

Music for the Soul, Inc.

Financial Statements (Compiled)
For the Year Ended December 31, 2021

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For the Year Ended December 31, 2021

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Independent Accountant's Compilation Report

Board of Directors
Music for the Soul, Inc.

Management is responsible for the accompanying financial statements of Music for the Soul, Inc. (the Organization), which comprise the statement of certain assets, liabilities, and net assets - modified cash basis as of December 31, 2021, and the related statement of revenues collected and expenses paid - modified cash basis, functional expenses - modified cash basis and cash flows - modified cash basis for the year then ended, in accordance with the modified cash basis of accounting and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation 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. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Organization's assets, liabilities, equity, revenue, and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Brentwood, Tennessee
June 22, 2022

Music for the Soul, Inc.
Statement of Certain Assets, Liabilities, and Net Assets - Modified Cash Basis
For the Year Ended December 31, 2021

Assets

Cash	\$ 33,463
Inventory	3,129
Property and equipment, net	<u>164</u>
Total assets	\$ 36,756

Liabilities and net assets

Royalties payable	\$ 6,016
Payroll liabilities	<u>1,512</u>
Total liabilities	7,528

Net assets

Without donor restrictions	3,108
With donor restrictions	<u>26,120</u>
Total net assets	<u>29,228</u>
Total liabilities and net assets	\$ 36,756

Music for the Soul, Inc.
Statement of Revenues Collected and Expenses Paid - Modified Cash Basis
For the Year Ended December 31, 2021

	Without donor restrictions	With donor restrictions	Total
Revenues collected			
Contributions	\$ 107,402	\$ 13,684	\$ 121,086
Music and book sales	6,492	-	6,492
Interest income	2	-	2
Net assets released from restrictions	1,106	(1,106)	-
Total revenues collected	115,002	12,578	127,580
Expenses paid			
Program services	90,998	-	90,998
Management and general	18,189	-	18,189
Fundraising	11,263	-	11,263
Total expenses	120,450	-	120,450
Excess of expenses paid over revenues collected	(5,448)	12,578	7,130
Net assets, beginning of year	8,556	13,542	22,098
Net assets, end of year	\$ 3,108	\$ 26,120	\$ 29,228

Music for the Soul, Inc.
Statement of Functional Expenses - Modified Cash Basis
For the Year Ended December 31, 2021

	Program Services	Management and general	Fundraising	Total
Wages	\$ 41,250	\$ 8,839	\$ 8,839	\$ 58,928
Payroll taxes and benefits	7,205	1,544	1,544	10,293
Advertising	-	1,022	-	1,022
Book publishing	5,052	-	-	5,052
Contract services	24,764	-	-	24,764
Depreciation	66	-	-	66
Donations	-	55	-	55
Insurance	-	48	-	48
Licenses and permits	678	28	235	941
Other	-	505	-	505
Postage	1,098	157	314	1,569
Professional fees	4,610	3,074	-	7,684
Rents	-	2,876	-	2,876
Royalties	1,673	-	-	1,673
Supplies	42	28	212	282
Telephone	101	13	20	134
Travel	3,573	-	-	3,573
Website maintenance	886	-	99	985
Total functional expenses	\$ 90,998	\$ 18,189	\$ 11,263	\$ 120,450

Music for the Soul, Inc.
Statement of Cash Flows - Modified Cash Basis
For the Year Ended December 31, 2021

Cash flows from operating activities

Excess of revenues collected over expenses paid	\$ 7,130
Adjustments to reconcile revenues collected in excess of expenses paid to net cash provided (used) by operating activities:	
Depreciation	66
Change in:	
Inventory	<u>(1,229)</u>
Net cash provided (used) by operating activities	6,302
 Net change in cash	 6,302
Cash, beginning of year	<u>27,161</u>
Cash, end of year	\$ 33,463