

**VOICES OF KENTUCKIANA, INC.
LOUISVILLE, KENTUCKY**

**FINANCIAL STATEMENTS
AS OF JULY 31, 2021**

VOICES OF KENTUCKIANA, INC.
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STUEDLE SPEARS & COMPANY PSC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Voices of Kentuckiana, Inc.
Louisville, Kentucky

We have reviewed the accompanying statement of assets, liabilities, and net assets-modified cash basis of Voices of Kentuckiana, Inc. (a nonprofit organization) as of July 31, 2021 and the related statement of support, revenues and expenses-modified cash basis and the statement of cash flows-modified cash basis for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Accountant's 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 conformity with the modified cash basis of accounting described in Note 1.

Stuedle Spears & Company PSC

STUEDLE SPEARS & COMPANY PSC
Louisville, Kentucky

October 4, 2021

VOICES OF KENTUCKIANA, INC.
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSET
- MODIFIED CASH BASIS
JULY 31, 2021

	2021
<u>ASSETS</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 58,690
Prepaid Expenses	1,214
Total Current Assets	59,904
Property and Equipment	
Equipment	18,019
Attire	-
Less Accumulated Depreciation	(17,538)
Total Property and Equipment	481
Other Assets	
Music Library and Promotional Video	58,366
Less Accumulated Amortization	(56,014)
Total Other Assets	2,352
Total Assets	\$ 62,737
<u>LIABILITIES AND NET ASSETS</u>	
Liabilities	
Sales Tax	-
Deferred Revenue	\$ -
Total Liabilities	-
Net Assets	
Unrestricted	62,737
Total Net Assets	62,737
Total Liabilities and Members' Equity	\$ 62,737

See independent accountants' review report and note to financial statements

VOICES OF KENTUCKIANA, INC.
STATEMENT OF SUPPORT, REVENUES AND EXPENSES
- MODIFIED CASH BASIS
FOR THE YEAR ENDED JULY 31, 2021

	2021
Operating Revenues:	
Fundraising	\$ 19,979
Donations and Grants	65,712
Ticket Sales	4,640
Membership Dues	2,148
Other Income	1,002
Total Operating Revenues	93,481
Operating Expenses:	
Salaries	24,000
Advertising	7,765
Production Cost	1,536
Administrative Expense- Other	9,508
Amortization Expense	1,360
Fundraising Expense	15,736
Bad Debt	950
Total Operating Expenses	60,855
Total Operating Income (Loss)	32,626
Non-Operating Revenues and Expenses	
Interest Income	2
Total Non-Operating Income (Loss)	2
Increase (Decrease) in Net Assets	32,628
Net Assets, Beginning of Period	30,109
Net Assets, End of Period	\$ 62,737

See independent accountants' review report and note to financial statements

VOICES OF KENTUCKIANA, INC.
STATEMENT OF CHANGES IN CASH FLOWS
- MODIFIED CASH BASIS
FOR THE YEAR ENDED JULY 31, 2021

	2021
Cash Flows from Operating Activities:	
Net income (loss)	\$ 32,628
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:	
Amortization	1,360
Changes in Assets and Liabilities:	
Decrease (Increase) in Prepaid Expenses	11,448
(Decrease) Increase in Deferred Revenue	(193)
(Decrease) Increase in Deferred Revenue	(7,640)
Net Cash Provided (Used) By Operating Activities	37,603
Cash Flows from Investing Activities:	
Equipment Purchases	
Loss on Equipment Disposals	320
Net Cash Provided (Used) By Investing Activities	320
Net Increase (Decrease) in Cash and Cash Equivalents	37,923
Cash & Cash Equivalents at Beginning of Year	20,767
Cash & Cash Equivalents at End of Year	\$ 58,690
Supplement Disclosures of Cash Flow Information:	
Interest paid during the year	\$ -
Income taxes paid during the year	\$ -

Note: For purposes of the statement of cash flows, the entity considers all highly liquid investments with a maturity date of 90 days or less to be cash and cash equivalents.

VOICES OF KENTUCKIANA, INC.
NOTES TO FINANCIAL STATEMENTS
JULY 31, 2021

Note 1 - Background and Summary of Significant Accounting Policies

- A. Voices of Kentuckiana, Inc. was incorporated March 18, 1994. Its purpose is a voluntary, not-for-profit chorus that is fully inclusive and self-affirming. The membership is inclusive of lesbian, gay, bisexual, transgendered and heterosexual friends providing the opportunity for gay, lesbian and supportive others to sing together. Its primary sources of revenues are one large fundraiser and performance ticket sales.
- B. The Association is a nonprofit organization operating in compliance with the Internal Revenue Code, under Code 501(c)3. The tax returns of the Organization for 2020, 2019, and 2018 are subject to examination by the IRS and state taxing authorities, generally for three years after they were filed.
- C. Basis of Accounting
The accompanying financial statements are prepared on the modified cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles. This basis of accounting does not recognize accounts receivable and related revenues or accounts payable and related expenses.
- D. Cash and Cash Equivalents
For purposes of the Statement of Cash Flows, the Association considers all unrestricted highly liquid investments with a maturity of three months or less to be cash equivalents.
- E. Use of Estimates
The preparation of financial requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- F. Inventory
Inventory is valued at the lower of cost or market using the specific identification method.
- G. Fixed Assets
Purchased property and equipment is capitalized at historical cost. Generally it is the organization's policy to capitalize expenditures for these items in excess of \$500. Donated fixed assets are recorded at their estimated fair market value on the date donated. Depreciation is computed on a straight line basis over the estimated useful life of 5-7 years.

VOICES OF KENTUCKIANA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JULY 31, 2021

Note 1 - Background and Summary of Significant Accounting Policies (Continued)

H. Public Support and Revenue

Contributions are recognized when received by the Organization that are, in substance, unconditional. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. All contributions are assumed to be available for unrestricted use unless specifically restricted by the donor. At July 31, 2021, no restrictions existed on net assets.

The Organization also receives in-kind contributions in the form of donated goods and services. However, the Organization did not receive any donated goods and services of this type for the year ending July 31, 2021.

I. Advertising

The Organization's policy is to expense advertising cost as incurred.

Note 2- Fixed Assets

All fixed assets purchased are recorded at historical cost. Donated fixed assets are recorded at their estimated fair market value on the date donated. Depreciation is computed on a straight line basis over the estimated useful life of 5-7 years. Depreciation expense for the year ended July 31, 2021 was \$0.

<u>Assets</u>	End of Year 7/31/2020	Additions	Deletions	End of Year 7/31/2021
Equipment	\$ 21,617	\$ -	\$ 3,598	\$ 18,019
Attire	1,588	-	1,588	-
Total Attire and Equipment	\$ 23,205	\$ -	\$ 5,186	\$ 18,019
	End of			End of
<u>Accumulated Depreciation</u>	Year 7/31/2020	Additions	Deletions	Year 7/31/2021
Property and Equipment	\$ 22,524	-	4,986	17,538
Total Accumulated Depreciation	\$ 22,524	\$ -	\$ 4,986	\$ 17,538

See independent accountants' review report and note to financial statements

VOICES OF KENTUCKIANA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JULY 31, 2021

Note 3- Music Library

The association has intangible assets consisting of a music library. It consists of custom written arrangements specifically for Voices of Kentuckiana, Inc. as well as copies of sheet music for all members' use. The copies have been used in later rehearsals and performances.

<u>Assets</u>	End of Year 7/31/2020	Additions	Deletions	End of Year 7/31/2021
Music Library	\$ 61,266	\$ -	\$ 2,900	\$ 58,366
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Total Library and Video	\$ 61,266	\$ -	\$ 2,900	\$ 58,366
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<u>Accumulated Amortization</u>	End of Year 7/31/2020	Additions	Deletions	End of Year 7/31/2021
Music Library	\$ 57,554	\$ 1,360	\$ 2,900	\$ 56,014
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Total Accumulated Amortization	\$ 57,554	\$ 1,360	\$ 2,900	\$ 56,014

The library is amortized over a 5-year useful life. Amortization expense for the years ended July 31, 2021 was \$1,360.

Note 4- Administrative Expenses- Other

Administrative Expenses- Other consist of the following:

	<u>2021</u>
Rent	\$ 2,595
Insurance	2,394
Professional Fees	1,900
Office Expense	840
Bank Service Charges	761
Professional Dues	435
Website Expenses	381
Postage and Mailing	154
Organization Filing Fees	35
Payroll Expenses	13
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Total Management and General	\$ <u>9,508</u>

See independent accountants' review report and note to financial statements

VOICES OF KENTUCKIANA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JULY 31, 2021

Note 5- Fair Value of Financial Instruments

The carrying amount of financial instruments, including cash and certificates of deposit approximate fair value due to short term maturity of these instruments.

Note 6- Evaluation of Subsequent Events

The organization has evaluated subsequent events through October 4, 2021, the date of which the financial statements were available to be issued.

Note 7- Covid 19 Impact

During March 2020, the World Health Organization declared the coronavirus (COVID-19) outbreak to be a pandemic. COVID-19 continues to spread across the globe and is impacting worldwide economic activity and financial markets. The Organization is closely monitoring the impact of the COVID-19 pandemic on all aspects of its operations. As of July 31, 2021, and as of the date that the financial statements were issued, the Organization has experienced significant disruption in its operations. Since the situation surrounding the COVID-19 pandemic remains fluid, the long-term duration, nature, and extent of the effects on the Organization cannot be reasonably estimated at this time.