
MUSIC FOR ALL, INC.
AND AFFILIATE
COMBINED FINANCIAL STATEMENTS
Together with Independent Auditors' Report
FEBRUARY 28, 2022 AND 2021



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Combined Financial Statements

Opinion

We have audited the combined financial statements of Music for All, Inc. and Affiliate (the Organizations), which comprise the combined statements of financial position as of February 28, 2022 and 2021, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of the Organizations as of February 28, 2022 and 2021, and the changes in their net assets and their cash flows for the years 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 (GAAS), *Guidelines for Examination of Entities Receiving Financial Assistance from Government Sources* established by the Indiana State Board of Accounts, and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Organizations and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organizations' ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS 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 combined financial statements.

In performing an audit in accordance with GAAS 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 combined 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 combined 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 the Organizations' 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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organizations' 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2022, on our consideration of the Organizations' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 the Organizations' 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 the Organizations' internal control over financial reporting and compliance.

Greenwald CPAs, Inc.

October 6, 2022

MUSIC FOR ALL, INC. AND AFFILIATE
 COMBINED STATEMENTS OF FINANCIAL POSITION
 FEBRUARY 28, 2022 AND 2021

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>	<u>LIABILITIES AND NET ASSETS</u>	<u>2022</u>	<u>2021</u>
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and cash equivalents	\$ 9,132,974	\$ 1,382,431	Accounts payable	\$ 121,542	\$ 47,333
Certificates of deposit	49,991	49,991	Accrued expenses	329,637	435,372
Accounts receivable, net	249,415	842,341	Deferred grant income	1,114,260	-
Grants receivable	-	8,424	Prepaid event income	704,331	1,553,977
Prepaid expenses	154,226	170,548		<u>2,269,770</u>	<u>2,036,682</u>
Pledges receivable - short-term	9,550	25,950	<i>Total current liabilities</i>		
	<u>9,596,156</u>	<u>2,479,685</u>			
<i>Total current assets</i>			LONG-TERM LIABILITIES		
INVESTMENTS			Deferred trust liability	26,410	26,536
Marketable securities	458,638	431,391		<u>2,296,180</u>	<u>2,063,218</u>
	<u>458,638</u>	<u>431,391</u>	<i>Total liabilities</i>		
PROPERTY AND EQUIPMENT					
Property and equipment	1,228,795	1,216,955	COMMITMENTS (NOTES 15 AND 16)		
Accumulated depreciation and amortization	(1,130,746)	(1,104,696)	NET ASSETS		
	<u>98,049</u>	<u>112,259</u>	Without donor restrictions	7,490,186	595,985
<i>Net property and equipment</i>			With donor restrictions	529,189	520,211
OTHER ASSETS				<u>8,019,375</u>	<u>1,116,196</u>
Pledge receivable - long-term	5,000	-	<i>Total net assets</i>		
Charitable remainder trust	63,639	62,006		<u>\$ 10,315,555</u>	<u>\$ 3,179,414</u>
Deposit	74,073	74,073			
Trademark	20,000	20,000			
	<u>162,712</u>	<u>156,079</u>			
<i>Total other assets</i>					
	<u>\$ 10,315,555</u>	<u>\$ 3,179,414</u>			

See accompanying notes to financial statements.

MUSIC FOR ALL, INC. AND AFFILIATE

COMBINED STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED FEBRUARY 28, 2022 AND 2021

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	2022 TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	2021 TOTAL
REVENUE						
Program fees	\$ 1,381,662	\$ -	\$ 1,381,662	\$ 834,404	\$ -	\$ 834,404
Housing and meal fees	339,241	-	339,241	468,543	-	468,543
Ticket fees	5,132,269	-	5,132,269	6,694	-	6,694
Merchandise sales	28,430	-	28,430	124	-	124
Program book sales	54,353	-	54,353	-	-	-
Photography commissions	50,000	-	50,000	-	-	-
Merchandise commissions and sales	840,715	-	840,715	98,225	-	98,225
Sponsorships	610,000	-	610,000	510,840	-	510,840
Contributions	216,127	1,000	217,127	360,262	1,552	361,814
In-kind contributions	351,350	-	351,350	203,217	-	203,217
Grants	5,185,371	1,633	5,187,004	381,921	34,743	416,664
PPP conditional grant	381,700	-	381,700	381,700	-	381,700
Interest and dividends	25,783	-	25,783	24,616	-	24,616
Realized gain (loss) on investments	(7,567)	-	(7,567)	3,612	-	3,612
Unrealized gain (loss) on investments	(32,348)	38,418	6,070	47,368	-	47,368
Miscellaneous	997	-	997	167,160	-	167,160
Net assets released from restrictions	32,073	(32,073)	-	2,405	(2,405)	-
<i>Total revenue</i>	<u>14,590,156</u>	<u>8,978</u>	<u>14,599,134</u>	<u>3,491,091</u>	<u>33,890</u>	<u>3,524,981</u>
EXPENSES						
Program	6,412,556	-	6,412,556	3,383,518	-	3,383,518
Fundraising	116,017	-	116,017	79,205	-	79,205
General and administrative	1,167,382	-	1,167,382	391,274	-	391,274
<i>Total expenses</i>	<u>7,695,955</u>	<u>-</u>	<u>7,695,955</u>	<u>3,853,997</u>	<u>-</u>	<u>3,853,997</u>
CHANGE IN NET ASSETS	6,894,201	8,978	6,903,179	(362,906)	33,890	(329,016)
NET ASSETS, BEGINNING OF YEAR	<u>595,985</u>	<u>520,211</u>	<u>1,116,196</u>	<u>958,891</u>	<u>486,321</u>	<u>1,445,212</u>
NET ASSETS, END OF YEAR	<u>\$ 7,490,186</u>	<u>\$ 529,189</u>	<u>\$ 8,019,375</u>	<u>\$ 595,985</u>	<u>\$ 520,211</u>	<u>\$ 1,116,196</u>

See accompanying notes to financial statements.

MUSIC FOR ALL, INC. AND AFFILIATE

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED FEBRUARY 28, 2022

WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED FEBRUARY 28, 2021

	PROGRAM EXPENSES	FUNDRAISING EXPENSES	GENERAL AND ADMINISTRATIVE EXPENSES	2022 TOTAL	2021 TOTAL
PROGRAMS					
Awards and trophies	\$ 362,268	\$ -	\$ 4,230	\$ 366,498	\$ 27,178
Scholarships and grants	2,000	-	-	2,000	5,000
Clinician and judge fees	312,517	-	22,789	335,306	149,163
Copyright fees	15,115	-	3,795	18,910	3,316
Cost of merchandise sold	58,426	-	-	58,426	123,312
Equipment rental	104,182	308	1,244	105,734	12,677
Program promotion	18,764	-	12,322	31,086	51,015
Facility rental	2,110	-	620	2,730	22,371
Participant housing and meals	829,222	-	14,617	843,839	743,743
Outside services	1,759,261	1,509	4,958	1,765,728	88,555
Other program expenses	746,020	9,260	6,563	761,843	172,258
<i>Total programs and activities</i>	<u>4,209,885</u>	<u>11,077</u>	<u>71,138</u>	<u>4,292,100</u>	<u>1,398,588</u>
PERSONNEL RELATED					
Salaries and contract employees	1,216,579	58,732	664,653	1,939,964	1,546,473
Payroll taxes	90,396	-	55,811	146,207	117,270
401(k) contribution	30,474	-	18,814	49,288	40,305
Staff travel, housing and meals	8,981	29,170	5,627	43,778	3,550
Group insurance	109,624	-	67,683	177,307	161,175
Other personnel related expenses	27,038	-	8,178	35,216	66,042
<i>Total personnel related</i>	<u>1,483,092</u>	<u>87,902</u>	<u>820,766</u>	<u>2,391,760</u>	<u>1,934,815</u>
BUILDING AND FACILITY					
Depreciation and amortization	17,609	854	9,524	27,987	29,472
Rental - office building	326,585	7,144	83,760	417,489	230,453
Repairs and maintenance	8,720	371	4,649	13,740	1,514
Telephone and utilities	35,151	1,706	19,997	56,854	44,536
<i>Total building and facility</i>	<u>388,065</u>	<u>10,075</u>	<u>117,930</u>	<u>516,070</u>	<u>305,975</u>
OFFICE AND ADMINISTRATIVE					
Board of director's expense	8,319	346	4,058	12,723	1,123
Computer services and supplies	67,319	2,843	33,417	103,579	105,119
Business insurance	48,220	2,340	27,432	77,992	32,775
Professional services	-	-	498	498	487
Interest	-	-	-	-	3,555
Franchise, sales, and income taxes	2,548	-	17	2,565	-
Other office and administrative	205,108	1,434	92,126	298,668	71,560
<i>Total office and administrative</i>	<u>331,514</u>	<u>6,963</u>	<u>157,548</u>	<u>496,025</u>	<u>214,619</u>
	<u>\$ 6,412,556</u>	<u>\$ 116,017</u>	<u>\$ 1,167,382</u>	<u>\$ 7,695,955</u>	<u>\$ 3,853,997</u>

MUSIC FOR ALL, INC. AND AFFILIATE
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED FEBRUARY 28, 2021

	PROGRAM EXPENSES	FUNDRAISING EXPENSES	GENERAL AND ADMINISTRATIVE EXPENSES	TOTAL
PROGRAMS				
Awards and trophies	\$ 27,178	\$ -	\$ -	\$ 27,178
Scholarships and grants	5,000	-	-	5,000
Clinician and judge fees	149,063	100	-	149,163
Copyright fees	3,316	-	-	3,316
Cost of merchandise sold	123,242	70	-	123,312
Equipment rental	12,546	-	131	12,677
Program promotion	51,015	-	-	51,015
Facility rental	22,371	-	-	22,371
Participant housing and meals	743,743	-	-	743,743
Outside services	74,851	-	13,704	88,555
Other program expenses	170,933	-	1,325	172,258
	<u>1,383,258</u>	<u>170</u>	<u>15,160</u>	<u>1,398,588</u>
<i>Total programs and activities</i>	<u>1,383,258</u>	<u>170</u>	<u>15,160</u>	<u>1,398,588</u>
PERSONNEL RELATED				
Salaries and contract employees	1,272,190	56,093	218,190	1,546,473
Payroll taxes	93,816	-	23,454	117,270
401(k) contribution	32,244	-	8,061	40,305
Staff travel, housing and meals	1,942	1,123	485	3,550
Group insurance	128,940	-	32,235	161,175
Other personnel related expenses	63,430	151	2,461	66,042
	<u>1,592,562</u>	<u>57,367</u>	<u>284,886</u>	<u>1,934,815</u>
<i>Total personnel related</i>	<u>1,592,562</u>	<u>57,367</u>	<u>284,886</u>	<u>1,934,815</u>
BUILDING AND FACILITY				
Depreciation and amortization	23,578	884	5,010	29,472
Rental - office building	184,362	6,914	39,177	230,453
Repairs and maintenance	1,212	45	257	1,514
Telephone and utilities	35,629	1,336	7,571	44,536
	<u>244,781</u>	<u>9,179</u>	<u>52,015</u>	<u>305,975</u>
<i>Total building and facility</i>	<u>244,781</u>	<u>9,179</u>	<u>52,015</u>	<u>305,975</u>
OFFICE AND ADMINISTRATIVE				
Board of director's expense	898	34	191	1,123
Computer services and supplies	80,216	3,008	21,895	105,119
Business insurance	26,220	983	5,572	32,775
Professional services	-	-	487	487
Interest	2,844	-	711	3,555
Other office and administrative	52,739	8,464	10,357	71,560
	<u>162,917</u>	<u>12,489</u>	<u>39,213</u>	<u>214,619</u>
<i>Total office and administrative</i>	<u>162,917</u>	<u>12,489</u>	<u>39,213</u>	<u>214,619</u>
	<u>\$ 3,383,518</u>	<u>\$ 79,205</u>	<u>\$ 391,274</u>	<u>\$ 3,853,997</u>

See accompanying notes to financial statements.

NET CHANGE IN CASH AND CASH EQUIVALENTS

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from program activities and contributors	\$ 14,716,562	\$ 105,343
Cash paid to suppliers and employees	(7,330,981)	(3,326,370)
Proceeds from PPP conditional grant	381,700	381,700
Interest paid	-	(3,555)
Interest and dividend income	25,783	24,616
	<u>7,793,064</u>	<u>(2,818,266)</u>
<i>Net cash and cash equivalents provided by (used in) operating activities</i>		
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(13,777)	(7,249)
Redemption of certificates of deposit	-	1,724,594
Proceeds from sales of marketable securities	224,226	23,360
Purchases of marketable securities	(252,970)	(32,075)
	<u>(42,521)</u>	<u>1,708,630</u>
<i>Net cash and cash equivalents provided by (used in) investing activities</i>		
NET CHANGE IN CASH AND CASH EQUIVALENTS	7,750,543	(1,109,636)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,382,431</u>	<u>2,492,067</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 9,132,974</u>	<u>\$ 1,382,431</u>

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

	<u>2022</u>	<u>2021</u>
CHANGE IN NET ASSETS	<u>\$ 6,903,179</u>	<u>\$ (329,016)</u>
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH AND CASH EQUIVALENTS PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Depreciation and amortization	27,987	29,472
Realized (gain) loss on investments	7,567	(3,612)
Unrealized gain on investments	(6,070)	(47,368)
Charitable remainder trust contribution	(1,633)	(2,670)
<i>(Increase) decrease in operating assets</i>		
Accounts receivable, net	592,926	174,009
Grants receivable	8,424	351
Prepaid expenses	16,322	278,535
Pledges receivable	11,400	(15,950)
<i>Increase (decrease) in operating liabilities</i>		
Accounts payable	74,209	11,942
Accrued expenses	(105,735)	(51,872)
Deferred grant income	1,114,260	-
Prepaid event income	(849,646)	(2,860,048)
Deferred trust liability	(126)	(2,039)
<i>Total adjustments</i>	<u>889,885</u>	<u>(2,489,250)</u>
NET CASH AND CASH EQUIVALENTS PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u><u>\$ 7,793,064</u></u>	<u><u>\$ (2,818,266)</u></u>

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 28, 2022 AND 2021

1. 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 ticket and program fees.

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.

CASH AND CASH EQUIVALENTS

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 \$3,635,421 and \$1,135,423 at February 28, 2022 and 2021, respectively. The Organizations maintain cash balances at commercial banks. The Organizations had cash in excess of Federal Deposit Insurance Corporation (FDIC) limits at February 28, 2022 of approximately \$4,870,000.

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. Bad debt write offs of \$5,000 or greater must be approved by the Board of Directors.

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.

The carrying value of the accounts receivable are reduced by a valuation allowance that reflects management's best estimate of the accounts that will not be collected. The allowance was \$24,533 and \$24,744 at February 28, 2022 and 2021, respectively.

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 28, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost, if purchased, or fair value if donated. All acquisitions of property and equipment in excess of \$2,500 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). Software is amortized over 3 years. 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.

NET ASSET CLASSIFICATIONS

Under Accounting Standards Update 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, the Organizations are required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Without Donor Restrictions

Net assets without donor restrictions include general and board designated assets and liabilities of the Organizations. Net assets without donor restrictions may be used at the discretion of management to support the Organizations' purposes and operations. The Board of Directors has designated a portion of these net assets to be used in the event of an emergency in the amount of \$94,199 at February 28, 2022 and 2021.

With Donor Restrictions

Net assets with donor restrictions include contributions and grants with restrictions specified by the donors or grantors. Net assets with donor restrictions include time, purpose, and perpetually restricted amounts. Time and purpose restricted amounts are discussed in Note 11. Perpetually restricted amounts are discussed in Note 12. When a donor restriction expires, that is, when a stipulated time-restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Net assets with donor restrictions consisted of the following at February 28:

	<u>2022</u>	<u>2021</u>
Time and purpose restricted (Note 11)	\$ 265,885	\$ 277,159
Perpetually restricted (Note 12)	<u>263,304</u>	<u>243,052</u>
	<u>\$ 529,189</u>	<u>\$ 520,211</u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

REVENUE RECOGNITION

Event related revenue is 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. All event fees and related revenue is recognized at a point in time.

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 net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

CONDITIONAL GRANT: SMALL BUSINESS PAYCHECK PROTECTION PROGRAM

In response to the COVID-19 pandemic, the United States federal government adopted the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") which includes a Small Business Paycheck Protection Program ("PPP") under the auspices of the federal Small Business Administration ("SBA"). These funds can be used for costs related to payroll, employee health care, rent, and utilities, and the funds are in substance a grant. In April 2020, Music for All received a PPP loan in the amount of \$381,700 under the CARES Act. Music for All applied for loan forgiveness and received their approval for forgiveness in May 2021. The amount is reflected as income in the accompanying 2021 statement of activities. In March 2021, Music for All received a second PPP loan in the amount of \$381,700 and terms the same as the first loan. The loan was forgiven in February 2022 and has been recognized as income in the 2022 statement of activities.

IN-KIND CONTRIBUTIONS

The Organizations receive contributed services, goods, and use of facilities. The fair market value of these services, goods and facilities of \$351,350 and \$203,217 for the years ended February 28, 2022 and 2021, respectively, has been reflected in the accompanying financial statements. This includes annual rent of \$132,000 for the years ended February 28, 2022 and 2021. See Note 15. 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.

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 28, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

ADVERTISING COSTS

The Organizations incurred \$20,918 and \$59,247 in advertising expense for the years ended February 28, 2022 and 2021, respectively. These costs were expensed as incurred.

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, 2022 and 2021 are as follows:

<u>2022</u>	<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	\$ 213,191	\$ 213,191	\$ -	\$ -
Value	102,787	102,787	-	-
Emerging markets	23,024	23,024	-	-
Fixed income	<u>119,636</u>	<u>119,636</u>	<u>-</u>	<u>-</u>
Total mutual funds	<u>\$ 458,638</u>	<u>\$ 458,638</u>	<u>\$ -</u>	<u>\$ -</u>
Charitable remainder trust	<u>\$ 63,639</u>	<u>\$ -</u>	<u>\$ 63,639</u>	<u>\$ -</u>

MUSIC FOR ALL, INC. AND AFFILIATE
 NOTES TO COMBINED FINANCIAL STATEMENTS
 FEBRUARY 28, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

FAIR VALUE MEASUREMENTS, CONTINUED

<u>2021</u>	<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	\$ 121,215	\$ 121,215	\$ -	\$ -
Value	146,613	146,613	-	-
Emerging markets	23,111	23,111	-	-
Fixed income	<u>140,452</u>	<u>140,452</u>	<u>-</u>	<u>-</u>
Total mutual funds	<u>\$ 431,391</u>	<u>\$ 431,391</u>	<u>\$ -</u>	<u>\$ -</u>
Charitable remainder trust	<u>\$ 62,006</u>	<u>\$ -</u>	<u>\$ 62,006</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.
- 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 years ended February 28, 2022 and 2021.

SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through October 6, 2022, which is the date the financial statements were available to be issued.

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 28, 2022 AND 2021

2. AVAILABLE RESOURCES AND LIQUIDITY

The following table reflects the Organizations' financial assets as of February 28, 2022 and 2021, reduced by amounts that are not available to meet general expenditures within one year of the Statement of Financial position date because of contractual restrictions or internal board designations. In the event the need arises to utilize the board-designated funds for liquidity purposes, the reserves could be drawn upon through the approval of the Board of Directors.

	<u>2022</u>	<u>2021</u>
Financial assets at year-end		
Cash and cash equivalents	\$ 9,132,974	\$ 1,382,431
Certificates of deposit	49,991	49,991
Investments	458,638	431,391
Accounts receivable, net	249,415	842,341
Pledges receivable	14,550	25,950
Grants receivable	-	8,424
Charitable remainder trust	63,639	62,006
Total financial assets	<u>9,969,207</u>	<u>2,802,534</u>
Less amounts not available to be used within one year		
Pledge receivable – long-term	5,000	-
Board designated net assets	94,199	94,199
Net assets with donor restrictions	529,189	520,211
Financial assets not available for use within one year	<u>628,388</u>	<u>614,410</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 9,340,819</u>	<u>\$ 2,188,124</u>

The Organizations' investments are not donor restricted. The Board's intent is not to use these assets for general use, but only for specific projects or programs that benefit the programs, participants and initiatives of the Organizations.

The Organizations regularly monitor liquidity required to meet their operating needs and other commitments. The Organizations have various sources of liquidity at their disposal including cash, cash equivalents, and a line of credit. See Note 9 for information about Music for All's line of credit.

3. CERTIFICATES OF DEPOSIT

Music for All invests in FDIC-insured bank certificates of deposit which are recorded at cost and totaled \$49,991 at February 28, 2022 and 2021. The certificates bear interest ranging from 0.05% to 1.80% and have maturities ranging from three to twelve months, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements. All certificates are fully insured under FDIC limits.

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 28, 2022 AND 2021

4. ENDOWMENT FUNDS

The Organizations' endowment consists of donor perpetually 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 perpetually restricted net assets the original value of gifts donated to the perpetual 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, 2022 and 2021 were:

<u>2022</u>	<u>Time and Purpose Restricted</u>	<u>Perpetually Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 1,883	\$ 243,052	\$ 244,935
Investment income	18,166	20,252	38,418
Appropriation of endowment net assets	-	-	-
Endowment net assets, end of year	<u>\$ 20,049</u>	<u>\$ 263,304</u>	<u>\$ 283,353</u>

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 28, 2022 AND 2021

4. ENDOWMENT FUNDS, CONTINUED

INTERPRETATION OF RELEVANT LAW, CONTINUED

<u>2021</u>	<u>Time and Purpose Restricted</u>	<u>Perpetually Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 2,883	\$ 241,517	\$ 244,400
Donations	-	1,535	1,535
Appropriation of endowment net assets for expenditure	<u>(1,000)</u>	<u>-</u>	<u>(1,000)</u>
Endowment net assets, end of year	<u>\$ 1,883</u>	<u>\$ 243,052</u>	<u>\$ 244,935</u>

FUNDS WITH DEFICIENCIES

From time to time, the fair value of assets associated with individual perpetual endowment funds may fall below the level that the donor or SPMIFA requires the Organizations to retain as a fund of perpetual duration. There were no funds with deficiencies at February 28, 2022 and 2021.

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, 2022 AND 2021

5. INVESTMENTS, CONTINUED

Cost and fair value of investments at February 28, 2022 and 2021 are as follows:

	<u>2022</u> <u>Fair Value</u>	<u>2022</u> <u>Cost</u>	<u>2021</u> <u>Fair Value</u>	<u>2021</u> <u>Cost</u>
Marketable Securities	\$ 458,638	\$ 445,095	\$ 431,391	\$ 392,556

6. PROPERTY AND EQUIPMENT

Property and equipment at February 28, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Leasehold improvements	\$ 771,758	\$ 771,758
Capitalized software	44,902	44,902
Furniture and equipment	412,135	400,295
	1,228,795	1,216,955
Accumulated depreciation and amortization	(1,130,746)	(1,104,696)
	<u>\$ 98,049</u>	<u>\$ 112,259</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 was established, the portion of the trust attributable to the present value of the future benefits to be received by Music for All was recorded in the Statement of Activities as a contribution with donor restrictions. The contribution was valued at \$63,639 and \$62,006 at February 28, 2022 and 2021, respectively, 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, 2022 and 2021 was \$704,331 and \$1,553,977, respectively.

9. BANK LINE OF CREDIT

Music for All has a \$620,000 line of credit with a bank that expires in September 2022. The line of credit bears interest at the prime rate plus .5% (3.75% at February 28, 2022). Music for All had no outstanding balance on the line of credit at February 28, 2022 and 2021.

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 28, 2022 AND 2021

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 \$26,410 and \$26,536 at February 28, 2022 and 2021, respectively.

11. NET ASSETS WITH DONOR RESTRICTIONS - TIME AND PURPOSE RESTRICTED

Net assets with time and purpose restrictions include 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. Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by the donors. Donor restricted promises to give that are due in future periods and are not perpetually restricted are classified as time and purpose restricted net assets. Time and purpose restricted net assets are comprised of the following at February 28, 2022 and 2021:

<u>2022</u>	<u>Beginning Balance</u>	<u>New Restrictions</u>	<u>Released from Restrictions</u>	<u>Ending Balance</u>
National Association of Uniform Manufacturers and Distributors	\$ 1,158	\$ -	\$ -	\$ 1,158
Mark Jolesch Scholarship	431	-	-	431
McLeroy Scholarship Fund	1,751	-	-	1,751
Yamaha Scholarship	-	1,000	-	1,000
Tang Family Scholarship	219	-	-	219
The Paynter Project	3,725	-	-	3,725
Mark Williams Fund	103,938	-	-	103,938
Guitar Center, Inc. – Teacher Ed. Fund	50,000	-	-	50,000
Lilly Grant	32,073	-	32,073	-
Farbman/West Charitable Remainder Trust	62,006	1,633	-	63,639
Spin Network	19,976	-	-	19,976
LJ Hancock Memorial Endowment	-	5,809	-	5,809
Fred J. Miller Scholarship Fund	200	3,319	-	3,519
Tang Family Fund	500	-	-	500
Sophie Rinehart Fund	1,182	9,038	-	10,220
	<u>\$ 277,159</u>	<u>\$ 20,799</u>	<u>\$ 32,073</u>	<u>\$ 265,885</u>

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 28, 2022 AND 2021

11. NET ASSETS WITH DONOR RESTRICTIONS - TIME AND PURPOSE RESTRICTED, CONTINUED

<u>2021</u>	<u>Beginning Balance</u>	<u>New Restrictions</u>	<u>Released from Restrictions</u>	<u>Ending Balance</u>
National Association of Uniform Manufacturers and Distributors	\$ 1,158	\$ -	\$ -	\$ 1,158
Mark Jolesch Scholarship	431	-	-	431
McLeroy Scholarship Fund	1,751	-	-	1,751
Fred J. Miller Memorial College Scholarship Fund	1,000	-	1,000	-
Yamaha Scholarship	917	-	917	-
Tang Family Scholarship	219	-	-	219
The Paynter Project	3,725	-	-	3,725
Mark Williams Fund	103,921	17	-	103,938
Revelli Scholarship	488	-	488	-
Guitar Center, Inc. – Teacher Ed. Fund	50,000	-	-	50,000
Lilly Grant	-	32,073	-	32,073
Farbman/West Charitable Remainder Trust	59,336	2,670	-	62,006
Spin Network	19,976	-	-	19,976
Fred J. Miller Scholarship Fund	200	-	-	200
Tang Family Fund	500	-	-	500
Sophie Rinehart Fund	1,182	-	-	1,182
	<u>\$ 244,804</u>	<u>\$ 34,760</u>	<u>\$ 2,405</u>	<u>\$ 277,159</u>

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 28, 2022 AND 2021

12. NET ASSETS WITH DONOR RESTRICTIONS - PERPETUALLY RESTRICTED

Perpetually 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. Perpetually restricted net assets are comprised of the following at February 28, 2022 and 2021:

<u>2022</u>	<u>Beginning Balance</u>	<u>New Restrictions</u>	<u>Released from Restrictions</u>	<u>Ending Balance</u>
Honor Band Chair Endowment	\$ 50,750	\$ 8,022	\$ -	\$ 58,772
L.J. Hancock Memorial Endowment	36,748	-	-	36,748
Sandy Feldstein Legacy Fund	37,421	5,915	-	43,336
Fred J. Miller Scholarship Fund	21,000	-	-	21,000
Tang Family Scholarship Fund	28,586	4,519	-	33,105
Sophie Rinehart Fund	57,182	-	-	57,182
Foundation Endowment	11,365	1,796	-	13,161
	<u>\$ 243,052</u>	<u>\$ 20,252</u>	<u>\$ -</u>	<u>\$ 263,304</u>

<u>2021</u>	<u>Beginning Balance</u>	<u>New Restrictions</u>	<u>Released from Restrictions</u>	<u>Ending Balance</u>
Honor Band Chair Endowment	\$ 50,750	\$ -	\$ -	\$ 50,750
L.J. Hancock Memorial Endowment	36,548	200	-	36,748
Sandy Feldstein Legacy Fund	37,146	275	-	37,421
Fred J. Miller Scholarship Fund	21,000	-	-	21,000
Tang Family Scholarship Fund	28,586	-	-	28,586
Sophie Rinehart Fund	56,122	1,060	-	57,182
Foundation Endowment	11,365	-	-	11,365
	<u>\$ 241,517</u>	<u>\$ 1,535</u>	<u>\$ -</u>	<u>\$ 243,052</u>

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 28, 2022 AND 2021

13. 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.

14. EMPLOYEE BENEFIT PLAN

Music for All maintains a 401(k) 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, 2022 and 2021 totaled \$49,288 and \$40,305, respectively.

15. 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 years ended February 28, 2022 and 2021. The liability related to the difference between straight-line rent and actual cash rental payments of \$96,453 and \$212,499 at February 28, 2022 and 2021, 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 years, carrying a value of approximately \$40,000. Accordingly, the fair market value of the lease recognized in fiscal year 2022 and 2021 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 leased office equipment under operating leases that had various expiration dates through March 2022. Upon expiration, the leases continued on a month-to-month basis. Equipment rental expense for the years ended February 28, 2022 and 2021 for these leases amounted to \$51,698 and \$13,004, 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 28:

2023	\$	138,822
2024		<u>48,227</u>
	\$	<u>187,049</u>

The Organization had a tenant that was leasing office space under an agreement that expired in March 2020 and the negotiated monthly payment was \$1,664. Additionally, in March of 2020, the lease was renewed with an expiration date of March 2021 and the renegotiated monthly payment was \$1,679. The lease has continued on a month-to-month basis upon expiration. Receipts totaled \$20,148 and \$20,136 for the years ended February 28, 2022 and 2021, respectively.

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 28, 2022 AND 2021

16. COMMITMENTS

Music for All has contracted to hold a portion of its programming activities at four venues through March 2022, June 2023, November 2023, and October 2025. The minimum total amount due under these contracts is approximately \$616,000. Music for All reserves hotel rooms in advance of future events which have commitments. The fiscal year 2023 agreement has a food and beverage minimum of \$229,000.

Also, in 2019, Music for All entered a software licensure agreement through March 2023 with fees approximating \$67,000 annually.

Additionally, effective May 2021, Music for All agreed to pay a vendor a fee of \$68,000 during fiscal year 2023.

17. FEDERAL, STATE AND LOCAL FUNDING

In accordance with guidelines established by the Indiana State Board of accounts, this federal, state, and local funding information was included to aid in the verification of Indiana financial assistance on the Entity Annual Report (E-1). The Organization files the E-1 on an accrual basis.

Program Name	Grantor Name	Assistance Listing Number	Revenue	Expense	Funding Type
Shuttered Venue Operators Grant	U.S. Small Business Administration	59.075	\$ 5,055,946	\$ 5,055,946	Direct Federal grant
Total funding			\$ 5,055,946	\$ 5,055,946	

18. RISKS AND UNCERTAINTIES

Since early 2020, the COVID-19 pandemic has caused significant disruption across the globe, affecting a wide-array of industries. During the year ended February 28, 2021, Music for All was unable to conduct the majority of its events. The extent of the impact of COVID-19 on Music for All's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the event participation and attendance, employees, and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Organizations' financial condition or results of operations for fiscal year 2023 is uncertain.



Greenwalt CPAs, Inc.
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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 (the Organizations) as of and for the years ended February 28, 2022 and 2021, and have issued our report thereon dated October 6, 2022, which contained an unmodified opinion on those combined financial statements. Our audit was performed for the purpose of forming an opinion on the combined financial statements as a whole.

The schedule of expenditure of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and information in Exhibits I through VIII 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 schedule of expenditures of federal awards and the information in Exhibits I through VIII are fairly stated, in all material respects, in relation to the combined financial statements as a whole.

Greenwalt CPAs, Inc.

October 6, 2022

	2022				2021			
	MUSIC FOR ALL	MUSIC FOR ALL FOUNDATION	ELIMINATIONS	TOTAL	MUSIC FOR ALL	MUSIC FOR ALL FOUNDATION	ELIMINATIONS	TOTAL
ASSETS								
CURRENT ASSETS								
Cash and cash equivalents	\$ 9,082,912	\$ 50,062	\$ -	\$ 9,132,974	\$ 1,328,693	\$ 53,738	\$ -	\$ 1,382,431
Certificates of deposit	49,991	-	-	49,991	49,991	-	-	49,991
Accounts receivable, net	249,415	-	-	249,415	842,341	-	-	842,341
Accounts receivable - related party	-	10,888	(10,888)	-	-	1,795	(1,795)	-
Grants receivable	-	-	-	-	8,424	-	-	8,424
Prepaid expenses	154,226	-	-	154,226	170,548	-	-	170,548
Pledges receivable - short-term	9,550	-	-	9,550	15,950	10,000	-	25,950
<i>Total current assets</i>	<u>9,546,094</u>	<u>60,950</u>	<u>(10,888)</u>	<u>9,596,156</u>	<u>2,415,947</u>	<u>65,533</u>	<u>(1,795)</u>	<u>2,479,685</u>
INVESTMENTS								
Marketable securities	-	458,638	-	458,638	-	431,391	-	431,391
PROPERTY AND EQUIPMENT								
Property and equipment	1,220,946	7,849	-	1,228,795	1,209,106	7,849	-	1,216,955
Accumulated depreciation and amortization	(1,122,897)	(7,849)	-	(1,130,746)	(1,096,847)	(7,849)	-	(1,104,696)
<i>Net property and equipment</i>	<u>98,049</u>	<u>-</u>	<u>-</u>	<u>98,049</u>	<u>112,259</u>	<u>-</u>	<u>-</u>	<u>112,259</u>
OTHER ASSETS								
Pledges receivable - long-term	-	5,000	-	5,000	-	-	-	-
Charitable remainder trust	63,639	-	-	63,639	62,006	-	-	62,006
Deposit	74,073	-	-	74,073	74,073	-	-	74,073
Trademark	20,000	-	-	20,000	20,000	-	-	20,000
<i>Total other assets</i>	<u>157,712</u>	<u>5,000</u>	<u>-</u>	<u>162,712</u>	<u>156,079</u>	<u>-</u>	<u>-</u>	<u>156,079</u>
<i>Total assets</i>	<u>\$ 9,801,855</u>	<u>\$ 524,588</u>	<u>\$ (10,888)</u>	<u>\$ 10,315,555</u>	<u>\$ 2,684,285</u>	<u>\$ 496,924</u>	<u>\$ (1,795)</u>	<u>\$ 3,179,414</u>
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES								
Accounts payable	\$ 121,542	\$ -	\$ -	\$ 121,542	\$ 47,333	\$ -	\$ -	\$ 47,333
Accounts payable - related party	10,888	-	(10,888)	-	1,795	-	(1,795)	-
Accrued expenses	329,637	-	-	329,637	435,372	-	-	435,372
Deferred grant income	1,114,260	-	-	1,114,260	-	-	-	-
Prepaid event income	704,331	-	-	704,331	1,553,977	-	-	1,553,977
<i>Total current liabilities</i>	<u>2,280,658</u>	<u>-</u>	<u>(10,888)</u>	<u>2,269,770</u>	<u>2,038,477</u>	<u>-</u>	<u>(1,795)</u>	<u>2,036,682</u>
LONG-TERM LIABILITIES								
Deferred trust liability	26,410	-	-	26,410	26,536	-	-	26,536
<i>Total liabilities</i>	<u>2,307,068</u>	<u>-</u>	<u>(10,888)</u>	<u>2,296,180</u>	<u>2,065,013</u>	<u>-</u>	<u>(1,795)</u>	<u>2,063,218</u>
NET ASSETS								
Without donor restrictions	7,361,172	129,014	-	7,490,186	455,217	140,768	-	595,985
With donor restrictions	133,615	395,574	-	529,189	164,055	356,156	-	520,211
<i>Total net assets</i>	<u>7,494,787</u>	<u>524,588</u>	<u>-</u>	<u>8,019,375</u>	<u>619,272</u>	<u>496,924</u>	<u>-</u>	<u>1,116,196</u>
	<u>\$ 9,801,855</u>	<u>\$ 524,588</u>	<u>\$ (10,888)</u>	<u>\$ 10,315,555</u>	<u>\$ 2,684,285</u>	<u>\$ 496,924</u>	<u>\$ (1,795)</u>	<u>\$ 3,179,414</u>

MUSIC FOR ALL, INC. AND AFFILIATE

 COMBINING STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED FEBRUARY 28, 2022

WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED FEBRUARY 28, 2021

Exhibit II

	WITHOUT DONOR RESTRICTIONS				WITH DONOR RESTRICTIONS			2022 TOTAL	2021 TOTAL
	MUSIC FOR ALL	MUSIC FOR ALL FOUNDATION	ELIMINATIONS	TOTAL	MUSIC FOR ALL	MUSIC FOR ALL FOUNDATION	TOTAL		
REVENUE									
Program fees	\$ 1,381,662	\$ -	\$ -	\$ 1,381,662	\$ -	\$ -	\$ -	\$ 1,381,662	\$ 834,404
Housing and meal fees	339,241	-	-	339,241	-	-	-	339,241	468,543
Ticket fees	5,132,269	-	-	5,132,269	-	-	-	5,132,269	6,694
Merchandise sales	28,430	-	-	28,430	-	-	-	28,430	124
Program book sales	54,353	-	-	54,353	-	-	-	54,353	-
Photography commissions	50,000	-	-	50,000	-	-	-	50,000	-
Merchandise commissions and sales	840,715	-	-	840,715	-	-	-	840,715	98,225
Sponsorships	610,000	-	-	610,000	-	-	-	610,000	510,840
Contributions	210,483	5,644	-	216,127	-	1,000	1,000	217,127	361,814
In-kind contributions	351,350	-	-	351,350	-	-	-	351,350	203,217
Grants	5,185,371	-	-	5,185,371	1,633	-	1,633	5,187,004	416,664
PPP conditional grant	381,700	-	-	381,700	-	-	-	381,700	381,700
Interest and dividends	744	25,039	-	25,783	-	-	-	25,783	24,616
Realized gain (loss) on investments	-	(7,567)	-	(7,567)	-	-	-	(7,567)	3,612
Unrealized gain (loss) on investments	-	(32,348)	-	(32,348)	-	38,418	38,418	6,070	47,368
Miscellaneous	997	-	-	997	-	-	-	997	167,160
Net assets released from restrictions	32,073	-	-	32,073	(32,073)	-	(32,073)	-	-
<i>Total revenue</i>	<u>14,599,388</u>	<u>(9,232)</u>	<u>-</u>	<u>14,590,156</u>	<u>(30,440)</u>	<u>39,418</u>	<u>8,978</u>	<u>14,599,134</u>	<u>3,524,981</u>
EXPENSES									
Program	6,410,556	2,000	-	6,412,556	-	-	-	6,412,556	3,383,518
Fundraising	116,017	-	-	116,017	-	-	-	116,017	79,205
General and administrative	1,166,860	522	-	1,167,382	-	-	-	1,167,382	391,274
<i>Total expenses</i>	<u>7,693,433</u>	<u>2,522</u>	<u>-</u>	<u>7,695,955</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,695,955</u>	<u>3,853,997</u>
CHANGE IN NET ASSETS	6,905,955	(11,754)	-	6,894,201	(30,440)	39,418	8,978	6,903,179	(329,016)
NET ASSETS, BEGINNING OF YEAR	455,217	140,768	-	595,985	164,055	356,156	520,211	1,116,196	1,445,212
NET ASSETS, END OF YEAR	<u>\$ 7,361,172</u>	<u>\$ 129,014</u>	<u>\$ -</u>	<u>\$ 7,490,186</u>	<u>\$ 133,615</u>	<u>\$ 395,574</u>	<u>\$ 529,189</u>	<u>\$ 8,019,375</u>	<u>\$ 1,116,196</u>

See accompanying independent auditors' report on supplementary information.

MUSIC FOR ALL, INC. AND AFFILIATE
 COMBINING STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED FEBRUARY 28, 2021

Exhibit III

	WITHOUT DONOR RESTRICTIONS				WITH DONOR RESTRICTIONS			2021 TOTAL
	MUSIC FOR ALL	MUSIC FOR ALL FOUNDATION	ELIMINATIONS	TOTAL	MUSIC FOR ALL	MUSIC FOR ALL FOUNDATION	TOTAL	
REVENUE								
Program fees	\$ 834,404	\$ -	\$ -	\$ 834,404	\$ -	\$ -	\$ -	\$ 834,404
Housing and meal fees	468,543	-	-	468,543	-	-	-	468,543
Ticket fees	6,694	-	-	6,694	-	-	-	6,694
Merchandise sales	124	-	-	124	-	-	-	124
Merchandise commissions and sales	98,225	-	-	98,225	-	-	-	98,225
Sponsorships	510,840	-	-	510,840	-	-	-	510,840
Contributions	358,139	2,123	-	360,262	-	1,552	1,552	361,814
In-kind contributions	203,217	-	-	203,217	-	-	-	203,217
Grants	381,921	-	-	381,921	34,743	-	34,743	416,664
PPP conditional grant	381,700	-	-	381,700	-	-	-	381,700
Interest and dividends	11,850	12,766	-	24,616	-	-	-	24,616
Realized gain on investments	-	3,612	-	3,612	-	-	-	3,612
Unrealized gain on investments	-	47,368	-	47,368	-	-	-	47,368
Miscellaneous	167,160	-	-	167,160	-	-	-	167,160
Net assets released from restrictions	-	2,405	-	2,405	-	(2,405)	(2,405)	-
<i>Total revenue</i>	<u>3,422,817</u>	<u>68,274</u>	<u>-</u>	<u>3,491,091</u>	<u>34,743</u>	<u>(853)</u>	<u>33,890</u>	<u>3,524,981</u>
EXPENSES								
Program	3,378,518	5,000	-	3,383,518	-	-	-	3,383,518
Fundraising	79,205	-	-	79,205	-	-	-	79,205
General and administrative	390,766	508	-	391,274	-	-	-	391,274
<i>Total expenses</i>	<u>3,848,489</u>	<u>5,508</u>	<u>-</u>	<u>3,853,997</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,853,997</u>
CHANGE IN NET ASSETS	(425,672)	62,766	-	(362,906)	34,743	(853)	33,890	(329,016)
NET ASSETS, BEGINNING OF YEAR	<u>880,889</u>	<u>78,002</u>	<u>-</u>	<u>958,891</u>	<u>129,312</u>	<u>357,009</u>	<u>486,321</u>	<u>1,445,212</u>
NET ASSETS, END OF YEAR	<u>\$ 455,217</u>	<u>\$ 140,768</u>	<u>\$ -</u>	<u>\$ 595,985</u>	<u>\$ 164,055</u>	<u>\$ 356,156</u>	<u>\$ 520,211</u>	<u>\$ 1,116,196</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, 2022
 WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED FEBRUARY 28, 2021

Exhibit IV

	MUSIC FOR ALL							
	PROGRAM	FUNDRAISING	GENERAL AND ADMINISTRATIVE EXPENSES	TOTAL	MUSIC FOR ALL FOUNDATION	ELIMINATIONS	2022 TOTAL	2021 TOTAL
PROGRAMS								
Awards and trophies	\$ 362,268	\$ -	\$ 4,230	\$ 366,498	\$ -	\$ -	\$ 366,498	\$ 27,178
Scholarships and grants	-	-	-	-	2,000	-	2,000	5,000
Clinician and judge fees	312,517	-	22,789	335,306	-	-	335,306	149,163
Copyright fees	15,115	-	3,795	18,910	-	-	18,910	3,316
Cost of merchandise sold	58,426	-	-	58,426	-	-	58,426	123,312
Equipment rental	104,182	308	1,244	105,734	-	-	105,734	12,677
Program promotion	18,764	-	12,322	31,086	-	-	31,086	51,015
Facility rental	2,110	-	620	2,730	-	-	2,730	22,371
Participant housing and meals	829,222	-	14,617	843,839	-	-	843,839	743,743
Outside services	1,759,261	1,509	4,958	1,765,728	-	-	1,765,728	88,555
Other program expenses	746,020	9,260	6,563	761,843	-	-	761,843	172,258
<i>Total programs and activities</i>	<u>4,207,885</u>	<u>11,077</u>	<u>71,138</u>	<u>4,290,100</u>	<u>2,000</u>	<u>-</u>	<u>4,292,100</u>	<u>1,398,588</u>
PERSONNEL RELATED								
Salaries and contract employees	1,216,579	58,732	664,653	1,939,964	-	-	1,939,964	1,546,473
Payroll taxes	90,396	-	55,811	146,207	-	-	146,207	117,270
401(k) contribution	30,474	-	18,814	49,288	-	-	49,288	40,305
Staff travel, housing and meals	8,981	29,170	5,627	43,778	-	-	43,778	3,550
Group insurance	109,624	-	67,683	177,307	-	-	177,307	161,175
Other personnel related expenses	27,038	-	8,178	35,216	-	-	35,216	66,042
<i>Total personnel related</i>	<u>1,483,092</u>	<u>87,902</u>	<u>820,766</u>	<u>2,391,760</u>	<u>-</u>	<u>-</u>	<u>2,391,760</u>	<u>1,934,815</u>
BUILDING AND FACILITY								
Depreciation and amortization	17,609	854	9,524	27,987	-	-	27,987	29,472
Rental - office building	326,585	7,144	83,760	417,489	-	-	417,489	230,453
Repairs and maintenance	8,720	371	4,649	13,740	-	-	13,740	1,514
Telephone and utilities	35,151	1,706	19,997	56,854	-	-	56,854	44,536
<i>Total building and facility</i>	<u>388,065</u>	<u>10,075</u>	<u>117,930</u>	<u>516,070</u>	<u>-</u>	<u>-</u>	<u>516,070</u>	<u>305,975</u>
OFFICE AND ADMINISTRATIVE								
Board of directors' expense	8,319	346	4,058	12,723	-	-	12,723	1,123
Computer services and supplies	67,319	2,843	33,417	103,579	-	-	103,579	105,119
Business insurance	48,220	2,340	27,432	77,992	-	-	77,992	32,775
Professional services	-	-	-	-	498	-	498	487
Interest	-	-	-	-	-	-	-	3,555
Franchise, sales, and income taxes	2,548	-	17	2,565	-	-	2,565	-
Other office and administrative	205,108	1,434	92,102	298,644	24	-	298,668	71,560
<i>Total office and administrative</i>	<u>331,514</u>	<u>6,963</u>	<u>157,026</u>	<u>495,503</u>	<u>522</u>	<u>-</u>	<u>496,025</u>	<u>214,619</u>
	<u>\$ 6,410,556</u>	<u>\$ 116,017</u>	<u>\$ 1,166,860</u>	<u>\$ 7,693,433</u>	<u>\$ 2,522</u>	<u>\$ -</u>	<u>\$ 7,695,955</u>	<u>\$ 3,853,997</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, 2021

Exhibit V

	MUSIC FOR ALL				MUSIC FOR ALL FOUNDATION	ELIMINATIONS	TOTAL
	PROGRAM	FUNDRAISING	GENERAL AND ADMINISTRATIVE EXPENSES	TOTAL			
PROGRAMS							
Awards and trophies	\$ 27,178	\$ -	\$ -	\$ 27,178	\$ -	\$ -	\$ 27,178
Scholarships and grants	-	-	-	-	5,000	-	5,000
Clinician and judges fees	149,063	100	-	149,163	-	-	149,163
Copyright fees	3,316	-	-	3,316	-	-	3,316
Cost of merchandise sold	123,242	70	-	123,312	-	-	123,312
Equipment rental	12,546	-	131	12,677	-	-	12,677
Program promotion	51,015	-	-	51,015	-	-	51,015
Facility rental	22,371	-	-	22,371	-	-	22,371
Participant housing and meals	743,743	-	-	743,743	-	-	743,743
Outside services	74,851	-	13,704	88,555	-	-	88,555
Other program expenses	170,933	-	1,325	172,258	-	-	172,258
<i>Total programs and activities</i>	<u>1,378,258</u>	<u>170</u>	<u>15,160</u>	<u>1,393,588</u>	<u>5,000</u>	<u>-</u>	<u>1,398,588</u>
PERSONNEL RELATED							
Salaries and contract employees	1,272,190	56,093	218,190	1,546,473	-	-	1,546,473
Payroll taxes	93,816	-	23,454	117,270	-	-	117,270
401(k) contribution	32,244	-	8,061	40,305	-	-	40,305
Staff travel, housing and meals	1,942	1,123	485	3,550	-	-	3,550
Group insurance	128,940	-	32,235	161,175	-	-	161,175
Other personnel related expenses	63,430	151	2,461	66,042	-	-	66,042
<i>Total personnel related</i>	<u>1,592,562</u>	<u>57,367</u>	<u>284,886</u>	<u>1,934,815</u>	<u>-</u>	<u>-</u>	<u>1,934,815</u>
BUILDING AND FACILITY							
Depreciation and amortization	23,578	884	5,010	29,472	-	-	29,472
Rental - office building	184,362	6,914	39,177	230,453	-	-	230,453
Repairs and maintenance	1,212	45	257	1,514	-	-	1,514
Telephone and utilities	35,629	1,336	7,571	44,536	-	-	44,536
<i>Total building and facility</i>	<u>244,781</u>	<u>9,179</u>	<u>52,015</u>	<u>305,975</u>	<u>-</u>	<u>-</u>	<u>305,975</u>
OFFICE AND ADMINISTRATIVE							
Board of directors' expense	898	34	191	1,123	-	-	1,123
Computer services and supplies	80,216	3,008	21,895	105,119	-	-	105,119
Business insurance	26,220	983	5,572	32,775	-	-	32,775
Professional services	-	-	-	-	487	-	487
Interest	2,844	-	711	3,555	-	-	3,555
Other office and administrative	52,739	8,464	10,336	71,539	21	-	71,560
<i>Total office and administrative</i>	<u>162,917</u>	<u>12,489</u>	<u>38,705</u>	<u>214,111</u>	<u>508</u>	<u>-</u>	<u>214,619</u>
	<u>\$ 3,378,518</u>	<u>\$ 79,205</u>	<u>\$ 390,766</u>	<u>\$ 3,848,489</u>	<u>\$ 5,508</u>	<u>\$ -</u>	<u>\$ 3,853,997</u>

See accompanying independent auditors' report on supplementary information.

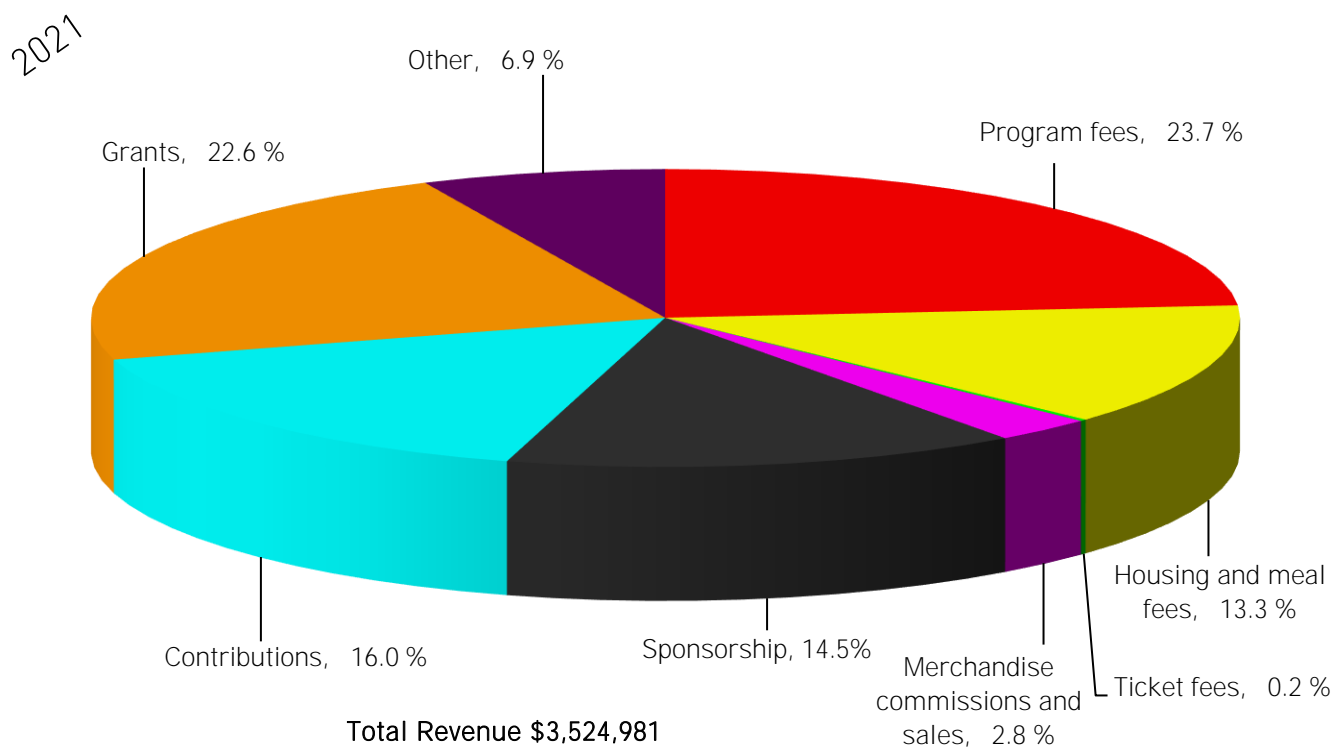
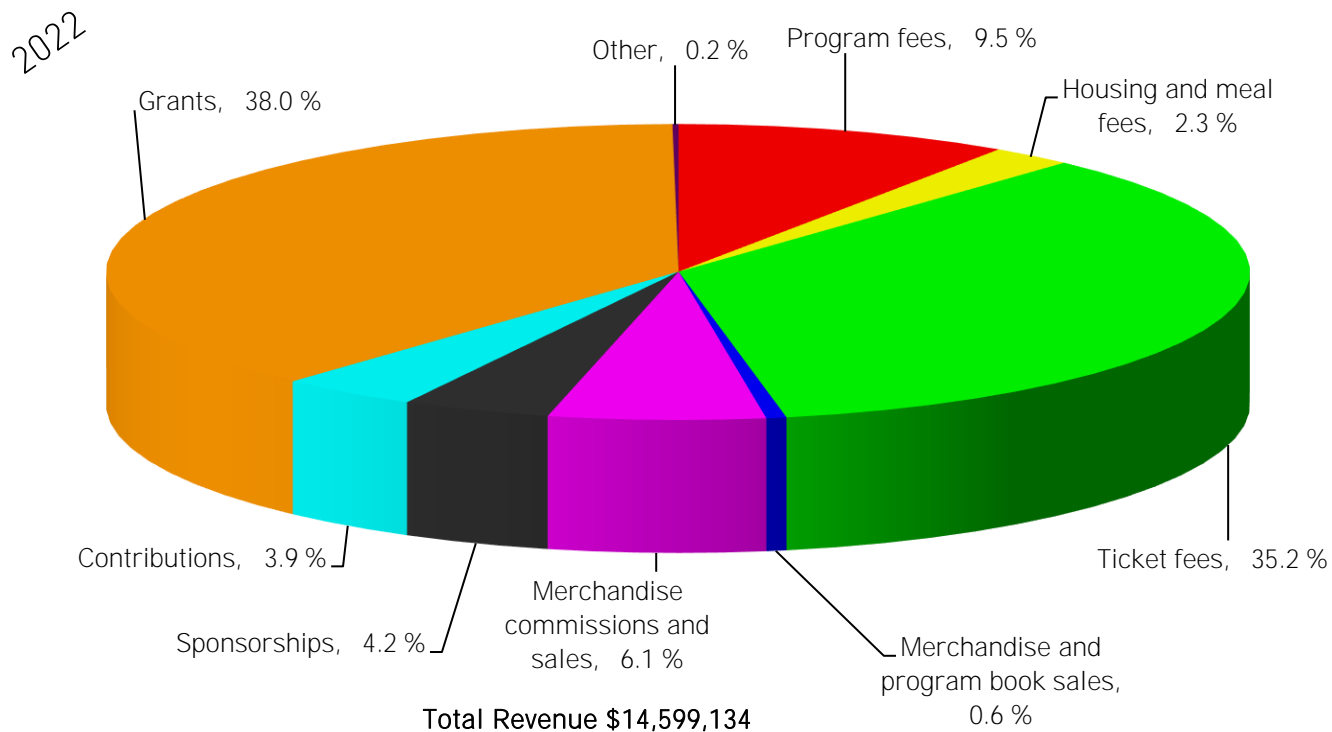
MUSIC FOR ALL, INC. AND AFFILIATE
 COMBINING STATEMENTS OF ACTIVITIES
 FOR THE YEARS ENDED FEBRUARY 28, 2022 AND 2021

Exhibit VI

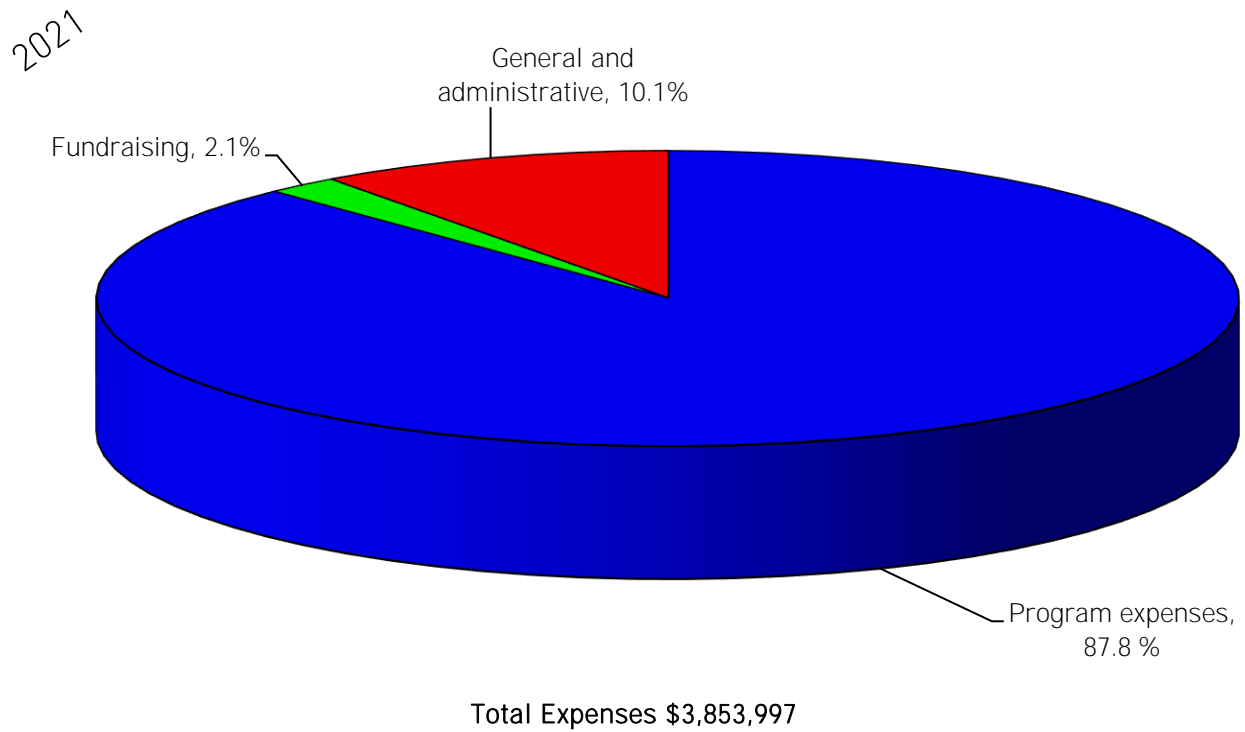
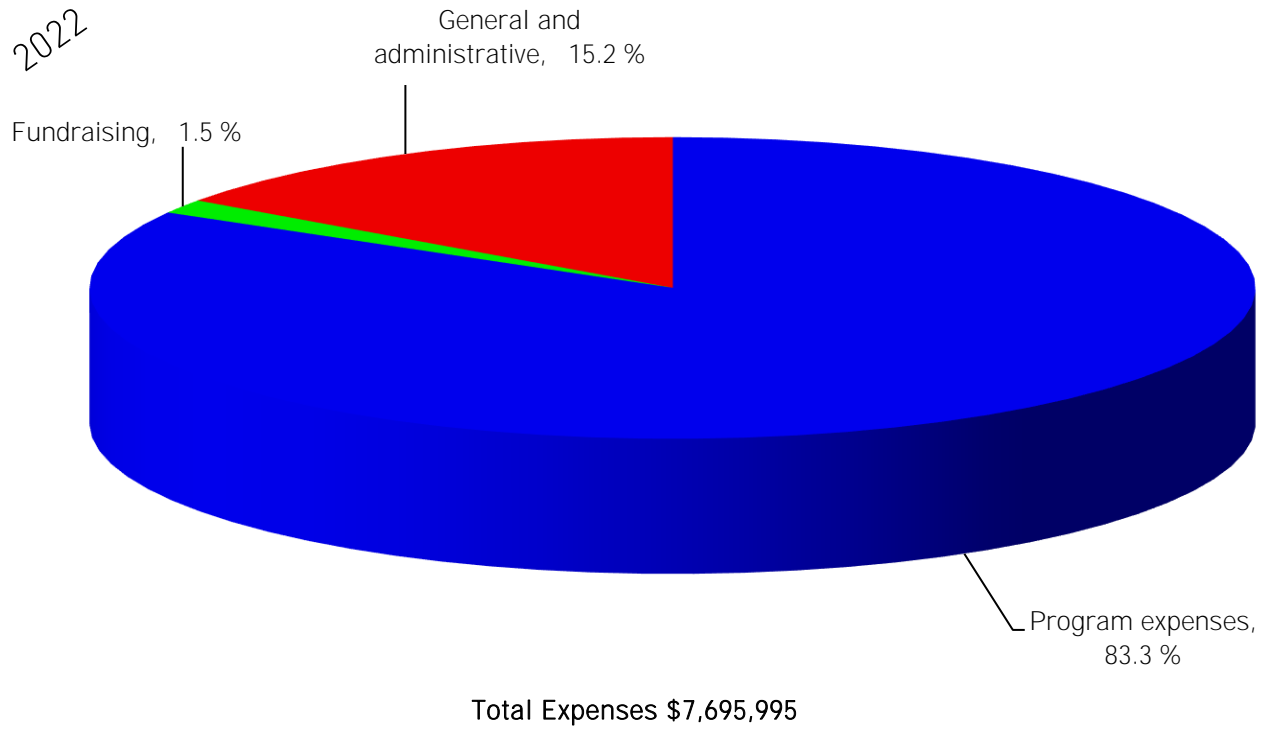
	2022				2021			
	MUSIC FOR ALL	MUSIC FOR ALL FOUNDATION	ELIMINATIONS	TOTAL	MUSIC FOR ALL	MUSIC FOR ALL FOUNDATION	ELIMINATIONS	TOTAL
REVENUE								
Program fees	\$ 1,381,662	\$ -	\$ -	\$ 1,381,662	\$ 834,404	\$ -	\$ -	\$ 834,404
Housing and meal fees	339,241	-	-	339,241	468,543	-	-	468,543
Ticket fees	5,132,269	-	-	5,132,269	6,694	-	-	6,694
Merchandise sales	28,430	-	-	28,430	124	-	-	124
Program book sales	54,353	-	-	54,353	-	-	-	-
Photography commissions	50,000	-	-	50,000	-	-	-	-
Merchandise commissions	840,715	-	-	840,715	98,225	-	-	98,225
Sponsorships	610,000	-	-	610,000	510,840	-	-	510,840
Contributions	210,483	6,644	-	217,127	358,139	3,675	-	361,814
In-kind contributions	351,350	-	-	351,350	203,217	-	-	203,217
Grants	5,187,004	-	-	5,187,004	416,664	-	-	416,664
PPP conditional grant	381,700	-	-	381,700	381,700	-	-	381,700
Interest and dividends	744	25,039	-	25,783	11,850	12,766	-	24,616
Realized gain (loss) on investments	-	(7,567)	-	(7,567)	-	3,612	-	3,612
Unrealized gain on investments	-	6,070	-	6,070	-	47,368	-	47,368
Miscellaneous	997	-	-	997	167,160	-	-	167,160
<i>Total revenue</i>	<u>14,568,948</u>	<u>30,186</u>	<u>-</u>	<u>14,599,134</u>	<u>3,457,560</u>	<u>67,421</u>	<u>-</u>	<u>3,524,981</u>
EXPENSES								
Program	6,410,556	2,000	-	6,412,556	3,378,518	5,000	-	3,383,518
Fundraising	116,017	-	-	116,017	79,205	-	-	79,205
General and administrative	1,166,860	522	-	1,167,382	390,766	508	-	391,274
<i>Total expenses</i>	<u>7,693,433</u>	<u>2,522</u>	<u>-</u>	<u>7,695,955</u>	<u>3,848,489</u>	<u>5,508</u>	<u>-</u>	<u>3,853,997</u>
CHANGE IN NET ASSETS	6,875,515	27,664	-	6,903,179	(390,929)	61,913	-	(329,016)
NET ASSETS, BEGINNING OF YEAR	<u>619,272</u>	<u>496,924</u>	<u>-</u>	<u>1,116,196</u>	<u>1,010,201</u>	<u>435,011</u>	<u>-</u>	<u>1,445,212</u>
NET ASSETS, END OF YEAR	<u>\$ 7,494,787</u>	<u>\$ 524,588</u>	<u>\$ -</u>	<u>\$ 8,019,375</u>	<u>\$ 619,272</u>	<u>\$ 496,924</u>	<u>\$ -</u>	<u>\$ 1,116,196</u>

See accompanying independent auditors' report on supplementary information.

MUSIC FOR ALL, INC. AND AFFILIATE
 COMBINED REVENUE GRAPHS
 FOR THE YEARS ENDED FEBRUARY 28, 2022 AND 2021



MUSIC FOR ALL, INC. AND AFFILIATE
COMBINED EXPENSE GRAPHS
FOR THE YEARS ENDED FEBRUARY 28, 2022 AND 2021



MUSIC FOR ALL, INC. AND AFFILIATE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED FEBRUARY 28, 2022

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	ASSISTANCE LISTING NUMBER	AGENCY PASS-THROUGH NUMBER	FEDERAL EXPENDITURES
SMALL BUSINESS ADMINISTRATION			
COVID-19 Shuttered Venue Operators Grant Program	59.075	N/A	\$ 5,055,946
<i>Total expenditures of federal awards</i>			<u>\$ 5,055,946</u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Music for All, Inc. and Affiliate (the Organizations) under programs of the federal government for the year ended February 28, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Music for All, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Music for All.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. During fiscal year 2022, grant agreement related to Assistance Listing #59.075, Shuttered Venue Operators Grant Program, was awarded. The grant period for this grant was March 1, 2020 - June 30, 2022. Pursuant to 2 CFR 200.502, approximately \$97,000 of fiscal year 2021 expenses have been included in the Schedule for the year ended February 28, 2022.

3. INDIRECT COST RATE

Music for All has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.



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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*

INDEPENDENT AUDITORS' REPORT

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

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 of America, the combined financial statements of Music for All, Inc. and Affiliate, (collectively, the Organizations), which comprise the combined statement of financial position as of February 28, 2022, and the related combined statements of activities, functional expenses, and cash flows for the year ended, and the related notes to the combined financial statements, and have issued our report thereon dated October 6, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered the Organizations' 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 combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organizations' internal control. Accordingly, we do not express an opinion on the effectiveness of the Organizations' 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's combined financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or 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.

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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organizations' combined 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 combined 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 Organizations' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organizations' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Greenwald CPAs, Inc.

October 6, 2022



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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITORS' REPORT

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Music for All, Inc. and Affiliate's (the Organizations') compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Music for All's major federal program for the year ended February 28, 2022. Music for All's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organizations' complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended February 28, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America (*Government Auditing Standards*); and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organizations and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organizations' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organizations' federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organizations' compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organizations' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organizations' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organizations' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organizations' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control

over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Greenwald CPAs, Inc.

October 6, 2022

MUSIC FOR ALL, INC. AND AFFILIATE
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED FEBRUARY 28, 2022

A. SUMMARY OF AUDITORS' RESULTS

Combined Financial Statements

- 1. Type of auditors' report issued on whether the consolidated financial statements audited were prepared in accordance with Generally Accepted Accounting Principles (GAAP): Unmodified
- 2. Internal control over financial reporting:
 - Material weakness(es) identified? _____yes no
 - Significant deficiency(ies) identified? _____yes none reported
- 3. Noncompliance material to consolidated financial statements noted? _____yes no

Federal Awards

- 4. Internal control over major federal programs:
 - Material weakness(es) identified? _____yes no
 - Significant deficiency(ies) identified? _____yes none reported
- 5. Type of auditors' report issued on compliance for major federal programs: Unmodified
- 6. Any audit findings disclosed that are required to be reported in accordance with with 2 CFR 200.516(a)? _____yes no
- 7. Identification of major federal programs:

	<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
	59.075	Shuttered Venue Operators Grant Program
- 8. Dollar threshold used to distinguish between type A and type B programs: \$ 750,000
- 9. Auditee qualified as low-risk auditee? _____yes no

B. FINDINGS - COMBINED FINANCIAL STATEMENTS AUDIT

None.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.