



# Musical Mentors Collaborative, Inc.

Financial Statements  
With Independent Accountants' Review Report

May 31, 2023

Musical Mentors Collaborative, Inc.

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## Independent Accountants' Review Report

The Board of Directors  
Musical Mentors Collaborative Inc.  
New York, New York

I have reviewed the accompanying financial statements of Musical Mentors Collaborative Inc., which comprise the statements of financial position as of May 31, 2023, and the related statements of activities 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 entity 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, I 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 financial statements that are free from material misstatement whether due to fraud or error.

### Accountants' Responsibility

My responsibility is to conduct the review engagements 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 me to perform procedures to obtain limited assurance as a basis for reporting whether I am 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. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of Musical Mentors Collaborative Inc., and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my reviews.

### Accountants' Conclusion

Based on my review, I am 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.



Subhjit Guha  
Certified Public Accountant  
Illinois License 065.056711  
AICPA Peer Review Enrollment # 900256000629  
October 10, 2023

Musical Mentors Collaborative, Inc.  
Statement of Financial Position  
May 31, 2023

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Assets	
Cash and cash equivalents	\$ 35,483
Accounts receivable	6,340
Total assets	<u>\$ 41,823</u>
Liabilities and Net Assets	
Payroll liabilities	\$ 1,234
Credit card liabilities	65
Total liabilities	<u>1,299</u>
Net Assets	
Without donor restrictions	40,524
With donor restrictions	-
Total net assets	<u>40,524</u>
Total liabilities and net assets	<u>\$ 41,823</u>

Musical Mentors Collaborative, Inc.  
Statement of Activities  
Year Ended May 31, 2023

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	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Contributions	\$ 267,280	\$ -	\$ 267,280
Other income	5,332	-	5,332
Net assets released from restrictions	-	-	-
Total revenue, support, and gains	272,612	-	272,612
Expenses			
Program services expense	162,120	-	162,120
Supporting services expense			
Management and General	76,877	-	76,877
Fundraising and development	45,069	-	45,069
Total supporting services expenses	121,946	-	121,946
Total expenses	284,066	-	284,066
Change in Net Assets	(11,454)	-	(11,454)
Net Assets, Beginning of Year	51,978	-	51,978
Net Assets, End of Year	\$ 40,524	\$ -	\$ 40,524

Musical Mentors Collaborative, Inc.  
Statement of Functional Expenses  
Year Ended May 31, 2023

	Program Services	Management and General	Fundraising and Development	Total
Personnel and fringe benefits	\$ 81,930	\$ 50,772	\$ 43,544	\$ 176,247
Professional services	58,012	11,360	-	69,372
Information technology	12,771	11,532	-	24,304
Instruments and materials	6,510	-	-	6,510
Advertising and promotional	100	929	1,500	2,529
Professional development	1,600	112	-	1,712
Insurance	-	1,808	-	1,808
Travel	700	-	-	700
Office expenses	297	280	25	601
Meeting and events	201	-	-	201
Other expenses	-	83	-	83
Total expenses by function	162,120	76,877	45,069	284,066

Musical Mentors Collaborative, Inc.  
Statement of Cash Flows  
Year Ended May 31, 2023

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	<u>2023</u>
Cash Flows from Operating Activities	
Contributions and grants received	\$ 272,565
Payments to vendors	<u>(284,066)</u>
Net Cash used for Operating Activities	<u>(11,501)</u>
Cash Flows from Investing Activities	
Proceeds from investments	<u>47</u>
Net Cash from Investing Activities	<u>47</u>
Net Change in Cash, Cash Equivalents, and Restricted Cash	(11,454)
Cash, Cash Equivalents, Beginning of Year	<u>51,978</u>
Cash, Cash Equivalents, End of Year	<u><u>\$ 40,524</u></u>

**Note 1 - Principal Activity and Significant Accounting Policies****Organization**

Musical Mentors Collaborative, Inc. (we, us, our) is a nonprofit organization established focused on music education that provides free, one-on-one music instruction to students who wouldn't otherwise have access to private lessons.

**Cash, Cash Equivalents, and Restricted Cash**

We consider all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects or other long-term purposes are excluded from this definition.

**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 (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) 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. 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. If a donor-imposed restriction is released in the year of the contribution, the activity is treated as a net asset without donor restrictions.

**Advertising Costs**

Advertising costs are expensed as incurred, and approximated \$2,529 during the year ended May 31, 2023.

**Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include occupancy, depreciation, insurance and interest, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, which are allocated on the basis of estimates of time and effort.

**Income Taxes**

Musical Mentors Collaborative, Inc. is organized as a New York nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization



described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction, and has been determined not to be a private foundation. We are annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, it is subject to income tax on net income that is derived from business activities that are unrelated to our exempt purposes. We have determined that we are not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

### **Support, Revenue, and Expenses**

#### *Contributions*

Contributions are recorded when made, which may be when cash and other assets are received or unconditionally promised. Gifts of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated amounts. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. All contributions are considered available for use without donor restrictions unless specifically restricted by the donor.

#### *Other Income*

Other income consists mainly of investment income and program service revenue and is recorded when earned.

#### *Expenses*

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

### **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 date of the statement of financial position, comprise the following:

Cash and cash equivalents	\$ 35,483
	<u>\$ 35,483</u>

We have not established a goal as it relates to our financial assets.

### **Note 3 - Subsequent Events**

We have evaluated subsequent events through October 10, 2023, the date the financial statements were available to be issued.