
MUSIC FOR ALL, INC.
AND AFFILIATE
COMBINED FINANCIAL STATEMENTS
Together with Independent Auditors' Report
FEBRUARY 28, 2018

GREENWALT^{CPAs}

We Deliver Peace of Mind



INDEPENDENT AUDITORS' REPORT

To the Boards of Directors of
Music for All, Inc. and Affiliate:

We have audited the accompanying combined financial statements of Music for All, Inc. and Affiliate, which comprise the combined statement of financial position as of February 28, 2018 and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating 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 combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Music for All, Inc. and Affiliate as of February 28, 2018, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Music for All, Inc. and Affiliate's 2017 combined financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 13, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended February 28, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Greenwalt CPAs, Inc.

July 11, 2018

MUSIC FOR ALL, INC. AND AFFILIATE
COMBINED STATEMENTS OF FINANCIAL POSITION
FEBRUARY 28, 2018 AND 2017

<u>ASSETS</u>	<u>2018</u>	<u>2017</u>	<u>LIABILITIES AND NET ASSETS</u>	<u>2018</u>	<u>2017</u>
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and cash equivalents	\$ 2,121,505	\$ 3,283,904	Accounts payable	\$ 56,244	\$ 16,620
Certificates of deposit	1,197,265	419,743	Accrued expenses	432,071	1,262,356
Accounts receivable, net of allowance for doubtful accounts of \$45,100 and \$13,300 at February 28, 2018 and 2017, respectively	832,658	754,507	Prepaid event income	<u>3,342,619</u>	<u>2,686,315</u>
Pledge receivable - short-term	5,000	5,000	<i>Total current liabilities</i>	<u>3,830,934</u>	<u>3,965,291</u>
Inventory	-	19,477	LONG-TERM LIABILITIES		
Prepaid expenses	<u>497,738</u>	<u>354,632</u>	Deferred trust liability	32,246	33,897
<i>Total current assets</i>	<u>4,654,166</u>	<u>4,837,263</u>	Reserve for license fees	<u>178,779</u>	<u>187,964</u>
			<i>Total long-term liabilities</i>	<u>211,025</u>	<u>221,861</u>
INVESTMENTS			<i>Total liabilities</i>	<u>4,041,959</u>	<u>4,187,152</u>
Marketable securities	<u>330,872</u>	<u>297,237</u>	COMMITMENTS (NOTES 13 AND 14)		
PROPERTY AND EQUIPMENT			NET ASSETS		
Property and equipment	1,669,516	1,543,804	Unrestricted	760,951	727,889
Accumulated depreciation and amortization	<u>(1,488,859)</u>	<u>(1,459,935)</u>	Temporarily restricted	329,463	164,813
<i>Net property and equipment</i>	<u>180,657</u>	<u>83,869</u>	Permanently restricted	<u>192,559</u>	<u>176,469</u>
OTHER ASSETS			<i>Total net assets</i>	<u>1,282,973</u>	<u>1,069,171</u>
Pledge receivable - long-term	13,168	17,954			
Charitable remainder trust	51,996	-			
Deposit	74,073	-			
Trademark	<u>20,000</u>	<u>20,000</u>			
<i>Total other assets</i>	<u>159,237</u>	<u>37,954</u>			
	<u>\$ 5,324,932</u>	<u>\$ 5,256,323</u>		<u>\$ 5,324,932</u>	<u>\$ 5,256,323</u>

See accompanying notes to financial statements.

MUSIC FOR ALL, INC. AND AFFILIATE

COMBINED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED FEBRUARY 28, 2018

WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED FEBRUARY 28, 2017

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>2018 TOTAL</u>	<u>2017 TOTAL</u>
REVENUE					
Program fees	\$ 1,120,062	\$ -	\$ -	\$ 1,120,062	\$ 1,869,409
Housing and meal fees	1,669,665	-	-	1,669,665	1,751,242
Ticket fees	3,024,559	-	-	3,024,559	2,888,435
Band fees	648,825	-	-	648,825	617,189
Merchandise sales	1,354	-	-	1,354	68,085
Program book sales	164,817	-	-	164,817	151,363
Photography commissions	1,400	-	-	1,400	1,404
Merchandise commissions and sales	719,892	-	-	719,892	622,105
Sponsorships	1,100,769	-	-	1,100,769	1,109,861
Contributions	105,889	64,011	16,090	185,990	172,163
In-kind contributions	171,050	-	-	171,050	153,650
Grants	151,258	99,738	-	250,996	140,600
Interest and dividends	23,519	-	-	23,519	10,818
Unrealized gain on investments	11,877	6,101	-	17,978	34,559
Miscellaneous	26,588	-	-	26,588	29,411
Net assets released from restrictions	5,200	(5,200)	-	-	-
<i>Total revenue</i>	<u>8,946,724</u>	<u>164,650</u>	<u>16,090</u>	<u>9,127,464</u>	<u>9,620,294</u>
EXPENSES					
Program	8,154,243	-	-	8,154,243	8,666,813
Fundraising	224,565	-	-	224,565	211,018
General and administrative	534,854	-	-	534,854	568,333
<i>Total expenses</i>	<u>8,913,662</u>	<u>-</u>	<u>-</u>	<u>8,913,662</u>	<u>9,446,164</u>
CHANGE IN NET ASSETS	33,062	164,650	16,090	213,802	174,130
NET ASSETS, BEGINNING OF YEAR	<u>727,889</u>	<u>164,813</u>	<u>176,469</u>	<u>1,069,171</u>	<u>895,041</u>
NET ASSETS, END OF YEAR	<u>\$ 760,951</u>	<u>\$ 329,463</u>	<u>\$ 192,559</u>	<u>\$ 1,282,973</u>	<u>\$ 1,069,171</u>

MUSIC FOR ALL, INC. AND AFFILIATE

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED FEBRUARY 28, 2018

WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED FEBRUARY 28, 2017

	PROGRAM EXPENSES	FUNDRAISING EXPENSES	GENERAL AND ADMINISTRATIVE EXPENSES	2018 TOTAL	2017 TOTAL
PROGRAMS					
Awards and trophies	\$ 117,529	\$ 2,768	\$ -	\$ 120,297	\$ 100,003
Scholarships and grants	7,000	-	-	7,000	7,000
Clinicians' and judges' fees	1,033,752	-	-	1,033,752	1,065,659
Copyright fees	18,152	-	-	18,152	196,958
Cost of merchandise sold	241,594	-	-	241,594	265,337
Equipment rental	189,487	-	-	189,487	167,358
Program promotion	136,501	26,264	38,919	201,684	265,993
Facility rental	789,294	-	-	789,294	745,027
Participants' housing and meals	1,674,474	-	-	1,674,474	2,024,752
Outside services	1,378,164	6,037	21,367	1,405,568	1,507,597
Other program expenses	475,818	61,572	14,262	551,652	530,564
<i>Total programs and activities</i>	<u>6,061,765</u>	<u>96,641</u>	<u>74,548</u>	<u>6,232,954</u>	<u>6,876,248</u>
PERSONNEL RELATED					
Salaries and contract employees	1,211,643	93,260	262,711	1,567,614	1,537,590
Salaries - payroll taxes	92,056	7,476	20,092	119,624	107,567
403(b) contribution	28,894	1,528	5,696	36,118	29,683
Staff travel, housing and meals	5,862	3,204	3,575	12,641	17,802
Group insurance	106,746	3,825	26,686	137,257	123,926
Other personnel related expenses	18,709	1,842	4,677	25,228	16,474
<i>Total personnel related</i>	<u>1,463,910</u>	<u>111,135</u>	<u>323,437</u>	<u>1,898,482</u>	<u>1,833,042</u>
BUILDING AND FACILITY					
Depreciation and amortization	23,138	868	4,917	28,923	24,821
Rental - office building	191,859	5,995	41,970	239,824	226,260
Repairs and maintenance	16,210	608	3,445	20,263	31,086
Telephone and utilities	47,490	1,781	10,092	59,363	51,948
<i>Total building and facility</i>	<u>278,697</u>	<u>9,252</u>	<u>60,424</u>	<u>348,373</u>	<u>334,115</u>
OFFICE AND ADMINISTRATIVE					
Board of director's expense	12,887	483	2,739	16,109	11,070
Computer services and supplies	101,400	3,634	20,591	125,625	68,136
Business insurance	84,274	3,160	17,908	105,342	80,885
Interest	580	-	145	725	866
Franchise, sales, and income taxes	13,693	-	-	13,693	13,557
Other office and administrative	137,037	260	35,062	172,359	228,245
<i>Total office and administrative</i>	<u>349,871</u>	<u>7,537</u>	<u>76,445</u>	<u>433,853</u>	<u>402,759</u>
	<u>\$ 8,154,243</u>	<u>\$ 224,565</u>	<u>\$ 534,854</u>	<u>\$ 8,913,662</u>	<u>\$ 9,446,164</u>

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from program activities and contributors	\$ 9,347,881	\$ 9,430,396
Cash paid to suppliers and employees	(9,614,184)	(8,279,815)
Interest expense	(725)	(866)
Interest and dividend income	<u>23,519</u>	<u>10,818</u>
<i>Net cash and cash equivalents provided by (used in) operating activities</i>	<u>(243,509)</u>	<u>1,160,533</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(125,711)	(18,065)
Purchases of certificates of deposit	(777,522)	(419,743)
Purchases of marketable securities	<u>(15,657)</u>	<u>(4,675)</u>
<i>Net cash and cash equivalents used in investing activities</i>	<u>(918,890)</u>	<u>(442,483)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,162,399)	718,050
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,283,904</u>	<u>2,565,854</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,121,505</u>	<u>\$ 3,283,904</u>

**RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH AND
 CASH EQUIVALENTS PROVIDED BY (USED IN) OPERATING ACTIVITIES**

	<u>2018</u>	<u>2017</u>
CHANGE IN NET ASSETS	\$ 213,802	\$ 174,130
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH AND CASH EQUIVALENTS PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Depreciation and amortization	28,923	24,821
Unrealized gain on investments	(17,978)	(34,559)
Charitable remainder trust contribution	(51,996)	-
<i>(Increase) decrease in operating assets:</i>		
Accounts receivable, net	(78,151)	(108,264)
Pledge receivable	4,786	(22,954)
Inventory	19,477	(1,312)
Prepaid expenses	(143,106)	30,863
Deposit	(74,073)	-
<i>Increase (decrease) in operating liabilities:</i>		
Accounts payable	39,624	(51,623)
Accrued expenses	(830,285)	1,010,068
Prepaid event income	656,304	206,380
Deferred trust liability	(1,651)	(1,533)
Reserve for license fees	(9,185)	(65,484)
<i>Total adjustments</i>	<u>(457,311)</u>	<u>986,403</u>
NET CASH AND CASH EQUIVALENTS PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ (243,509)</u>	<u>\$ 1,160,533</u>

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 28, 2018 AND 2017

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GENERAL

Music for All, Inc. (Music for All) is an Illinois not-for-profit corporation located in Indiana whose mission is to create, provide and expand positively life-changing experiences through music for all. Music for All is one of the largest and most influential national music education organizations in support of active music-making, combining programming at a national level with active and ongoing advocacy for music education and the arts. The majority of Music for All's revenues come from program fees and sponsorships.

The combined financial statements include the activities of Music for All Foundation (Foundation), an organization affiliated through common control, which awards grants and scholarships to further music education.

PRINCIPLES OF COMBINATION

The accompanying financial statements include the accounts of Music for All and the Foundation (the Organizations). All significant transactions and balances between the Organizations have been eliminated.

BASIS OF ACCOUNTING AND USE OF ESTIMATES

The accompanying financial statements have been prepared on the accrual basis of accounting. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

SUMMARIZED COMPARATIVE INFORMATION

The financial statements include certain prior year summarized comparative information in total, but not by net asset class and functional expense class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organizations' financial statements for the year ended February 28, 2017, from which the summarized information was derived.

CASH

For purposes of the statement of cash flows, the Organizations consider all highly liquid temporary cash investments purchased with a maturity of three months or less to be cash equivalents. The Organizations had cash equivalents of \$1,651,440 and \$475,922 at February 28, 2018 and 2017, respectively. The Organizations maintain cash balances at commercial banks. Music for All had cash in excess of Federal Deposit Insurance Corporation (FDIC) limits at February 28, 2018 of approximately \$269,000.

RECEIVABLES AND CREDIT POLICIES

Accounts receivable are stated at the amount billed. Account balances with invoices over 90 days past the due date are considered delinquent. In addition to management attempting collection on all accounts over 90 days, those accounts are placed on hold status until payment arrangements are made. Receivable balances are not written off as bad debts until approved by the Board of Directors.

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 28, 2018 AND 2017

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

RECEIVABLES AND CREDIT POLICIES, CONTINUED

Payments of accounts receivable are allocated to the specific invoices identified on the remittance advice or, if unspecified, the participant is contacted to determine to which outstanding invoices to apply payment.

INVENTORY

Inventory, consisting of audio and video recordings, has been valued at the lower of cost, determined on a first-in, first-out (FIFO) basis, or market. Music for All wrote-off \$15,069 of obsolete inventory in 2018.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost. All acquisitions of property and equipment in excess of \$1,000 and a useful life greater than one year are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets (5-10 years for furniture and equipment). Leasehold improvements are amortized over the term of the lease.

TRADEMARK

A trademark was acquired during the 2007 merger and was recorded at the previous entity's cost. The trademark is reviewed for impairment on an annual basis.

REVENUE RECOGNITION

Event fees and related revenue are recognized in the period in which the event occurs. Amounts collected in advance are recorded as prepaid event income. Sales and commissions are recognized when earned.

Donors' unconditional promises to give cash and other assets are required to be recognized as contribution revenue in the period the promises are made. Promises which are conditional or which are not supported by appropriate documentation are not recognized as contribution revenue until conditions have been satisfied or amounts have been received. Donations of material and supplies, including the use of a facility, are recorded as revenue (in-kind contributions) and applicable expense at their estimated fair value at the date of the donation.

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

RESERVE FOR LICENSE FEES

The financial statements include a reserve liability for management's estimate of royalties and license fees due (or potentially due) on distribution related to audio/video media of Music for All events in 2013 through 2016. Provisions to the reserve are based on total audio/video media previously distributed.

MUSIC FOR ALL, INC. AND AFFILIATE
 NOTES TO COMBINED FINANCIAL STATEMENTS
 FEBRUARY 28, 2018 AND 2017

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

NET ASSET CLASSIFICATIONS

As required by Accounting Standards for the Presentation of Financial Statements of Not-For-Profit Organizations, the Organizations are required to report information regarding the changes in and total of each of the net asset classes, based upon donor restrictions, as applicable. Net assets are to be classified as unrestricted, temporarily restricted and permanently restricted.

The following classes of net assets are maintained:

UNRESTRICTED NET ASSETS

The unrestricted net asset class includes general and board designated assets and liabilities of the Organizations. The unrestricted net assets of the Organizations may be used at the discretion of management to support the Organizations' purposes and operations. The Board of Directors has designated a portion of the unrestricted assets to be used in the event of an emergency in the amount of \$94,199 at February 28, 2018 and February 28, 2017.

TEMPORARILY RESTRICTED NET ASSETS

The temporarily restricted net asset class includes assets of Music for All and the Foundation related to gifts with explicit donor-imposed restrictions that have not been met as to a specified purpose or to later periods of time or after specified dates. Donor restricted promises to give that are due in future periods and are not permanently restricted are classified as temporarily restricted net assets. Temporarily restricted net assets are comprised of the following at February 28, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
National Association of Uniform Manufacturers and Distributors	\$ 1,103	\$ 1,050
Mark Jolesch Scholarship	411	391
McLeroy Scholarship Fund	1,524	1,451
Tang Family Scholarship	144	69
The Paynter Project	3,316	3,158
Mark Williams Fund	108,197	107,976
Revelli Scholarship	273	260
Guitar Center, Inc. – Teacher Education Fund	50,000	50,000
Lilly National Choir Festival	98,984	-
I-65 Corridor Project	12,746	-
Farbman/West Charitable Remainder Trust	51,996	-
L.J. Hancock Memorial Endowment	308	308

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 28, 2018 AND 2017

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

NET ASSET CLASSIFICATIONS, CONTINUED

Fred J. Miller Scholarship Fund	150	150
Sophie Rinehart Fund	311	-
	<u>\$ 329,463</u>	<u>\$ 164,813</u>

Permanently Restricted Net Assets

The permanently restricted net asset class includes assets of the Foundation for which the donor has stipulated that the contribution be maintained in perpetuity. Donor imposed restrictions limiting the use of the assets or its economic benefit neither expire with the passage of time nor can be removed by satisfying a specific purpose. Permanently restricted net assets are comprised of the following at February 28, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Honor Band Chair Endowment	\$ 50,750	\$ 50,750
L.J. Hancock Memorial Endowment	35,923	35,723
Sandy Feldstein Legacy Fund	36,556	36,556
Fred J. Miller Scholarship Fund	21,000	21,000
Tang Family Scholarship Fund	28,167	27,954
Sophie Rinehart Fund	14,976	-
Foundation Endowment	5,187	4,486
	<u>\$ 192,559</u>	<u>\$ 176,469</u>

IN-KIND CONTRIBUTIONS

The Organizations receive contributed services, goods, and use of facilities. The fair market value of these services, goods and facilities of \$171,050 and \$153,650 for the years ended February 28, 2018 and 2017, respectively, has been reflected in the accompanying financial statements. This includes annual rent of \$132,000 for the years ended February 28, 2018 and 2017. See Note 13. Accordingly, these transactions have been treated as non-cash transactions and are properly excluded from the statements of cash flows.

EXPENSE ALLOCATION

Expenses have been classified as program (event expenses), fundraising, and general and administrative expenses based on the actual direct expenditures and cost allocation based on estimates of time and usage by the Organizations' personnel and programs.

ADVERTISING COSTS

The Organizations incurred \$45,891 and \$85,310 in advertising expense for the years ended February 28, 2018 and 2017, respectively. These costs were expensed as incurred.

MUSIC FOR ALL, INC. AND AFFILIATE
 NOTES TO COMBINED FINANCIAL STATEMENTS
 FEBRUARY 28, 2018 AND 2017

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

FAIR VALUE MEASUREMENTS

Accounting Standards for Fair Value Measurement define fair value as the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Those standards also establish a three-level fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, giving highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

Assets measured on a recurring basis at February 28, 2018 and 2017 are as follows:

2018	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual funds				
Growth	\$ 82,848	\$ 82,848	\$ -	\$ -
Value	107,129	107,129	-	-
Blended	7,202	7,202	-	-
Emerging markets	10,088	10,088	-	-
Fixed income	<u>123,605</u>	<u>123,605</u>	<u>-</u>	<u>-</u>
Total mutual funds	<u>\$ 330,872</u>	<u>\$ 330,872</u>	<u>\$ -</u>	<u>\$ -</u>
Pledge receivable	<u>\$ 18,168</u>	<u>\$ -</u>	<u>\$ 18,168</u>	<u>\$ -</u>
Charitable remainder trust	<u>\$ 51,996</u>	<u>\$ -</u>	<u>\$ 51,996</u>	<u>\$ -</u>

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 28, 2018 AND 2017

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

FAIR VALUE MEASUREMENTS, CONTINUED

2017	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds				
Growth	\$ 69,487	\$ 69,487	\$ -	\$ -
Value	101,115	101,115	-	-
Blended	6,536	6,536	-	-
Emerging markets	8,086	8,086	-	-
Fixed income	<u>112,013</u>	<u>112,013</u>	<u>-</u>	<u>-</u>
	<u>\$ 297,237</u>	<u>\$ 297,237</u>	<u>\$ -</u>	<u>\$ -</u>
Pledge receivable	<u>\$ 22,954</u>	<u>\$ -</u>	<u>\$ 22,954</u>	<u>\$ -</u>

Following is a description of the valuation methodologies used for assets measured at fair market value:

- Mutual funds - Valued at the net asset value of shares held by the Organizations at year-end as quoted in the active market.
- Pledge receivable – Valued at the net present value of future cash flows. See Note 3.
- Charitable remainder trust – Valued at the net present value of future cash flows based on the life expectancy of the donor. See Note 7.

The valuation methodologies have not changed during the year ended February 28, 2018.

SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through July 11, 2018, which is the date the financial statements were available to be issued.

2. CERTIFICATES OF DEPOSIT

Music for All invests in FDIC-insured bank certificates of deposit which are recorded at cost and totaled \$1,197,265 and \$419,743 at February 28, 2018 and 2017, respectively. The certificates bear interest ranging from 0.80% to 1.60% and have maturities ranging from four to twenty-four months, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

3. PLEDGE RECEIVABLE

Pledge receivable is recorded at its estimated fair value. Amounts due in more than one year are recorded at the present value of future cash flows, discounted at a rate of 4.27%. Pledge receivable consisted of the following at February 28, 2018:

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 28, 2018 AND 2017

3. PLEDGE RECEIVABLE, CONTINUED

Pledge receivable expected to be collected in:

Less than one year	\$	5,000
One to four years		15,000
Less discount to present value		<u>(1,832)</u>
	<u>\$</u>	<u>18,168</u>

4. ENDOWMENT FUNDS

The Organizations' endowment consists of donor permanently restricted contributions that were made to provide a source of income for scholarships. As required by Generally Accepted Accounting Principles (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

INTERPRETATION OF RELEVANT LAW

The Board of Directors of the Organizations have interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the purchasing power of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organizations classify as permanently restricted net assets the original value of gifts donated to the permanent endowment. In accordance with SPMIFA, the Organizations consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Organizations and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Organizations
- (7) The investment policies of the Organizations

Changes in Endowment Net Assets for the years ended February 28, 2018 and 2017:

<u>2018</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 458	\$ 176,469	\$ 176,927
Donations	-	16,090	16,090
Investment income	7,651	-	7,651
Appropriation of endowment net assets for expenditure	<u>(7,339)</u>	<u>-</u>	<u>(7,339)</u>
Endowment net assets, end of year	<u>\$ 770</u>	<u>\$ 192,559</u>	<u>\$ 193,329</u>

MUSIC FOR ALL, INC. AND AFFILIATE
 NOTES TO COMBINED FINANCIAL STATEMENTS
 FEBRUARY 28, 2018 AND 2017

4. ENDOWMENT FUNDS, CONTINUED

<u>2017</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 239	\$ 146,684	\$ 146,923
Donations	-	29,785	29,785
Investment income	7,333	-	7,333
Appropriation of endowment net assets for expenditure	<u>(7,114)</u>	<u>-</u>	<u>(7,114)</u>
Endowment net assets, end of year	<u>\$ 458</u>	<u>\$ 176,469</u>	<u>\$ 176,927</u>

RETURN OBJECTIVES AND RISK PARAMETERS

The Organizations have adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by the endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organizations must hold in perpetuity.

STRATEGIES EMPLOYED FOR ACHIEVING OBJECTIVES

To satisfy long-term rate-of-return objectives, the Organizations rely on a total return strategy administered by PNC Investments in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). PNC Investments targets a diversified asset allocation that places a greater emphasis on long-term growth and a reasonable return.

SPENDING POLICY AND HOW THE INVESTMENT OBJECTIVES RELATE TO SPENDING POLICY

The Organizations have a policy whereby disbursements can be made up to 5% of the endowment's previous year fund balance for the Organizations' scholarships. This is consistent with the Organizations' objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through investment return.

5. INVESTMENTS

Consistent with Accounting Standards for Investments Held by Not-for-Profits, investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statements of financial position. Unrealized gains and losses are based on the differences between cost and fair value of each classification of security and are reported in the statement of activities. Fair market value is determined by quoted prices in the active market.

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 28, 2018 AND 2017

5. INVESTMENTS, CONTINUED

Cost and fair value of investments at February 28, 2018 and 2017 are as follows:

	<u>2018</u> <u>Fair</u> <u>Value</u>	<u>2018</u> <u>Cost</u>	<u>2017</u> <u>Fair</u> <u>Value</u>	<u>2017</u> <u>Cost</u>
Marketable Securities	\$ 330,872	\$ 286,479	\$ 297,237	\$ 267,731

6. PROPERTY AND EQUIPMENT

Property and equipment at February 28, 2018 and 2017 is as follows:

	<u>2018</u>	<u>2017</u>
Leasehold improvements	\$ 764,818	\$ 764,818
Capitalized software	105,306	33,724
Furniture and equipment	<u>799,392</u>	<u>745,262</u>
	1,669,516	1,543,804
Accumulated depreciation and amortization	<u>(1,488,859)</u>	<u>(1,459,935)</u>
	<u>\$ 180,657</u>	<u>\$ 83,869</u>

7. CHARITABLE REMAINDER TRUST

During 2018, a donor named Music for All as a beneficiary of a charitable remainder trust. The charitable remainder trust will provide payment of \$120,000 for the Organizations' use after the donor's passing. In the period the trust is established, the portion of the trust attributable to the present value of the future benefits to be received by Music for All is recorded in the Statement of Activities as a temporarily restricted contribution. The contribution was valued at \$51,996 in 2018 using a discount rate of 4.5%.

8. PREPAID EVENT INCOME

Music for All records prepaid event income when funds are collected in advance for events. Once the event takes place, the funds are recognized as income. The prepaid account also includes sponsorship income that is contractually obligated to Music for All. Income is recognized as Music for All fulfills the contract requirements. Prepaid event income as of February 28, 2018 and 2017 was \$3,342,619 and \$2,686,315, respectively.

9. BANK LINE OF CREDIT

Music for All has a \$620,000 line of credit with a bank that expires in September 2018. The line of credit bears interest at the prime rate plus .5% (5.0% at February 28, 2018). Music for All had no outstanding balance on the line of credit at February 28, 2018 and 2017.

10. DEFERRED TRUST LIABILITY

Music for All received a charitable gift annuity trust of \$75,000 during the year ended February 29, 2008. Under this trust agreement, Music for All is required to pay the donor \$4,125 annually, in quarterly installments. Music for All has recorded a deferred trust liability for the estimated value of these payments. The deferred trust liability was \$32,246 and \$33,897 at February 28, 2018 and 2017, respectively.

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 28, 2018 AND 2017

11. TAX STATUS

Music for All and the Foundation are not-for-profit organizations, exempt from income taxes under Section 501(c)(3) of the U. S. Internal Revenue Code and have been classified as organizations that are not private foundations under Section 509(a) of the Internal Revenue Code. However, if income is generated from certain activities not directly related to Music for All's tax exempt purpose, such income would be subject to taxation as unrelated business income.

12. EMPLOYEE BENEFIT PLAN

Music for All maintains a Section 403(b) salary reduction retirement plan. The plan covers essentially all salaried employees who have completed one year of service. The plan agreement provides for discretionary employer matching contributions. The discretionary match is at an amount not to exceed 4% of the employee's annual salary. The matching contributions are subject to a six-year graded vesting schedule that provides 20% vesting after two years of service and 20% per year thereafter (100% vested after six years of service). Music for All's contributions for the years ended February 28, 2018 and 2017 totaled \$36,118 and \$29,683, respectively.

13. LEASES

Music for All has a lease for office space, that expires June 2023. Rent escalates annually. The straight-line rent payments are \$5,652 per month. Total lease expense under the office lease was \$67,819 for the year ended February 28, 2018. The liability related to the difference between straight-line rent and actual cash rental payments of \$198,934 and \$176,344 at February 28, 2018 and 2017, respectively, is reflected in accrued expenses on the statements of financial position. The estimated fair market value of this lease was approximately \$20,000 per month. In recognition of the contribution, the donor was acknowledged as a sponsor at events throughout the fiscal year, carrying a value of approximately \$40,000. Accordingly, the fair market value of the lease recognized in fiscal year 2018 was \$132,000, as noted in Note 1, which is recorded as an in-kind contribution for the leased office space.

Music for All also leases office equipment under operating leases that have various expiration dates through March 2022. Equipment rental expense for the years ended February 28, 2018 and 2017 for these leases amounted to \$28,280 and \$24,002, respectively. Music for All rents other equipment on a temporary basis for camps and other activities.

Future minimum lease payments required under these leases are as follows for the years ending February:

2019	\$	87,626
2020		105,711
2021		112,553
2022		122,607
2023		138,822
Thereafter		<u>48,227</u>
	\$	<u>615,546</u>

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 28, 2018 AND 2017

14. COMMITMENTS

Music for All has contracted to hold a portion of its programming activities at three venues through October 2022, June 2023, and November 2023. The minimum total amount due under these contracts is approximately \$525,000. Music for All reserves hotel rooms in advance of future events which have commitments. The fiscal year 2019 agreement was signed prior to February 28, 2018 and has a food and beverage minimum of \$195,000. If the minimum is not met, Music for All owes the shortage multiplied by 40%. The agreement also includes escalating cancellation clauses. The 2019 event was held in March 2018, and Music for All did not incur any cancellation or food and beverage penalties.

Music for All also has agreements in place to sponsor future events through December 2019. The total commitments related to these agreements are \$25,000.

Music for All also has agreements in place with various educational consultants to assist in coordinating future events through April 2020. The total commitments related to these agreements are approximately \$116,300 and \$7,700 for 2019 and 2020, respectively.

Also, in 2017, Music for All entered a software licensure agreement through June 2022 with fees approximating \$72,000 annually.

15. RECLASSIFICATIONS

Certain balances in the 2017 financial statements have been retroactively reclassified for comparative purposes to conform to the presentation in the 2018 financial statements. These reclassifications had no impact on net assets as of February 28, 2017.



INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Boards of Directors of
Music for All, Inc. and Affiliate:

We have audited the combined financial statements of Music for All, Inc. and Affiliate as of and for the year ended February 28, 2018, and our report thereon dated July 11, 2018, which expressed an unmodified opinion on those combined financial statements appears on page 1. We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the combined statement of financial position of Music for All, Inc. and Affiliate as of February 28, 2017 and the related combined statements of activities, functional expenses and cash flows for the year then ended, and we expressed an unmodified opinion on those combined financial statements. Our audits were performed for the purpose of forming an opinion on the combined financial statements as a whole. The information in Exhibits I through VI is presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Greenwalt CPAs, Inc.

July 11, 2018

MUSIC FOR ALL, INC. AND AFFILIATE
COMBINING STATEMENTS OF FINANCIAL POSITION
FEBRUARY 28, 2018
WITH COMPARATIVE TOTALS AS OF FEBRUARY 28, 2017

Exhibit I

ASSETS	MUSIC FOR ALL	MUSIC FOR ALL FOUNDATION	ELIMINATIONS	2018 TOTAL	2017 TOTAL
CURRENT ASSETS					
Cash and cash equivalents	\$ 2,110,143	\$ 11,362	\$ -	\$ 2,121,505	\$ 3,283,904
Certificates of deposit	1,197,265	-	-	1,197,265	419,743
Accounts receivable, net of allowance for doubtful accounts of \$45,100 and \$13,300 at February 28, 2018 and 2017, respectively	832,589	69	-	832,658	754,507
Accounts receivable - related party	-	12,483	(12,483)	-	-
Pledge receivable - short-term	-	5,000	-	5,000	5,000
Inventory	-	-	-	-	19,477
Prepaid expenses	497,738	-	-	497,738	354,632
<i>Total current assets</i>	<u>4,637,735</u>	<u>28,914</u>	<u>(12,483)</u>	<u>4,654,166</u>	<u>4,837,263</u>
		-			
INVESTMENTS					
Marketable securities	-	330,872	-	330,872	297,237
PROPERTY AND EQUIPMENT					
Property and equipment	1,661,667	7,849	-	1,669,516	1,543,804
Accumulated depreciation and amortization	(1,481,010)	(7,849)	-	(1,488,859)	(1,459,935)
<i>Net property and equipment</i>	<u>180,657</u>	<u>-</u>	<u>-</u>	<u>180,657</u>	<u>83,869</u>
OTHER ASSETS					
Pledge receivable - long-term	-	13,168	-	13,168	17,954
Charitable remainder trust	51,996	-	-	51,996	-
Deposit	74,073	-	-	74,073	-
Trademark	20,000	-	-	20,000	20,000
<i>Total other assets</i>	<u>146,069</u>	<u>13,168</u>	<u>-</u>	<u>159,237</u>	<u>37,954</u>
	<u>\$ 4,964,461</u>	<u>\$ 372,954</u>	<u>\$ (12,483)</u>	<u>\$ 5,324,932</u>	<u>\$ 5,256,323</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable	\$ 56,244	\$ -	\$ -	\$ 56,244	\$ 16,620
Accounts payable - related party	12,483	-	(12,483)	-	-
Accrued expenses	428,071	4,000	-	432,071	1,262,356
Prepaid event income	3,342,619	-	-	3,342,619	2,686,315
<i>Total current liabilities</i>	<u>3,839,417</u>	<u>4,000</u>	<u>(12,483)</u>	<u>3,830,934</u>	<u>3,965,291</u>
LONG-TERM LIABILITIES					
Deferred trust liability	32,246	-	-	32,246	33,897
Reserve for license fees	178,779	-	-	178,779	187,964
<i>Total long-term liabilities</i>	<u>211,025</u>	<u>-</u>	<u>-</u>	<u>211,025</u>	<u>221,861</u>
<i>Total liabilities</i>	<u>4,050,442</u>	<u>4,000</u>	<u>(12,483)</u>	<u>4,041,959</u>	<u>4,187,152</u>
NET ASSETS					
Unrestricted	700,293	60,658	-	760,951	727,889
Temporarily restricted	213,726	115,737	-	329,463	164,813
Permanently restricted	-	192,559	-	192,559	176,469
	<u>914,019</u>	<u>368,954</u>	<u>-</u>	<u>1,282,973</u>	<u>1,069,171</u>
	<u>\$ 4,964,461</u>	<u>\$ 372,954</u>	<u>\$ (12,483)</u>	<u>\$ 5,324,932</u>	<u>\$ 5,256,323</u>

MUSIC FOR ALL, INC. AND AFFILIATE

COMBINING STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED FEBRUARY 28, 2018

WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED FEBRUARY 28, 2017

Exhibit II

	UNRESTRICTED				TEMPORARILY RESTRICTED			PERMANENTLY RESTRICTED	2018 TOTAL	2017 TOTAL
	MUSIC FOR ALL	MUSIC FOR ALL FOUNDATION	ELIMINATIONS	TOTAL	MUSIC FOR ALL	MUSIC FOR ALL FOUNDATION	TOTAL	MUSIC FOR ALL FOUNDATION		
REVENUE										
Program fees	\$ 1,120,062	\$ -	\$ -	\$ 1,120,062	\$ -	\$ -	\$ -	\$ -	\$ 1,120,062	\$ 1,869,409
Housing and meal fees	1,669,665	-	-	1,669,665	-	-	-	-	1,669,665	1,751,242
Ticket fees	3,024,559	-	-	3,024,559	-	-	-	-	3,024,559	2,888,435
Band fees	648,825	-	-	648,825	-	-	-	-	648,825	617,189
Merchandise sales	1,354	-	-	1,354	-	-	-	-	1,354	68,085
Program book sales	164,817	-	-	164,817	-	-	-	-	164,817	151,363
Photography commissions	1,400	-	-	1,400	-	-	-	-	1,400	1,404
Merchandise commissions and sales	719,892	-	-	719,892	-	-	-	-	719,892	622,105
Sponsorships	1,100,769	-	-	1,100,769	-	-	-	-	1,100,769	1,109,861
Contributions	99,419	6,470	-	105,889	63,988	23	64,011	16,090	185,990	172,163
In-kind contributions	171,050	-	-	171,050	-	-	-	-	171,050	153,650
Grants	159,708	-	(8,450)	151,258	99,738	-	99,738	-	250,996	140,600
Interest and dividends	7,857	15,662	-	23,519	-	-	-	-	23,519	10,818
Unrealized gain on investments	-	11,877	-	11,877	-	6,101	6,101	-	17,978	34,559
Miscellaneous	26,588	-	-	26,588	-	-	-	-	26,588	29,411
Net assets released from restrictions	-	5,200	-	5,200	-	(5,200)	(5,200)	-	-	-
<i>Total revenue</i>	<u>8,915,965</u>	<u>39,209</u>	<u>(8,450)</u>	<u>8,946,724</u>	<u>163,726</u>	<u>924</u>	<u>164,650</u>	<u>16,090</u>	<u>9,127,464</u>	<u>9,620,294</u>
EXPENSES										
Program	8,147,243	15,450	(8,450)	8,154,243	-	-	-	-	8,154,243	8,666,813
Fundraising	224,565	-	-	224,565	-	-	-	-	224,565	211,018
General and administrative	529,590	5,264	-	534,854	-	-	-	-	534,854	568,333
<i>Total expenses</i>	<u>8,901,398</u>	<u>20,714</u>	<u>(8,450)</u>	<u>8,913,662</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,913,662</u>	<u>9,446,164</u>
CHANGE IN NET ASSETS	14,567	18,495	-	33,062	163,726	924	164,650	16,090	213,802	174,130
NET ASSETS, BEGINNING OF YEAR	685,726	42,163	-	727,889	50,000	114,813	164,813	176,469	1,069,171	895,041
NET ASSETS, END OF YEAR	<u>\$ 700,293</u>	<u>\$ 60,658</u>	<u>\$ -</u>	<u>\$ 760,951</u>	<u>\$ 213,726</u>	<u>\$ 115,737</u>	<u>\$ 329,463</u>	<u>\$ 192,559</u>	<u>\$ 1,282,973</u>	<u>\$ 1,069,171</u>

See accompanying independent auditors' report on supplementary information.

MUSIC FOR ALL, INC. AND AFFILIATE
COMBINING SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED FEBRUARY 28, 2018
WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED FEBRUARY 28, 2017

Exhibit III

	MUSIC FOR ALL				MUSIC FOR ALL FOUNDATION	ELIMINATIONS	2018 TOTAL	2017 TOTAL
	PROGRAM	FUNDRAISING	GENERAL & ADMINISTRATIVE EXPENSES	TOTAL				
PROGRAMS								
Awards and trophies	\$ 117,529	\$ 2,768	\$ -	\$ 120,297	\$ -	\$ -	\$ 120,297	\$ 100,003
Scholarships and grants	-	-	-	-	15,450	(8,450)	7,000	7,000
Clinicians' and judges' fees	1,033,752	-	-	1,033,752	-	-	1,033,752	1,065,659
Copyright fees	18,152	-	-	18,152	-	-	18,152	196,958
Cost of merchandise sold	241,594	-	-	241,594	-	-	241,594	265,337
Equipment rental	189,487	-	-	189,487	-	-	189,487	167,358
Program promotion	136,501	26,264	38,919	201,684	-	-	201,684	265,993
Facility rental	789,294	-	-	789,294	-	-	789,294	745,027
Participants' housing and meals	1,674,474	-	-	1,674,474	-	-	1,674,474	2,024,752
Outside services	1,378,164	6,037	17,633	1,401,834	3,734	-	1,405,568	1,507,597
Other program expenses	475,818	61,572	14,262	551,652	-	-	551,652	530,564
<i>Total programs and activities</i>	<u>6,054,765</u>	<u>96,641</u>	<u>70,814</u>	<u>6,222,220</u>	<u>19,184</u>	<u>(8,450)</u>	<u>6,232,954</u>	<u>6,876,248</u>
PERSONNEL RELATED								
Salaries and contract employees	1,211,643	93,260	262,711	1,567,614	-	-	1,567,614	1,537,590
Salaries - payroll taxes	92,056	7,476	20,092	119,624	-	-	119,624	107,567
403(b) contribution	28,894	1,528	5,696	36,118	-	-	36,118	29,683
Staff travel, housing and meals	5,862	3,204	3,575	12,641	-	-	12,641	17,802
Group insurance	106,746	3,825	26,686	137,257	-	-	137,257	123,926
Other personnel related expenses	18,709	1,842	4,677	25,228	-	-	25,228	16,474
<i>Total personnel related</i>	<u>1,463,910</u>	<u>111,135</u>	<u>323,437</u>	<u>1,898,482</u>	<u>-</u>	<u>-</u>	<u>1,898,482</u>	<u>1,833,042</u>
BUILDING AND FACILITY								
Depreciation and amortization	23,138	868	4,917	28,923	-	-	28,923	24,821
Rental - office building	191,859	5,995	41,970	239,824	-	-	239,824	226,260
Repairs and maintenance	16,210	608	3,445	20,263	-	-	20,263	31,086
Telephone and utilities	47,490	1,781	10,092	59,363	-	-	59,363	51,948
<i>Total building and facility</i>	<u>278,697</u>	<u>9,252</u>	<u>60,424</u>	<u>348,373</u>	<u>-</u>	<u>-</u>	<u>348,373</u>	<u>334,115</u>
OFFICE AND ADMINISTRATIVE								
Board of directors' expense	12,887	483	2,739	16,109	-	-	16,109	11,070
Computer services and supplies	101,400	3,634	20,591	125,625	-	-	125,625	68,136
Business insurance	84,274	3,160	17,908	105,342	-	-	105,342	80,885
Interest	580	-	145	725	-	-	725	866
Franchise, sales, and income taxes	13,693	-	-	13,693	-	-	13,693	13,557
Other office and administrative	137,037	260	33,532	170,829	1,530	-	172,359	228,245
<i>Total office and administrative</i>	<u>349,871</u>	<u>7,537</u>	<u>74,915</u>	<u>432,323</u>	<u>1,530</u>	<u>-</u>	<u>433,853</u>	<u>402,759</u>
	<u>\$ 8,147,243</u>	<u>\$ 224,565</u>	<u>\$ 529,590</u>	<u>\$ 8,901,398</u>	<u>\$ 20,714</u>	<u>\$ (8,450)</u>	<u>\$ 8,913,662</u>	<u>\$ 9,446,164</u>

See accompanying independent auditors' report on supplementary information.

MUSIC FOR ALL, INC. AND AFFILIATE
 COMBINING STATEMENTS OF ACTIVITIES
 FOR THE YEARS ENDED FEBRUARY 28, 2018 AND 2017

Exhibit IV

	2018				2017			
	<u>MUSIC FOR ALL</u>	<u>MUSIC FOR ALL FOUNDATION</u>	<u>ELIMINATIONS</u>	<u>TOTAL</u>	<u>MUSIC FOR ALL</u>	<u>MUSIC FOR ALL FOUNDATION</u>	<u>ELIMINATIONS</u>	<u>TOTAL</u>
REVENUE								
Program fees	\$ 1,120,062	\$ -	\$ -	\$ 1,120,062	\$ 1,869,409	\$ -	\$ -	\$ 1,869,409
Housing and meal fees	1,669,665	-	-	1,669,665	1,751,242	-	-	1,751,242
Ticket fees	3,024,559	-	-	3,024,559	2,888,435	-	-	2,888,435
Band fees	648,825	-	-	648,825	617,189	-	-	617,189
Merchandise sales	1,354	-	-	1,354	68,085	-	-	68,085
Program book sales	164,817	-	-	164,817	151,363	-	-	151,363
Photography commissions	1,400	-	-	1,400	1,404	-	-	1,404
Merchandise commissions	719,892	-	-	719,892	622,105	-	-	622,105
Sponsorships	1,100,769	-	-	1,100,769	1,109,861	-	-	1,109,861
Contributions	163,407	22,583	-	185,990	136,010	36,153	-	172,163
In-kind contributions	171,050	-	-	171,050	153,650	-	-	153,650
Grants	259,446	-	(8,450)	250,996	148,600	-	(8,000)	140,600
Interest	7,857	15,662	-	23,519	756	10,062	-	10,818
Unrealized gain on investments	-	17,978	-	17,978	-	34,559	-	34,559
Miscellaneous	26,588	-	-	26,588	29,411	-	-	29,411
<i>Total revenue</i>	<u>9,079,691</u>	<u>56,223</u>	<u>(8,450)</u>	<u>9,127,464</u>	<u>9,547,520</u>	<u>80,774</u>	<u>(8,000)</u>	<u>9,620,294</u>
EXPENSES								
Program	8,147,243	15,450	(8,450)	8,154,243	8,659,813	15,000	(8,000)	8,666,813
Fundraising	224,565	-	-	224,565	211,018	-	-	211,018
General and administrative	529,590	5,264	-	534,854	564,111	4,222	-	568,333
<i>Total expenses</i>	<u>8,901,398</u>	<u>20,714</u>	<u>(8,450)</u>	<u>8,913,662</u>	<u>9,434,942</u>	<u>19,222</u>	<u>(8,000)</u>	<u>9,446,164</u>
CHANGE IN NET ASSETS	178,293	35,509	-	213,802	112,578	61,552	-	174,130
NET ASSETS, BEGINNING OF YEAR	<u>735,726</u>	<u>333,445</u>	<u>-</u>	<u>1,069,171</u>	<u>623,148</u>	<u>271,893</u>	<u>-</u>	<u>895,041</u>
NET ASSETS, END OF YEAR	<u>\$ 914,019</u>	<u>\$ 368,954</u>	<u>\$ -</u>	<u>\$ 1,282,973</u>	<u>\$ 735,726</u>	<u>\$ 333,445</u>	<u>\$ -</u>	<u>\$ 1,069,171</u>

See accompanying independent auditors' report on supplementary information.



