

**Grant contract between the Metropolitan Government of Nashville and Davidson County and
Rocketown of Middle Tennessee, Contract # _____**

**GRANT CONTRACT
BETWEEN
THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
AND
ROCKETOWN OF MIDDLE TENNESSEE**

This Grant Contract issued and entered into pursuant to Resolution RS2023_____, by and between the Metropolitan Government of Nashville and Davidson County ("Metro"), Rocketown of Middle Tennessee ("Recipient"), is for the provision of Napier and Sudekum Community Safety programs, as further defined in the "SCOPE OF PROGRAM". Additional documents including Recipient's Review of Financial Statements are incorporated herein by reference as attachments A-F.

A. SCOPE OF PROGRAM:

A.1. The Recipient will use the grant funds as follows:

Recipient will assist the Metro Nashville Mayor's Office in implementing a program focusing on engaging and supporting youth.

Recipient will host skate competitions, performing arts competitions, vocal performances, participation in electronic sports and coaching, recording studio access and engineering support, and other youth activities from 3 pm to 6 pm Central Time for residents of Napier and Sudekum Metropolitan Development and Housing Agency ("MDHA") housing communities.

Recipient shall provide transportation to residents of Napier or Sudekum to program services considered in this grant contract via a safe and reliable vehicle and shall employ a qualified driver for the transportation.

A.2. The Recipient must spend these funds consistent with the Grant Spending Plan, attached and incorporated herein as Attachments A and B. The Recipient must collect data to evaluate the effectiveness of their services and must provide those results to Metro upon request.

A.3. The Recipient will only utilize these funds for services the Recipient provides to documented residents of Davidson County. Documentation of residency may be established with a recent utility bill; voter's registration card; driver's license or other government issued-ID; current record from a school showing address; affidavit by landlord; or affidavit by a nonprofit treatment, shelter, half-way house, or homeless assistance entity located within Davidson County. Recipient agrees that it will not use Metro funding for services to non-Davidson County residents.

A.4. Additionally, the Recipient must collect data on the primary county of residence of the clients it serves and provide that data to Metro upon request.

B. GRANT CONTRACT TERM:

B.1. Grant Contract Term. The term of this Grant will commence on August 16, 2023, and end on December 31, 2023. Metro will have no obligation for services rendered by the Recipient that are not performed within this term.

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event will Metro's maximum liability under this Grant Contract exceed twenty-eight thousand and two hundred fifty dollars (\$28,250). The Grant Spending Plan will

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constitute the maximum amount to be provided to the Recipient by Metro for all of the Recipient's obligations hereunder. The Grant Spending Plan line items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Recipient.

Subject to modification and amendments as provided in section D.2 of this agreement, this amount will constitute the Grant Amount and the entire compensation to be provided to the Recipient by Metro.

- C.2. **Payment Methodology.** The Recipient will only be compensated for actual costs based upon the Grant Spending Plan, not to exceed the maximum liability established in Section C.1.

Recipient may invoice for \$10,000 upon approval of the Grant Contract.

Recipient may invoice monthly up to \$4,562.50.

Receipts must be made available for all claimed expenses.

Recipient must send all invoices to **Metro Payment Services, PO Box 196301, Nashville TN 37219-6301.**

Final invoices for the contract period should be received by Metro Payment Services by January 15, 2024. Any invoice not received by the deadline date will not be processed and all remaining grant funds will expire.

- C.3. **Annual Expenditure Report.** The Recipient must submit a final grant Annual Expenditure Report, to be received by Mayor's Office of Community Safety, within 45 days of the end of the Grant Contract. Said report must be in form and substance acceptable to Metro and must be prepared by a Certified Public Accounting Firm or the Chief Financial Officer of the Recipient Organization.
- C.4. **Payment of Invoice.** The payment of any invoice by Metro will not prejudice Metro's right to object to the invoice or any other related matter. Any payment by Metro will neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the costs included therein.
- C.5. **Unallowable Costs.** The Recipient's invoice may be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by Metro, on the basis of audits or monitoring conducted in accordance with the terms of this Grant Contract, to constitute unallowable costs. Utilization of Metro funding for services to non-Davidson County residents is not allowed.
- C.6. **Deductions.** Metro reserves the right to adjust any amounts which are or become due and payable to the Recipient by Metro under this or any Contract by deducting any amounts which are or become due and payable to Metro by the Recipient under this or any Contract.
- C.7. **Travel Compensation.** Payment to the Recipient for travel, meals, or lodging is subject to amounts and limitations specified in Metro's Travel Regulations and subject to the Grant Spending Plan.

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- C.8. **Electronic Payment.** Metro requires as a condition of this contract that the Recipient have on file with Metro a completed and signed "ACH Form for Electronic Payment". If Recipient has not previously submitted the form to Metro or if Recipient's information has changed, Recipient will have thirty (30) days to complete, sign, and return the form. Thereafter, all payments to the Recipient, under this or any other contract the Recipient has with Metro, must be made electronically.
- C.9 **Grant Subject to Availability of Funds.** This Grant Contract is subject to the availability of funds. In the event that funds are unavailable, Metro reserves the right to terminate this Grant Contract upon provision of written notice to Recipient. Metro's right to terminate this Grant Contract due to lack of funds is not a breach of this Grant Contract by Metro. Upon provision of written notice to Recipient, Recipient shall cease all work associated with this Grant Contract. Recipient shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date.
- D. **STANDARD TERMS AND CONDITIONS:**
- D.1. **Required Approvals.** Metro is not bound by this Grant Contract until it is approved by the appropriate Metro representatives as indicated on the signature page of this Grant.
- D.2. **Modification and Amendment.** This Grant Contract may be modified only by a written amendment that has been approved in accordance with all Metro procedures and by appropriate legislation of the Metropolitan Council.
- D.3. **Termination for Cause.** Metro shall have the right to terminate this Grant Contract immediately if Metro determines that Recipient, its employees or principals have engaged in conduct or violated any federal, state or local laws which affect the ability of Recipient to effectively provide services under this Grant Contract. Should the Recipient fail to properly perform its obligations under this Grant Contract or if the Recipient violates any terms of this Grant Contract, Metro will have the right to immediately terminate the Grant Contract and the Recipient must return to Metro any and all grant monies for services or programs under the grant not performed as of the termination date. The Recipient must also return to Metro any and all funds expended for purposes contrary to the terms of the Grant. Such termination will not relieve the Recipient of any liability to Metro for damages sustained by virtue of any breach by the Recipient.
- D.4. **Subcontracting.** The Recipient may not assign this Grant Contract or enter into a subcontract for any of the services performed under this Grant Contract without obtaining the prior written approval of Metro. Notwithstanding any use of approved subcontractors, the Recipient will be considered the prime Recipient and will be responsible for all work performed.
- D.5. **Conflicts of Interest.** The Recipient warrants that no part of the total Grant Amount will be paid directly or indirectly to an employee or official of Metro as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Recipient in connection with any work contemplated or performed relative to this Grant Contract.
- D.6. **Nondiscrimination.** The Recipient hereby agrees, warrants, and assures that no person will be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Recipient on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification which is in violation of applicable laws. The Recipient must, upon request, show proof of such nondiscrimination and must post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

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- D.7. **Records.** The Recipient must maintain documentation for all charges to Metro under this Grant Contract. The books, records, and documents of the Recipient, insofar as they relate to work performed or money received under this Grant Contract, must be maintained for a period of three (3) full years from the date of the final payment or until the Recipient engages a licensed independent public accountant to perform an audit of its activities. The books, records, and documents of the Recipient insofar as they relate to work performed or money received under this Grant Contract are subject to audit at any reasonable time and upon reasonable notice by Metro or its duly appointed representatives. Records must be maintained in accordance with the standards outlined in the Metro Grants Manual. The financial statements must be prepared in accordance with generally accepted accounting principles.
- D.8. **Monitoring.** The Recipient's activities conducted and records maintained pursuant to this Grant Contract are subject to monitoring and evaluation by The Metropolitan Office of Financial Accountability or Metro's duly appointed representatives. The Recipient must make all audit, accounting, or financial records, notes, and other documents pertinent to this grant available for review by the Metropolitan Office of Financial Accountability, Internal Audit or Metro's representatives, upon request, during normal working hours.
- D.9. **Reporting.** The Recipient must submit an Interim Program Report, to be received Mayor's Office of Community Safety, by no later than February 17, 2024, and a Final Program Report, to be received by Mayor's Office of Community Safety, within 45 [forty-five] days of the end of the Grant Contract. Said reports shall detail the outcome of the activities funded under this Grant Contract.
- D.10. **Strict Performance.** Failure by Metro to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this agreement is not a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Grant Contract is considered to be waived, modified, or deleted except by a written amendment by the appropriate parties as indicated on the signature page of this Grant.
- D.11. **Insurance.** The Recipient agrees to carry adequate public liability and other appropriate forms of insurance, and to pay all applicable taxes incident to this Grant Contract.
- D.12. **Metro Liability.** Metro will have no liability except as specifically provided in this Grant Contract.
- D. 13. **Independent Contractor.** Nothing herein will in any way be construed or intended to create a partnership or joint venture between the Recipient and Metro or to create the relationship of principal and agent between or among the Recipient and Metro. The Recipient must not hold itself out in a manner contrary to the terms of this paragraph. Metro will not become liable for any representation, act, or omission of any other party contrary to the terms of this paragraph.
- D. 14. **Indemnification and Hold Harmless.**
- (a) Recipient agrees to indemnify, defend, and hold harmless Metro, its officers, agents and employees from any claims, damages, penalties, costs and attorney fees for injuries or damages arising, in part or in whole, from the negligent or intentional acts or omissions of Recipient, its officers, employees and/or agents, including its sub or independent contractors, in connection with the performance of the contract, and any claims, damages, penalties, costs and attorney fees arising from any failure of Recipient, its officers, employees and/or agents, including its sub or independent contractors, to observe applicable laws, including, but not limited to, labor laws and minimum wage laws.

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- (b) Metro will not indemnify, defend or hold harmless in any fashion the Recipient from any claims, regardless of any language in any attachment or other document that the Recipient may provide.
- (c) Recipient will pay Metro any expenses incurred as a result of Recipient's failure to fulfill any obligation in a professional and timely manner under this Contract.
- (d) Recipient's duties under this section will survive the termination or expiration of the grant.
- D.15. **Force Majeure.** "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the party. Except as provided in this Section, any failure or delay by a party in the performance of its obligations under this Grant Contract arising from a Force Majeure Event is not a breach under this Grant Contract. The non-performing party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the party continues to use diligent, good faith efforts to resume performance without delay. Recipient will promptly notify Metro within forty-eight (48) hours of any delay caused by a Force Majeure Event and will describe in reasonable detail the nature of the Force Majeure Event.
- D.16. **State, Local and Federal Compliance.** The Recipient agrees to comply with all applicable federal, state and local laws and regulations in the performance of this Grant Contract. Metro shall have the right to terminate this Grant Contract at any time for failure of Recipient to comply with applicable federal, state or local laws in connection with the performance of services under this Grant Contract.
- D.17. **Governing Law and Venue.** The validity, construction and effect of this Grant Contract and any and all extensions and/or modifications thereof will be governed by and construed in accordance with the laws of the State of Tennessee. The venue for legal action concerning this Grant Contract will be in the courts of Davidson County, Tennessee.
- D.18. **Completeness.** This Grant Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Grant Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.19. **Headings.** Section headings are for reference purposes only and will not be construed as part of this Grant Contract.
- D.20. **Metro Interest in Equipment.** The Recipient will take legal title to all equipment and to all motor vehicles, hereinafter referred to as "equipment," purchased totally or in part with funds provided under this Grant Contract, subject to Metro's equitable interest therein, to the extent of its *pro rata* share, based upon Metro's contribution to the purchase price. "Equipment" is defined as an article of nonexpendable, tangible, personal property having a useful life of more than one year and an acquisition cost which equals or exceeds \$5,000.00.

The Recipient agrees to be responsible for the accountability, maintenance, management, and inventory of all property purchased totally or in part with funds provided under this Grant Contract. Upon termination of the Grant Contract, where a further contractual relationship is not entered into, or at any time during the term of the Grant Contract, the Recipient must request written approval from Metro for any proposed disposition of equipment purchased with Grant funds. All

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equipment must be disposed of in such a manner as parties may agree as appropriate and in accordance with any applicable federal, state or local laws or regulations.

- D. 21. **Assignment—Consent Required.** The provisions of this contract will inure to the benefit of and will be binding upon the respective successors and assignees of the parties hereto. Except for the rights of money due to Recipient under this contract, neither this contract nor any of the rights and obligations of Recipient hereunder may be assigned or transferred in whole or in part without the prior written consent of Metro. Any such assignment or transfer will not release Recipient from its obligations hereunder. Notice of assignment of any rights to money due to Recipient under this Contract must be sent to the attention of the Metro Department of Finance.
- D.22. **Gratuities and Kickbacks.** It will be a breach of ethical standards for any person to offer, give or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparations of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy in any proceeding or application, request for ruling, determination, claim or controversy or other particular matter, pertaining to any program requirement of a contract or subcontract or to any solicitation or proposal therefore. It will be a breach of ethical standards for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or a person associated therewith, as an inducement for the award of a subcontract or order. Breach of the provisions of this paragraph is, in addition to a breach of this contract, a breach of ethical standards which may result in civil or criminal sanction and/or debarment or suspension from participation in Metropolitan Government contracts.
- D.23. **Communications and Contacts.** All instructions, notices, consents, demands, or other communications from the Recipient required or contemplated by this Grant Contract must be in writing and must be made by facsimile transmission, or by first class mail, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

Metro

For contract-related matters:
Mayor's Office of Community Safety
1 Public Square,
Nashville, TN 37201
(615) 492-1932

For enquiries regarding invoices:
Mayor's Office of Community Safety
1 Public Square,
Nashville, TN 37201
(615) 492-1932

Recipient

Mark Weller, Senior Director of Development
Rocketown of Middle Tennessee
601 4th Ave S
Nashville, TN 37210
(615) 843-4001

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D.24. Lobbying. The Recipient certifies, to the best of its knowledge and belief, that:

- a. No federally appropriated funds have been paid or will be paid, by or on behalf of the Recipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, and entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this grant, loan, or cooperative agreement, the Recipient must complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- c. The Recipient will require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-grants, subcontracts, and contracts under grants, loans, and cooperative agreements) and that all subcontractors of federally appropriated funds shall certify and disclose accordingly.

D.25. Certification Regarding Debarment and Convictions.

- a. Recipient certifies that Recipient, and its current and future principals:
 - i. are not presently debarred, suspended, or proposed for debarment from participation in any federal or state grant program;
 - ii. have not within a three (3) year period preceding this Grant Contract been convicted of fraud, or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) grant;
 - iii. have not within a three (3) year period preceding this Grant Contract been convicted of embezzlement, obstruction of justice, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; and
 - iv. are not presently indicted or otherwise criminally charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in sections D.25(a)(ii) and D.25(a)(iii) of this certification.
- b. Recipient shall provide immediate written notice to Metro if at any time Recipient learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals fall under any of the prohibitions of Section D.25(a).

D.26. Effective Date. This contract will not be binding upon the parties until it has been signed first by the Recipient and then by the authorized representatives of the Metropolitan Government and has been filed in the office of the Metropolitan Clerk. When it has been so signed and filed, this contract will be effective as of the date first written above.

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**THE METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON
COUNTY:**

APPROVED AS TO AVAILABILITY OF
FUNDS:

Kelly Flannery
Director of Finance

**RECIPIENT: ROCKETTOWN OF MIDDLE
TENNESSEE**

By: M. Weller

Title: Mark Weller, Senior Director of Development

Date: 8/3/23

APPROVED AS TO FORM AND
LEGALITY:

Courtney Mahan
Metropolitan Attorney

APPROVED AS TO RISK AND
INSURANCE:

Balogun Cobb
Director of Insurance

FILED IN THE OFFICE OF THE CLERK:

Metropolitan Clerk

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TABLE OF CONTENTS OF ATTACHMENTS

- A. Grant Spending Plan
- B. Spending Plan Addendum
- C. Internal Revenue Service 501(c)(3) Tax-Exempt Organization Documentation
- D. Tennessee Secretary of State Nonprofit Confirmation
- E. Review of financial statements by an independent CPA in accordance
- F. Non-profit Grants Manual Receipt Acknowledgment

Grant Spending Plan

RECIPIENT NAME:	Rocketown of Middle TN
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THE FOLLOWING IS APPLICABLE TO EXPENSES PLANNED TO BE INCURRED DURING THE CONTRACT GRANT PERIOD: August 16, 2023 – December 31, 2023				
	EXPENSE OBJECT LINE-ITEM CATEGORY	METRO GRANT FUNDS	RECIPIENT MATCH (participation)	TOTAL PROJECT
	Salaries and Wages	\$11,154.00		\$11,154.00
	Benefits and Taxes (%)	\$1,673.10		\$1,673.10
	Professional Fees	\$14,768.00		\$14,768.00
	Supplies	\$654.90		\$654.90
	Communications	\$0		\$0
	Postage and Shipping	\$0		\$0
	Occupancy	\$0		\$0
	Equipment Rental and Maintenance	\$0		\$0
	Printing and Publications	\$0		\$0
	Travel/ Conferences and Meetings	\$0		\$0
	Insurance	\$0		\$0
	Specific Assistance to Individuals	\$0		\$0
	Other Non-Personnel	\$0		\$0
	GRAND TOTAL	\$28,250.00		\$28,250.00

Spending Plan Addendum

Rocketown of Middle TN provided a spending plan that includes portions to be allocated toward the following program costs:

Salaries and Wages \$11,154

includes a portion of the compensation for one Student Night Lights ("SNL") Manager 5 days a week for 13 weeks

Benefits \$1,673.10

includes a portion of the benefits as set by Rocketown and calculated at 7.35%, and taxes are calculated at 7.65% as described in their application

Professional Fees \$14,768

includes a portion of the cost of services provided for security at events and one part-time SNL Coordinator

Supplies \$654.90

includes a portion of the total cost of items for photography, sports & skateboarding, music, crafts, transportation, eSports, etc.



[Home](#) > [Tax Exempt Organization Search](#) > [Rockettown Of Middle Tennessee](#)

< [Back to Search Results](#)

Rockettown Of Middle Tennessee

EIN: 62-1571573 | Nashville, TN, United States

> Other Names

Publication 78 Data ⓘ

Organizations eligible to receive tax-deductible charitable contributions. Users may rely on this list in determining deductibility of their contributions.

On Publication 78 Data List: Yes

Deductibility Code: PC

Copies of Returns (990, 990-EZ, 990-PF, 990-T) ⓘ

Electronic copies (images) of Forms 990, 990-EZ, 990-PF or 990-T returns filed with the IRS by charities and non-profits.

> Tax Year 2020 Form 990

Organization Name:
Rockettown Of Middle Tennessee

EIN:
62-1571573

Tax Period:
202006

Return ID:
2583281

Filing Type:
E

Return Type:
990

Copy of Return:
2020 Form 990 Filing

> **Tax Year 2020 Form 990T**

> **Tax Year 2019 Form 990**

> **Tax Year 2019 Form 990T**

> **Tax Year 2018 Form 990**

> **Tax Year 2018 Form 990T**

> **Tax Year 2017 Form 990**

> **Tax Year 2017 Form 990T**

> **Tax Year 2016 Form 990**

> **Tax Year 2016 Form 990**

> **Tax Year 2016 Form 990T**

> **Tax Year 2016 Form 990T**

> **Tax Year 2016 Form 990T**



Tre Hargett
Secretary of State

Division of Business Services
Department of State
State of Tennessee
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

Filing Information

Name: **ROCKETOWN OF MIDDLE TENNESSEE**

General Information

SOS Control #	000281095	Formation Locale:	TENNESSEE
Filing Type:	Nonprofit Corporation - Domestic	Date Formed:	07/05/1994
	07/05/1994 2:49 PM	Fiscal Year Close	6
Status:	Active	Religious Corp:	Yes
Duration Term:	Perpetual		
Public/Mutual Benefit:	Public		

Registered Agent Address
BRENDA MALONE
601 4TH AVE S
NASHVILLE, TN 37210-2019

Principal Address
601 4TH AVE S
NASHVILLE, TN 37210-2019

The following document(s) was/were filed in this office on the date(s) indicated below:

<u>Date Filed</u>	<u>Filing Description</u>	<u>Image #</u>
08/26/2022	2022 Annual Report	B1269-7422
10/14/2021	2021 Annual Report	B1115-0402
09/23/2020	2020 Annual Report	B0926-1712
12/10/2019	2019 Annual Report	B0787-7411
Registered Agent First Name Changed From: LAUREN To: BRENDA		
Registered Agent Last Name Changed From: BROOKS To: MALONE		
12/01/2019	Notice of Determination	B0786-1439
08/07/2018	2018 Annual Report	B0578-5027
08/07/2017	2017 Annual Report	B0423-7983
09/01/2016	2016 Annual Report	B0295-1201
06/09/2015	2015 Annual Report	B0112-2874
Religious Corporation Changed From: No Value To: Religious		
02/12/2015	2014 Annual Report	B0056-0917
02/12/2015	Application for Reinstatement	B0056-0921
Filing Status Changed From: Inactive - Dissolved (Administrative) To: Active		
Inactive Date Changed From: 02/10/2015 To: No Value		
02/10/2015	Dissolution/Revocation - Administrative	B0054-1027
8/2/2023 2:33:12 PM		

Filing Information

Name: ROCKETOWN OF MIDDLE TENNESSEE

Filing Status Changed From: Active To: Inactive - Dissolved (Administrative)

Inactive Date Changed From: No Value To: 02/10/2015

12/03/2014 Notice of Determination B0001-2580

12/05/2013 2013 Annual Report A0204-3127

12/03/2013 Notice of Determination A0204-2189

09/26/2012 2012 Annual Report A0144-2301

Principal Postal Code Changed From: 37210 To: 37210-2019

Registered Agent First Name Changed From: REGINA To: LAUREN

Registered Agent Last Name Changed From: NEWKIRK To: BROOKS

09/29/2011 2011 Annual Report A0094-2150

09/30/2010 2010 Annual Report 6776-3042

Principal Address 1 Changed From: 401 6TH AVENUE S To: 601 4th Ave S

Principal Postal Code Changed From: 372030000 To: 37210

Public Benefit Changed From: Mutual To: Public

Registered Agent Physical Address 1 Changed From: 401 6TH AVE S To: 601 4th Ave S

Registered Agent Physical Postal Code Changed From: 37203 To: 37210

12/08/2009 2009 Annual Report A0002-0989

Registered Agent First Name Changed From: AUDRA To: REGINA

Registered Agent Last Name Changed From: DAVIS To: NEWKIRK

12/01/2009 Notice of Determination A0002-0207

07/25/2008 2008 Annual Report 6354-1233

10/01/2007 2007 Annual Report 6138-0973

Registered Agent Changed

01/26/2007 2006 Annual Report 5929-0241

12/01/2006 Notice of Determination ROLL 5893

09/21/2005 2005 Annual Report 5563-1399

Registered Agent Changed

09/23/2004 2004 Annual Report 5241-0438

Mail Address Changed

10/03/2003 2003 Annual Report 4926-2640

Principal Address Changed

Registered Agent Physical Address Changed

Registered Agent Changed

Mail Address Changed

08/01/2002 2002 Annual Report 4566-0236

01/25/2002 2001 Annual Report 4403-0706

Filing Information

Name: ROCKETOWN OF MIDDLE TENNESSEE

12/21/2001	Notice of Determination	ROLL 4376
02/27/2001	CMS Annual Report Update	4134-2943
	Principal Address Changed	
	Registered Agent Physical Address Changed	
	Registered Agent Changed	
	Mail Address Changed	
02/27/2001	Application for Reinstatement	4134-2947
02/27/2001	Administrative Amendment	4139-0056
02/27/2001	2000 Annual Report	4134-2945
03/17/2000	Dissolution/Revocation - Administrative	ROLL 3857
12/17/1999	Notice of Determination	ROLL 3772
02/22/1999	CMS Annual Report Update	3633-2857
	Principal Address Changed	
	Mail Address Changed	
12/18/1998	Notice of Determination	ROLL 3598
09/04/1997	CMS Annual Report Update	3383-3502
	Principal Address Changed	
	Mail Address Changed	
01/24/1997	CMS Annual Report Update	3278-2132
	Fiscal Year Close Changed	
01/17/1997	Notice of Determination	ROLL 3273
04/18/1996	CMS Annual Report Update	3162-1740
	Principal Address Changed	
01/19/1996	Notice of Determination	ROLL 3105
07/05/1994	Initial Filing	2864-0703
Active Assumed Names (if any)		Date Expires

Rocketown of Middle Tennessee, Inc.

Financial Statements
For the Years Ended June 30, 2021 and 2020



Independent Auditor's Report

Board of Directors
Rockettown of Middle Tennessee, Inc.

Report on the Financial Statements

We have audited the financial statements of Rockettown of Middle Tennessee, Inc. (the Organization), which comprise the statements of financial position as of June 30, 2021 and 2020, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rockettown of Middle Tennessee, Inc. as of June 30, 2021 and 2020, and the changes in its net assets results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in blue ink that reads "Blankenship CPA Group, PLLC".

Blankenship CPA Group, PLLC
Brentwood, Tennessee
January 5, 2022

Rocketown of Middle Tennessee, Inc.
Financial Statements
For the Years Ended June 30, 2021 and 2020

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Rocketown of Middle Tennessee, Inc.

Statements of Financial Position

June 30, 2021 and 2020

	2021	2020
Assets		
Cash	\$ 579,354	\$ 4,293,107
Accounts receivable	139,677	5,704
Other assets	89,038	41,038
Cash, restricted	-	104,949
Cash, designated for long-term purposes	3,800,000	-
Beneficial interest in amounts held by others	5,317	4,569
Fixed assets, net	5,867,053	5,662,658
Endowment fund	25,907	19,275
Total assets	\$ 10,506,346	\$ 10,131,300
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 51,321	\$ 18,474
Accrued expenses	44,274	47,942
Deferred revenues	79,239	29,999
PPP loan	296,424	155,600
Total liabilities	471,258	252,015
Net assets		
Without donor restrictions	9,989,704	9,860,010
With donor restrictions	45,384	19,275
Total net assets	10,035,088	9,879,285
Total liabilities and net assets	\$ 10,506,346	\$ 10,131,300

Rocketown of Middle Tennessee, Inc.

Statement of Activities

For the Year Ended June 30, 2021

	Without donor restrictions	With donor restrictions	Total
Support and Revenues			
Support			
Special events, net	\$ 227,299	\$ -	\$ 227,299
Contributions	374,336	-	374,336
Foundation contributions and grants	442,997	-	442,997
Revenues			
Facility rentals and parking	202,686	-	202,686
Product sales	331,969	-	331,969
Membership dues, cover charges, session fees, and lessons	36,981	-	36,981
Employee retention credits	137,825	-	137,825
Investment income	-	6,631	6,631
Interest income	2,101	-	2,101
Net assets released from restriction	(19,478)	19,478	-
Total support and revenues	1,736,716	26,109	1,762,825
Expenses			
Program services	972,516	-	972,516
Supporting services			
Management and general	429,028	-	429,028
Fundraising	205,478	-	205,478
Total expenses	1,607,022	-	1,607,022
Change in net assets	129,694	26,109	155,803
Net assets, beginning of year	9,860,010	19,275	9,879,285
Net assets, end of year	\$ 9,989,704	\$ 45,384	\$ 10,035,088

Rocketown of Middle Tennessee, Inc.

Statement of Activities

For the Year Ended June 30, 2020

	Without donor restrictions	With donor restrictions	Total
Support and Revenues			
Support			
Special events, net	\$ 282,549	\$ -	\$ 282,549
Contributions	174,514	-	174,514
Foundation contributions and grants	147,076	-	147,076
Revenues			
Facility rentals and parking	561,404	-	561,404
Product sales	316,877	-	316,877
Membership dues, cover charges, session fees, and lessons	28,669	-	28,669
Investment income	-	99	99
Interest income	6,830	-	6,830
Gain on sales of fixed assets	4,057,142	-	4,057,142
Net assets released from restriction	116,400	(116,400)	-
Total support and revenues	5,691,461	(116,301)	5,575,160
Expenses			
Program services	1,215,726	-	1,215,726
Supporting services			
Management and general	389,590	-	389,590
Fundraising	184,219	-	184,219
Total expenses	1,789,535	-	1,789,535
Change in net assets	3,901,926	(116,301)	3,785,625
Net assets, beginning of year	5,958,084	135,576	6,093,660
Net assets, end of year	\$ 9,860,010	\$ 19,275	\$ 9,879,285

Rocketown of Middle Tennessee, Inc.Statement of Functional Expenses
For the Year Ended June 30, 2021

	Program services	Supporting services		Total
		Management and general	Fundraising	
Salaries and wages	\$ 315,508	\$ 229,387	\$ 128,722	\$ 673,617
Employee benefits	21,601	36,271	2,730	60,602
Payroll taxes	19,916	17,530	9,845	47,291
Total personnel	357,025	283,188	141,297	781,510
Cost of goods sold	177,295	-	-	177,295
Depreciation	138,199	6,009	6,009	150,217
Design, photography, printing	614	45	6,827	7,486
Dues and subscriptions	458	5,330	6,642	12,430
Food and entertainment	12,704	2,198	4,231	19,133
Insurance	42,336	1,841	1,841	46,018
IT management	-	28,127	-	28,127
Legal and professional	10,569	65,662	-	76,231
Postage and freight	497	742	4,560	5,799
Purchased services	28,005	1,853	1,385	31,243
Repairs and maintenance	64,975	2,804	2,804	70,583
Special events, net	-	-	17,840	17,840
Supplies	27,896	280	280	28,456
Taxes and licenses	38,242	-	-	38,242
Telephone	1,995	19,987	735	22,717
Utilities	53,717	2,335	2,335	58,387
Bank fees	13,820	1,124	3,848	18,792
Miscellaneous	4,169	7,503	4,844	16,516
	\$ 972,516	\$ 429,028	\$ 205,478	\$ 1,607,022

Rocketown of Middle Tennessee, Inc.

Statement of Functional Expenses

For the Year Ended June 30, 2020

	Program services	Supporting services		Total
		Management and general	Fundraising	
Salaries and wages	\$ 472,580	\$ 185,750	\$ 112,112	\$ 770,442
Employee benefits	46,200	18,159	10,961	75,320
Payroll taxes	36,419	11,188	6,672	54,279
Total personnel	555,199	215,097	129,745	900,041
Cost of goods sold	131,313	-	-	131,313
Depreciation	127,026	5,523	5,523	138,072
Design, photography, printing	225	380	5,482	6,087
Dues and subscriptions	500	10,086	3,341	13,927
Food and entertainment	12,393	3,721	1,205	17,319
Insurance	53,014	2,305	2,305	57,624
Interest	14,277	621	621	15,519
IT management	-	24,250	-	24,250
Legal and professional	60,301	10,876	-	71,177
Postage and freight	68	374	1,449	1,891
Purchased services	26,665	49,620	736	77,021
Repairs and maintenance	79,960	9,782	-	89,742
Special events, net	-	-	21,043	21,043
Supplies	15,452	4,746	3,047	23,245
Taxes and licenses	54,940	5,758	-	60,698
Telephone	3,330	21,129	390	24,849
Utilities	71,449	3,107	3,107	77,663
Bank fees	1,878	13,823	5,438	21,139
Miscellaneous	7,736	8,392	787	16,915
	\$ 1,215,726	\$ 389,590	\$ 184,219	\$ 1,789,535

Rocketown of Middle Tennessee, Inc.
Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

	2021	2020
Cash, beginning of year	\$ 4,398,056	\$ 334,390
Cash flows from operating activities		
Change in net assets	155,803	3,785,625
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	150,217	138,072
Realized and unrealized gain on endowment, net	(6,631)	(99)
Change in beneficial interest in amounts held by others	(748)	329
Gain on sale of fixed assets	-	(4,057,142)
Change in:		
Accounts receivable	(133,973)	26,758
Other assets	(48,000)	(1,137)
Accounts payable	32,847	(20,841)
Accrued expenses	(3,668)	(22,034)
Deferred revenues	49,240	(13,269)
Net cash used by operating activities	195,087	(163,738)
Cash flows from investing activities		
Proceeds from the sale of fixed assets, net	-	4,703,503
Payments for the purchase of fixed assets	(354,613)	(6,011)
Net cash provided (used) by investing activities	(354,613)	4,697,492
Cash flows from financing activities		
Payments on capital lease obligations	-	(4,131)
Payments on note payable	-	(621,557)
Net proceeds from PPP loan	140,824	155,600
Net cash used by financing activities	140,824	(470,088)
Net change in cash	(18,702)	4,063,666
Cash, end of year	\$ 4,379,354	\$ 4,398,056
Reconciliation of cash to statements of financial position		
Cash	\$ 579,354	\$ 4,293,107
Cash, restricted	-	104,949
Cash, designated for long-term purposes	3,800,000	-
	\$ 4,379,354	\$ 4,398,056
Supplemental disclosures of cash flow information		
Cash paid for interest	\$ -	\$ 15,519

Rockettown of Middle Tennessee, Inc.
Notes to Financial Statements
For the Years Ended June 30, 2021 and 2020

Note 1. Nature of Organization and Significant Accounting Policies

Nature of Organization

Rockettown of Middle Tennessee (the Organization) was founded in 1994 as a Tennessee not-for-profit corporation. The Organization's mission is to offer hope to the next generation through Christ's love. Rockettown's vision is to be the place of peace, purpose, and possibilities for youth.

The Organization offers creative, spiritual, educational, social, and job preparedness programs and support. A skate park, concert, and event venue are operated at 601 Fourth Avenue South, Nashville, Tennessee. This facility includes a 9,000 square foot indoor skateboarding park; a large state-of-the-art music venue/performance space; another small venue; the coffee bar, a full-service coffee shop; a dance studio that can be used as a multi-purpose room; a recording studio; and four classroom spaces for after-school and summer camp programming.

Basis of Accounting

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

Financial Statement Presentation

The Organization follows the recommendations contained in the *Presentation of Financial Statements, Not-For-Profit Entities* topic of the Financial Accounting Standard Board (FASB) Accounting Standards Codification (ACS). Under those provisions, net assets and revenues, gains, and losses are classified based on the absence or existence and nature of donor-imposed restrictions as follows:

Net assets without donor restrictions – These net assets generally result from revenues generated by receiving contributions with no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Net assets with donor restrictions – These net assets result from gifts of cash and other assets received with donor stipulations limiting the use of the donated assets, temporarily or permanently. These net assets are restricted until the donor restriction expires or the purpose of the restriction is accomplished.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization has adopted a policy to classify donor-restricted contributions as without donor restrictions to the extent donor restrictions are met in the year the contributions were received.

Reclassifications

Certain reclassifications have been made to the 2020 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

Rocketown of Middle Tennessee, Inc.
Notes to Financial Statements
For the Years Ended June 30, 2021 and 2020

Note 1. Nature of Organization and Significant Accounting Policies

Accounts Receivable

Included in accounts receivable at June 30, 2021 are employee retention tax credits totaling \$137,825 that are expected to be received during the 2021/2022 fiscal year. These credits resulted from filing amended IRS forms 941 for periods on or before June 30, 2021 as allowed under the COVID-related Tax Relief Act of 2020. The Organization expects to fully collect these items; therefore, no allowance for uncollectible accounts has been recorded in the financial statements.

Fixed Assets and Depreciation

Land, building, equipment, and furniture purchases in excess of \$1,000 are capitalized and stated at acquisition cost or at estimated fair value at the time of the gift, if donated. Depreciation of fixed assets, other than land, is calculated by the straight-line method over estimated useful lives ranging from 3 to 10 years for equipment and furniture and 5 to 40 years for buildings and improvements.

Inventories

Inventories consist principally of coffee bar supplies and skate park store products and are reported at lower-of-cost (first-in, first-out method) or net realizable value.

Restricted and Designated Cash

Restricted cash includes unspent proceeds from the Organization's PPP loan as of the associated year end date. Designated cash includes amounts designated by the Board of Directors for use in future acquisition in Antioch, Tennessee (see notes 5 and 14).

PPP Loans

On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. The Organization has received two draws on a loan in accordance with the Paycheck Protection Program (PPP) section of the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). US GAAP provides organizations with two alternatives for reporting the loan and any future forgiveness: 1) proceeds can be treated as debt and future forgiveness recognized as income when the loan or any portion thereof is formally discharged; or 2) proceeds can be treated as a conditional contribution where they recognize a refundable advance and derecognize the liability, and recognize income, as the conditions for forgiveness are substantially met or explicitly waived. The Organization has elected to treat the PPP loan as debt.

Revenue Recognition and Deferred Revenues

Facility rental revenues are recognized in the period in which the facility is utilized. Facility receipts received in advance are recorded as deferred revenues and recognized as revenue in the month in which it is earned. Revenues from product sales, dues, cover charges, session fees, and lessons are substantially recognized when the products are sold and/or the services are provided.

Rocketown of Middle Tennessee, Inc.
Notes to Financial Statements
For the Years Ended June 30, 2021 and 2020

Note 1. Nature of Organization and Significant Accounting Policies

Donated Goods and Services

Donated facilities and materials are recorded as contributions in the period received at their estimated fair value, if there is an objective and measurable basis for determining such value. Donated services are recognized if they create or enhance nonfinancial assets or the donated service requires specialized skills, are performed by a donor who possesses such skills, and would have been purchased by the Organization, if not donated. Such services are recognized at estimated fair value as support and expensed in the period the services were performed. A number of unpaid volunteers have made significant contributions of their time to assist the Organization in implementing various programs and exhibits. The value of contributed time is not reflected in these financial statements since it does not meet the recognition threshold describe above.

Income Taxes

The Organization is a not-for-profit corporation exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service (IRS) as other than a private foundation. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income.

Program and Supporting Services

The following program and supporting services are included in the Organization financial statements:

Program services – includes the direct cost of operating the Organization's indoor skate park, music venue, and coffee bar. Additionally, program services include numerous enrichment programs offered to teenagers visiting the facility, including skateboarding lessons, songwriting, video editing, graffiti art, and dance.

Management and general – includes the functions necessary to ensure an adequate working environment and costs not identifiable with a single program. Applicable costs include those associated with providing coordination and articulation of the Organization's program strategy, business management, general record keeping, budgeting, and related purposes.

Fundraising – includes costs of activities directed toward appeals for financial support, including special events. Other activities include the cost of solicitations and the creation and distribution of fundraising materials.

Allocation of Functional Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the statements of activities. Some cost have been charged using specific identification. Accordingly, certain costs have been allocated among program services and supporting services. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

	Method of allocation
Personnel	Time and effort
Depreciation	Square footage
Repairs and maintenance	Square footage
Utilities	Square footage

Rocketown of Middle Tennessee, Inc.
Notes to Financial Statements
For the Years Ended June 30, 2021 and 2020

Note 2. Availability and Liquidity

The Organization's primary sources of support are revenues generated through facility rentals, special events, and contributions. The Organization has a policy to manage its liquidity and reserves following three guiding principles: operating within a prudent range of financial stability, maintaining adequate liquidity to fund near-term operations, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The following table reflects the Organization's financial assets as of June 30, 2021 and 2020, reduced by amounts not available for general expenditures within one year:

	2021	2020
Financial assets		
Cash	\$ 4,379,354	\$ 4,398,056
Accounts receivable	139,677	5,704
Beneficial interest in amounts held by others	5,317	4,569
Endowment fund	<u>25,907</u>	<u>19,275</u>
Total financial assets at year-end	4,550,255	4,427,604
Less amounts not available to be used within one year		
Cash, designated for long-term purposes	(3,800,000)	-
Beneficial interest in amounts held by others	(5,317)	(4,569)
Endowment fund	<u>(25,907)</u>	<u>(19,275)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ 719,031	\$ 4,403,760

As further described in notes 5 and 14, the Organization netted a gain of \$4,057,142 on net proceeds of \$4,703,503 from the sale of a building. The bulk of these proceeds are designated for a capital project in Antioch, Tennessee.

Note 3. Beneficial Interest in Amounts Held by Others

Amounts reported in the statements of financial position as beneficial interest in amounts held by others represent the cumulative transfer of funds, as well as earnings thereon, to the Firm Foundation of Middle Tennessee (the Foundation), which is a component fund of the National Christian Charitable Foundation, Inc. These amounts totaled \$5,317 and \$4,569 at June 30, 2021 and 2020, respectively. The Foundation holds and invests the funds on behalf of the Organization. The Foundation has variance power over the funds if the Organization fails to comply with the requirements for distribution. The funds are distributable upon request by the Organization and approval of the Foundation. Distributions will be approved if the Organization continues to operate as a 501(c)(3) and a religious organization. Management does not expect the Organization to fail to comply with the requirements for distribution.

Rocketown of Middle Tennessee, Inc.
Notes to Financial Statements
For the Years Ended June 30, 2021 and 2020

Note 4. Inventories

Inventories consist of the following as of June 30:

	2021	2020
Skate park shop merchandise	\$ 36,197	\$ 32,605
Coffee bar merchandise	<u>-</u>	<u>7,323</u>
Total inventories	\$ 36,197	\$ 39,928

These inventory balances are included in other assets on the statements of financial position.

Note 5. Fixed Assets

Fixed assets consist of the following as of June 30:

	2021	2020
Land	\$ 2,367,032	\$ 2,367,032
Buildings and improvements	4,695,161	4,360,078
Machinery and equipment	194,502	437,895
Furniture and fixtures	16,694	36,555
Less: accumulated depreciation	<u>(1,406,336)</u>	<u>(1,538,902)</u>
Fixed assets, net	\$ 5,867,053	\$ 5,662,658

During 2020, the Organization sold a building for \$5,000,000. The resulting gain recorded for this sale was \$4,057,142. As described in note 14, the Organization made a purchase of property, subsequent to year-end, to reinvest these funds to further the Organization's mission. As of June 30, 2021, the Organization had made earnest deposit payments totaling \$50,000 toward this purchase which are included in other assets on the statements of financial position.

Note 6. Endowment Fund

The Organization has received a donation to establish a permanent endowment fund to provide funds to help support the Organization's various youth programs. Terms of the donation require the funds to be segregated from other Organization funds. Gifts made to the donor-restricted endowment are reported as net assets with donor restrictions.

	2021	2020
Endowment net assets, beginning of year	\$ 19,275	\$ 19,176
Interest and dividends	435	448
Unrealized losses	-	(160)
Unrealized gains	6,419	-
Amounts appropriated for expenditures	<u>(222)</u>	<u>(189)</u>
Endowments net assets, end of year	\$ 25,907	\$ 19,275

Rocketown of Middle Tennessee, Inc.
Notes to Financial Statements
For the Years Ended June 30, 2021 and 2020

Note 7. Note Payable

The Organization had a note payable to a financial institution with a fixed interest rate of 4.25%. The loan was secured by the buildings and land held by the Organization. This note was paid in full with a portion of the proceeds from the sale of one of the Organization's buildings in 2020.

Note 8. PPP Loan

On April 4, 2020, the Organization received a loan in the amount of \$155,600 in accordance with the PPP section of the CARES Act. A second draw was made on January 29, 2021 for \$140,824. The Organization elected to treat the PPP loan as debt in the financial statements. As long as the Organization submits its loan forgiveness application within 10 months of the end of the covered period, the Organization will not be required to make any payments on the loan until the forgiveness amount is remitted to the lender by the US Small Business Administration. If the loan is fully forgiven, the Organization will not be responsible for any payments.

On July 26, 2021 the Organization was notified that the first draw on the loan had been forgiven by the Small Business Administration.

Note 9. Fair Value Measurements

The Organization has adopted the provisions of the Fair Value Measurement Topic of the FASB ASC, which establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs to the valuation methodology include the following:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of significant input to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies used as of June 30, 2021 and 2020.

Rocketown of Middle Tennessee, Inc.
Notes to Financial Statements
For the Years Ended June 30, 2021 and 2020

Note 9. Fair Value Measurements

A description of the valuation methodologies used for assets measured at fair value is as follows:

Exchange traded funds (ETFs) are valued at the closing price reported on the active market on which the individual securities are traded.

Investments and their fair value measurement consist of the following as of June 30, 2021:

	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ 678	\$ -	\$ -	\$ 678
Equity ETFs	23,949	-	-	23,949
Fixed income ETFs	<u>1,280</u>	<u>-</u>	<u>-</u>	<u>1,280</u>
Total investments	\$ 25,907	\$ -	\$ -	\$ 25,907

Investments and their fair value measurement consist of the following as of June 30, 2020:

	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ 514	\$ -	\$ -	\$ 514
Equity ETFs	16,702	-	-	16,702
Fixed income ETFs	<u>2,059</u>	<u>-</u>	<u>-</u>	<u>2,059</u>
Total investments	\$ 19,275	\$ -	\$ -	\$ 19,275

Note 10. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of June 30:

	2021	2020
Subject to the passage of time or expenditure for specified purpose		
Program support	\$ 19,478	\$ -
Endowment Funds		
Original gifts and required retained earnings		
Youth programs	15,000	15,000
Accumulated income	<u>10,906</u>	<u>4,275</u>
Total endowment funds	<u>25,906</u>	<u>19,275</u>
Net assets with donor restrictions	\$ 45,384	\$ 19,275

Rocketown of Middle Tennessee, Inc.
Notes to Financial Statements
For the Years Ended June 30, 2021 and 2020

Note 11. Special Events

Special events expenses reported on the statements of functional expenses consisted of the following for the years ended June 30:

	2021	2020
Gross special events expense	\$ 33,059	\$ 49,093
Direct benefits to donors	<u>(15,219)</u>	<u>(28,050)</u>
Special events, net	\$ 17,840	\$ 21,043

Note 12. Employee Benefit Plan

The Organization sponsors a qualified defined contribution plan under Section 401(k) of the Internal Revenue Code in which substantially all employees of the Organization qualify after they have completed one year of service. The plan allows participants to contribute a percentage of their gross pay up to the amount allowable by the Internal Revenue Code. The Organization recognized \$16,675 and \$14,096 as expense under this plan during the years ended June 30, 2021 and 2020, respectively. These amounts were included in the statements of functional expenses as employee benefits.

Note 13. Concentrations

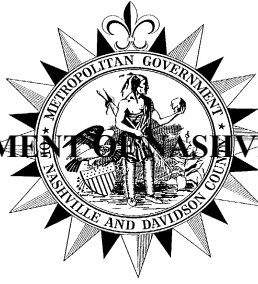
The Organization had bank deposits in a financial institution that were approximately \$4,133,000 and \$4,150,000 in excess of the \$250,000 insured by the Federal Deposit Insurance Corporation at June 30, 2021 and 2020, respectively.

Note 14. Subsequent Events

Management has evaluated subsequent events through January 5, 2022, the date on which the financial statements were available to be issued.

On August 3, 2021, the Organization purchased property with a purchase price of \$4,750,000 in Antioch, Tennessee to expand its programing opportunities. In conjunction with this purchase, the Organization entered into a \$4,037,500 note payable with a financial institution secured by the underlying real estate.

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY



Department of Finance
700 President Ronald Reagan Way, STE 201
Nashville, Tennessee 37210

**Metropolitan Government of Nashville and Davidson County
Recipient of Metro Grant Funding
Non-Profit Grants Manual Receipt Acknowledgement**

Recipient Name **Rocketown of Middle Tennessee**

June 14, 2023

As a condition of receipt of this funding, the recipient acknowledges the following:

- Receipt of the Non-Profit Grants Manual, updated February 2, 2023, issued by the Division of Grants and Accountability. Electronic version can be located at the following:

www.nashville.gov/departments/finance/grants-and-accountability/grants

- The recipient has read, understands and hereby affirms that the agency will adhere to the requirements and expectations outlined within the Non-Profit Grants Manual.
- The recipient understands that if the organization has any questions regarding the Non-Profit Grants Manual or its content, they will consult with the Metro department that awarded their grant.

**Note to Organizations: Please read the Non-Profits Grants Manual carefully to ensure that you understand the requirements and expectations before signing this document.*

DocuSigned by:

Mark Weller
Signature of Authorized Representative
Name: Mark weller
Title: Sr. Dir of Development
Agency Name: Rocketown of Middle Tennessee
Date: 6/14/2023