u>\$ 221,466</u>	-	<u>\$ 221,466</u>

See accompanying notes and independent accountant's review report.

ROCKHOUSE FOUNDATION AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2021

	Program Services	Management and General	Total
Grant & Contract Expenses:			
Little Bay School	\$ 5,082	-	\$ 5,082
Bunch of Stars School	2,494	-	2,494
Moreland Hill	6,222	-	6,222
Savanna-la-Mar Inclusive Infant Academy	210,751	-	210,751
COVID Schools Feeding	153,604	-	153,604
Professional fees	-	3,000	3,000
Classy fees	-	19	19
Network for good fees	-	1,737	1,737
Benevity impact fees	-	12	12
Business expenses	-	5,731	5,731
Bank charges	-	1,666	1,666
Other expenses	-	9,271	9,271
Total expenses	\$ 378,153	\$ 21,436	\$ 399,589

See accompanying notes and independent accountant's review report.

**ROCKHOUSE FOUNDATION AND AFFILIATE
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended June 30, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES:	Total
Increase (decrease) in net assets	\$ (65,057)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
(Increase) decrease in:	
Contributions receivable	39,322
Other receivable	6,414
Other current assets	(1,492)
(Decrease) increase in:	
Accounts payable	(2,491)
	<u>41,753</u>
Net Cash Used by Operating Activities	(23,304)
Cash flows from (used) investing activities	<u>-</u>
Cash flows from financing activities	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(23,304)</u>
Cash and Cash Equivalents at beginning of year	<u>200,748</u>
Cash and Cash Equivalents at end of year	<u><u>\$ 177,444</u></u>

See accompanying notes and independent accountant's review report.

ROCKHOUSE FOUNDATION AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – NATURE OF ACTIVITIES

The Rockhouse Foundation and Affiliate (collectively the “Foundation”) is a not-for-profit entity incorporated under the laws of the State of New York. The Foundation is governed by its Certificate of Incorporation dated December 16, 2003, and is recognized as a charitable organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

The Foundation is committed to improving the human condition of Jamaica’s children through capital projects that transform learning environments, programs that support child development, and partnerships that leverage the knowledge and experience of the great people working with Jamaica’s children. Since its inception in 2003, the Foundation has fully renovated and expanded the Negril All Age School, and its primary feeder Pre-K, the Negril Basic School in Negril, Jamaica. Additionally, the Foundation has fully renovated and expanded the Negril Public Library, Little Bay All Age School, the Bunch of Stars Basic School and the Moreland Hill School in Jamaica. The Foundation has partnered with the Jamaican Ministry of Education on a capital project to establish the area’s first Special Needs Early Childhood School on the grounds adjoining the Clifford Campbell Primary School, known as the Savanna-la-Mar Inclusive Infant Academy. In 2016-17, Rockhouse Foundation completed the initial construction phase of a full inclusion model early childhood center of excellence in Westmoreland serving typical learners and children with special needs in a fully integrated environment. This is the first project the Foundation has conceived and built from the ground up and addresses a chronically underserved community in the region. The Foundation underwrote the design and construction, and maintains the facilities, with the Ministry of Education, Youth and Information underwriting the faculty, support personnel and therapeutic staff.

Sav Inclusive was mainly shuttered throughout the 2020/2021 school year. With the school closed and limited online capabilities, the administration and therapists focused on developing protocols for delivering one on one speech and physical therapies on an appointment basis. The Foundation also took this as an opportunity to continue to make improvements at Sav Inclusive. During the year four additional classrooms for grades 1 and 2 were constructed. Also, a new, large greenspace was landscaped, and a bathroom block and septic system was developed. Sav Inclusive was readied in anticipation of its full capacity of approximately 165 students aged three to seven for the new school year September 2021.

Moreland Hill Primary School Project: After decades of neglect, the Moreland Hill Primary School had an enrollment of just 32 students and was slated for closure by Jamaica’s Ministry of Education. Over the summer of 2013, the Foundation completed a total transformation of the Moreland Hill Primary School, alongside a dynamic new principal, welcomed 120 pre-K to 6th grade students who had previously traveled long distances in search of a better education that all children deserve. Since that initial investment the Foundation has continued to maintain and support the school and adding a new computer room. With the pandemic shuttering of schools, Rockhouse Foundation undertook minor repairs and preliminary preparation for potential school reopening. Expenditures mainly focused on termite mitigation and associated repairs.

**ROCKHOUSE FOUNDATION AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 – NATURE OF ACTIVITIES contd.

Little Bay All Age School Project: The Little All Age School, like the community, was full of promise but when the Rockhouse Foundation began its work in 2010, it had seen better days. The complete gut renovation and expansion ushered in a sense of pride and possibilities that are embedded in the school community today. A new technology center and teachers feed the minds, an organic garden and new kitchen feeds the bodies, and a revitalized facility feeds the community's spirit. During the 2020/2021 financial year, Rockhouse Foundation undertook termite mitigation and associated repairs.

Bunch of Stars Early Childhood Institution Project: Rockhouse Foundation fully renovated and expanded Bunch of Stars School beginning in 2012-2013, provided new classroom space, kitchen and sanitation facilities, a secure compound, and a school garden. Bunch of Stars ECI currently has an enrollment of 37 children. For the year 2020/21 fiscal year, the Foundation underwrote minimal repairs and ongoing groundskeeping during the school's closure.

Negril Public Library Project: After extensive consultation with the Jamaica Library Service and the "Friends of the Library" committee in 2009, the Rockhouse Foundation modernized and expanded the landmark structure, creating Negril's first new civic building in more than 40 years. Rockhouse Foundation undertook a complete renovation and expansion of the Negril Public Library. The Jamaica Library Service (JLS) underwrites most of the library's operating costs. The Foundation provides ongoing maintenance and periodic repairs. In 2020/21 fiscal year, there were no expenditures on the Negril Library during FY 2020/2021 with the library shuttered throughout the year.

Tech Based Literacy Program: The Jay Hatfield Family Foundation continues to sponsor the computer-based literacy and numeracy program, SuccessMaker, which is currently fully implemented at the Moreland Hill School and the Little Bay School. Students devote several hours weekly on this powerful and engaging platform, improving their math and reading skills. SuccessMaker is designed to allow each student to work at their own pace, advancing through each achievement level only when they have demonstrated proficiency and clear understanding of the underlying competencies. Due to school closures, there were minimal expenditures during the 2020/2021 fiscal year.

COVID-19 Relief Food Distribution Program: In response to the emergency challenges of COVID-19 in March 2020, Rockhouse Foundation began weekly distributions of food staples to the vulnerable families at the partner schools. Through the on-the-ground network they prioritized the most desperate. For many children most of their daily nutrition is received through the school breakfast and lunch programs. With the closure of schools during COVID-19 this has left a great need. The Rockhouse Foundation pivoted to fill this void, establishing a food distribution program. Every Wednesday the Foundation put together the food packages, and then on Friday distributed food staples sustaining over 1000 people. A volunteer team comprised mostly of teachers, maintenance staff and parents help with the packaging and distribution each week. The program began at four of our partner schools and an additional four schools were added in December 2020 with these eight schools participating throughout 2021. In the 2020/2021 financial year the program delivered over 150 tons of food to families in need.

**ROCKHOUSE FOUNDATION AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 – NATURE OF ACTIVITIES contd.

In 2012, the Foundation established an independent companion entity in Jamaica under the Registered Charities Act, Rockhouse Foundation Jamaica, as a vehicle for local donations and a more tax efficient strategy for funding projects and material purchases in Jamaica. The entity and its accounts have been primarily used for the purchase of materials and supplies for the Foundation's projects and ongoing maintenance commitments.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"), and presented in its currency (dollars).

Principles of Consolidation

The consolidated financial statements include the accounts of Rockhouse Foundation, a U.S. entity, and its affiliate, Rockhouse Foundation Jamaica, a Jamaica entity. All significant intercompany accounts and transactions have been eliminated in consolidation.

Basis of Presentation

The Foundation reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions:

Net Assets Without Donor Restrictions – Net assets are not subject to donor-imposed restrictions. They may, however, be subject to board designation.

Net Assets With Donor Restrictions – Net assets are subject to donor-imposed restrictions that will be met either by actions of the Foundation and/or the passage of time and/or net assets are subject to donor-imposed restrictions that must be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the investment income generated on the related investments of the contributed assets for general or specific purposes.

There were no net assets with donor restrictions as of June 30, 2021.

Revenue and Support Recognition

Revenue is recognized when pledges are made. All support is received from private sources and is considered to be available for unrestricted use, unless specifically restricted by the donor. All other donor-restricted support, if any, is 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.

**ROCKHOUSE FOUNDATION AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES contd.

Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Foreign Currency Transactions

The Foundation maintains cash accounts denominated in Jamaican dollars and makes payments to certain vendors in Jamaican dollars. U.S. GAAP requires that an adjustment be made for exchange rate gains and losses on obligations that are to be settled in a foreign currency.

Foreign Currency Translation

Rockhouse Foundation Jamaica's financial statements were prepared using a functional currency other than U.S. dollars. As of June 30, 2021, their statement of financial position has been translated into U.S. dollars using the spot rate of exchange at fiscal year-end, while their revenue and expenses have been translated into U.S. dollars using the average rate of exchange for the fiscal year.

Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statement of activities. The consolidated statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes Status

The Foundation is exempt from federal income taxation under Section 501 (c)(3) of the Internal Revenue Code (IRC) and applicable state law.

The accounting standards on accounting for uncertainty in income taxes address the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Foundation may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical tax merits of the position. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal year 2021.

The Foundation files its Form 990 with federal and state authorities in the state of New York. The Foundation is generally no longer subject to examination by the Internal Revenue Services for years before 2018.

NOTE 3 –RELATED PARTY TRANSACTIONS

The Rockhouse Hotel (the "Hotel"), a company owned by several board members of the Foundation, provides certain donated services as part of their commitment to servicing the Foundation for which the

**ROCKHOUSE FOUNDATION AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 –RELATED PARTY TRANSACTIONS contd.

Hotel is not reimbursed. No amounts have been recognized in the accompanying consolidated statement of activities because the criteria for recognition of such volunteer effects have not been satisfied.

The Hotel pays for all the expenses for the annual fundraiser that is held by the Foundation. At times, the Hotel loans funds to the Foundation based on cash flow needs at no interest and with no set repayment date due to the short-term nature of these transactions. At June 30, 2021, the Foundation has no liability to the Hotel.

As of June 30, 2021, the Foundation paid its President, Peter Rose, the sum of \$52,000 for direct project management responsibilities, and other related activities.

NOTE 4 – CONCENTRATIONS OF CREDIT RISK

The Foundation maintains cash balances at major financial institutions, which at times may exceed the amount insured by the Federal Deposit Insurance Corporation ("FDIC") for U.S. bank deposits. Bank accounts held in foreign currencies are not FDIC insured. The Foundation has not experienced any losses in such accounts and does not believe it is exposed to any significant risk to its cash.

NOTE 5 – SUBSEQUENT EVENTS

The Foundation evaluated subsequent events and transactions that occurred after the financial statements date and up to the date that the financial statements were issued.