

MUSICAL MENTORS COLLABORATIVE, INC.

FINANCIAL STATEMENT REVIEW

FOR THE YEAR ENDED MAY 31, 2022

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**ADAM J. BAKER**  
*Certified Public Accountant*

Independent Accountant's Review Report

Board of Directors  
Musical Mentors Collaborative, Inc.

We have reviewed the accompanying financial statements of Musical Mentors Collaborative, Inc. (the "Company,"), which comprise the statement of financial position as of May 31, 2022, and the related statement of activities, statement of cash flows, and statement of functional expenditures for the year ending May 31, 2022, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the combined 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 combined 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.

**Accountant's Responsibility**

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the 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.

**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 conformity with accounting principles generally accepted in the United States of America.

Adam J. Baker  
Certified Public Accountant  
Underwood, Minnesota

March 22, 2023

**MUSICAL MENTORS COLLABORATIVE, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**MAY 31, 2022**

<b>Assets</b>	<b>2022</b>
<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 32,558
Accounts Receivable	37,400
<b>Total Assets</b>	<u><u>\$ 69,958</u></u>
 <b>Liabilities</b>	
<b>Current Liabilities</b>	
Payroll Liabilities	\$ 17,980
<b>Total Liabilities</b>	<u>17,980</u>
 <b>Net Assets</b>	
<b>Without Donor Restriction</b>	
Undesignated	<u>51,978</u>
<b>Total Without Donor Restriction</b>	<u>51,978</u>
 <b>With Donor Restriction</b>	
Temporarily Restricted	<u>-</u>
<b>Total With Donor Restriction</b>	<u>-</u>
<b>Total Net Assets</b>	<u><u>\$ 69,958</u></u>

**MUSICAL MENTORS COLLABORATIVE, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED MAY 31, 2022**

	<b>2022</b>
<b>Operating Revenue</b>	
Contributions	\$ 163,975
Sponsorships	33,409
Non-Governmental Grants	74,610
<b>Total Operating Revenues</b>	<b>271,994</b>
<b>Operating Expenditures</b>	
<b>Program Services:</b>	
Program Activities	260,042
<b>Total Program Services</b>	<b>260,042</b>
<b>Supporting Services</b>	
Fundraising	5,403
Management and General	43,680
<b>Total Supporting Services</b>	<b>49,083</b>
<b>Total Expenditures</b>	<b>309,125</b>
<b>Other Financing Sources (Uses)</b>	
Interest Income	5
<b>Total Other Financing Sources (Uses)</b>	<b>5</b>
<b>Change In Net Assets</b>	<b>(37,126)</b>
<b>Net Assets - June 1, 2021</b>	<b>89,104</b>
<b>Net Assets - May 31, 2022</b>	<b>\$ 51,978</b>

**MILITARY VETERANS IN JOURNALISM, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MAY 31, 2022**

	<u>2022</u>
<b>Cash Flow from Operating Activities</b>	
<b>Excess Revenues over Expenditures</b>	\$ (37,126)
<b>Accounts Receivable</b>	(37,400)
<b>Payroll Liabilities</b>	12,741
<b>Prepaid Assets</b>	-
<b>Deferred Liabilities</b>	-
<b>Other Operating Liabilities</b>	-
<b>Credit Card</b>	-
<b>Net cash provided by operating activities</b>	<u>(61,785)</u>
<b>Net cash increase for period</b>	(61,785)
<b>Cash in banks and fiduciaries at beginning of period</b>	94,343
<b>Cash in banks and fiduciaries at end of period</b>	<u>\$ 32,558</u>

**MUSICAL MENTORS COLLABORATIVE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED MAY 31, 2022**

	<b>Program Services</b>	<b>Fundraising</b>	<b>Management and General</b>	<b>Total 2022</b>
Advertising	\$ -	\$ 5,403	\$ -	\$ 5,403
Bank Fees	-	-	301	301
Donations	1,185	-	-	1,185
Information Technology	-	-	4,567	4,567
Insurance	-	-	360	360
Meal Expense	-	-	27	27
Miscellaneous Expense	-	-	410	410
Office Supplies	-	-	23,052	23,052
Postage and Printing	-	-	446	446
Professional Development	65	-	-	65
Professional Fees	99,411	-	14,366	113,777
Program Expenditures	9,415	-	-	9,415
Salaries, Benefits & Taxes	137,539	-	-	137,539
Taxes and Licenses	-	-	150	150
Travel	12,428	-	-	12,428
<b>Total Expenses</b>	<b>\$ 260,043</b>	<b>\$ 5,403</b>	<b>\$ 43,679</b>	<b>\$ 309,125</b>

# MUSICAL MENTORS COLLABORATIVE, INC.

## NOTES TO FINANCIAL STATEMENTS

May 31, 2022

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Organization and Nature of Operations

Musical Mentors Collaborative, Inc (the “Organization”) is organized under the laws of the state of New York. The Organization’s is a music education nonprofit that provides free, one-on-one music instruction to students who wouldn’t otherwise have access to private lessons.

#### Basis of Accounting

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

#### Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### Contributions

The Organization receives contributions primarily from individuals and businesses. Contributions received are recorded as with or without donor restrictions depending on the existence and/or nature of any donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of the time or purpose restriction.

#### Credit Risks

The Organization’s credit risks primarily relate to cash and cash equivalents. The Organization maintains cash balances at various financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to an aggregate of \$250,000. The Organization has not experienced any such losses and management believes the Organization is not exposed to significant credit risk pertaining to cash.



## Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. There were no donor-imposed restrictions of a perpetual nature at May 31, 2022. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

## Functional Allocation of Expenses

The costs of program and supporting services have been summarized on a functional basis in the Statement of Functional Expenses. Expenses that are identified with a specific program or support service are charged directly to the appropriate function. Other shared costs have been allocated among the programs and supporting services benefited based on management's estimate of the relative effort expended for the related functions.

## Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is included in the financial statements.

## Recent Accounting Pronouncements

On June 21, 2018, the FASB issued ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, which applies to all entities that receive or make contributions. The criteria for evaluating whether contributions are unconditional (and thus recognized immediately in income) or conditional (for which income recognition is deferred) have been clarified. The focus is whether a gift or grant agreement both (1) specifies a "barrier or hurdle" that the recipient must overcome to be entitled to the resources, and (2) releases the donor from its obligation to transfer resources (or if assets are advanced, a right to demand their return) if the barrier or hurdle is not achieved. An agreement that contains both is a conditional contribution. An agreement that omits one or both is unconditional. No new disclosures are required. For grants/contributions made, donors will use the same criteria as recipients (i.e., a barrier or hurdle coupled with a right of return/release) to determine whether gifts or grants are conditional or unconditional.

For federal and other government grants, the ASU clarifies the definition of an exchange transaction. As a result, not-for-profit entities will account for most federal grants as donor-restricted conditional contributions, rather than as exchange transactions (the prevalent practice today). An accommodation ("simultaneous release" option) is provided which, if elected, would allow grants received and used within the same period to be reported in net assets without donor restrictions, consistent with where the grant revenue is reported today.

For transactions in which a non-public entity serves as a resource recipient, the entity should apply the amendments in this ASU on contributions received to annual periods beginning after December 15, 2018. For transactions in which a non-public entity serves as a resource provider, the entity should apply the amendments in this ASU on contributions made to annual periods beginning after December 15, 2019. Early adoption of the amendments is permitted. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

Date of Management’s Review

The Organization evaluated its May 31, 2022 financial statements for subsequent events through March 22, 2023, the date the financial statements were available to be issued. The Organization is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

**NOTE 2 – LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are comprised of the following:

Cash	\$	32,558
Less: amounts restricted for certain purposes		<u>-</u>
Total		<u>\$ 32,558</u>

**NOTE 3 – NET ASSETS WITH DONOR RESTRICTIONS**

Donations received through the Organization’s fiduciary, as well as donations directly received are free of any donor restrictions.