

ROCKHOUSE FOUNDATION
AND
AFFILIATE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024

GRACE NKENKE
CERTIFIED PUBLIC ACCOUNTANT

ROCKHOUSE FOUNDATION AND AFFILIATE
JUNE 30, 2024

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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, 2024**, 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

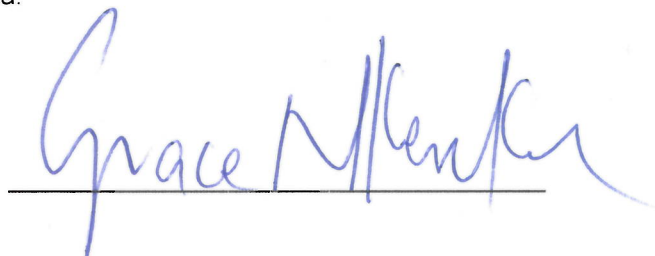
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation 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
April 22, 2025

ROCKHOUSE FOUNDATION AND AFFILIATE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

ASSETS

Cash	\$ 194,844
Contributions Receivable	23,040
Other Current Assets	<u>1,492</u>
Total Assets (all current)	<u><u>\$ 219,376</u></u>

LIABILITIES

Accounts Payable	\$ 13,069
Accrued Expenses	<u>13,970</u>
Total Assets (all current)	<u>27,039</u>

Net Assets

Without donor restrictions	<u>192,337</u>
Total Net Assets	<u>192,337</u>
Total Liabilities and Net Assets	<u><u>\$ 219,376</u></u>

See accompanying notes and independent accountant's review report.

ROCKHOUSE FOUNDATION AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
Year ended June 30, 2024

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Donations	\$ 926,360	-	\$ 926,360
Foreign exchange gain	10,969	-	10,969
Interest income	3	-	3
Total Revenue and Other Support	937,332	-	937,332
EXPENSES			
Program services	774,134	-	774,134
Management and general	27,657	-	27,657
Total Expenses	801,791	-	801,791
Changes in Net Assets	\$ 135,541	-	\$ 135,541

See accompanying notes and independent accountant's review report.

ROCKHOUSE FOUNDATION AND AFFILIATE
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
Year ended June 30, 2024

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Net Assets (Deficit), Beginning of Year	\$ 56,796	-	\$ 56,796
Change in Net Assets	135,541	-	135,541
Net Assets (Deficit), End of Year	<u>\$ 192,337</u>	<u>-</u>	<u>\$ 192,337</u>

See accompanying notes and independent accountant's review report.

ROCKHOUSE FOUNDATION AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2024

	Program Services	Management and General	Total
Grant & Contract Expenses:			
Little Bay School	\$ 5,991	-	\$ 5,991
Bunch of Stars School	9,647	-	9,647
Moreland Hill	6,088	-	6,088
Savanna-la-Mar Inclusive Infant Academy	752,209	-	752,209
St. Paul's Primary	199	-	199
Professional fees	-	6,018	6,018
Network for good fees	-	8,230	8,230
GoFundMe fees	-	1,518	1,518
Business expenses	-	8,114	8,114
Insurance	-	1,434	1,434
Bank charges	-	2,093	2,093
Other expenses	-	250	250
Total expenses	\$ 774,134	\$ 27,657	\$ 801,791

See accompanying notes and independent accountant's review report.

ROCKHOUSE FOUNDATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES:

Changes in net assets	\$ 135,541
Adjustment to reconcile changes in net assets to net cash used by operating activities:	
Change in operating assets and liabilities	
(Increase) Decrease in:	
Contribution receivable	(12,265)
Increase (Decrease) in:	
Accounts payable	9,331
Accrued expenses	6,919
Other current liabilities	(7,658)
	<u>(3,673)</u>
Net cash flows provided by operating activities	131,868
Net increase in cash, cash equivalents, and restricted cash	<u>131,868</u>
Cash, cash equivalents, and restricted cash beginning of year	<u>62,976</u>
Cash, cash equivalents, and restricted cash end of year	<u><u>\$ 194,844</u></u>

Reconciliation to Cash and Restricted Cash as Presented on the Statement of Financial Position:

Cash	194,844
Restricted cash	-
	<u><u>\$ 194,844</u></u>

See accompanying notes and independent accountant's review report.

ROCKHOUSE FOUNDATION AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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. Since its establishment, the Rockhouse Foundation has invested over 10 million U.S. dollars to help improve the education system in western Jamaica. The Foundation has completely transformed and modernized six schools: Moreland Hill Primary and Infant School, Negril All Age School, Negril Basic School, Little Bay Age and Infant School, Bunch of Stars E.C.I., and Savanna-La-Mar inclusive infant Academy (Sav Inclusive), in addition to the complete renovation and expansion of the Negril Community Library. The principal’s current focus is the ongoing expansion of Sav Inclusive, serving children with disabilities and those without, in a full inclusion setting. Conceived and built from the ground up by the Rockhouse Foundation, the school currently enrolls over 200 three-year-olds to fourth graders. The Foundation is currently expanding the primary school to accommodate the full complement of students in grades 1-6.

Rockhouse Foundation developed a memorandum of understanding with its partners which outlines mutual commitments. Once a building, renovation or development project is completed, The Foundation’s ongoing support typically falls into several categories:

- Daily ground and building maintenance, including wage subsidy for care-taking personnel.
- Nutritional subsidies for free school breakfast, lunch, and vegetable garden operations.
- Wage subsidy for instructional personnel.
- As needed, assistance with utility costs, such as water and electricity.
- Facility repairs and maintenance as needed, e.g., furniture, plumbing, electrical, etc.
- A computer-based literacy and numeracy program.

Savanna-La-Mar Inclusive Infant Academy: In 2017 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 disabilities in a fully integrated environment. This is the first project the Foundation has 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 and Youth underwriting the faculty, some support personnel, security and therapeutic staff. Sav Inclusive continued full operation for the 2023-2024 school year, with an enrollment of approximately 212 students aged 3 through grade 4. Simultaneously, the Foundation undertook a major new construction project with the building of the new Administration Centre. This new building, the second phase of the Primary School campus, supports Sav Inclusive’s expanding population and was completed in January 2024. Significant site preparation, all plumbing and electrical infrastructure, landscaping and a new sanitation system were constructed. In June 2024 the foundation began the next stage of the Primary School expansion.

ROCKHOUSE FOUNDATION AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – NATURE OF ACTIVITIES contd.

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 in 2012. 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 a long distance in search of a better education that all children deserve. Since that initial investment, the Foundation has continued to maintain and support the school, adding a new computer room. Rockhouse Foundation resumed its monthly financial support for ongoing maintenance, nutrition, teacher subsidy, installation of the Starlink satellite service and the online learning platform, eSpark.

Little Bay All Age School Project: The Little Bay 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 spirit. Rockhouse Foundation discontinued monthly financial support for ongoing maintenance, nutrition, teacher subsidy, Starlink satellite service, and the online learning platform, eSpark, in January 2024 , while awaiting long delayed financial back up for allocated funds. The Foundation indicated it would resume upon receipt of the documents, but they have never been forwarded despite repeated efforts to obtain them, and with clear explanation as to the pause. As of the end of the fiscal year, no documentation had been forwarded.

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 47 children. Rockhouse foundation continued monthly financial support including teacher and nutritional subsidy, installation of the Starlink satellite service, as well as grounds development and minor repairs support. Bunch of Stars has thrived as a Rockhouse Foundation partner, expanding its enrollment and providing a safe and engaging early childhood environment.

St. Paul’s Primary: St. Paul’s Primary received Food Distribution during the pandemic closure. Based on its experience with the school staff, leadership and community, St. Paul’s Primary was added to the Rockhouse Foundation network, primarily oriented to eSpark and facilities improvement. Rockhouse Foundation continued its relationship with St. Paul’s Primary although relatively little activity this year. Having previously repurposed an unused classroom as the new computer room, the Foundation continues to underwrite eSpark and provide internet through installation of the Starlink satellite service.

Online Literacy and Numeracy Program: The online literacy and numeracy program implemented at the Moreland Hill School and the Little Bay School almost a decade ago were established with the generous support of the Jay Hatfield Family Foundation. The program 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. In 2023 this was transitioned to a

**ROCKHOUSE FOUNDATION AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 – NATURE OF ACTIVITIES contd.

new online platform, eSpark, and the program was also expanded to two more of the Rockhouse Foundation's partner schools; Sav Inclusive and St. Paul's Primary. The Rockhouse Foundation continued to support the online learning platform eSpark for the four partner schools. Students devoted several hours weekly on this engaging platform improving their math and reading skills.

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, 2024.

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, 2024

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, 2024, 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 the fiscal year 2024. 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 the years before 2022.

ROCKHOUSE FOUNDATION AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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 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. On June 30, 2024, the Foundation has no liability to the Hotel. As of June 30, 2024, the Foundation paid its President, Peter Rose, the sum of \$51,999.96 for direct project management responsibilities.

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.