Rock and Soul Forever Foundation, Inc.

Financial Statements

December 31, 2024

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PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Independent Auditors' Report

Board of Directors of
Rock and Soul Forever Foundation, Inc.

Opinion

We have audited the accompanying financial statements of Rock and Soul Forever Foundation, Inc. (the "Organization") which comprise the statements of financial position as of December 31, 2024, and 2023 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2024, and 2023 and the changes in its net assets and 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 generally accepted auditing standards 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, intentional 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 generally accepted auditing standards, 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 the Organization'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 the Organization'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.

PKF O'Connor Davies, LLP

September 15, 2025

Rock and Soul Forever Foundation, Inc.

Statements of Financial Position

	December 31, 2024	December 31, 2023
ASSETS		
Cash and cash equivalents	$ 452,869	$ 1,085,577
Promises to give	1,110,294	306,188
Other receivables	71,090	118,720
Property and equipment, net	1,856	3,094
	$ 1,636,109	$ 1,513,579
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 136,267	$ 191,766
Net Assets		
Without donor restrictions	339,537	620,571
With donor restrictions	1,160,305	701,242
Total Net Assets	1,499,842	1,321,813
	$ 1,636,109	$ 1,513,579

See notes to financial statements

Rock and Soul Forever Foundation, Inc.

Statements of Activities

	For the Year Ended December 31,					
	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	$ 392,172	$ 1,479,973	$ 1,872,145	$ 205,059	$ 111,174	$ 316,233
Government grants	23,997	96,803	120,800	20,000	98,890	118,890
Contributions of nonfinancial assets	107,243	-	107,243	14,192	-	14,192
Special Events	452,400	819,519	1,271,919	1,376,385	272,894	1,649,279
Less: event costs with direct benefit to donors	(415,822)	-	(415,822)	(1,048,708)	-	(1,048,708)
Program revenue	31,401	-	31,401	101,157	155,100	256,257
Interest income	8,178	-	8,178	19,873	-	19,873
Net assets released from restrictions	1,937,232	(1,937,232)	-	2,595,995	(2,595,995)	-
Total Support and Revenue	2,536,801	459,063	2,995,864	3,283,953	(1,957,937)	1,326,016
EXPENSES						
Program Services						
Education	1,783,976	-	1,783,976	1,252,456	-	1,252,456
Supporting Services						
Management and General	499,312	-	499,312	467,674	-	467,674
Fundraising	534,547	-	534,547	713,408	-	713,408
Total Supporting Services	1,033,859	-	1,033,859	1,181,082	-	1,181,082
Total Expenses	2,817,835	-	2,817,835	2,433,538	-	2,433,538
Change in Net Assets (Deficit)	(281,034)	459,063	178,029	850,415	(1,957,937)	(1,107,522)
NET ASSETS (DEFICIT)						
Beginning of year	620,571	701,242	1,321,813	(229,844)	2,659,179	2,429,335
End of year	$ 339,537	$ 1,160,305	$ 1,499,842	$ 620,571	$ 701,242	$ 1,321,813

See notes to financial statements

Rock and Soul Forever Foundation, Inc.

Statement of Functional Expenses

	For the Year Ended December 31, 2024			
	Program Services	Supporting Services		
	Education	Management and General	Fundraising	Total
Salaries	$ 994,634	$ 152,627	$ 344,482	$ 1,491,743
Fringe benefits and taxes	256,409	39,350	59,660	355,419
Rent and related items	6,089	63,654	-	69,743
Contract services	287,639	173,198	54,533	515,370
Event expense	-	-	415,822	415,822
Postage and messenger	119	1,608	269	1,996
Office expenses	37,545	3,583	284	41,412
Dues and subscriptions	17,557	18,010	8,799	44,366
Conference and meeting expenses	90,154	5,093	6,490	101,737
Insurance	-	5,887	-	5,887
Professional fees	-	-	22,565	22,565
Website and technology	58,463	6,609	6,000	71,072
Advertising	5,782	1,395	591	7,768
Travel	28,893	1,119	30,526	60,538
Bad debt expense	-	26,981	-	26,981
Depreciation	692	198	348	1,238
Total Expenses	1,783,976	499,312	950,369	3,233,657
Less expenses of direct benefit to donors on the statement of activities	-	-	(415,822)	(415,822)
Total Expenses Reported by Function on The Statement of Activities	$ 1,783,976	$ 499,312	$ 534,547	$ 2,817,835

See notes to financial statements

Rock and Soul Forever Foundation, Inc.

Statement of Functional Expenses

	For the Year Ended December 31, 2023			
	Program Services	Supporting Services		
	Education	Management and General	Fundraising	Total
Salaries	$ 704,765	$ 197,677	$ 362,799	$ 1,265,241
Fringe benefits and taxes	154,592	42,308	79,157	276,057
Rent and related items	4,341	53,989	8,682	67,012
Contract services	110,443	47,067	56,903	214,413
Event expense	-	-	1,048,708	1,048,708
Interest expense	6,683	-	-	6,683
Postage and messenger	564	1,764	122	2,450
Office expenses	38,162	45,372	5,483	89,017
Dues and subscriptions	5,442	7,919	15,403	28,764
Conference and meeting expenses	118,429	3,929	5,096	127,454
Insurance	-	3,351	-	3,351
Professional fees	-	46,527	-	46,527
Educational expenses	-	948	1,500	2,448
Website and technology	54,000	-	6,000	60,000
Advertising	54,343	1,551	-	55,894
Travel	-	-	171,915	171,915
Bad debt expense	-	15,074	-	15,074
Depreciation	692	198	348	1,238
Total Expenses	1,252,456	467,674	1,762,116	3,482,246
Less expenses of direct benefit to donors on the statement of activities	-	-	(1,048,708)	(1,048,708)
Total Expenses Reported by Function on The Statement of Activities	$ 1,252,456	$ 467,674	$ 713,408	$ 2,433,538

See notes to financial statements

Rock and Soul Forever Foundation, Inc.

Statements of Cash Flows

	For the Year Ended December 31, 2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 178,029	$ (1,107,522)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	1,238	1,238
Discount on promises to give	(20,027)	-
Bad debt expense	26,981	15,074
Changes in Operating Assets and Liabilities:		
Promises to give	(811,060)	1,047,703
Other Receivables	47,630	-
Prepaid expenses	-	31,763
Accounts payable and accrued expenses	(55,499)	75,422
Net Cash from Operating Activities	(632,708)	63,678
CASH FLOWS FROM FINANCING ACTIVITIES		
Note payable with bank - principal loan payments	-	(600,000)
Net Change in Cash and Cash Equivalents	(632,708)	(536,322)
CASH AND CASH EQUIVALENTS		
Beginning of year	1,085,577	1,621,899
End of year	$ 452,869	$ 1,085,577
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	$ -	$ 12,371

See notes to financial statements

1. Organization and Tax Status

Rock and Soul Forever Foundation, Inc. (the "Organization"), formally known as Rock and Roll Forever Foundation, Inc. prior to its name change on October 13, 2021, is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code, incorporated under the laws of the State of Delaware in 2006. The Organization developed a national curriculum integrating rock and roll in lesson plans covering topics in various studies such as language arts, history and media and provides the lesson plans to educators at no cost. The Organization also provides educators with rich historical resources including archival materials and multimedia content from partner organizations. The Organization's lesson plans are in alignment with Common Core, Every Student Succeeds Act ("ESSA"), National Association for Music Education ("NAME"), National Council for the Social Studies ("NCSS") and other national state educational standards.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting and conform with accounting principles generally accepted in the United States of America ("US GAAP").

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amount 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. Accordingly, actual results could differ from those estimates.

Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets based upon the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met. This category may also include amounts designated by the Board of Directors.

Net Assets With Donor Restrictions – Assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Organization. Certain restrictions may require the assets to be maintained in perpetuity.

2. Summary of Significant Accounting Policies *(continued)*

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments, purchased with a maturity of three months or less, to be cash equivalents.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. All donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Promises to give due in more than one year are recognized at fair value using present value techniques and are discounted when the donor makes an unconditional promise to give to the Organization.

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Property and Equipment

Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five years for equipment and computer and seven years for furniture. There were no donor imposed restrictions on property and equipment as of December 31, 2024 and 2023.

2. Summary of Significant Accounting Policies *(continued)*

Leases

The Organization leases office space and determines if an arrangement is a lease at inception. Leases result in the recognition of right of use ("ROU") assets and lease liabilities on the statements of financial position.

ROU assets represent the right to use and underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease on a discounted basis. The Organization determines lease classification as operating or finance at the lease commencement date. At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Organization has made a policy election to use a risk-free rate (the rate of a zero-coupon U.S. Treasury instrument) for the initial and subsequent measurement of all lease liabilities. The risk-free rate is determined using a period comparable with the lease term. Leases with terms of twelve months or less are recognized as lease expense over the course of the lease term with no corresponding ROU asset or lease liability recorded.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Contributions

Contributions are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

Contributions of Nonfinancial Assets

Contributions of donated nonfinancial assets are recorded at their fair value in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair value in the period received.

Accounting for Uncertainty in Income Taxes

The Organization recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition or disclosure. The Organization is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to 2021.

2. Summary of Significant Accounting Policies *(continued)*

Allocation of Functional Expenses

Directly identifiable expenses are charged to programs and supporting services. The expenses that are attributable to more than one program or supporting function require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, fringe benefits and taxes and rent and related items, postage and messenger, office expense, dues and subscriptions, insurance and depreciation and amortization which are allocated on the basis of estimates of time and effort.

Advertising Costs

Advertising costs are expensed as incurred.

Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents on deposit with financial institutions. Deposits held at financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC") are insured up to $250,000. At times cash balances may exceed the FDIC limit.

The Organization has a material concentration of credit risk with respect to promises to give, due to multiyear payment terms. The Organization evaluates the credit risk with respect to the donors on an annual basis and, as such, no allowance for uncollectible promises to give has been recorded in the accompanying financial statements.

3. Restrictions on Net Assets

The Organization's net assets with donor restrictions consists of the following at December 31:

	2024	2023
Program purposes	$ 96,803	$ 350,799
Time restricted	1,063,503	350,443
	$ 1,160,305	$ 701,242

The Organization reclassifies a portion of the contribution from net assets with donor restrictions upon satisfaction of restriction.

4. Promises to Give

Promises to give consist of the following as of December 31:

	2024	2023
Amounts expected to be collected in:		
Less than one year	$ 630,321	$ 306,188
One to five years	500,000	-
	1,130,321	306,188
Less discount to present value	(20,027)	-
	$ 1,110,294	$ 306,188

Based on its prior experience with donors, management expects the promises to give to be fully collectible. Accordingly, no allowance for doubtful accounts has been provided. Future years' payments have been discounted to present value at an annual rate of 4.17% in 2024.

5. Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the statement of financial position dates, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

	December 31, 2024	December 31, 2023
Financial Assets:		
Cash and cash equivalents	$ 452,869	$ 1,085,577
Promises to give	1,110,294	306,188
Total Financial Assets	1,563,163	1,391,765
Less: amounts restricted by donor with time or purpose restrictions	(1,160,305)	(701,242)
Add. time restrictions expected to release in the next year	680,333	248,890
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 1,083,191	$ 939,413

6. Property and Equipment

Property and equipment consist of the following at December 31:

	2024	2023
Computer	$ 14,855	$ 14,855
Furniture & Equipment	4,971	4,971
	19,826	19,826
Less: Accumulated Depreciation	(17,970)	(16,732)
	$ 1,856	$ 3,094

Depreciation expense amounted to $1,238 for each of the years ended December 31, 2024 and 2023.

7. Government Grant Income

The Organization qualified and applied for second (“Q2”) and third quarter (“Q3”) 2021 Federal Employee Retention Credits (“ERC”) under the Economic Aid Act totaling $118,720. In January 2024, the Organization received $47,630 of the $66,845 Q2 2021 ERC credit due to a $19,215 penalty levied by the Internal Revenue Service (“IRS”) for the late filing of the Organization’s 2021 Form 990. The Organization requested an abatement of the penalty in November 2023 which is still pending a response from the IRS. The Q3 2021 ERC is still under review by the IRS. The ERC amounts reported are subject to audit under applicable standards and remain subject to adjustment upon examination.

The Organization has elected to report the ERC as a conditional grant under requirements contained in ASU 2018-08, “Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made.” Accordingly, the Organization recognizes income as the conditions in the ERC are met. The amount is included in other receivables as of December 31, 2024 and 2023 for $71,090 and $118,720.

8. Contributions of Nonfinancial Assets

The Organization received the following contributions of nonfinancial assets during the year ended December 31:

	2024	2023	Utilization in Program/Activities	Donor Restrictions	Valuation Techniques and Inputs
Legal services	$ 102,243	$ 14,192	Program and Administration	None	(a)
Goods	5,000	-	Program and Administration	None	(b)
	$ 107,243	$ 14,192			

(a) Contributed legal services are valued at the estimated fair value based on current assets for similar services.

(b) The fair value of goods received is based on the estimated wholesale values that would have been received for selling similar products.

9. Related Party Transactions

The Organization is renting its premises from an affiliated entity on a month-to-month basis. Total rent paid to the affiliated entity in 2024 and 2023 was approximately $70,000 and $67,000. Said amounts have been included in rent and related items in the statements of functional expenses.

There were no promises to give from related parties as of December 31, 2024. For the years ended December 31, 2024 and 2023, $1,000,000 and $351,306 of total contributions were from related parties.

10. Subsequent Events

The Organization has evaluated subsequent events through September 15, 2025, the date which the financial statements were available to be issued.

In January 2025, the Organization entered into a lease agreement for office space. The lease is for a one-year period ending December 31, 2025, with monthly payments of $5,000.

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