



HARMONY 4 ALL INC

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2024

Prepared Under Generally Accepted Accounting Principles

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Independent Auditor's Report

**To the Board of Directors and Financial Donors
Of Harmony 4 All Inc.**

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying statement of financial position of Harmony 4 All Inc. "The Company" as of December 31, 2024 and the related statements of activities and cash flows for the year ended, and the notes to the financial statements. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of The Company as of December 31, 2024 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our 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. In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern.

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 a guarantee that an audit conducted in accordance with the auditing standards generally accepted in United States of America will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

As part of an audit, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identified and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- Obtained 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 the Company's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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Independent Accountant
Dated: February 21, 2025

HARMONY 4 ALL INC

STATEMENT OF FINANCIAL POSITION

As of December 31, 2024

In US Dollars

	2024
Assets	
Current Assets	
Cash and Cash Equivalents	53
Total Current Assets	53
Total Assets	53
Liabilities and Equity	
Equity	
Net Assets, Beginning	(10)
Net Change in Assets	63
Total Equity	53
Total Liabilities and Equity	53

Director

See independent accountant's report and accompanying notes to financial statements.

HARMONY 4 ALL INC

STATEMENT OF ACTIVITIES

For The Year Ending December 31, 2024

In US Dollars

	2024		
	Without Restrictions	With Restrictions	Total
Support and Revenue			
Donations	11,812	-	11,812
Total Support and Revenue	11,812	-	11,812
Expenses			
Advertising and Marketing	2,339	-	2,339
Bank Charges and Fees	241	-	241
Case Study Expenses	302	-	302
Contract Labor	4,698	-	4,698
Legal & Professional Services	1,409	-	1,409
Equipment & Supplies	455	-	455
Stationery	259	-	259
Repairs & Maintenance	165	-	165
Software & Tools	655	-	655
Subscriptions Fee	1,005	-	1,005
Taxes & Licenses	221	-	221
Total Expenses	11,749	-	11,749
Net Change in Assets	63	-	63

Director

See independent accountant's report and accompanying notes to financial statements.

HARMONY 4 ALL INC

Cash Flow Statement

For The Year Ending December 31, 2024

In US Dollars

	2024
CASH GENERATED FROM OPERATING ACTIVITIES	
Net Change in Assets	63
Net Cash Generated from Operating Activities	63
CASH FLOW FROM FINANCING ACTIVITIES	
Net Assets, Beginning	(10)
Net Cash Flow from Financing Activities	(10)
Net Cash Flow from All Activities	
Add: Opening Cash & Cash Equivalents	-
Closing Cash and Cash Equivalents	53

Director

See independent accountant's report and accompanying notes to financial statements.

HARMONY 4 ALL INC

STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ending December 31, 2024

In US Dollars

	<u>Program Service Expenses</u>	<u>Management and General Expenses</u>	<u>Fundraising Expenses</u>	<u>Total</u>
Advertising and Marketing	-	2,339	-	2,339
Bank Charges and Fees	-	241	-	241
Case Study Expenses	-	302	-	302
Contract Labor	-	4,698	-	4,698
Legal & Professional Services	-	1,409	-	1,409
Equipment & Supplies	455	-	-	455
Stationery	-	259	-	259
Repairs & Maintenance	-	165	-	165
Software & Tools	-	655	-	655
Subscriptions Fee	1,005	-	-	1,005
Taxes & Licenses	-	221	-	221
Total	<u>1,460</u>	<u>10,289</u>	<u>-</u>	<u>11,749</u>

Director

HARMONY 4 ALL INC

Notes to the Financial Statements

For The Year Ending December 31, 2024

In US Dollars

These notes form an integral part of the financial statements.

1. LEGAL STATUS AND NATURE OF BUSINESS

Harmony 4 All is a 501(c)(3) non-profit organization dedicated to increasing accessibility to music education for underserved students. In accordance with Section 501(c)(3) of the Internal Revenue Code, Harmony 4 All operates exclusively for charitable and educational purposes, providing scholarships, free lessons, and instrument donations to remove financial barriers and support students in pursuing musical education.

2. STATEMENT OF COMPLIANCE

The accompanying Financial Statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

3. BASIS OF MEASUREMENT

In this financial statement, all transactions have been accounted for on accrual basis.

4. GRANT AND CONTRACT SUPPORT

Grants are restricted by virtually all funding sources as to geographic region in which they may be spent. In addition, certain funding sources also restrict the purpose for which their grant may be used. Program funds received from grants are recorded as revenue when earned.

5. NET ASSETS

Net assets, revenues, and expenses 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. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed 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. The Company does not have any donor restricted revenue or expenses.

6. JUDGMENT, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements is in conformity with approved accounting standards which require management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the period in which such revisions are made and in any future periods affected.

Significant management estimates in these financial statements relate to the useful life of property, plant and equipment, provisions and doubtful receivables. However, the management believes that the change in outcome of estimates would not have a material effect on the amounts disclosed in the financial statements.

Judgment made by management in the application of approved standards that have significant effect on the financial statements and estimates with a risk of material adjustment in subsequent year are as follows:

4.1 Depreciation method, rates and useful lives of property, plant and equipment

The management of the Company reassesses useful lives, depreciation method, and rates for each item of property, plant and equipment annual by considering expected pattern of economic benefits that the Company expects to derive from those items.

4.2 Provisions

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

4.3 Impairment

The carrying amounts of the Company's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment loss is recorded on judgmental basis, for which provision may differ in the future years based on the actual expense.

7. FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are prepared in United States Dollars which is the Company's functional currency.

8. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in preparation of these financial statements are set out below. These policies have been consistently applied to all years prescribed, unless otherwise stated.

6.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and cash with banks in current and saving accounts.

6.2 Property and equipment

Property and equipment are initially recognized at acquisition cost including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Subsequently, property and equipment are stated at cost less accumulated depreciation and any identified impairment losses. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the companies and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to income statement during the year in which they are incurred.

Depreciation is charged to statement of activity on reducing balance method by applying the depreciation rates so as to write off the depreciable amount of assets over their estimated useful lives. Depreciation on additions is charged from the month the asset is available for use, while no depreciation is charged in the month in which the asset is disposed of.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the income statement in the year the asset is derecognized.

6.3 Subsequent Events

Management has evaluated subsequent events for recognition and disclosure in the financial statements through December 31, 2024, which is the date the financial statements were available to be issued. Through December 31, 2024, no subsequent events required recognition or disclosure in the financial statements.

6.4 Taxation

The Company is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Internal Revenue Service has determined that the Company is not a "private foundation" within the meaning of Section 509(a) of the Code. The Company's income tax returns are potentially subject to examination by the Internal Revenue Service generally for three years after being filed. The Company has no uncertain tax positions for the current year or prior year.

6.5 Provisions

A provision is recognized when, and only when, the companies have a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

6.6 Use of estimates

The preparation of financial statements requires the certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are below:

- Operating fixed assets

7. General

The year represents the whole year, as of December 31, 2024.