

ON THE ROAD COLLABORATIVE, INC.

Reviewed Financial Statements

For the Year Ended June 30, 2022

ON THE ROAD COLLABORATIVE, INC.

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
On the Road Collaborative, Inc.

We have reviewed the accompanying financial statements of On the Road Collaborative, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 the 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 American Institute of Certified Public Accountants. 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 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 On the Road Collaborative, Inc. 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 modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Didawick & Company, P.C.

November 10, 2022

ON THE ROAD COLLABORATIVE, INC.
Statement of Financial Position
As of June 30, 2022

ASSETS

Current assets:

Cash and cash equivalents	\$ 159,000
Accounts receivable	717
Grants receivable	196,629
Prepaid expenses	<u>2,125</u>
Total current assets	<u>358,471</u>

Total assets \$ 358,471

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$ 11,365
Accrued payroll	4,474
Payroll payables	<u>6,431</u>
Total current liabilities	<u>22,270</u>

Total liabilities 22,270

Net assets:

Without donor restrictions 336,201

Total net assets 336,201

Total liabilities and net assets \$ 358,471

ON THE ROAD COLLABORATIVE, INC.
Statement of Activities
Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT:			
Contributions	\$ 165,727	\$ -	\$ 165,727
Grants	158,565	499,766	658,331
Fundraising and special events	673	-	673
In-kind contributions	7,490	-	7,490
Interest income	1,436	-	1,436
Gain/(Loss) on sale of assets	(288)	-	(288)
Net assets released from restrictions:			
Satisfaction of grant usage restrictions	499,766	(499,766)	-
Total revenues, gains and other support	<u>833,369</u>	<u>-</u>	<u>833,369</u>
EXPENSES:			
Program services:			
Career enrichment	268,784	-	268,784
Academic coaching	167,990	-	167,990
Real-world skills development	100,795	-	100,795
High school readiness	67,197	-	67,197
College exploration	67,197	-	67,197
Supporting services:			
General and administration	61,407	-	61,407
Fundraising	29,120	-	29,120
Total expenses	<u>762,490</u>	<u>-</u>	<u>762,490</u>
Change in net assets	70,879	-	70,879
Net assets at beginning of year	<u>265,322</u>	<u>-</u>	<u>265,322</u>
Net assets at end of year	<u>\$ 336,201</u>	<u>\$ -</u>	<u>\$ 336,201</u>

See accompanying notes and accountant's review report.

ON THE ROAD COLLABORATIVE, INC.
Statement of Functional Expenses
Year Ended June 30, 2022

	Program Services					Supporting Services		Total
	Career Enrichment	Academic Coaching	Real-World Skills Development	High School Readiness	College Exploration	General and Administration	Fundraising	
Salaries and wages	\$ 155,150	\$ 96,969	\$ 58,182	\$ 38,788	\$ 38,788	\$ 32,680	\$ 23,329	\$ 443,886
Employee benefits	4,908	3,067	1,840	1,227	1,227	219	657	13,145
Payroll taxes	12,027	7,517	4,510	3,007	3,007	2,505	1,768	34,341
Total personnel costs	<u>172,085</u>	<u>107,553</u>	<u>64,532</u>	<u>43,022</u>	<u>43,022</u>	<u>35,404</u>	<u>25,754</u>	<u>491,372</u>
Advertising	11,381	7,113	4,268	2,845	2,845	-	-	28,452
Fundraising	-	-	-	-	-	-	3,366	3,366
Insurance	-	-	-	-	-	5,274	-	5,274
Miscellaneous	888	555	333	222	222	1,358	-	3,578
Other program	72,922	45,576	27,346	18,231	18,231	-	-	182,306
Professional fees	-	-	-	-	-	7,200	-	7,200
Rent	-	-	-	-	-	7,800	-	7,800
Software	-	-	-	-	-	4,371	-	4,371
Transportation	11,508	7,193	4,316	2,877	2,877	-	-	28,771
Total other operating expenses	<u>96,699</u>	<u>60,437</u>	<u>36,263</u>	<u>24,175</u>	<u>24,175</u>	<u>26,003</u>	<u>3,366</u>	<u>271,118</u>
Total operating expenses	<u>\$ 268,784</u>	<u>\$ 167,990</u>	<u>\$ 100,795</u>	<u>\$ 67,197</u>	<u>\$ 67,197</u>	<u>\$ 61,407</u>	<u>\$ 29,120</u>	<u>\$ 762,490</u>

ON THE ROAD COLLABORATIVE, INC.
Statement of Cash Flows
Year Ended June 30, 2022

Cash flows from operating activities:

Change in net assets	\$ <u>70,879</u>
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:	
Decrease (increase) in accounts receivable	(62)
Decrease (increase) in grants receivable	(96,011)
Decrease (increase) in prepaid expenses	(62)
Increase (decrease) in accounts payable	2,684
Increase (decrease) in accrued payroll	1,545
Increase (decrease) in payroll taxes payable	<u>2,205</u>
Net cash provided by (used for) operating activities	<u>(18,822)</u>
Net decrease in cash and cash equivalents	(18,822)
Cash and cash equivalents, beginning of year	<u>177,822</u>
Cash and cash equivalents, end of year	<u>\$ 159,000</u>

See accompanying notes and accountant's review report.

ON THE ROAD COLLABORATIVE, INC.
Notes to Financial Statements
June 30, 2022

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

On the Road Collaborative, Inc. (the Organization) is a private, not-for-profit organization that exists to empower youth with equal access to educational opportunities and hands-on career experiences. The Organization is supported primarily through grants and contributions.

B. Financial Statement Presentation

For the year ended June 30, 2022, the Organization has prepared its financial statements in accordance with generally accepted accounting principles for not-for-profit Organizations. Under this guidance, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Without donor restrictions – Net assets that are not subject to donor-imposed stipulations.

With donor restrictions – Net assets subject to donor-imposed stipulations that may be temporary or permanent in nature. Stipulations that are temporary in nature expire either by passage of time or fulfillment by action of the Organization. Stipulations that are permanent in nature require amounts to be held in perpetuity.

C. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Consequently, revenues are recognized when earned and expenses are recognized when incurred. The bases of revenue recognition for the major sources of income are as follows:

Contributions – All contributions are considered to be without restriction unless specifically restricted by the donor. Contribution revenue is recognized as cash is received. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. When a donor-stipulated time restriction ends or a purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions. The Organization received \$499,766 in restricted contributions during fiscal year 2022.

D. Contributed Nonfinancial Assets

The contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. A portion of the Organization's program activities are conducted by unpaid volunteers. During fiscal year 2022, 174 volunteers contributed approximately 2,630 hours of their time. The value of this contributed time is not reflected in the accompanying financial statements since some of the volunteers' time did not meet the criteria necessary for recognition.

The value of the remaining contributed services and supplies reflected in the accompanying financial statements totaled \$7,490. Of this amount \$2,500 was for video production services, \$3,375 accounting/auditing services, \$1,000 for web services, and \$615 in the form of gift cards. These in-kind contributions were recognized as in-kind revenues during the current year and none of these were restricted. For the contributed services, values were determined by the vendor providing the service at the prevailing rate at the time of the contribution. The gift cards were valued at their face value. All in-kind contributions were used for program services of the organization during the current fiscal year.

E. Use of Estimates

The preparation of 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.

ON THE ROAD COLLABORATIVE, INC.
Notes to Financial Statements
June 30, 2022

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

F. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers cash in bank, cash on hand, and all highly liquid investments purchased with a maturity date of three months or less to be cash and cash equivalents.

G. Income Tax Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code. Accordingly, no provision is made for income tax in the financial statements.

Generally, federal, state, and local authorities may examine the Organization's tax returns for three years from the date of filing or the due date of the return. The current year and prior year remain subject to examination as of June 30, 2022.

H. Advertising

The Organization expenses all advertising costs as they are incurred. Total advertising costs for fiscal year 2022 was \$28,452.

I. Adoption of New Accounting Standard

The Organization adopted the financial statement presentation and disclosure standards contained in the Financial Accounting Standards Board Accounting Standards Update 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The effect of the new standard is to separate financial and nonfinancial contributions on the statement of activities, and to enhance disclosures related to contributed nonfinancial assets.

2. CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash balances in one financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of June 30, 2022, the Organization had no uninsured cash balances.

3. RECEIVABLES

The Organization's grants receivable consists of awarded reimbursable grant funding expended in the current fiscal year for which reimbursement has not yet been received. Accounts receivable consist of donations to the Organization through a third-party which had been received by the third-party as of year-end but had not been transferred to the Organization. These receivables are due within one year, and management expects this amount to be fully collectable.

4. FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management's allocation of salaries and wages is based on estimated time spent by employees in each of the functions. The remaining expenses are charged to each function at the time the expense is incurred.

5. LINE OF CREDIT

The Organization has a line of credit agreement with United Bank in the amount of \$50,000. Attached to this line of credit are two credit cards with a \$1,500 spending limit for each card. As of June 30, 2022, the Organization had no balances outstanding on this line of credit.

ON THE ROAD COLLABORATIVE, INC.
Notes to Financial Statements
June 30, 2022

6. LIQUIDITY MANAGEMENT

On the Road Collaborative, Inc. has \$356,346 of financial assets available within one year of the date of the statement of financial position to meet cash needs for general expenditure, consisting of cash and equivalents of \$159,000, accounts receivable of \$717, and grants receivable of \$196,629. None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the date of the statement of financial position.

The Organization has a goal to maintain financial assets on hand to meet three (3) months of normal operating expenses net of noncash expenses, which on average approximate \$189,000. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

7. RELATED PARTY TRANSACTIONS

On the Road Collaborative, Inc. receives grant funding from various governmental and non-governmental organizations. During fiscal year 2022, the Organization received \$16,000 from a nonprofit organization that is related to On the Road Collaborative, Inc. through a family relationship. This amount is included in grant revenue in the statement of activities.

8. SUBSEQUENT EVENTS

The Organization did not have any subsequent events requiring recordation or disclosure in the financial statements of November 10, 2022, which is the date the financial statements were available to be issued.