

NEW ENGLAND MUSICIANS RELIEF FUND, INC.

FINANCIAL STATEMENTS

AND

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

FOR THE YEAR ENDED JUNE 30, 2022 AND FOR THE PERIOD AUGUST 10, 2020
(INCEPTION) THROUGH JUNE 30, 2021



Barrett & Scibelli, LLC
Certified Public Accountants

NEW ENGLAND MUSICIANS RELIEF FUND, INC.

FINANCIAL STATEMENTS

**FOR THE YEARS ENDED JUNE 30, 2022 AND FOR THE PERIOD AUGUST 10, 2020
(INCEPTION) THOROUGH JUNE 30, 2021**

TABLE OF CONTENTS

Independent Accountants' Review Report	1
Financial Statements	
Statements of Financial Position.....	2
Statements of Activities	3
Statements of Functional Expenses	4
Statements of Cash Flows.....	5
Notes to Financial Statements.....	6 - 10



Barrett & Scibelli, LLC

Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
New England Musicians Relief Fund, Inc.
Arlington, Massachusetts

We have reviewed the accompanying financial statements of New England Musicians Relief Fund, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the year ended June 30, 2022 and period ended August 10, 2020 (inception) through June 30, 2021, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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, we do not express such an opinion.

Managements' 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

Our responsibility is to conduct the review 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. 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.

We are required to be independent of New England Musicians Relief Fund, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' 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 accordance with accounting principles generally accepted in the United States of America.

Barrett & Scibelli, LLC

Winchester, Massachusetts
March 28, 2023

NEW ENGLAND MUSICIANS RELIEF FUND, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2022 AND 2021

(See Independent Accountants' Review Report)

	<u>2022</u>	<u>2021</u>
ASSETS		
Assets		
Cash	\$ 107,434	\$ 49,603
Other receivable	9,063	2,670
Investments	24,320	17,289
Prepaid expenses	<u>-</u>	<u>539</u>
Total assets	<u><u>\$ 140,817</u></u>	<u><u>\$ 70,101</u></u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	<u>\$ -</u>	<u>\$ 3,000</u>
Net assets		
Without donor restrictions	117,930	51,831
With donor restrictions	<u>22,887</u>	<u>15,270</u>
Total net assets	<u>140,817</u>	<u>67,101</u>
Total liabilities and net assets	<u><u>\$ 140,817</u></u>	<u><u>\$ 70,101</u></u>

The accompanying notes are an integral part of the financial statements.

NEW ENGLAND MUSICIANS RELIEF FUND, INC.

STATEMENTS OF ACTIVITIES

**FOR THE YEARS ENDED JUNE 30, 2022 AND FOR THE PERIOD ENDED
AUGUST 10, 2020 (INCEPTION) THROUGH JUNE 30, 2021**

(See Independent Accountants' Review Report)

	2022	2021
Without donor restrictions		
Revenue and support		
Contributions and grants	\$ 152,065	\$ 350,948
Other income	27	138
Investment income	22	25
Total revenue and support without donor restrictions	152,114	351,111
Expenses		
Program	75,145	269,500
Management and general	8,821	14,430
Fundraising	2,049	15,350
Total expenses	86,015	299,280
Change in net assets without donor restrictions	66,099	51,831
With donor restrictions		
Contributions and grants	7,617	15,270
Change in net assets with donor restrictions	7,617	15,270
Change in net assets	73,716	67,101
Net assets, beginning of year	67,101	-
Change in net assets and net assets, end of year	\$ 140,817	\$ 67,101

The accompanying notes are an integral part of the financial statements.

NEW ENGLAND MUSICIANS RELIEF FUND, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED JUNE 30, 2022 AND FOR THE PERIOD ENDED
AUGUST 10, 2020 (INCEPTION) THROUGH JUNE 30, 2021

(See Independent Accountants' Review Report)

	2022				2021			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Other expenses								
Grants to musicians	\$ 75,145	\$ -	\$ -	\$ 75,145	\$ 269,000	\$ -	\$ -	\$ 269,000
Professional fees	-	3,777	-	3,777	500	1,264	-	1,764
Office expense	-	2,131	-	2,131	-	3,440	-	3,440
Advertising and marketing	-	-	2,049	2,049	-	-	13,321	13,321
Insurance	-	1,287	-	1,287	-	212	-	212
Processing fees	-	776	-	776	-	7,796	-	7,796
Website	-	484	-	484	-	608	-	608
Filing fees	-	225	-	225	-	-	-	-
Dues and subscriptions	-	95	-	95	-	-	-	-
Postage	-	46	-	46	-	1,110	-	1,110
Fundraising	-	-	-	-	-	-	2,029	2,029
Total	<u>\$ 75,145</u>	<u>\$ 8,821</u>	<u>\$ 2,049</u>	<u>\$ 86,015</u>	<u>\$ 269,500</u>	<u>\$ 14,430</u>	<u>\$ 15,350</u>	<u>\$ 299,280</u>

The accompanying notes are an integral part of the financial statements.

NEW ENGLAND MUSICIANS RELIEF FUND, INC.

STATEMENTS OF CASH FLOWS

**FOR THE YEARS ENDED JUNE 30, 2022 AND FOR THE PERIOD ENDED
AUGUST 10, 2021 (INCEPTION) THROUGH JUNE 30, 2021**

(See Independent Accountants' Review Report)

	2022	2021
Cash flows from operating activities		
Change in net assets	\$ 73,716	\$ 67,101
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Changes in assets and liabilities:		
Other receivable	(6,393)	(2,670)
Prepaid expenses	539	(539)
Accounts payable and accrued expenses	(3,000)	3,000
Net cash provided by operating activities	64,862	66,892
Cash flows from investing activities		
Purchase of investments	(7,031)	(17,289)
Net cash used by investing activities	(7,031)	(17,289)
Net increase in cash	57,831	49,603
Cash, beginning of year	49,603	-
Cash, end of year	\$ 107,434	\$ 49,603

The accompanying notes are an integral part of the financial statements.

NEW ENGLAND MUSICIANS RELIEF FUND, INC.

NOTES TO FINANCIAL STATEMENTS

Note A – Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

New England Musicians Relief Fund, Inc. (“NEMRF”) is a nonprofit organization established in August 2020. NEMRF’s mission is to provide direct relief for professional musicians in New England experiencing hardship.

Founded in response to the acute crisis created by the COVID-19 shutdown of live music, NEMRF offers financial support for musicians experiencing extraordinary hardship. The pandemic laid bare how little a safety net exists for freelance professional musicians. NEMRF’s committed to building along lasting safety net for professional musicians in New England so that they can continue to make the music that we love.

Basis of Presentation

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

Net Assets

NEMRF reports information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the NEMRF. These net assets may include net assets whose use is limited by internally imposed restrictions.

Net assets with donor restrictions are subject to stipulations imposed by donors. Some donor restrictions are temporary in nature: those restrictions will be met by the actions of NEMRF or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of revenues and expenses and disclosures during the reporting period. Accordingly, actual results could differ from those estimates.

Investments

Investments in money market and mutual funds are measured at fair value. Realized gains and losses on portfolio transactions are accounted for on the first-in first-out cost method. Any unrealized gains and losses are included in the net change in unrestricted net assets.

NEW ENGLAND MUSICIANS RELIEF FUND, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note A – Nature of Activities and Summary of Significant Accounting Policies - Continued

Fair Value Measurements

NEMRF reports its fair value measures by using a three-level hierarchy that prioritizes the inputs used to measure fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This hierarchy, established by accounting principles generally accepted in the United States of America, prioritizes the inputs to valuation techniques used to measure fair value. The highest priority is assigned to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). NEMRF uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. The three levels of inputs used to measure fair value are as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that NEMRF has the ability to access.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from observable market data by correlation or other means.

Level 3 - Inputs that are unobservable.

NEMRF's investments consisted of money market funds and mutual funds as of June 30, 2022 and 2021. See Note C.

Revenue and Support

Contributions and grants are recorded as revenue and support when received or unconditionally pledged. All contributions and grants are available for use unless specifically restricted by the donor. All other donor restricted contributions and grants are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. Transfers are made to net assets without donor restrictions as costs are incurred or time restrictions have lapsed.

Contributions of donated services that create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided as a donation, are recorded at their fair value in the period in which the services are rendered. General volunteer services do not meet these criteria for recognition.

NEW ENGLAND MUSICIANS RELIEF FUND, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note A – Nature of Activities and Summary of Significant Accounting Policies - Continued

Income Tax Status

NEMRF is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”). NEMRF is not classified as a private foundation and contributions made to the Organization are deductible by donors as provided in Section 170 of the Code.

Generally accepted accounting principles in the United States of America prescribe the threshold a tax position is required to meet before being recognized in the financial statements. A liability for uncertain tax positions is recognized and recorded as a component of current income tax expense for differences between financial and income tax reporting positions which do not meet this threshold. Any interest and penalties related to uncertain tax positions are recorded as a component of income tax expense. NEMRF has reviewed its tax positions that remain subject to examination by tax authorities and has not identified any material uncertain tax positions and thus has not recorded any liability at June 30, 2022 and 2021.

NEMRF's federal and state tax returns are subject to possible examination by taxing authorities until the expiration of the related returns statutes. In general, the federal and state tax returns have a three-year statute of limitation from the date the tax returns were due or filed, whichever is later.

Functional Allocation of Expenses

The costs of providing various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising

NEMRF expenses advertising costs as they are incurred.

Note B – Liquidity and Availability of Financial Assets

The following reflects NEMRF’s financial assets as of the statements of financial position date:

	<u>2022</u>	<u>2021</u>
Financial assets at year-end:		
Cash	\$ 107,434	\$ 49,225
Investments	24,320	17,289
Purpose restricted net assets (Note D)	<u>(22,887)</u>	<u>(15,270)</u>
Financial assets available to meet general operating expenses within one year:	<u>\$ 108,867</u>	<u>\$ 51,244</u>

NEW ENGLAND MUSICIANS RELIEF FUND, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note B – Liquidity and Availability of Financial Assets - Continued

NEMRF reviews its cash position on a regular basis to ensure that adequate funds are available to meet operating expenses. Management believes that NEMRF has no liquidity issues.

NOTE C – Investments

As of June 30, 2022 and 2021, investment costs and unrealized gains consisted of the following:

	<u>2022</u>		
<u>Investment Type</u>	<u>Cost Basis</u>	<u>Unrealized Gain</u>	<u>Fair Value (Level 1)</u>
Money market funds	\$ 24,320	\$ -	\$ 24,320
Total	<u>\$ 24,320</u>	<u>\$ -</u>	<u>\$ 24,320</u>

	<u>2021</u>		
<u>Investment Type</u>	<u>Cost Basis</u>	<u>Unrealized Gain</u>	<u>Fair Value (Level 1)</u>
Money market funds	\$ 15,771	\$ -	\$ 15,771
Mutual funds	<u>1,515</u>	<u>3</u>	<u>1,518</u>
Total	<u>\$ 17,286</u>	<u>\$ 3</u>	<u>\$ 17,289</u>

As of June 30, 2022 and 2021, \$22,887 and \$15,270, respectively, of the money market funds are purpose restricted. See Note D.

Note D – Net Assets with Donor Restrictions

As of June 30, 2022 and 2021, net assets with donor restrictions of \$22,887 and \$15,270, respectively, are restricted for organizational development uses.

NEW ENGLAND MUSICIANS RELIEF FUND, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note E – Fiscal Sponsorship

In August 2020, NEMRF entered into a fiscal sponsorship agreement with the Arts & Business Council of Greater Boston, Inc. (“A&BC”). A&BC agreed to be the fiscal sponsor for NEMRF for the project titled New England Musicians Relief Fund (known as the “project”) as NEMRF awaited its 501(c)(3) designation. The agreement continues unless terminated in writing to the fiscal sponsor. The agreement terminated during the fiscal year ended June 30, 2022.

During the year ended June 30, 2022, the following project activity was recognized by A&BC:

Donations received	\$ 7,000
Fiscal sponsor fees	<u>(607)</u>
Net project activity	<u>\$ 6,393</u>

During the period August 10, 2020 (inception) through June 30, 2021, the following project activity was recognized by A&BC:

Donations received	\$ 135,229
Grants to musicians	(112,000)
Fiscal sponsor fees	(20,237)
Bank service fees	<u>(322)</u>
Net project activity	<u>\$ 2,670</u>

Note F – Subsequent Events

Management has evaluated subsequent events through March 28, 2023, the date the financial statements were approved and authorized for issuance by management, and determined that, other than as disclosed herein, there are no subsequent events that would require recognition or disclosure in the notes to the financial statements.

In December 2022, the NEMRF legally changed its name to the New England Musicians Resource Fund.