

ROOTS OF MUSIC, INC.

Financial Statements

December 31, 2025

(With Independent Auditor's Report Thereon)

ROOTS OF MUSIC, INC.

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Society of Louisiana CPAs

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Independent Auditor's Report

**To the Board of Directors
Roots of Music, Inc.
New Orleans, Louisiana**

Opinion

We have audited the accompanying financial statements of Roots of Music, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Roots of Music, Inc. as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Roots of Music, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 the 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.

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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 Roots of Music, 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 generally accepted auditing standards and *Government Auditing Standards* 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 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 and *Government 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 Roots of Music 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 evaluate 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 Roots of Music, 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.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head on page 17 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2026, on our consideration of Roots of Music Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Roots of Music, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Roots of Music, Inc.'s internal control over financial reporting and compliance.

Griffin & Furman, LLC

Covington, Louisiana

September 3, 2026

ROOTS OF MUSIC, INC.

Statement of Financial Position

December 31, 2025

Assets

Cash and cash equivalents	\$	1,318,527	
Grants and contributions receivable		593,750	
Security deposit		1,650	
Property and equipment, net		<u>2,571,415</u>	
Total assets			\$ <u><u>4,485,342</u></u>

Liabilities and Net Assets

Liabilities:			
Accounts payable	\$	43,892	
Accrued expenses		13,336	
Note payable		<u>145,667</u>	
Total liabilities			202,895
Net assets:			
Without donor restrictions		3,144,697	
With donor restrictions		<u>1,137,750</u>	
Total net assets			<u>4,282,447</u>
Total liabilities and net assets			\$ <u><u>4,485,342</u></u>

See accompanying notes to the financial statements.

ROOTS OF MUSIC, INC.

Statement of Activities

For the Year Ended December 31, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenues:			
Grants and contributions	\$ 1,714,393	3,391,000	5,105,393
Performance revenue	92,699	-	92,699
Interest income	3,022	-	3,022
Net assets released from restrictions	<u>2,361,250</u>	<u>(2,361,250)</u>	<u>-</u>
 Total support and revenues	 <u>4,171,364</u>	 <u>1,029,750</u>	 <u>5,201,114</u>
Expenses:			
Program services:			
Music education	725,522	-	725,522
Academic support and mentorship	298,525	-	298,525
Healthy eating	119,774	-	119,774
Support services:			
General and administrative	471,779	-	471,779
Fundraising	<u>349,932</u>	<u>-</u>	<u>349,932</u>
 Total expenses	 <u>1,965,532</u>	 <u>-</u>	 <u>1,965,532</u>
 Change in net assets	 2,205,832	 1,029,750	 3,235,582
 Net assets - beginning of year	 <u>938,865</u>	 <u>108,000</u>	 <u>1,046,865</u>
 Net assets - end of year	 <u>\$ 3,144,697</u>	 <u>1,137,750</u>	 <u>4,282,447</u>

See accompanying notes to the financial statements.

ROOTS OF MUSIC, INC.

Statement of Functional Expenses

For the Year Ended December 31, 2025

	<u>Program Services</u>			<u>Support Services</u>		
	<u>Music Education</u>	<u>Academic Support and Mentorship</u>	<u>Healthy Eating</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 416,733	62,510	-	104,183	111,129	694,555
Student transportation	42,417	193,233	-	-	-	235,650
Professional fees	24,599	-	-	98,397	122,996	245,992
Depreciation and amortization	30,269	7,567	-	30,268	7,567	75,671
Operations	5,435	-	-	52,179	51,092	108,706
Employee benefits	43,205	6,481	-	10,802	11,522	72,010
Payroll taxes	31,881	4,782	-	7,970	8,501	53,134
Apparel	18,311	-	-	-	9,019	27,330
Facility repairs and maintenance	43,712	-	-	43,712	-	87,424
Occupancy	-	10,107	-	1,617	1,752	13,476
Interest	-	-	-	19,585	-	19,585
Travel	7,317	5,749	-	11,760	1,307	26,133
Food	2,576	3,864	119,774	2,576	-	128,790
Musical equipment / repairs	7,842	-	-	-	-	7,842
Insurance	-	-	-	52,330	-	52,330
Supplies	26,858	-	-	19,472	20,815	67,145
Berklee program	7,440	-	-	-	-	7,440
Utilities	16,927	4,232	-	16,928	4,232	42,319
Total expenses	\$ 725,522	298,525	119,774	471,779	349,932	1,965,532

See accompanying notes to the financial statements.

ROOTS OF MUSIC, INC.

Statement of Cash Flows

For the Year Ended December 31, 2025

Cash flows from operating activities:		
Change in net assets		\$ 3,235,582
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	\$ 75,671	
(Increases) decreases in assets:		
Grants and contributions receivable	(396,750)	
Prepaid expenses	1,964	
Increases (decreases) in liabilities:		
Accounts payable	22,628	
Accrued expenses	1,983	
Lease liability	(17,817)	
Total adjustments		<u>(312,321)</u>
Net cash provided by operating activities		2,923,261
Cash flows from investing activities:		
Purchase of property and equipment	(2,012,196)	
Construction in progress	(411,022)	
Net cash used by investing activities		<u>(2,423,218)</u>
Cash flows from financing activities:		
Principal payments on note payable	(33,091)	
Net cash used by financing activities		<u>(33,091)</u>
Net increase in cash and cash equivalents		466,952
Cash and cash equivalents, beginning of year		<u>851,575</u>
Cash and cash equivalents, end of year		\$ <u><u>1,318,527</u></u>

See accompanying notes to the financial statements.

ROOTS OF MUSIC, INC.

Notes to the Financial Statements

December 31, 2025

(1) Nature of Operations

On October 2, 2007, Roots of Music, Inc. (the Organization) was organized as a Louisiana nonprofit corporation. The Organization serves over 100 students, making up a full marching band that has live performances.

The Organization operates the following programs:

Music Education - The Organization provides music education to students ages 9 through 14 from low-income households via the band program. The program includes music history and theory as well as instrumental instruction and ensemble performance preparation. In addition, the Organization offers an afterschool program in early music education for grades kindergarten and first and an audio engineering and studio production program for youth ages 15 through 19 years old.

Academic Support and Mentorship - The Organization provides transportation, academic support, and mentorship to reduce common barriers to participation and motivate students toward success in the program and scholastic pursuits.

Healthy Eating - The Organization provides students with hot meals to encourage healthy habits to maintain in their daily lives and into the future.

The following are supporting services:

Fundraising - Fundraising consists of events and performances which provide for operations and the mission of the Organization.

General and Administrative - General and administrative consists of oversight, general and financial operations, and technology maintenance for the Organization.

(2) Summary of Significant Accounting Policies

(a) Financial Statement Presentation

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred. The Organization reports information regarding financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions, based on donor stipulations and restrictions placed on contributions, if any.

(b) Net Assets Without Donor Restrictions

Net assets available for use in general operations and not subject to donor-imposed restrictions.

ROOTS OF MUSIC, INC.

Notes to the Financial Statements

December 31, 2025

(c) Net Assets With Donor 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. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

(d) Functional Allocation of Expenses

The costs of providing program services and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents expenses by both their natural and functional classification. Accordingly, certain costs have been allocated among program and supporting services based on estimates of the relative benefits received.

Expenses are allocated on a consistent and reasonable basis. Where possible, costs are directly charged to the function they benefit. Costs that benefit multiple functions are allocated using systematic methods as described below:

- *Salaries, wages, and related costs (including employee benefits and payroll taxes)*

Allocated based on estimates of time and effort of personnel devoted to each program and supporting service. These estimates are developed by management and, where appropriate, supported by time studies or job descriptions.

- *Student transportation and program-specific costs (e.g., food, musical equipment, Berklee program costs)*

Directly allocated to the applicable program based on actual usage or participation.

- *Professional fees*

Allocated based on the nature of the services provided. Program-related consulting and instruction are charged to program services, while legal, audit, and administrative consulting are allocated to general and administrative or fundraising based on the underlying purpose of the service.

- *Occupancy and utilities*

Allocated based on relative square footage utilized by each function.

- *Facility repairs and maintenance, depreciation, and operations*

Allocated based on usage of facilities and related assets, generally derived from square footage or an estimate of program versus administrative utilization of the space.

ROOTS OF MUSIC, INC.

Notes to the Financial Statements

December 31, 2025

- *Insurance*

Allocated based on the nature of coverage and underlying assets or activities insured, which generally approximates the functional allocation of related facilities and operations.

- *Supplies, travel, and other shared costs*

Allocated based on estimates of usage, which may include headcount, program participation, or management's assessment of relative benefit.

- *Apparel and other program materials*

Allocated based on the specific program or function benefiting from the expenditure.

Management believes these allocation methodologies are reasonable and consistently applied.

(e) Cash and Cash Equivalents

Cash consists of currency on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less from the date of acquisition.

(f) Grants and Contributions Receivable

Grants and contributions receivable totaled \$593,750 on December 31, 2025.

The balance includes a receivable of \$393,750 related to an unconditional pledge under the Shearer Gift Agreement. The original pledge totaled \$525,000 and is payable in monthly installments of approximately \$14,583 over a 36-month period. At December 31, 2025, 27 monthly installments remained outstanding. Approximately \$174,996 is expected to be collected within one year and \$218,754 is expected to be collected in one to five years. Although the pledge is unrestricted as to purpose, amounts payable in future periods are subject to an implied time restriction and are reported within net assets with donor restrictions.

The remaining balance of \$200,000 relates to funding provided under a Cooperative Endeavor Agreement (CEA) between the Organization and the State of Louisiana (CEA #25-945-484), associated with a legislatively approved appropriation for the Marching Crusaders Band Program. As outlined in the agreement, the appropriation is designated for transportation costs, specifically contracted bus services.

The CEA operates on an allowable-cost reimbursement basis, under which the Organization is reimbursed for eligible transportation expenses incurred in accordance with the approved budget, upon submission of required supporting documentation. During the year, the Organization incurred \$200,000 of qualifying transportation costs for which reimbursement had not yet been received as of year-end due to the timing of documentation submission and approval. As these conditions have been substantially met, the Organization has recognized the related revenue and recorded a receivable of \$200,000 at year-end.

ROOTS OF MUSIC, INC.

Notes to the Financial Statements

December 31, 2025

Grants and contributions receivable are recorded at their estimated net realizable value. Unconditional promises to give expected to be collected beyond one year are generally recorded at the present value of estimated future cash flows. The effect of discounting the Organization's long-term contribution receivable at December 31, 2025 was not material to the financial statements. Management has evaluated the collectability of all receivables and determined that all amounts are fully collectible; accordingly, no allowance for doubtful accounts has been recorded as of December 31, 2025.

(g) Income Taxes

The Organization is a nonprofit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is also exempt from applicable state income taxes; accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

Management has evaluated its tax positions in accordance with generally accepted accounting principles and has determined that there are no uncertain tax positions that are material to the financial statements. Any penalties and interest, if incurred, would be included in income tax expense.

The Organization's Forms 990 for the years ended 2023, 2024, and 2025 are subject to examination by the Internal Revenue Service, generally for three years after they are filed.

(h) Concentrations of Revenue

The primary sources of revenue for the Organization are private contributions and grants. The success of the Organization is dependent upon the continued receipt of private contributions and grants.

During the year ended December 31, 2025, the Organization recognized significant contribution revenue from several donors. Total support and revenue for the year was approximately \$5,201,114, of which approximately \$2,060,000 (40%) was attributable to a foundation affiliated with a member of the Organization's Board of Directors, approximately \$636,000 (12%) was attributable to another donor, and approximately \$525,000 (10%) was attributable to a third donor. Collectively, these contributions represented approximately 62% of the Organization's total support and revenue for the year.

(i) Revenue Recognition and Receivables

The Organization recognizes revenue in accordance with ASC 958-605, as clarified by ASU 2018-08. Contributions, including unconditional promises to give, are recognized as revenue when received or when an unconditional promise is made, and are reported as increases in net assets without donor restrictions or net assets with donor restrictions depending on donor stipulations. Donor-restricted amounts are reclassified to net assets without donor restrictions when restrictions are satisfied through the passage of time or when the specified purpose is met, and are reported as net assets released from restrictions.

ROOTS OF MUSIC, INC.

Notes to the Financial Statements

December 31, 2025

Conditional contributions, including grants that contain barriers and a right of return or release, are not recognized as revenue until the conditions are substantially met. Amounts received in advance of meeting such conditions are recorded as refundable advances until the conditions are satisfied. The Organization also receives grants and contracts that are considered exchange transactions, which are recognized as revenue as related performance obligations are satisfied or allowable costs are incurred under cost-reimbursement arrangements.

Performance income is recognized when the performance obligation of the band performing as stipulated in the contract has been satisfied. Revenue from merchandise sales is recognized at the point in time when control of the merchandise is transferred to the customer.

(j) Property and Equipment

Property and equipment are recorded at cost, or at fair value for donated assets, and depreciated over the estimated useful lives of the related assets using the straight-line method. The Organization capitalizes expenditures for property and equipment in excess of \$1,500. Maintenance and repairs are expensed as incurred. Construction in progress represents costs associated with assets not yet placed in service.

During the year ended December 31, 2025, the Organization received a significant donor-restricted contribution from the Goldring Family Foundation, affiliated with board member Jeffrey Goldring, designated for the acquisition of building and land. The building and land were acquired in June 2025 using these restricted funds. Upon acquisition of the building and land and application of the funds to their designated purpose, the related donor restriction was considered satisfied, and the contribution was released from restriction accordingly.

(k) Use of Estimates

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

ROOTS OF MUSIC, INC.

Notes to the Financial Statements

December 31, 2025

(3) Liquidity and Availability of Financial Assets

The Organization monitors its liquidity and operates under a budget so that it is able to meet its operating needs. The following table reflects the Organization's financial assets as of December 31, 2025, reduced by amounts not available for general expenditures within one year:

Cash and cash equivalents	\$ 1,318,527
Grants and contributions receivable	<u>593,750</u>
Total financial assets	1,912,277
Less amounts unavailable for general expenditures within one year:	
Cash and cash equivalents	(744,000)
Grants and contributions receivable	<u>(218,754)</u>
Financial assets available to meet general expenditures within one year:	<u>\$ 949,523</u>

The Organization manages its liquidity by monitoring cash flows and operating under an annual budget. The Organization receives contributions and grants both with and without donor restrictions to support its programs and operations.

(4) Property and Equipment

Property and equipment is summarized as follows:

Land	\$ 1,520,000
Building	903,651
Furniture, fixtures, and equipment	310,731
Less accumulated depreciation	<u>(162,967)</u>
Property and equipment, net	<u>\$ 2,571,415</u>

Depreciation of property and equipment amounted to \$58,718 in 2025. Depreciation and amortization expense reported in the statement of functional expenses also includes \$16,953 of amortization related to a right-of-use asset under an operating lease that expired during the year.

ROOTS OF MUSIC, INC.

Notes to the Financial Statements

December 31, 2025

(5) Net Assets with Donor Restrictions

Net assets with donor restrictions are subject to restrictions imposed by donors that specify the purpose for which the assets may be used. The Organization's net assets with donor restrictions are subject to donor-imposed purpose and time restrictions.

The following table summarizes the changes in net assets with donor restrictions for the year ended December 31, 2025:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending Balance</u>
Social worker programs	\$ 108,000	85,000	(85,000)	108,000
Music education	-	15,000	(15,000)	-
Marching crusaders	-	30,000	(30,000)	-
Transportation	-	100,000	(100,000)	-
Capital - building and land	-	2,000,000	(2,000,000)	-
Time restriction pledge	-	525,000	(131,250)	393,750
Kitchen remodel	-	636,000	-	636,000
	<u>\$ 108,000</u>	<u>3,391,000</u>	<u>(2,361,250)</u>	<u>1,137,750</u>

During the year ended December 31, 2025, the Organization recognized \$3,391,000 of contributions subject to donor restrictions and released \$2,361,250 from donor restrictions as the specified purposes or time restrictions were satisfied. As of December 31, 2025, \$1,137,750 of net assets remained subject to donor restrictions, consisting of \$108,000 for social worker programs, \$636,000 for the kitchen remodel, and \$393,750 related to a time-restricted multi-year pledge.

(6) Leases

Operating Lease

The Organization was previously in a lease that began in May 2018 and ended in 2023. In June 2023, the Organization entered into a new property lease agreement for office space used in its operations. The lease has a two-year term and requires monthly payments of \$3,000. The contractual lease term expired in June 2025; however, the Organization was permitted to continue occupying the space through August 2025 under the same monthly payment terms. The lease does not include any renewal, purchase, or termination options, and the Organization does not have any residual value guarantees related to the leased property.

Total lease expense recognized for the year ended December 31, 2025, was approximately \$24,000, representing 8 months of payments under the lease agreement. Lease expense is included in occupancy expense on the accompanying statement of functional expenses. The lease was terminated in August 2025.

ROOTS OF MUSIC, INC.

Notes to the Financial Statements

December 31, 2025

(7) Note Payable

During 2024, the Organization entered into a financing arrangement to acquire musical instruments with a total cost of \$196,370. The instruments were financed through a note payable bearing interest at an annual rate of 11.39%. The note is payable in monthly installments over a 60-month term and is secured by the related musical instruments.

Principal payments totaling \$33,091 were made during the year ended December 31, 2025. Interest expense incurred related to the note payable totaled \$18,971 for the year ended December 31, 2025. The outstanding principal balance of the note payable at December 31, 2025 was \$145,667.

Future principal maturities of the note payable are as follows:

<u>Year ending December 31,</u>	<u>Amount</u>
2026	\$ 37,023
2027	41,422
2028	46,323
2029	<u>20,899</u>
Total	\$ <u>145,667</u>

(8) Concentrations of Credit Risk

The Organization periodically maintains cash balances in bank accounts in excess of federally insured limits. The Organization has not experienced any losses related to these balances and believes credit risk to be minimal due to the financial strength of the financial institutions in which deposits are held. At December 31, 2025, approximately \$957,984 of cash balances exceeded Federal Deposit Insurance Corporation coverage limits.

Grants and contributions receivable are concentrated among two funding sources. At December 31, 2025, approximately 66% of grants and contributions receivable was due under a multi-year gift agreement, and approximately 34% was due from the State of Louisiana under a Cooperative Endeavor Agreement. Management has evaluated the collectability of these receivables and believes the amounts are fully collectible.

(9) Related Party Transactions

The Organization has a volunteer Board of Directors and received contributions of approximately \$2,189,758 from board members, companies in which board members have ownership interests, and immediate family members of board members and management during the year ended December 31, 2025.

ROOTS OF MUSIC, INC.

Notes to the Financial Statements

December 31, 2025

Included in this amount are contributions from a foundation affiliated with a member of the Organization's Board of Directors, consisting primarily of a \$2,000,000 restricted contribution designated for the purchase of a building acquired during 2025. The Organization utilized the restricted funds for their intended purpose during the year.

In addition, the Organization received a restricted contribution of approximately \$60,000 from the same affiliated foundation designated to support costs associated with a social worker position and related program services.

(10) Evaluation of Subsequent Events

The Organization has evaluated subsequent events through September 3, 2026, the day the financial statements were available to be issued. These financial statements relate to the year ended December 31, 2025. Based on this evaluation, no subsequent events were identified that would require adjustment to or disclosure in the accompanying financial statements.

ROOTS OF MUSIC, INC.

**Schedule of Compensation, Benefits, and Other
Payments to Agency Head**

For the Year Ended December 31, 2025

**Schedule is not applicable as no compensation, benefits, or other
payments to the agency head are made from public funds.**



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**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

To the Board of Directors of
Roots of Music, Inc.
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Roots of Music, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 3, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Covington
205 E. Lockwood St.
Covington, LA 70433
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2915 S. Sherwood Forest Blvd.,
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Baton Rouge, LA 70816
Phone (225) 292-7434
Fax (225) 293-3651

West Monroe
4900 Cypress St. #15
West Monroe, LA 71291
Phone (318) 397-2472

New Orleans
525 St Charles Ave,
New Orleans, LA 70130
Phone (504) 299-3434

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2025-1.

Roots of Music, Inc.'s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Roots of Music, Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings. The Organization's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Griffin & Furman, LLC

Covington, Louisiana

September 3, 2026

ROOTS OF MUSIC, INC.

Schedule of Findings

Year Ended December 31, 2025

Summary of Auditor's Results

- 1. Type of auditor's report issued - unmodified**
- 2. Internal Control Over Financial Reporting**
 - a. Significant Deficiencies - None**
 - b. Material Weaknesses - None**
- 3. Compliance and Other Matters - Yes (2025-1)**
- 4. Management Letter - No**

Finding 2025-1:

Criteria:

R.S. 24:513 provides that any state auditee must submit an audit report within six months of their fiscal year end.

Condition & Cause:

The Organization did not submit its financial report within the six-month deadline for the December 31, 2025 fiscal year end. Although the Organization was made aware of the Louisiana Legislative Auditor reporting requirements as a result of the prior-year finding, procedures to ensure timely compliance with the reporting deadline were not implemented effectively during the current year. As a result, the audit was not completed and submitted within the required timeframe.

Effect:

The Organization is not in compliance with R.S. 24:513.

Recommendation:

We recommend that management implement procedures to monitor the receipt of public funds and communicate such receipts to the auditor on a timely basis to help ensure compliance with applicable reporting requirements.

ROOTS OF MUSIC, INC.

Status of Prior Year Findings

Year Ended December 31, 2025

Finding 2024-1:

Criteria:

R.S. 24:513 provides that any state auditee must submit an audit report within six months of their fiscal year end.

Condition & Cause:

The Organization did not submit its financial report within the six-month deadline for the December 31, 2024 fiscal year end. The delay occurred because the Organization was unaware that receipt of public funds triggered a reporting requirement to the Louisiana Legislative Auditor, and the auditor was not informed that public funds had been received until after the six-month deadline had passed. The Organization had not previously received public funds and therefore had no prior reporting history with the Louisiana Legislative Auditor.

Effect:

The Organization is not in compliance with R.S. 24:513.

Recommendation:

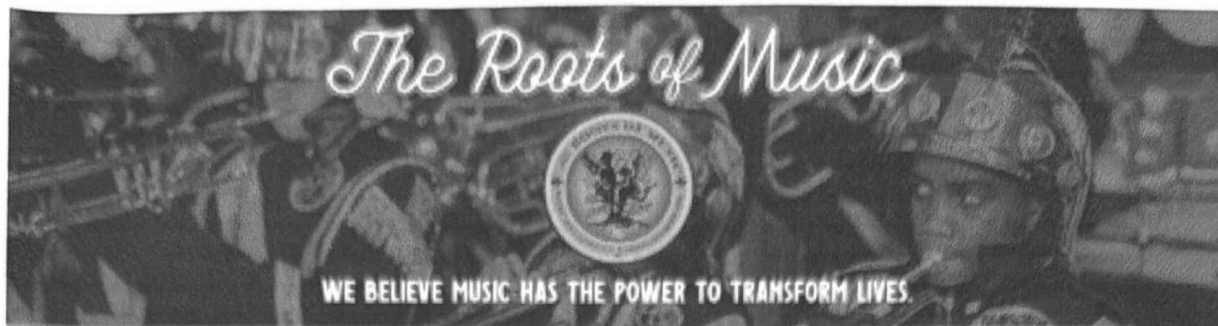
We recommend that management implement procedures to monitor the receipt of public funds and communicate such receipts to the auditor on a timely basis to help ensure compliance with applicable reporting requirements.

Management Corrective Action:

The Executive Director, Derrick Tabb, will be responsible for implementing procedures to monitor the receipt of public funds and for communicating such receipts to the auditor on a timely basis to help ensure compliance with applicable reporting requirements. The anticipated completion date for implementation of these procedures is February 15, 2026.

Status:

Unresolved. See current finding 2025-1.



September 3, 2026

Griffin & Furman, LLC
205 E. Lockwood St.
Covington, LA 70433

Re: Fiscal Year 2025 Audit Schedule of Findings

Dear Mr. Furman,

In response to the above referenced Schedule of Findings, the Roots of Music, Inc. acknowledges the finding and agrees to take the following corrective actions.

Finding 2025-1:

Criteria:

R.S. 24:513 provides that any state auditee must submit an audit report within six months of their fiscal year end.

Condition & Cause:

The Organization did not submit its financial report within the six-month deadline for the December 31, 2025 fiscal year end. Although the Organization was made aware of the Louisiana Legislative Auditor reporting requirements as a result of the prior-year finding, procedures to ensure timely compliance with the reporting deadline were not implemented effectively during the current year. As a result, the audit was not completed and submitted within the required timeframe.

Effect:

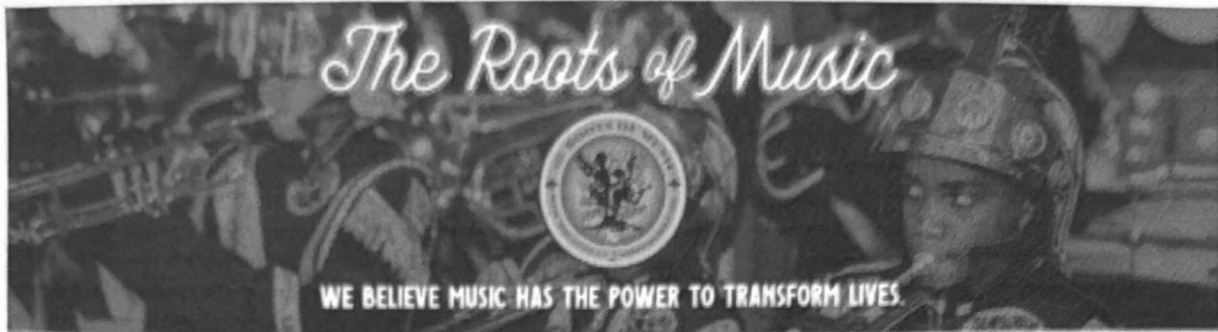
The Organization is not in compliance with R.S. 24:513.

Recommendation:

We recommend that management implement procedures to monitor the receipt of public funds and communicate such receipts to the auditor on a timely basis to help ensure compliance with applicable reporting requirements.

Management Corrective Action:

The Executive Director, Derrick Tabb, will be responsible for implementing procedures to monitor the receipt of public funds and for communicating such receipts to the auditor on a timely basis to



help ensure compliance with applicable reporting requirements. The anticipated completion date for implementation of these procedures is January 1, 2027.

Sincerely,

*Derrick Tabb
Executive Director*