

CONCERTS IN MOTION INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2021

**(WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020)**

CONCERTS IN MOTION INC.

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(With Summarized Financial Information
For The Year Ended December 31, 2020)

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BLOOM AND STREIT LLP
CERTIFIED PUBLIC ACCOUNTANTS

MARK COHEN, CPA
WILLIAM J. RANK, CPA, CFP
LORI B. LERMAN, CPA

INDEPENDENT AUDITORS' REPORT

To the Board
CONCERTS IN MOTION INC.

Opinion

We have audited the accompanying financial statements of Concerts In Motion Inc., which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Concerts In Motion Inc., as of December 31, 2021, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We have conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Concerts In Motion Inc., and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Concerts In Motion Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Concerts In Motion Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate 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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Concerts In Motion Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Bloom and Streit LLP

BLOOM AND STREIT LLP
Certified Public Accountants
July 28, 2022

CONCERTS IN MOTION INC.

Statement of Financial Position

December 31, 2021
(With Summarized Financial Information
For The Year Ended December 31, 2020)

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS		
Cash in Bank - Checking	115,442	195,168
Cash in Bank - Savings and Money Market	608,787	498,234
Pledges Receivable	899,725	436,820
Accounts Receivable	16,400	29,950
Prepaid Expenses	27,253	37,588
Total Current Assets	<u>1,667,607</u>	<u>1,197,760</u>
PROPERTY AND EQUIPMENT		
Office Equipment	3,507	3,507
Less: Accumulated Depreciation	<u>(3,507)</u>	<u>(3,507)</u>
Total Property and Equipment	<u>0</u>	<u>0</u>
OTHER ASSETS		
Security Deposits	<u>1,300</u>	<u>0</u>
Total Other Assets	<u>1,300</u>	<u>0</u>
TOTAL ASSETS	<u>1,668,907</u>	<u>1,197,760</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	17,250	29,481
Paycheck Protection Program (PPP) Loan Payable	<u>0</u>	<u>100,507</u>
Total Current Liabilities	<u>17,250</u>	<u>129,988</u>
NET ASSETS		
Without Donor Restrictions	572,672	491,767
With Donor Restrictions	<u>1,078,985</u>	<u>576,005</u>
Total Net Assets	<u>1,651,657</u>	<u>1,067,772</u>
TOTAL LIABILITIES AND NET ASSETS	<u>1,668,907</u>	<u>1,197,760</u>

See accompanying notes and auditors' report

CONCERTS IN MOTION INC.

Statement of Activities

For the Year Ended December 31, 2021
(With Summarized Financial Information
For The Year Ended December 31, 2020)

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTALS 2021</u>	<u>TOTALS 2020</u>
REVENUE AND PUBLIC SUPPORT				
Grant Income	133,470	884,630	1,018,100	531,600
Gain on Extinguishment of Debt - PPP Loan	100,507	0	100,507	0
Donations and General Support	163,260	0	163,260	94,757
Program Fees	34,500	0	34,500	32,525
Gala Income	247,028	0	247,028	228,497
Interest and Miscellaneous Income	553	0	553	1,478
Net Assets Released from Restrictions:				
Expiration of time restrictions	381,650	(381,650)	0	0
Total Support	<u>1,060,968</u>	<u>502,980</u>	<u>1,563,948</u>	<u>888,857</u>
EXPENSES				
Program Services	732,110	0	732,110	626,263
General and Administrative	129,713	0	129,713	117,634
Fundraising	118,240	0	118,240	95,981
Total Expenses	<u>980,063</u>	<u>0</u>	<u>980,063</u>	<u>839,878</u>
Increase (Decrease) in Net Assets	80,905	502,980	583,885	48,979
Net Assets - Beginning of Year	<u>491,767</u>	<u>576,005</u>	<u>1,067,772</u>	<u>1,018,793</u>
Net Assets - End of Year	<u><u>572,672</u></u>	<u><u>1,078,985</u></u>	<u><u>1,651,657</u></u>	<u><u>1,067,772</u></u>

See accompanying notes and auditors' report

CONCERTS IN MOTION INC.

Statement of Cash Flows

For the Year Ended December 31, 2021
(With Summarized Financial Information
For the Year Ended December 31, 2020)

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Change in Net Assets	583,885	48,979
Adjustments to reconcile net assets to net cash provided by operating activities:		
Gain on Extinguishment of Debt - PPP Loan	(100,507)	0
Decrease (Increase) in operating assets:		
Pledges Receivable and Accounts Receivable	(449,355)	46,162
Prepaid Expenses	10,335	(28,183)
Security Deposits	(1,300)	6,275
Increase (Decrease) in operating liabilities:		
Accounts Payable and Accrued Expenses	(12,231)	17,923
Net cash provided by operating activities	<u>30,827</u>	<u>91,156</u>
Cash Flows From Financing Activities		
Proceeds from Paycheck Protection Program (PPP) Loan	<u>0</u>	<u>100,507</u>
Net cash provided by financing activities	<u>0</u>	<u>100,507</u>
Increase in Cash and Cash Equivalents	30,827	191,663
Cash and Cash Equivalents - Beginning of Year	<u>693,402</u>	<u>501,739</u>
Cash and Cash Equivalents - End of Year (see below)	<u><u>724,229</u></u>	<u><u>693,402</u></u>
Represented by:		
Cash in Bank - Checking	115,442	195,168
Cash in Bank - Savings and Money Market	608,787	498,234
Cash and Cash Equivalents (as above)	<u><u>724,229</u></u>	<u><u>693,402</u></u>
Supplemental Disclosures:		
Extinguishment of Debt	<u><u>100,507</u></u>	<u><u>0</u></u>

See accompanying notes and auditors' report

CONCERTS IN MOTION INC.

Notes to Financial Statements

December 31, 2021

Note 1

Nature of Activities

Concerts In Motion Inc. (the "Organization") is a nonprofit organization under Section 501 (c)(3) of the Internal Revenue Code. It was originally founded on November 18, 2009. The Organization provides music concerts to the homebound, hospitalized and otherwise isolated, principally, in the New York City metropolitan area.

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.

Estimates

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt investments available for current use with an initial maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

The Organization maintains various bank and money market accounts that at times may exceed insured credit limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk with respect to such balances.

Property and Equipment

It is the Organization's policy to capitalize significant expenditures for property and equipment. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions.

CONCERTS IN MOTION INC.

Notes to Financial Statements

December 31, 2021

Note 2

Summary of Significant Accounting Policies - continued

Unconditional Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

Net Assets

Net assets of the Organization are classified based upon the existence or absence of donor-imposed restrictions, as follows:

Net Assets without Donor Restrictions - net assets that are not subject to donor-imposed stipulations and, are, therefore, available for the general operations of the Organization.

Net Assets with Donor Restrictions - net assets that are subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time. As such restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets in the accompanying statement of activities as net assets released from restrictions.

CONCERTS IN MOTION INC.

Notes to Financial Statements

December 31, 2021

Note 2 Summary of Significant Accounting Policies - continued

Contributed Services

During the years ended December 31, 2021 and 2020, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

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 classified by the Internal Revenue Service as other than a private organization.

Cost Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include office expenses, compensation and benefits which are allocated on the basis of time and effort. Occupancy expenses are allocated based on usage of the building.

Note 3 Liquidity and Availability of Financial Assets

As of December 31, 2021 and 2020, the organization had \$1,640,354 and \$1,160,172, respectively of financial assets available within one year of the statement of financial position date for general use. These assets are not subject to donor or contractual restrictions that make them unavailable for general expenditures. As part of its liquidity management, the Organization keeps the majority of these financial assets in cash so they are available as general expenditures and liabilities come due.

Note 4 Pledges/Accounts Receivable

For the period ended December 31, 2021 and 2020, receivables in the amount of \$916,125 and \$466,770, respectively were recorded from New York State, New York City and various foundations and individuals. The receivables are recorded at their net realizable value and most are expected to be collected within one year. Included in the current year balance is a three year grant for \$675,000 from the Eugene M. Lang Foundation. As management believes it will collect the entire amount, it has not established an allowance for uncollectible accounts.

CONCERTS IN MOTION INC.

Notes to Financial Statements

December 31, 2021

Note 5 Property and Equipment

Property and Equipment consists of the following at December 31:

	<u>2021</u>	<u>2020</u>
Office Equipment	2,245	2,245
Furniture & Fixtures	<u>1,262</u>	<u>1,262</u>
	3,507	3,507
Less: accumulated depreciation	<u>3,507</u>	<u>3,507</u>
Total Property and Equipment	<u>-0-</u>	<u>-0-</u>

There was no depreciation expense for the years ending December 31, 2021 and 2020.

Note 6 Net Assets with Donor Restrictions

Net Assets with Donor Restrictions are subject to the following purpose or time restrictions:

	<u>2021</u>	<u>2020</u>
Subject to purpose restrictions:		
Bronxwood	<u>69,356</u>	<u>69,356</u>
	69,356	69,356
Subject to time restrictions:		
Support of 2021 programs	-0-	381,649
Support of 2022 programs	460,629	125,000
Support of 2023 programs	274,500	-0-
Support of 2024 programs	<u>274,500</u>	<u>-0-</u>
Total net assets with donor restrictions	1,078,985	506,649

During the year ended December 31, net assets released from restrictions consisted of the following:

	<u>2021</u>	<u>2020</u>
Expiration of time restriction	381,650	381,385

CONCERTS IN MOTION INC.

Notes to Financial Statements

December 31, 2021

Note 7 Gain on Extinguishment of Debt - PPP Loan

On April 19, 2020, the Organization was granted a loan from TD Bank in the amount of \$100,507, pursuant to the Paycheck Protection Plan (the "PPP") under Division A, Title 1 of the CARES Act, which was enacted March 27, 2020.

The loan which was in the form of a note dated April 19, 2020 issued by the borrower, was set to mature April 19, 2022 with interest at a rate of 1% per annum, which approximates the effective interest rate. The note could be prepaid by the borrower at any time prior to maturity with no prepayment penalties. Funds from the loan could only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities and interest on other debt obligations incurred for the eight or twenty four week period elected under the SBA program. The organization used the entire loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the loan could be forgiven if they were used for qualifying expenses as described in the CARES Act.

On March 23, 2021, the Organization received notification from the SBA that the entire loan balance of \$100,507 was forgiven.

Note 8 Lease Commitments

The Organization previously entered into a one year lease for office space located in New York City effective December 1, 2016. The lease had an option to extend the term on an annual basis through November 30, 2020 and the Organization vacated that location at the end of the lease. The lease required monthly lease payments of \$2,623. The Organization had no office space until they entered into a new twelve month lease for office space located in Mt. Kisco, NY, effective October 2021. This lease requires monthly payments of \$1,300 and required a security deposit of \$1,300.

Note 9 Subsequent Events

Management has evaluated subsequent events through July 28, 2022, the date at which the financial statements became available for issuance. No events have occurred that would require adjustments to, or disclosure in, the financial statements.

CONCERTS IN MOTION INC.

Schedule of Functional Expenses

For the Year Ended December 31, 2021
(With Summarized Financial Information
For the Year Ended December 31, 2020)

	Program	General and Admin.	Fundraising	Total 2021	2020
Salaries and Musician Fees	588,274	35,683	44,183	668,140	585,012
Payroll Taxes	57,050	3,344	4,141	64,535	53,976
Health Insurance and Employee Benefits	53,866	5,436	5,281	64,583	30,906
Accounting/Auditing Services	0	6,165	0	6,165	6,000
CFO Consulting Fees	0	60,000	0	60,000	50,000
Credit Card and Bank Fees	0	7,362	0	7,362	5,551
Benefit Expenses	0	0	19,030	19,030	5,237
Grant Writer/Development	0	0	31,596	31,596	24,562
Insurance	3,901	4,397	391	8,689	10,656
Meetings	144	588	0	732	901
Supplies/Printing/Postage	2,402	1,944	650	4,996	4,900
Payroll Processing	6,056	357	442	6,855	6,221
Rent and Utilities	6,740	2,410	3,021	12,171	31,875
Training and Memberships	1,199	1,265	4,812	7,276	2,990
Staff Travel	140	265	9	414	1,712
Computer Supplies/Services	11,056	308	4,419	15,783	10,941
Telephone and Internet	1,059	189	265	1,513	3,859
Miscellaneous Expenses	223	0	0	223	4,579
Total Expenses	732,110	129,713	118,240	980,063	839,878

See accompanying notes and auditors' report