

MASTERSVOICES, INC.

FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020



SOBEL & CO. LLC

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

MASTERVOICES, INC.

JUNE 30, 2021 AND 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
MasterVoices, Inc.
New York, New York

Report on the Financial Statements

We have audited the accompanying financial statements of MasterVoices, Inc. ("Organization"), a nonprofit organization, which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and changes in net assets, 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.

Auditors' 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 audits to obtain reasonable assurance about whether the financial statements are free of 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 auditors' 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 auditors consider internal control relevant to the Organization'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 Organization'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 MasterVoices, Inc., as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Livingston, New Jersey
November 10, 2021

Sobel & Co, LLC

Certified Public Accountants

MASTEROICES, INC.
STATEMENTS OF FINANCIAL POSITION

	June 30,	
	2021	2020
ASSETS		
CURRENT ASSETS:		
Cash	\$ 365,086	\$ 215,563
Promises to give and grants receivable, net of allowance	161,370	191,539
Prepaid expenses	7,399	8,981
Total Current Assets	<u>533,855</u>	<u>416,083</u>
PROPERTY AND EQUIPMENT, net	<u>9,779</u>	<u>12,214</u>
NONCURRENT ASSETS:		
Promises to give, net of discount	39,936	59,900
Security deposits	7,445	7,445
Total Noncurrent Assets	<u>47,381</u>	<u>67,345</u>
Total Assets	<u>\$ 591,015</u>	<u>\$ 495,642</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 37,554	\$ 18,640
Accrued payroll and related liabilities	40,230	12,963
Refundable advance	94,100	82,600
Total Current Liabilities	<u>171,884</u>	<u>114,203</u>
NET ASSETS:		
Without donor restrictions	324,195	177,539
With donor restrictions	94,936	203,900
Total Net Assets	<u>419,131</u>	<u>381,439</u>
Total Liabilities and Net Assets	<u>\$ 591,015</u>	<u>\$ 495,642</u>

MASTEROICES, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

	Year Ended June 30, 2021			Year Ended June 30, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions, net of discount	\$ 830,591	\$ 35,000	\$ 865,591	\$ 573,592	\$ 160,000	\$ 733,592
Government grant revenue	212,358	-	212,358	34,750	-	34,750
Concert ticket sales	-	-	-	132,439	-	132,439
Concert fees	-	-	-	10,500	-	10,500
Membership dues and other income	15,644	-	15,644	29,816	-	29,816
Subtotal	1,058,593	35,000	1,093,593	781,097	160,000	941,097
Special events	97,624	-	97,624	403,674	-	403,674
Less: cost of direct benefit to donors	-	-	-	(97,251)	-	(97,251)
Total Special Events, Net	97,624	-	97,624	306,423	-	306,423
Subtotal	1,156,217	35,000	1,191,217	1,087,520	160,000	1,247,520
Net assets released from restriction	143,964	(143,964)	-	149,629	(149,629)	-
Total Support and Revenue	1,300,181	(108,964)	1,191,217	1,237,149	10,371	1,247,520
EXPENSES:						
Program services	707,506	-	707,506	747,129	-	747,129
Supporting services:						
Management and general	269,256	-	269,256	182,464	-	182,464
Fundraising	176,763	-	176,763	253,338	-	253,338
Total supporting services	446,019	-	446,019	435,802	-	435,802
Total Expenses	1,153,525	-	1,153,525	1,182,931	-	1,182,931
CHANGES IN NET ASSETS	146,656	(108,964)	37,692	54,218	10,371	64,589
NET ASSETS:						
Beginning of year	177,539	203,900	381,439	123,321	193,529	316,850
End of year	\$ 324,195	\$ 94,936	\$ 419,131	\$ 177,539	\$ 203,900	\$ 381,439

MASTERSVOICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021

	Program Services	Support Services		Total Support Services	Total Program and Support
		Management and General	Fundraising		
Salaries	\$ 239,728	\$ 161,350	\$ 69,972	\$ 231,322	\$ 471,050
Employee benefits	36,385	24,257	10,701	34,958	71,343
Payroll taxes	18,001	12,000	5,294	17,294	35,295
Total salaries and related expenses	294,114	197,607	85,967	283,574	577,688
Advertising	34,879	-	-	-	34,879
Bad debts	7,500	-	-	-	7,500
Consultant expense	40,000	-	40,159	40,159	80,159
Commissions	3,000	-	-	-	3,000
Credit card fees	5,131	-	-	-	5,131
Depreciation	2,954	1,969	869	2,838	5,792
Donor cultivation	-	-	18,389	18,389	18,389
Dues and subscriptions	1,225	-	-	-	1,225
Education	124	-	-	-	124
Event expenses	30,000	-	-	-	30,000
Indirect costs of special events	-	-	18,522	18,522	18,522
Insurance	11,020	-	-	-	11,020
Lighting and costumes	21,153	-	-	-	21,153
Marketing and promotion	36,997	-	-	-	36,997
Music	31,797	-	-	-	31,797
Occupancy	30,435	20,290	8,951	29,241	59,676
Office expense	13,280	8,854	3,906	12,760	26,040
Orchestra	36,458	-	-	-	36,458
Professional fees	-	40,536	-	40,536	40,536
Recruitment	35	-	-	-	35
Rehearsal expense	1,054	-	-	-	1,054
Soloist expense	55,200	-	-	-	55,200
Video production	51,150	-	-	-	51,150
Total Functional Expenses	\$ 707,506	\$ 269,256	\$ 176,763	\$ 446,019	\$ 1,153,525

MASTERSVOICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020

	Program Services	Support Services		Total Support Services	Total Program and Support
		Management and General	Fundraising		
Salaries	\$ 225,495	\$ 116,423	\$ 109,457	\$ 225,880	\$ 451,375
Employee benefits	33,060	17,191	15,869	33,060	66,120
Payroll taxes	17,713	9,211	8,502	17,713	35,426
Total salaries and related expenses	276,268	142,825	133,828	276,653	552,921
Advertising	55,387	-	-	-	55,387
Bad debts	300	-	-	-	300
Concert hall	66,050	-	-	-	66,050
Consultant expense	35,000	-	37,997	37,997	72,997
Commissions	2,500	-	-	-	2,500
Credit card fees	12,078	-	-	-	12,078
Depreciation	2,857	1,485	1,371	2,856	5,713
Dancer fees	3,000	-	-	-	3,000
Donor cultivation	-	-	23,866	23,866	23,866
Dues and subscriptions	2,423	-	-	-	2,423
Education	17,123	-	-	-	17,123
Event expense	22,021	-	-	-	22,021
Indirect costs of special events	-	-	34,996	34,996	34,996
Insurance	8,850	-	-	-	8,850
Lighting and costumes	11,752	-	-	-	11,752
Marketing and promotion	26,088	-	-	-	26,088
Music	12,596	-	-	-	12,596
Occupancy	31,266	16,259	15,008	31,267	62,533
Office expense	13,066	6,795	6,272	13,067	26,133
Orchestra	68,061	-	-	-	68,061
Professional fees	-	15,100	-	15,100	15,100
Recruitment	358	-	-	-	358
Rehearsal expense	24,030	-	-	-	24,030
Soloist expense	56,055	-	-	-	56,055
Total Functional Expenses	\$ 747,129	\$ 182,464	\$ 253,338	\$ 435,802	\$ 1,182,931

MASTERSVOICES, INC.
STATEMENTS OF CASH FLOWS

	June 30,	
	2021	2020
CASH FLOWS PROVIDED BY:		
<u>OPERATING ACTIVITIES:</u>		
Changes in net assets	\$ 37,692	\$ 64,589
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Bad debt expense	7,500	300
Depreciation	5,792	5,713
Discount on promise to give	(36)	(371)
Changes in certain assets and liabilities:		
Promises to give and grants receivable	42,669	(39,505)
Prepaid expenses	1,582	5,384
Accounts payable and accrued expenses	18,914	(11,510)
Accrued payroll and related liabilities	27,267	(7,011)
Refundable advances	11,500	82,600
Deferred revenue	-	(650)
Net Cash Provided by Operating Activities	<u>152,880</u>	<u>99,539</u>
<u>INVESTING ACTIVITIES:</u>		
Purchase of property and equipment	<u>(3,357)</u>	<u>(1,377)</u>
NET INCREASE IN CASH	149,523	98,162
CASH:		
Beginning of year	<u>215,563</u>	<u>117,401</u>
End of year	<u>\$ 365,086</u>	<u>\$ 215,563</u>

MASTERSVOICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 - NATURE OF ORGANIZATION:

MasterVoices, Inc. (“Organization”), is a performing arts organization, specializing in choral singing, whose mission is to spark greater human connections through musical storytelling. Its concerts bring professional soloists, directors, and designers together with a diverse volunteer chorus of 100-plus members from all walks of life.

Founded in 1941 by conductor Robert Shaw, MasterVoices was known as The Collegiate Chorale until 2015. Its legacy includes breaking barriers as one of the nation’s first interracial and interfaith choirs. Historic early performances included the 1952 opening of the United Nations, and multiple recordings under the batons of legendary conductors ranging from Arturo Toscanini and Leonard Bernstein to Ricardo Muti and Zubin Mehta. The chorus has been hired to perform with many top orchestras over the years, including the NBC Symphony, the New York Philharmonic, and the Israel Philharmonic. It has also appeared at the Barclays Center, Madison Square Garden, and the Verbier and Salzburg festivals, among many others.

In addition to its solid classical choral repertoire, the group is also known for lively concert productions of opera and musical theater. Performing at prestigious venues such as Carnegie Hall and New York City Center, it collaborates with visual artists, scenic designers, choreographers, and theater directors in ways that enliven the choral experience and make it more engaging for contemporary audiences. Notable premieres include works by composers ranging from Philip Glass to Paul McCartney, and historic restorations of Scott Joplin’s *Treemonisha*, Kurt Weill’s *The Eternal Road*, and the Gershwins’ *Let ’Em Eat Cake*. Recent commissions include Ricky Ian Gordon, Marisa Michelson, Tariq Al-Sabir, and Randall Eng; recent soloists include Renée Fleming, Julia Bullock, Kelli O’Hara, John Holiday, Miles Mykkanen, Nicole Cabell, and Jennifer Holliday.

The centerpiece of the Organization’s fiscal year 2021 season, a four-part digital reimaging of Adam Guettel’s *Myths and Hymns*, was directed by the group’s Tony Award-winning Artistic Director, Ted Sperling, and received a prestigious Drama League Award Nomination for Best Digital Concert Production. Featuring over 150 artists, *Myths and Hymns* has now been viewed by over 85,000 unique individuals. The group has also made a vigorous commitment to diversity. In addition to its flagship Side By Side outreach program, which offers gifted high school students from underserved communities the opportunity to mentor with chorus members and rehearse and perform with the chorus, the past two seasons have featured at least 50% artists of color. The group is presently engaged in an EDIA consultancy involving board, staff, and artists.

MASTERSVOICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting:

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation:

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

Net Assets Without Donor Restrictions – Net assets not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time, and other net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of the assets to be maintained permanently permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities and changes in net assets as net assets released from restrictions. Contributions with restrictions that are met in the same reporting period as they are received are reported as support without donor restrictions.

Property and Equipment:

Property and equipment acquired are considered to be owned by the Organization and are recorded at cost. Depreciation is computed using the straight-line method over a 5-year life. When assets are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the change in net assets for the period. Expenditures for repairs and maintenance that do not extend the useful lives of the related assets are expensed as incurred.

MASTEROICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Contributions and Promises to Give:

Contributions are recognized as revenue when they are received or unconditionally pledged. Conditional contributions and grants are not recognized until conditions are substantially met or explicitly waived by the donor or grantor. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the monies from the promises are to be received. The Organization uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experiences and management's analysis of the specific promise made. For the year ended June 30, 2021, the allowance for uncollectible promises was \$7,500. An allowance for uncollectible promises was not deemed necessary for the year ended June 30, 2020. At June 30, 2021 and 2020, the Organization had no conditional promises to give.

All contributions are available for use unless specifically restricted by the donor.

Government Grants:

The Organization's policy is to record the proceeds from government grants as conditional grants through refundable advances. Once the conditions of release have been substantially met or explicitly waived, the Organization will recognize the grant revenue.

Concert Revenue:

The Organization derives revenue from concert tickets sales and contracted performances. Revenues are recognized when the Organization's performance obligations are satisfied in an amount that reflects the consideration the Organization expects to be entitled to in exchange for the services.

Performance obligations are satisfied and revenues are recognized at a point in time on the date of the concert or performance. Payments from ticket sales or contracted performances are recorded as deferred revenue until the Organization's performance obligations are satisfied. There was no deferred revenue at June 30, 2021 and 2020.

There are no significant financing components or variable consideration.

Contributed Services and Materials:

Amounts are recognized in the financial statements for voluntary donations of services when those services create or enhance nonfinancial assets or require specialized skills provided by individuals possessing those skills and which would typically be purchased if not provided by donation. There were no contributed services for the year ended June 30, 2021. For the year ended June 30, 2020, contributed bookkeeping services totaled \$25,000.

MASTERSVOICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Contributed Services and Materials: (Continued)

Additionally, the Organization regularly receives services from volunteers who are not acting in a professional capacity. The volunteer services provided do not meet the criteria for financial statement recognition and, accordingly, are not included in the financial statements.

Donated property and goods are recorded as contributions at their estimated fair value on the date of donation. During the years ended June 30, 2021 and 2020, there was no donated property or goods.

Advertising:

Advertising costs are expensed in the year in which they are incurred. Advertising expense during the years ended June 30, 2021 and 2020, was approximately \$35,000 and \$55,000, respectively.

Income Taxes:

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not liable for federal and state income taxes.

The Organization follows standards that provide clarification on accounting for uncertainty in income taxes recognized in the Organization's financial statements. The guidance prescribes a recognition threshold and measurement attribute for the recognition and measurement of a tax position taken, or expected to be taken, in a tax return, and also provides guidance on derecognition, classification, interest and penalties, disclosure and transition. The Organization's policy is to recognize interest and penalties on unrecognized tax benefits in income tax expense. No interest and penalties were recorded during the years ended June 30, 2021 and 2020. At June 30, 2021 and 2020, there were no significant income tax uncertainties.

Use of Estimates:

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from those estimates.

MASTERSVOICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Recent Accounting Pronouncements:

The Financial Accounting Standards Board issued an accounting pronouncement, *Leases*, which requires lessees to recognize a right-of-use asset and lease liability on the statement of financial position for all leases with a term longer than 12 months. Under this new pronouncement, a modified retrospective transition approach is required, and the new standard is applied to all leases existing at the date of initial application. The pronouncement is effective for annual periods beginning after December 15, 2021. It will be effective for the Organization for the year ended June 30, 2023. The Organization is currently evaluating the effect the new pronouncement will have on its financial statements.

Subsequent Events:

The Organization has evaluated events subsequent to the statement of financial position date as of June 30, 2021, through November 10, 2021, the date that the financial statements were available to be issued.

NOTE 3 - PROMISES TO GIVE AND GRANTS RECEIVABLE:

Promises to give and grants receivable are as follows:

	June 30,	
	2021	2020
Gross promises to give and grants receivable	\$ 208,870	\$ 251,539
Less: allowance for uncollectible promises	(7,500)	-
Less: Unamortized discount	(64)	(100)
Promises to Give and Grants Receivable, Net	<u>\$ 201,306</u>	<u>\$ 251,439</u>
Amount due in:		
Less than one year	\$ 168,870	\$ 191,539
One to five years	40,000	60,000
Total Promises to Give and Grants Receivable	<u>\$ 208,870</u>	<u>\$ 251,539</u>

Promises to give have been discounted using treasury yield curve rates in the year the pledge was made. The applicable rates range from 0.07% to 0.25%.

MASTERSVOICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 4 - PROPERTY AND EQUIPMENT:

Property and equipment consists of the following:

	June 30,	
	2021	2020
Office equipment	\$ 28,081	\$ 29,331
Website	23,101	23,101
Property and equipment	51,182	52,432
Less: Accumulated depreciation	(41,403)	(40,218)
Property and Equipment, Net	<u>\$ 9,779</u>	<u>\$ 12,214</u>

NOTE 5 - REFUNDABLE ADVANCE:

The Organization obtained a Paycheck Protection Program (“PPP”) loan under the CARES Act in April 2020 for \$82,600. The loan was to provide the Organization with working capital for the purpose of maintaining employment levels and paying occupancy costs during a stay-at-home period ordered by the governor of New York. Paycheck Protection Program loans may be forgiven in part or in whole if the borrower maintains its employee count, as well as salary levels, during a specified period.

The Organization recorded the PPP funds received as a conditional government grant through refundable advance. As of June 30, 2021, all amounts received under the PPP were expended and recognized as revenue from government grants on the statements of activities and changes in net assets. The Organization received formal forgiveness of the PPP loan for its full amount from the U.S. Small Business Administration (“SBA”) in June 2021.

In March 2021, the Organization obtained a second-draw PPP loan for \$94,100. Any portion of the loan that is not forgiven must be repaid. Loan payments, if any, are deferred until the date the lender receives the applicable forgiven amount from the SBA, which is not to exceed 10 months after the covered period, and are payable with interest at 1% through March 2026. The loan is uncollateralized and guaranteed by the SBA. The Organization expects to receive forgiveness for substantially all of the loan based on the criteria for forgiveness.

MASTERSVOICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 6 - EMPLOYEE RETENTION CREDIT:

During the year ended June 30, 2021, the Organization applied for Employee Retention Credits totaling \$59,608 under the CARES Act. Employee Retention Credits are refundable, federal payroll tax credits available to eligible employers whose business has been financially impacted by COVID-19. The Organization accounts for Employee Retention Credits as government grants, and they are included in government grant revenue and promises to give and grants receivable in the accompanying statements of activities and changes in net assets and statements of financial position, respectively. Management believes the full amount of the credits will be collectible.

NOTE 7 - FUNCTIONAL EXPENSES:

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, employee benefits, payroll taxes, depreciation, occupancy, and office expenses, which are allocated based on studies of employee time and effort.

NOTE 8 - COMMITMENTS AND CONTINGENCIES:

The Organization leased office space for \$4,940 per month under an operating lease that expired October 31, 2021. The Organization entered into a new operating lease for office space beginning October 1, 2021, through September 30, 2023. Monthly rent under the new lease agreement will be \$2,848 through September 30, 2022, at which time monthly rent will become \$3,459 for the remainder of the lease term. The Organization also leases storage space on a month-to-month basis. For the years ended June 30, 2021 and 2020, rent expense was \$59,676 and \$62,533, respectively, and is reported as occupancy expenses in the statements of functional expenses.

Minimum lease payments required under noncancelable operating leases over the next three fiscal years are follows:

Year Ending	
June 30,	
2022	\$ 25,632
2023	39,675
2024	10,377
	<u>\$ 75,684</u>

MASTERSVOICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are available as follows:

	June 30,	
	2021	2020
Time restrictions	\$ 94,936	\$ 203,900

Net assets were released from donor restrictions as follows:

	Year Ended June 30,	
	2021	2020
Time restrictions	\$ 143,964	\$ 129,629
Reserve fund	-	20,000
Total Net Assets Released From Restrictions	\$ 143,964	\$ 149,629

NOTE 10 - CONCENTRATIONS OF RISK:

Cash:

The Organization maintains its cash in an account with a federally insured institution. At times, the balance of this account may be in excess of federally insured limits.

Promises to Give and Grants Receivable:

The Organization had three donors and one government agency that represent 89% of total promises to give and grants receivable as of June 30, 2021. The Organization had three donors that represent 84% of total promises to give and grants receivable as of June 30, 2020.

NOTE 11 - LIQUIDITY AND AVAILABILITY:

The following represents the Organization's financial assets reduced by amounts not available for general use within one year of the most recent statement of financial position date because of contractual or donor-imposed restrictions or internal designations that will not be met within one year.

	June 30,	
	2021	2020
Financial assets:		
Cash	\$ 365,086	\$ 215,563
Promises to give and grants receivable	201,306	251,439
Total Financial Assets	566,392	467,002

MASTERSVOICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 11 - LIQUIDITY AND AVAILABILITY: (Continued)

	June 30,	
	2021	2020
Less Amounts Not Available to be Used Within One Year:		
Net assets with donor restrictions	(94,936)	(203,900)
Add: Net assets with time restrictions to be met within one year	45,000	143,900
	<u>(49,936)</u>	<u>(60,000)</u>
Financial Assets Available to Meet General Expenditures Over the Next 12 Months	<u>\$ 516,456</u>	<u>\$ 407,002</u>

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 12 - RISKS AND UNCERTAINTIES:

The Organization is actively monitoring the COVID-19 outbreak and its potential impact on its employees, volunteers, donors, and operations. All live performances have been postponed until the 2021-2022 season. The Organization will be presenting its performances in a virtual format until live performances resume. It is not known at this time how the financial results will be affected. The potential impact of COVID-19 is not foreseeable due to various uncertainties, including the severity of the disease, the duration of the outbreak, and actions that may be taken by governmental entities.

NOTE 13 - SUBSEQUENT EVENT:

On July 9, 2021, the Organization was awarded a Shuttered Venue Operators Grant by the SBA in the amount of \$133,782. This grant will be accounted for as a government grant in accordance with the Organization's policy described in Note 2.