
MUSIC FOR ALL, INC.
AND AFFILIATE
COMBINED FINANCIAL STATEMENTS
Together with Independent Auditors' Report
FEBRUARY 28, 2023 AND 2022



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 accompanying combined financial statements of Music for All, Inc. and Affiliate (the Organizations), which comprise the combined statements of financial position as of February 28, 2023 and 2022, 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 combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Organizations as of February 28, 2023 and 2022, 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 audits 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, when applicable.

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 August 30, 2023, 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.

August 30, 2023

MUSIC FOR ALL, INC. AND AFFILIATE
 COMBINED STATEMENTS OF FINANCIAL POSITION
 FEBRUARY 28, 2023 AND 2022

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>	<u>LIABILITIES AND NET ASSETS</u>	<u>2023</u>	<u>2022</u>
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and cash equivalents	\$ 6,353,977	\$ 9,132,974	Accounts payable	\$ 142,647	\$ 121,542
Certificates of deposit	648,150	49,991	Accrued expenses	392,813	329,637
Accounts receivable, net	178,177	249,415	Deferred grant income	-	1,114,260
Prepaid expenses	264,620	154,226	Short-term operating lease liability	48,179	-
Pledges receivable - short-term	6,800	9,550	Prepaid event income	2,211,370	704,331
<i>Total current assets</i>	<u>7,451,724</u>	<u>9,596,156</u>	<i>Total current liabilities</i>	<u>2,795,009</u>	<u>2,269,770</u>
INVESTMENTS			LONG-TERM LIABILITIES		
Marketable securities	<u>5,318,423</u>	<u>458,638</u>	Deferred trust liability	<u>23,032</u>	<u>26,410</u>
PROPERTY AND EQUIPMENT			<i>Total liabilities</i>	<u>2,818,041</u>	<u>2,296,180</u>
Property and equipment	1,228,795	1,228,795	COMMITMENTS (NOTES 14 AND 15)		
Accumulated depreciation and amortization	<u>(1,151,613)</u>	<u>(1,130,746)</u>	NET ASSETS		
<i>Net property and equipment</i>	<u>77,182</u>	<u>98,049</u>	Without donor restrictions	9,695,932	7,490,186
OPERATING LEASE RIGHT OF USE ASSET			With donor restrictions	531,502	529,189
Operating lease right of use asset	<u>37,253</u>	<u>-</u>	<i>Total net assets</i>	<u>10,227,434</u>	<u>8,019,375</u>
OTHER ASSETS					
Pledge receivable - long-term	-	5,000			
Charitable remainder trust	66,820	63,639			
Deposit	74,073	74,073			
Trademark	20,000	20,000			
<i>Total other assets</i>	<u>160,893</u>	<u>162,712</u>			
	<u>\$ 13,045,475</u>	<u>\$ 10,315,555</u>		<u>\$ 13,045,475</u>	<u>\$ 10,315,555</u>

See accompanying notes to financial statements.

MUSIC FOR ALL, INC. AND AFFILIATE

COMBINED STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED FEBRUARY 28, 2023 AND 2022

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>2023 TOTAL</u>	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>2022 TOTAL</u>
REVENUE						
Program fees	\$ 1,539,856	\$ -	\$ 1,539,856	\$ 1,381,662	\$ -	\$ 1,381,662
Housing and meal fees	179,546	-	179,546	339,241	-	339,241
Ticket fees	5,136,499	-	5,136,499	5,132,269	-	5,132,269
Merchandise sales	-	-	-	28,430	-	28,430
Program book sales	29,625	-	29,625	54,353	-	54,353
Photography commissions	55,000	-	55,000	50,000	-	50,000
Merchandise commissions and sales	900,862	-	900,862	840,715	-	840,715
Sponsorships	817,840	-	817,840	610,000	-	610,000
Contributions	151,389	2,495	153,884	216,127	1,000	217,127
In-kind contributions	211,600	-	211,600	351,350	-	351,350
Grants	1,295,612	11,352	1,306,964	5,185,371	1,633	5,187,004
PPP conditional grant	-	-	-	381,700	-	381,700
Interest and dividends	169,735	-	169,735	25,783	-	25,783
Realized gain (loss) on investments	(711)	-	(711)	(7,567)	-	(7,567)
Unrealized gain (loss) on investments	22,244	-	22,244	(32,348)	38,418	6,070
Miscellaneous	12,254	-	12,254	997	-	997
Net assets released from restrictions	11,534	(11,534)	-	32,073	(32,073)	-
<i>Total revenue</i>	<u>10,532,885</u>	<u>2,313</u>	<u>10,535,198</u>	<u>14,590,156</u>	<u>8,978</u>	<u>14,599,134</u>
EXPENSES						
Program	7,256,270	-	7,256,270	6,012,006	-	6,012,006
Fundraising	306,844	-	306,844	1,076,717	-	1,076,717
General and administrative	764,025	-	764,025	607,232	-	607,232
<i>Total expenses</i>	<u>8,327,139</u>	<u>-</u>	<u>8,327,139</u>	<u>7,695,955</u>	<u>-</u>	<u>7,695,955</u>
CHANGE IN NET ASSETS	2,205,746	2,313	2,208,059	6,894,201	8,978	6,903,179
NET ASSETS, BEGINNING 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>
NET ASSETS, END OF YEAR	<u>\$ 9,695,932</u>	<u>\$ 531,502</u>	<u>\$ 10,227,434</u>	<u>\$ 7,490,186</u>	<u>\$ 529,189</u>	<u>\$ 8,019,375</u>

See accompanying notes to financial statements.

MUSIC FOR ALL, INC. AND AFFILIATE

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED FEBRUARY 28, 2023

WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED FEBRUARY 28, 2022

	PROGRAM EXPENSES	FUNDRAISING EXPENSES	GENERAL AND ADMINISTRATIVE EXPENSES	2023 TOTAL	2022 TOTAL
PROGRAMS					
Awards and trophies	\$ 153,774	\$ -	\$ -	\$ 153,774	\$ 366,497
Scholarships and grants	13,439	-	-	13,439	2,000
Clinician and judge fees	398,494	-	-	398,494	335,306
Copyright fees	13,841	-	-	13,841	18,909
Cost of merchandise sold	27,112	-	2,790	29,902	58,441
Equipment rental	152,274	-	65	152,339	105,734
Program promotion	66,045	-	-	66,045	31,066
Facility rental	778,204	-	-	778,204	714,027
Participant housing and meals	298,862	-	-	298,862	843,839
Travel, housing and meals	1,156,103	2,375	12,501	1,170,979	696,260
Outside services	1,014,704	4,185	12,218	1,031,107	954,890
Other program expenses	195,355	935	5,521	201,811	288,276
<i>Total programs and activities</i>	<u>4,268,207</u>	<u>7,495</u>	<u>33,095</u>	<u>4,308,797</u>	<u>4,415,245</u>
PERSONNEL RELATED					
Salaries and contract employees	1,919,046	232,456	438,735	2,590,237	2,047,694
Payroll taxes	130,088	18,388	34,143	182,619	146,208
401(k) contribution	43,804	2,184	11,497	57,485	49,289
Group insurance	186,011	11,274	48,821	246,106	177,306
Other personnel related expenses	55,347	2,655	13,975	71,977	24,297
<i>Total personnel related</i>	<u>2,334,296</u>	<u>266,957</u>	<u>547,171</u>	<u>3,148,424</u>	<u>2,444,794</u>
BUILDING AND FACILITY					
Depreciation and amortization	17,256	860	4,529	22,645	27,987
Rental - office building	155,992	9,112	47,964	213,068	238,140
Repairs and maintenance	13,729	685	3,603	18,017	13,740
Telephone and utilities	46,390	2,313	12,176	60,879	56,854
<i>Total building and facility</i>	<u>233,367</u>	<u>12,970</u>	<u>68,272</u>	<u>314,609</u>	<u>336,721</u>
OFFICE AND ADMINISTRATIVE					
Board of director's expense	10,034	500	2,634	13,168	12,723
Computer services and supplies	227,424	11,590	58,917	297,931	284,892
Business insurance	66,710	3,326	17,509	87,545	77,991
Professional services	-	-	515	515	498
Franchise, sales, and income taxes	52	-	-	52	2,565
Other office and administrative	116,180	4,006	35,912	156,098	120,526
<i>Total office and administrative</i>	<u>420,400</u>	<u>19,422</u>	<u>115,487</u>	<u>555,309</u>	<u>499,195</u>
	<u>\$ 7,256,270</u>	<u>\$ 306,844</u>	<u>\$ 764,025</u>	<u>\$ 8,327,139</u>	<u>\$ 7,695,955</u>

MUSIC FOR ALL, INC. AND AFFILIATE
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED FEBRUARY 28, 2022

	<u>PROGRAM EXPENSES</u>	<u>FUNDRAISING EXPENSES</u>	<u>GENERAL AND ADMINISTRATIVE EXPENSES</u>	<u>TOTAL</u>
PROGRAMS				
Awards and trophies	\$ 366,497	\$ -	\$ -	\$ 366,497
Scholarships and grants	2,000	-	-	2,000
Clinician and judge fees	335,306	-	-	335,306
Copyright fees	18,909	-	-	18,909
Cost of merchandise sold	58,441	-	-	58,441
Equipment rental	105,672	-	62	105,734
Program promotion	31,066	-	-	31,066
Facility rental	714,027	-	-	714,027
Participant housing and meals	843,839	-	-	843,839
Travel, housing and meals	677,996	11,403	6,861	696,260
Outside services	933,568	13,939	7,383	954,890
Other program expenses	284,249	1,343	2,684	288,276
	<u>4,371,570</u>	<u>26,685</u>	<u>16,990</u>	<u>4,415,245</u>
<i>Total programs and activities</i>				
PERSONNEL RELATED				
Salaries and contract employees	968,262	733,026	346,406	2,047,694
Payroll taxes	63,171	56,037	27,000	146,208
401(k) contribution	23,064	16,367	9,858	49,289
Group insurance	81,988	60,275	35,043	177,306
Other personnel related expenses	13,989	6,437	3,871	24,297
	<u>1,150,474</u>	<u>872,142</u>	<u>422,178</u>	<u>2,444,794</u>
<i>Total personnel related</i>				
BUILDING AND FACILITY				
Depreciation and amortization	13,096	9,294	5,597	27,987
Rental - office building	162,014	28,498	47,628	238,140
Repairs and maintenance	7,158	4,108	2,474	13,740
Telephone and utilities	26,604	18,879	11,371	56,854
	<u>208,872</u>	<u>60,779</u>	<u>67,070</u>	<u>336,721</u>
<i>Total building and facility</i>				
OFFICE AND ADMINISTRATIVE				
Board of director's expense	6,584	3,831	2,308	12,723
Computer services and supplies	160,426	77,680	46,786	284,892
Business insurance	36,495	25,898	15,598	77,991
Professional services	-	-	498	498
Franchise, sales, and income taxes	2,565	-	-	2,565
Other office and administrative	75,020	9,702	35,804	120,526
	<u>281,090</u>	<u>117,111</u>	<u>100,994</u>	<u>499,195</u>
<i>Total office and administrative</i>				
	<u>\$ 6,012,006</u>	<u>\$ 1,076,717</u>	<u>\$ 607,232</u>	<u>\$ 7,695,955</u>

See accompanying notes to financial statements.

NET CHANGE IN CASH AND CASH EQUIVALENTS

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from program activities and contributors	\$ 10,608,464	\$ 14,716,562
Cash paid to suppliers and employees	(8,119,007)	(7,330,981)
Proceeds from PPP conditional grant	-	381,700
Interest and dividend income	169,735	25,783
	<u>169,735</u>	<u>25,783</u>
<i>Net cash and cash equivalents provided by operating activities</i>	<u>2,659,192</u>	<u>7,793,064</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	-	(13,777)
Purchases of certificates of deposit	(649,817)	-
Redemption of certificates of deposit	50,000	-
Proceeds from sales of marketable securities	10,599	224,226
Purchases of marketable securities	(4,848,971)	(252,970)
	<u>(4,848,971)</u>	<u>(252,970)</u>
<i>Net cash and cash equivalents used in investing activities</i>	<u>(5,438,189)</u>	<u>(42,521)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,778,997)	7,750,543
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>9,132,974</u>	<u>1,382,431</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 6,353,977</u>	<u>\$ 9,132,974</u>
NON-CASH OPERATING ACTIVITIES		
Operating lease ROU asset obtained in exchange for new operating lease liability	<u>\$ 185,947</u>	<u>\$ -</u>

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

	<u>2023</u>	<u>2022</u>
CHANGE IN NET ASSETS	\$ 2,208,059	\$ 6,903,179
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH AND CASH EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES		
Depreciation and amortization	22,645	27,987
Realized loss on investments	711	7,567
Unrealized gain on investments	(22,244)	(6,070)
Charitable remainder trust contribution	(3,181)	(1,633)
<i>(Increase) decrease in operating assets</i>		
Accounts receivable, net	71,238	592,926
Grants receivable	-	8,424
Prepaid expenses	(110,394)	16,322
Pledges receivable	7,750	11,400
<i>Increase (decrease) in operating liabilities</i>		
Accounts payable	21,105	74,209
Accrued expenses	63,176	(105,735)
Deferred grant income	(1,114,260)	1,114,260
Prepaid event income	1,507,039	(849,646)
Operating lease liability, net	10,926	-
Deferred trust liability	(3,378)	(126)
<i>Total adjustments</i>	<u>451,133</u>	<u>889,885</u>
NET CASH AND CASH EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES	<u>\$ 2,659,192</u>	<u>\$ 7,793,064</u>

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 28, 2023 AND 2022

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 \$4,621,641 and \$3,635,421 at February 28, 2023 and 2022, 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, 2023 and 2022 of approximately \$5,596,000 and \$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 \$8,575 and \$24,533 at February 28, 2023 and 2022, respectively.

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 28, 2023 AND 2022

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, 2023 and 2022.

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 9. Perpetually restricted amounts are discussed in Note 10. 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>2023</u>	<u>2022</u>
Time and purpose restricted (Note 9)	\$ 269,976	\$ 265,885
Perpetually restricted (Note 10)	<u>261,526</u>	<u>263,304</u>
	<u>\$ 531,502</u>	<u>\$ 529,189</u>

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.

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 28, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

REVENUE RECOGNITION, CONTINUED

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 March 2021, 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 February 2022. The amount is reflected as income in the accompanying 2022 statement of activities.

IN-KIND CONTRIBUTIONS

The Organizations receive contributed services, goods, and use of facilities. The fair market value of these contributions of \$211,600 and \$351,350 for the years ended February 28, 2023 and 2022, respectively, has been reflected in the accompanying financial statements. This includes annual rent of \$172,000 for the years ended February 28, 2023 and 2022. See Notes 13 and 14. Accordingly, these transactions have been treated as non-cash transactions and are properly excluded from the statements of cash flows.

Donated rent is valued at the fair value of similar properties available in commercial real estate listings. Donated services are valued at the standard hourly rate charged for those services. Donated goods are based on average retail prices that would be paid for those items. In-kind contributions were used in the following manner for the years ended February 28:

<u>2023</u>	<u>Program</u>	<u>Fundraising</u>	<u>General and Administrative</u>	<u>Total</u>
Donated rent	\$ 131,065	\$ 6,535	\$ 34,400	\$ 172,000
Donated services	10,400	-	-	10,400
Donated goods	29,200	-	-	29,200
Total in-kind	<u>\$ 170,665</u>	<u>\$ 6,535</u>	<u>\$ 34,400</u>	<u>\$ 211,600</u>

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 28, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

IN-KIND CONTRIBUTIONS, CONTINUED

<u>2022</u>	<u>Program</u>	<u>Fundraising</u>	<u>General and Administrative</u>	<u>Total</u>
Donated rent	\$ 131,065	\$ 6,535	\$ 34,400	\$ 172,000
Donated goods	<u>179,350</u>	<u>-</u>	<u>-</u>	<u>179,350</u>
Total in-kind	<u>\$ 310,415</u>	<u>\$ 6,535</u>	<u>\$ 34,400</u>	<u>\$ 351,350</u>

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.

LEASES

The Organization leases office space and office equipment. Management determines if an arrangement is a lease at inception. The operating lease is included as an operating lease right of use (ROU) asset, current portion of operating lease liability, and long-term operating lease liability on the balance sheet.

The ROU asset represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Organization's leases do not provide an implicit rate, the Organization used a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Operating lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Organization has lease agreements with lease and non-lease components, which are accounted for separately.

The Organization had elected to apply the short-term lease exemption to all leases with an original term of 12 months or less.

ADVERTISING COSTS

The Organizations incurred \$40,835 and \$20,918 in advertising expense for the years ended February 28, 2023 and 2022, respectively. These costs were expensed as incurred.

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 28, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

FAIR VALUE MEASUREMENTS AND INVESTMENTS

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, 2023 and 2022 are as follows:

<u>2023</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	\$ 2,254,293	\$ 2,254,293	\$ -	\$ -
Value	94,686	94,686	-	-
Emerging markets	21,732	21,732	-	-
Fixed income	<u>2,278,972</u>	<u>2,278,972</u>	<u>-</u>	<u>-</u>
Total mutual funds	4,649,683	4,649,683	-	-
Exchange traded funds	<u>668,740</u>	<u>668,740</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 5,318,423</u>	<u>\$ 5,318,423</u>	<u>\$ -</u>	<u>\$ -</u>
Charitable remainder trust	<u>\$ 66,820</u>	<u>\$ -</u>	<u>\$ 66,820</u>	<u>\$ -</u>

MUSIC FOR ALL, INC. AND AFFILIATE
 NOTES TO COMBINED FINANCIAL STATEMENTS
 FEBRUARY 28, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

FAIR VALUE MEASUREMENTS, CONTINUED

<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>

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.
- Exchange traded 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 6.

The valuation methodologies have not changed during the years ended February 28, 2023 and 2022. At February 28, 2023 and 2022, the cost of investments was \$5,283,314 and \$445,095, respectively.

SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through August 30, 2023, which is the date the financial statements were available to be issued.

ADOPTION OF NEW ACCOUNTING PRONOUNCEMENTS

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Account Standards Codification [ASC] 842, *Leases*) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standards is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

ADOPTION OF NEW ACCOUNTING PRONOUNCEMENTS, CONTINUED

The Organization adopted the standard effective March 1, 2022 and recognized and measured leases existing at, or entered into after March 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended February 28, 2022 are made under prior lease guidance in FASB ASC 840 (see Note 14). The Organization elected the available practical expedients to account for existing operating leases as operating leases under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

The Organization elected the hindsight practical expedient to determine the lease term for existing leases. This election resulted in the extension of lease terms for the office lease. See Note 13. In the application of hindsight, the Organization evaluated its space needs and considered other available space within the area that meets those needs.

As a result of the adopting of the new lease accounting guidance, the Organization recognized on February 28, 2022 a lease liability of \$185,947, which represents the present value of the remaining operating lease payments of \$186,878, discounted using a risk free rate of 0.78% and an operating ROU asset of \$148,270, which represents the lease liability adjusted for accrued rent of \$37,677.

The standard had an impact on the Organizations' combined statement of financial position, but did not have an impact on the combined statements of activities, functional expenses or cash flows. The most significant impact was the recognition of a ROU asset and lease liability for an operating lease. See Note 13.

In fiscal year 2023, the Organization adopted Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. Adoption of this standard did not have significant impact on the financial statements, with the exception of increased disclosures.

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 28, 2023 AND 2022

2. AVAILABLE RESOURCES AND LIQUIDITY

The following table reflects the Organizations' financial assets as of February 28, 2023 and 2022, 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 proposes, the reserves could be drawn upon through the approval of the Board of Directors.

	<u>2023</u>	<u>2022</u>
Financial assets at year-end		
Cash and cash equivalents	\$ 6,353,977	\$ 9,132,974
Certificates of deposit	648,150	49,991
Investments	5,318,423	458,638
Accounts receivable, net	178,177	249,415
Pledges receivable	6,800	14,550
Charitable remainder trust	66,820	63,639
Total financial assets	<u>12,572,347</u>	<u>9,969,207</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	531,502	529,189
Financial assets not available for use within one year	<u>625,701</u>	<u>628,388</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 11,946,646</u>	<u>\$ 9,340,819</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 7 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 \$648,150 and \$49,991 at February 28, 2023 and 2022, respectively. 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. The Organizations had certificates of deposit in excess of Federal Deposit Insurance Corporation (FDIC) limits at February 28, 2023 of approximately \$398,150.

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 28, 2023 AND 2022

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, 2023 and 2022 were:

	<u>2022</u>	<u>2023</u>
Endowment net assets, beginning of year	\$ 283,353	\$ 244,935
Investment income (loss)	(2,179)	38,418
Net assets appropriated for expenditure	(5,047)	-
Contributions	<u>2,400</u>	<u>-</u>
Endowment net assets, end of year	<u>\$ 278,527</u>	<u>\$ 283,353</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, 2023 and 2022.

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 28, 2023 AND 2022

4. ENDOWMENT FUNDS, CONTINUED

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. PROPERTY AND EQUIPMENT

Property and equipment at February 28, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Leasehold improvements	\$ 771,758	\$ 771,758
Capitalized software	44,902	44,902
Furniture and equipment	<u>412,135</u>	<u>412,135</u>
	1,228,795	1,228,795
Accumulated depreciation and amortization	<u>(1,151,613)</u>	<u>(1,130,746)</u>
	<u>\$ 77,182</u>	<u>\$ 98,049</u>

6. 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 \$66,820 and \$63,639 at February 28, 2023 and 2022, respectively, using a discount rate of 4.5%.

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 28, 2023 AND 2022

7. BANK LINE OF CREDIT

Music for All has a \$620,000 line of credit with a bank. The line of credit bears interest at the prime rate minus 0.75% (7.00% at February 28, 2023). Music for All had no outstanding balance on the line of credit at February 28, 2023 and 2022.

8. 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 \$23,032 and \$26,410 at February 28, 2023 and 2022, respectively.

9. 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, 2023 and 2022:

<u>2023</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	(1,000)	1,000
Tang Family Scholarship	219	2,178	(2,397)	-
The Paynter Project	3,725	-	-	3,725
Mark Williams Fund	103,938	-	(3,995)	99,943
Guitar Center, Inc. – Teacher Ed. Fund	50,000	-	-	50,000
Farbman/West Charitable Remainder Trust	63,639	3,181	-	66,820
Spin Network	19,976	-	-	19,976
Indianapolis Arts Commission	-	8,170	-	8,170
LJ Hancock Memorial Endowment	5,809	-	(3,046)	2,763

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 28, 2023 AND 2022

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

Fred J. Miller Scholarship Fund	3,519	2,000	(2,000)	3,519
Tang Family Fund	500	-	-	500
Sophie Rinehart Fund	10,220	-	-	10,220
	<u>\$ 265,885</u>	<u>\$ 16,529</u>	<u>\$ (12,438)</u>	<u>\$ 269,976</u>

<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, 2023 AND 2022

10. 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, 2023 and 2022:

<u>2023</u>	<u>Beginning Balance</u>	<u>New Restrictions</u>	<u>Released from Restrictions</u>	<u>Ending Balance</u>
Honor Band Chair Endowment	\$ 58,772	\$ -	\$ -	\$ 58,772
L.J. Hancock Memorial Endowment	36,748	-	-	36,748
Sandy Feldstein Legacy Fund	43,336	-	-	43,336
Fred J. Miller Scholarship Fund	21,000	-	-	21,000
Tang Family Scholarship Fund	33,105	-	(2,178)	30,927
Sophie Rinehart Fund	57,182	-	-	57,182
Foundation Endowment	13,161	400	-	13,561
	<u>\$ 263,304</u>	<u>\$ 400</u>	<u>\$ (2,178)</u>	<u>\$ 261,526</u>

<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>

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 28, 2023 AND 2022

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 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, 2023 and 2022 totaled \$57,486 and \$49,288, respectively.

13. OPERATING LEASES UNDER FASB ASC 842

The Organization has an operating lease agreement for office space which expires in June 2023.

The components of lease expense for the year ended February 28, 2023 are as follows:

Operating lease cost	\$ 93,250
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Weighted average lease term and discount rate as of February 28, 2023 were as follows:

Weighted average remaining lease term - operating leases	0.25 years
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Weighted average discount rate – operating leases	0.78%
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Future minimum lease payments under the non-cancellable operating lease as of February 28, 2023 were as follows:

2024	\$ 48,226
Total undiscounted cash flows	48,226
Less: present value discount	(47)
Total lease liability	48,179
Less: current liability	(48,179)
Long term lease liability	\$ -

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 28, 2023 AND 2022

14. OPERATING LEASES UNDER FASB ASC 840

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, 2022. The liability related to the difference between straight-line rent and actual cash rental payments of \$37,677 at February 28, 2022, is reflected in accrued expenses on the statement 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 2022 was \$132,000, as noted in Note 1, which is recorded as an in-kind contribution for the leased office space.

Music for All has 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 year ended February 28, 2022 for these leases amounted to \$51,698. 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>

15. COMMITMENTS

Music for All has contracted to hold a portion of its programming activities at four venues through June 2023, November 2023, and October 2025. The minimum total amount due under these contracts is approximately \$540,000. 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.

16. RECLASSIFICATIONS

Certain fiscal year 2022 functional expense classifications were revised to conform to the fiscal year 2023 presentation. These changes had no impact on net assets for the year ended February 28, 2022.

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 28, 2023 AND 2022

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 Program	U.S. Small Business Administration	59.075	\$ 1,114,260	\$ 1,114,260	Direct Federal grant
Promotion of the Arts Partnership Agreements	Indianapolis Arts Council	45.025	13,071	13,071	Federal passed through state and local
Promotion of the Arts Partnership Agreements	Indianapolis Arts Council	N/A	19,607	19,607	State and local funding
Total funding			\$ 1,146,938	\$ 1,146,938	



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, 2023 and 2022, and have issued our report thereon dated August 30, 2023, 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.

August 30, 2023

MUSIC FOR ALL, INC. AND AFFILIATE
 COMBINING STATEMENTS OF FINANCIAL POSITION
 FEBRUARY 28, 2023 AND 2022

Exhibit I

	2023				2022			
	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	\$ 6,303,847	\$ 50,130	\$ -	\$ 6,353,977	\$ 9,082,912	\$ 50,062	\$ -	\$ 9,132,974
Certificates of deposit	648,150	-	-	648,150	49,991	-	-	49,991
Accounts receivable, net	178,177	-	-	178,177	249,415	-	-	249,415
Accounts receivable - related party	667	-	(667)	-	-	10,888	(10,888)	-
Prepaid expenses	264,620	-	-	264,620	154,226	-	-	154,226
Pledges receivable - short-term	1,800	5,000	-	6,800	9,550	-	-	9,550
<i>Total current assets</i>	<u>7,397,261</u>	<u>55,130</u>	<u>(667)</u>	<u>7,451,724</u>	<u>9,546,094</u>	<u>60,950</u>	<u>(10,888)</u>	<u>9,596,156</u>
INVESTMENTS								
Marketable securities	4,894,076	424,347	-	5,318,423	-	458,638	-	458,638
PROPERTY AND EQUIPMENT								
Property and equipment	1,220,946	7,849	-	1,228,795	1,220,946	7,849	-	1,228,795
Accumulated depreciation and amortization	(1,143,764)	(7,849)	-	(1,151,613)	(1,122,897)	(7,849)	-	(1,130,746)
<i>Net property and equipment</i>	<u>77,182</u>	<u>-</u>	<u>-</u>	<u>77,182</u>	<u>98,049</u>	<u>-</u>	<u>-</u>	<u>98,049</u>
OPERATING LEASE RIGHT OF USE ASSET								
Operating lease right of use asset	37,253	-	-	37,253	-	-	-	-
OTHER ASSETS								
Pledges receivable - long-term	-	-	-	-	-	5,000	-	5,000
Charitable remainder trust	66,820	-	-	66,820	63,639	-	-	63,639
Deposit	74,073	-	-	74,073	74,073	-	-	74,073
Trademark	20,000	-	-	20,000	20,000	-	-	20,000
<i>Total other assets</i>	<u>160,893</u>	<u>-</u>	<u>-</u>	<u>160,893</u>	<u>157,712</u>	<u>5,000</u>	<u>-</u>	<u>162,712</u>
	<u>\$ 12,566,665</u>	<u>\$ 479,477</u>	<u>\$ (667)</u>	<u>\$ 13,045,475</u>	<u>\$ 9,801,855</u>	<u>\$ 524,588</u>	<u>\$ (10,888)</u>	<u>\$ 10,315,555</u>
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES								
Accounts payable	\$ 142,647	\$ -	\$ -	\$ 142,647	\$ 121,542	\$ -	\$ -	\$ 121,542
Accounts payable - related party	-	667	(667)	-	10,888	-	(10,888)	-
Accrued expenses	392,813	-	-	392,813	329,637	-	-	329,637
Deferred grant income	-	-	-	-	1,114,260	-	-	1,114,260
Short-term operating lease liability	48,179	-	-	48,179	-	-	-	-
Prepaid event income	2,211,370	-	-	2,211,370	704,331	-	-	704,331
<i>Total current liabilities</i>	<u>2,795,009</u>	<u>667</u>	<u>(667)</u>	<u>2,795,009</u>	<u>2,280,658</u>	<u>-</u>	<u>(10,888)</u>	<u>2,269,770</u>
LONG-TERM LIABILITIES								
Deferred trust liability	23,032	-	-	23,032	26,410	-	-	26,410
<i>Total liabilities</i>	<u>2,818,041</u>	<u>667</u>	<u>(667)</u>	<u>2,818,041</u>	<u>2,307,068</u>	<u>-</u>	<u>(10,888)</u>	<u>2,296,180</u>
NET ASSETS								
Without donor restrictions	9,603,657	92,275	-	9,695,932	7,361,172	129,014	-	7,490,186
With donor restrictions	144,967	386,535	-	531,502	133,615	395,574	-	529,189
<i>Total net assets</i>	<u>9,748,624</u>	<u>478,810</u>	<u>-</u>	<u>10,227,434</u>	<u>7,494,787</u>	<u>524,588</u>	<u>-</u>	<u>8,019,375</u>
	<u>\$ 12,566,665</u>	<u>\$ 479,477</u>	<u>\$ (667)</u>	<u>\$ 13,045,475</u>	<u>\$ 9,801,855</u>	<u>\$ 524,588</u>	<u>\$ (10,888)</u>	<u>\$ 10,315,555</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, 2023

WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED FEBRUARY 28, 2022

Exhibit II

	WITHOUT DONOR RESTRICTIONS				WITH DONOR RESTRICTIONS			2023 TOTAL	2022 TOTAL
	MUSIC FOR ALL	MUSIC FOR ALL FOUNDATION	ELIMINATIONS	TOTAL	MUSIC FOR ALL	MUSIC FOR ALL FOUNDATION	TOTAL		
REVENUE									
Program fees	\$ 1,539,856	\$ -	\$ -	\$ 1,539,856	\$ -	\$ -	\$ -	\$ 1,539,856	\$ 1,381,662
Housing and meal fees	179,546	-	-	179,546	-	-	-	179,546	339,241
Ticket fees	5,136,499	-	-	5,136,499	-	-	-	5,136,499	5,132,269
Merchandise sales	-	-	-	-	-	-	-	-	28,430
Program book sales	29,625	-	-	29,625	-	-	-	29,625	54,353
Photography commissions	55,000	-	-	55,000	-	-	-	55,000	50,000
Merchandise commissions and sales	900,862	-	-	900,862	-	-	-	900,862	840,715
Sponsorships	817,840	-	-	817,840	-	-	-	817,840	610,000
Contributions	151,389	-	-	151,389	-	2,495	2,495	153,884	217,127
In-kind contributions	211,600	-	-	211,600	-	-	-	211,600	351,350
Grants	1,295,612	-	-	1,295,612	11,352	-	11,352	1,306,964	5,187,004
PPP conditional grant	-	-	-	-	-	-	-	-	381,700
Interest and dividends	156,096	13,639	-	169,735	-	-	-	169,735	25,783
Realized gain (loss) on investments	197	(908)	-	(711)	-	-	-	(711)	(7,567)
Unrealized gain (loss) on investments	69,294	(47,050)	-	22,244	-	-	-	22,244	6,070
Miscellaneous	12,254	-	-	12,254	-	-	-	12,254	997
Net assets released from restrictions	-	11,534	-	11,534	-	(11,534)	(11,534)	-	-
<i>Total revenue</i>	<u>10,555,670</u>	<u>(22,785)</u>	<u>-</u>	<u>10,532,885</u>	<u>11,352</u>	<u>(9,039)</u>	<u>2,313</u>	<u>10,535,198</u>	<u>14,599,134</u>
EXPENSES									
Program	7,242,831	13,439	-	7,256,270	-	-	-	7,256,270	6,012,006
Fundraising	306,844	-	-	306,844	-	-	-	306,844	1,076,717
General and administrative	763,510	515	-	764,025	-	-	-	764,025	607,232
<i>Total expenses</i>	<u>8,313,185</u>	<u>13,954</u>	<u>-</u>	<u>8,327,139</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,327,139</u>	<u>7,695,955</u>
CHANGE IN NET ASSETS	2,242,485	(36,739)	-	2,205,746	11,352	(9,039)	2,313	2,208,059	6,903,179
NET ASSETS, BEGINNING 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>
NET ASSETS, END OF YEAR	<u>\$ 9,603,657</u>	<u>\$ 92,275</u>	<u>\$ -</u>	<u>\$ 9,695,932</u>	<u>\$ 144,967</u>	<u>\$ 386,535</u>	<u>\$ 531,502</u>	<u>\$ 10,227,434</u>	<u>\$ 8,019,375</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, 2022

Exhibit III

	WITHOUT DONOR RESTRICTIONS				WITH DONOR RESTRICTIONS			
	MUSIC FOR ALL	MUSIC FOR ALL FOUNDATION	ELIMINATIONS	TOTAL	MUSIC FOR ALL	MUSIC FOR ALL FOUNDATION	TOTAL	TOTAL
REVENUE								
Program fees	\$ 1,381,662	\$ -	\$ -	\$ 1,381,662	\$ -	\$ -	\$ -	\$ 1,381,662
Housing and meal fees	339,241	-	-	339,241	-	-	-	339,241
Ticket fees	5,132,269	-	-	5,132,269	-	-	-	5,132,269
Band fees	-	-	-	-	-	-	-	-
Merchandise sales	28,430	-	-	28,430	-	-	-	28,430
Program book sales	54,353	-	-	54,353	-	-	-	54,353
Photography commissions	50,000	-	-	50,000	-	-	-	50,000
Video commissions and fees	-	-	-	-	-	-	-	-
Merchandise commissions and sales	840,715	-	-	840,715	-	-	-	840,715
Sponsorships	610,000	-	-	610,000	-	-	-	610,000
Contributions	210,483	5,644	-	216,127	-	1,000	1,000	217,127
In-kind contributions	351,350	-	-	351,350	-	-	-	351,350
Grants	5,185,371	-	-	5,185,371	1,633	-	1,633	5,187,004
PPP conditional grant	381,700	-	-	381,700	-	-	-	381,700
Interest and dividends	744	25,039	-	25,783	-	-	-	25,783
Realized loss on investments	-	(7,567)	-	(7,567)	-	-	-	(7,567)
Unrealized gain (loss) on investments	-	(32,348)	-	(32,348)	-	38,418	38,418	6,070
Miscellaneous	997	-	-	997	-	-	-	997
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>
EXPENSES								
Program	6,010,006	2,000	-	6,012,006	-	-	-	6,012,006
Fundraising	1,076,717	-	-	1,076,717	-	-	-	1,076,717
General and administrative	606,710	522	-	607,232	-	-	-	607,232
<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>
CHANGE IN NET ASSETS	6,905,955	(11,754)	-	6,894,201	(30,440)	39,418	8,978	6,903,179
NET ASSETS, BEGINNING 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>
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>

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, 2023
WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED FEBRUARY 28, 2022

Exhibit IV

	MUSIC FOR ALL				MUSIC FOR ALL FOUNDATION	ELIMINATIONS	2023 TOTAL	2022 TOTAL
	PROGRAM	FUNDRAISING	GENERAL AND ADMINISTRATIVE EXPENSES	TOTAL				
PROGRAMS								
Awards and trophies	\$ 153,774	\$ -	\$ -	\$ 153,774	\$ -	\$ -	\$ 153,774	\$ 366,497
Scholarships and grants	-	-	-	-	13,439	-	13,439	2,000
Clinician and judge fees	398,494	-	-	398,494	-	-	398,494	335,306
Copyright fees	13,841	-	-	13,841	-	-	13,841	18,909
Cost of merchandise sold	27,112	-	2,790	29,902	-	-	29,902	58,441
Equipment rental	152,274	-	65	152,339	-	-	152,339	105,734
Program promotion	66,045	-	-	66,045	-	-	66,045	31,066
Facility rental	778,204	-	-	778,204	-	-	778,204	714,027
Participant expenses	298,862	-	-	298,862	-	-	298,862	843,839
Travel, housing and meals	1,156,103	2,375	12,501	1,170,979	-	-	1,170,979	696,260
Outside services	1,014,704	4,185	12,218	1,031,107	-	-	1,031,107	954,890
Other program expenses	195,355	935	5,521	201,811	-	-	201,811	288,276
<i>Total programs and activities</i>	<u>4,254,768</u>	<u>7,495</u>	<u>33,095</u>	<u>4,295,358</u>	<u>13,439</u>	<u>-</u>	<u>4,308,797</u>	<u>4,415,245</u>
PERSONNEL RELATED								
Salaries and contract employees	1,919,046	232,456	438,735	2,590,237	-	-	2,590,237	2,047,694
Payroll taxes	130,088	18,388	34,143	182,619	-	-	182,619	146,208
401(k) contribution	43,804	2,184	11,497	57,485	-	-	57,485	49,289
Group insurance	186,011	11,274	48,821	246,106	-	-	246,106	177,306
Other personnel related expenses	55,347	2,655	13,975	71,977	-	-	71,977	24,297
<i>Total personnel related</i>	<u>2,334,296</u>	<u>266,957</u>	<u>547,171</u>	<u>3,148,424</u>	<u>-</u>	<u>-</u>	<u>3,148,424</u>	<u>2,444,794</u>
BUILDING AND FACILITY								
Depreciation and amortization	17,256	860	4,529	22,645	-	-	22,645	27,987
Rental - office building	155,992	9,112	47,964	213,068	-	-	213,068	238,140
Repairs and maintenance	13,729	685	3,603	18,017	-	-	18,017	13,740
Telephone and utilities	46,390	2,313	12,176	60,879	-	-	60,879	56,854
<i>Total building and facility</i>	<u>233,367</u>	<u>12,970</u>	<u>68,272</u>	<u>314,609</u>	<u>-</u>	<u>-</u>	<u>314,609</u>	<u>336,721</u>
OFFICE AND ADMINISTRATIVE								
Board of directors' expense	10,034	500	2,634	13,168	-	-	13,168	12,723
Computer services and supplies	227,424	11,590	58,917	297,931	-	-	297,931	284,892
Business insurance	66,710	3,326	17,509	87,545	-	-	87,545	77,991
Professional services	-	-	-	-	515	-	515	498
Franchise, sales, and income taxes	52	-	-	52	-	-	52	2,565
Other office and administrative	116,180	4,006	35,912	156,098	-	-	156,098	120,526
<i>Total office and administrative</i>	<u>420,400</u>	<u>19,422</u>	<u>114,972</u>	<u>554,794</u>	<u>515</u>	<u>-</u>	<u>555,309</u>	<u>499,195</u>
	<u>\$ 7,242,831</u>	<u>\$ 306,844</u>	<u>\$ 763,510</u>	<u>\$ 8,313,185</u>	<u>\$ 13,954</u>	<u>\$ -</u>	<u>\$ 8,327,139</u>	<u>\$ 7,695,955</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

Exhibit V

	MUSIC FOR ALL				MUSIC FOR ALL FOUNDATION	ELIMINATIONS	TOTAL
	PROGRAM	FUNDRAISING	GENERAL AND ADMINISTRATIVE EXPENSES	TOTAL			
PROGRAMS							
Awards and trophies	\$ 366,497	\$ -	\$ -	\$ 366,497	\$ -	\$ -	\$ 366,497
Scholarships and grants	-	-	-	-	2,000	-	2,000
Clinician and judges fees	335,306	-	-	335,306	-	-	335,306
Copyright fees	18,909	-	-	18,909	-	-	18,909
Cost of merchandise sold	58,441	-	-	58,441	-	-	58,441
Equipment rental	105,672	-	62	105,734	-	-	105,734
Program promotion	31,066	-	-	31,066	-	-	31,066
Facility rental	714,027	-	-	714,027	-	-	714,027
Participant expenses	843,839	-	-	843,839	-	-	843,839
Travel, housing and meals	677,996	11,403	6,861	696,260	-	-	696,260
Outside services	933,568	13,939	7,383	954,890	-	-	954,890
Other program expenses	284,249	1,343	2,684	288,276	-	-	288,276
<i>Total programs and activities</i>	<u>4,369,570</u>	<u>26,685</u>	<u>16,990</u>	<u>4,413,245</u>	<u>2,000</u>	<u>-</u>	<u>4,415,245</u>
PERSONNEL RELATED							
Salaries and contract employees	968,262	733,026	346,406	2,047,694	-	-	2,047,694
Payroll taxes	63,171	56,037	27,000	146,208	-	-	146,208
401(k) contribution	23,064	16,367	9,858	49,289	-	-	49,289
Group insurance	81,988	60,275	35,043	177,306	-	-	177,306
Other personnel related expenses	13,989	6,437	3,871	24,297	-	-	24,297
<i>Total personnel related</i>	<u>1,150,474</u>	<u>872,142</u>	<u>422,178</u>	<u>2,444,794</u>	<u>-</u>	<u>-</u>	<u>2,444,794</u>
BUILDING AND FACILITY							
Depreciation and amortization	13,096	9,294	5,597	27,987	-	-	27,987
Rental - office building	162,014	28,498	47,628	238,140	-	-	238,140
Repairs and maintenance	7,158	4,108	2,474	13,740	-	-	13,740
Telephone and utilities	26,604	18,879	11,371	56,854	-	-	56,854
<i>Total building and facility</i>	<u>208,872</u>	<u>60,779</u>	<u>67,070</u>	<u>336,721</u>	<u>-</u>	<u>-</u>	<u>336,721</u>
OFFICE AND ADMINISTRATIVE							
Board of directors' expense	6,584	3,831	2,308	12,723	-	-	12,723
Computer services and supplies	160,426	77,680	46,786	284,892	-	-	284,892
Business insurance	36,495	25,898	15,598	77,991	-	-	77,991
Professional services	-	-	-	-	498	-	498
Franchise, sales, and income taxes	2,565	-	-	2,565	-	-	2,565
Other office and administrative	75,020	9,702	35,780	120,502	24	-	120,526
<i>Total office and administrative</i>	<u>281,090</u>	<u>117,111</u>	<u>100,472</u>	<u>498,673</u>	<u>522</u>	<u>-</u>	<u>499,195</u>
	<u>\$ 6,010,006</u>	<u>\$ 1,076,717</u>	<u>\$ 606,710</u>	<u>\$ 7,693,433</u>	<u>\$ 2,522</u>	<u>\$ -</u>	<u>\$ 7,695,955</u>

See accompanying independent auditors' report on supplementary information.

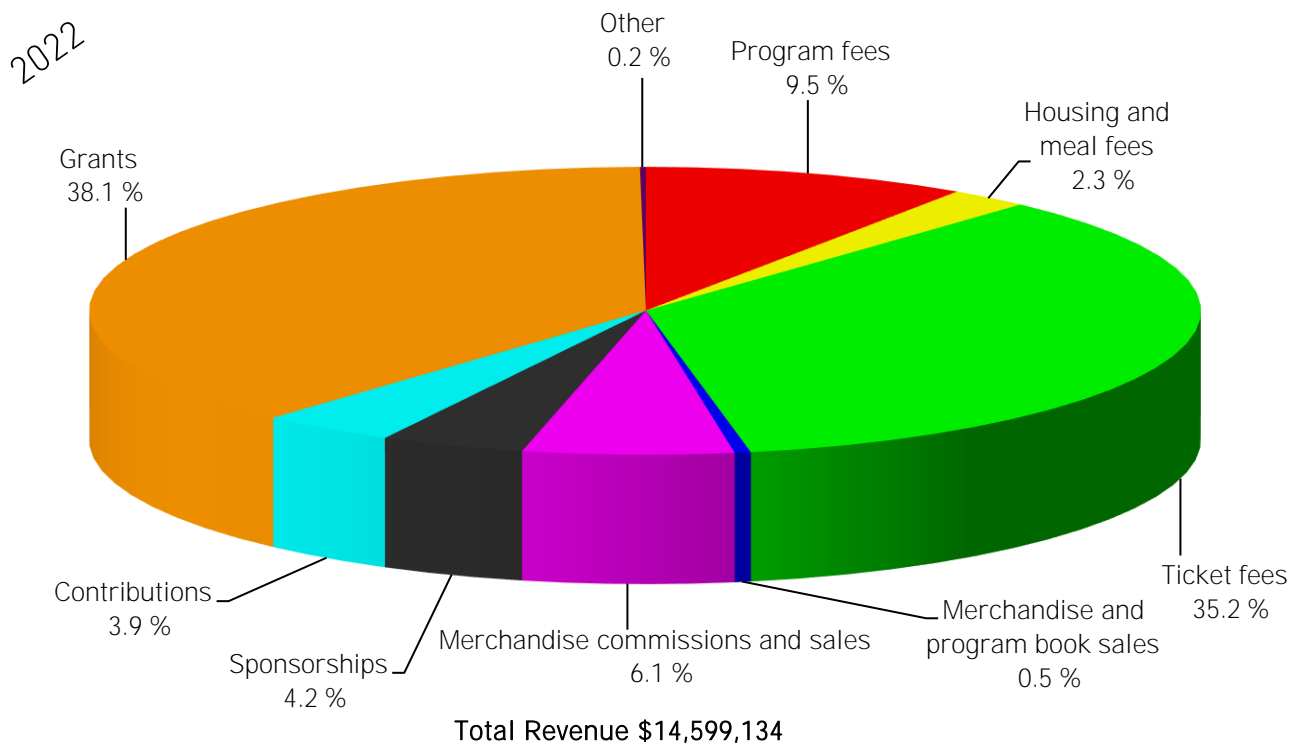
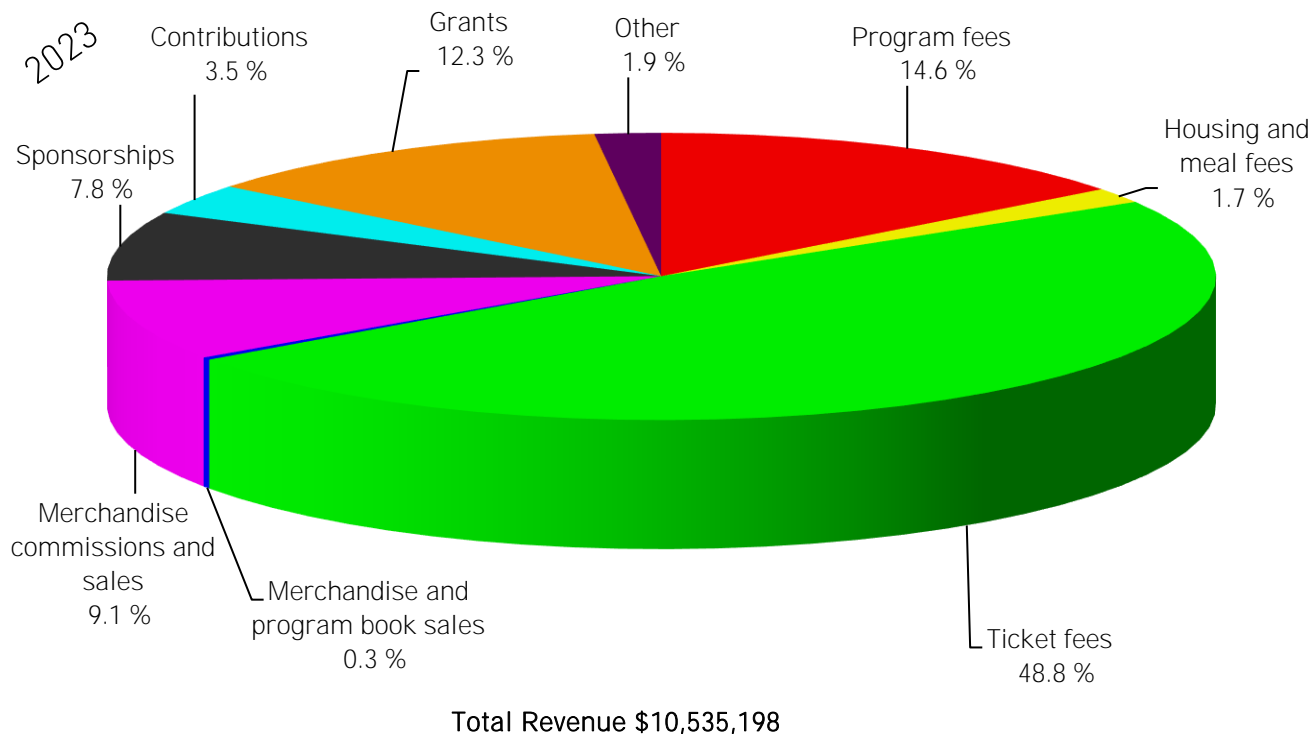
MUSIC FOR ALL, INC. AND AFFILIATE
 COMBINING STATEMENTS OF ACTIVITIES
 FOR THE YEARS ENDED FEBRUARY 28, 2023 AND 2022

Exhibit VI

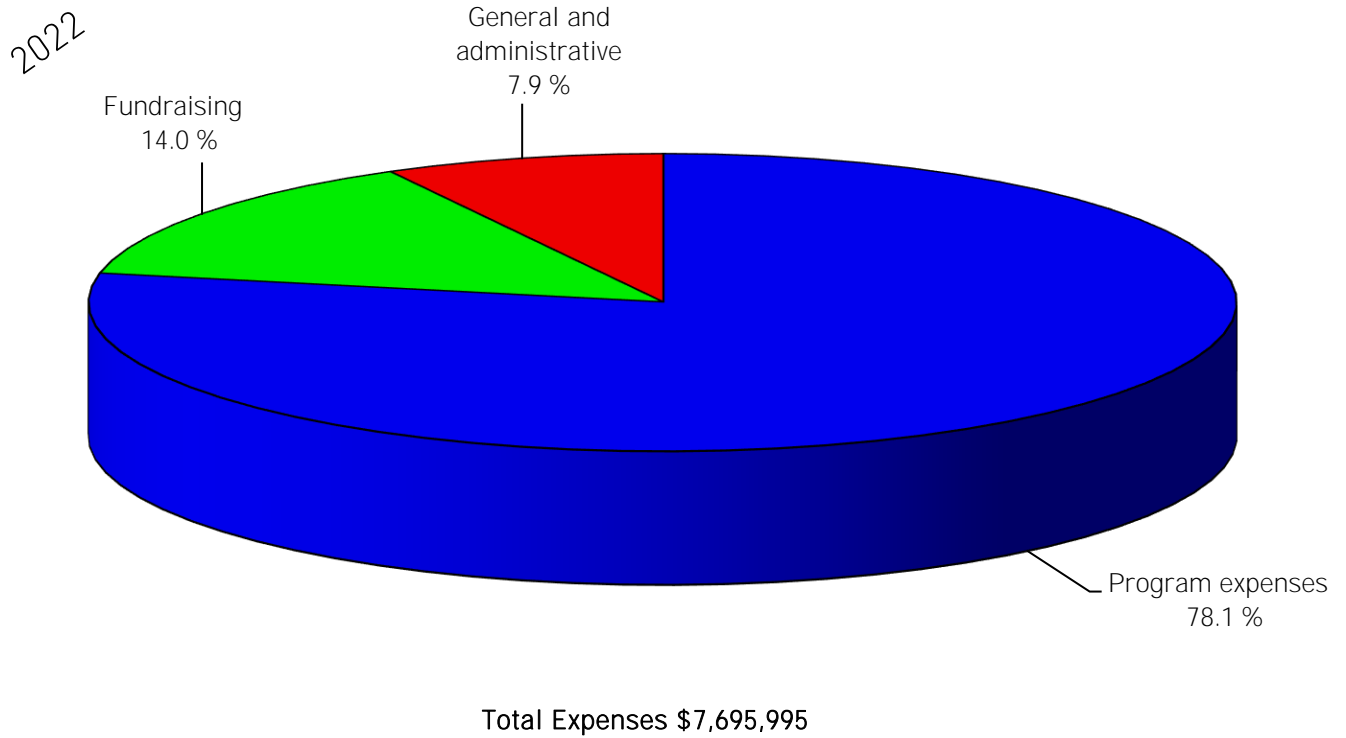
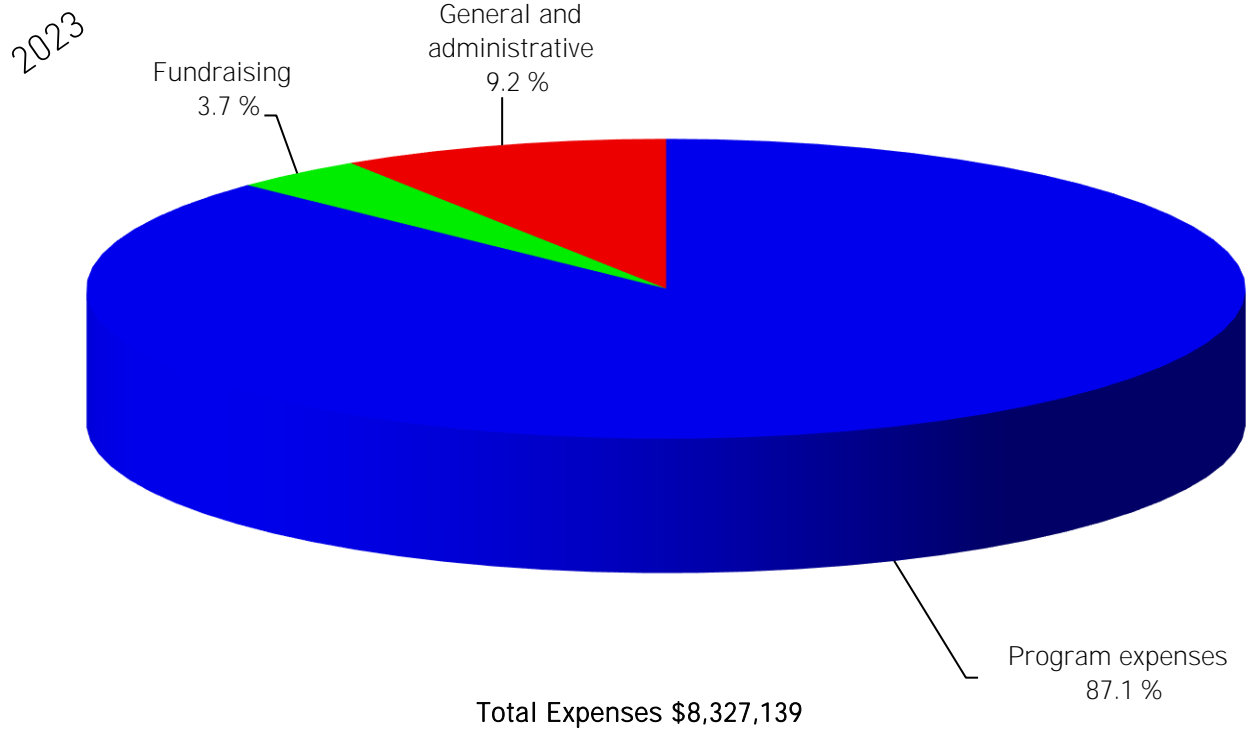
	2023				2022			
	MUSIC FOR ALL	MUSIC FOR ALL FOUNDATION	ELIMINATIONS	TOTAL	MUSIC FOR ALL	MUSIC FOR ALL FOUNDATION	ELIMINATIONS	TOTAL
REVENUE								
Program fees	\$ 1,539,856	\$ -	\$ -	\$ 1,539,856	\$ 1,381,662	\$ -	\$ -	\$ 1,381,662
Housing and meal fees	179,546	-	-	179,546	339,241	-	-	339,241
Ticket fees	5,136,499	-	-	5,136,499	5,132,269	-	-	5,132,269
Merchandise sales	-	-	-	-	28,430	-	-	28,430
Program book sales	29,625	-	-	29,625	54,353	-	-	54,353
Photography commissions	55,000	-	-	55,000	50,000	-	-	50,000
Merchandise commissions	900,862	-	-	900,862	840,715	-	-	840,715
Sponsorships	817,840	-	-	817,840	610,000	-	-	610,000
Contributions	151,389	2,495	-	153,884	210,483	6,644	-	217,127
In-kind contributions	211,600	-	-	211,600	351,350	-	-	351,350
Grants	1,306,964	-	-	1,306,964	5,187,004	-	-	5,187,004
PPP conditional grant	-	-	-	-	381,700	-	-	381,700
Interest and dividends	156,096	13,639	-	169,735	744	25,039	-	25,783
Realized gain (loss) on investments	197	(908)	-	(711)	-	(7,567)	-	(7,567)
Unrealized gain on investments	69,294	(47,050)	-	22,244	-	6,070	-	6,070
Miscellaneous	12,254	-	-	12,254	997	-	-	997
<i>Total revenue</i>	<u>10,567,022</u>	<u>(31,824)</u>	<u>-</u>	<u>10,535,198</u>	<u>14,568,948</u>	<u>30,186</u>	<u>-</u>	<u>14,599,134</u>
EXPENSES								
Program	7,242,831	13,439	-	7,256,270	6,010,006	2,000	-	6,012,006
Fundraising	306,844	-	-	306,844	1,076,717	-	-	1,076,717
General and administrative	763,510	515	-	764,025	606,710	522	-	607,232
<i>Total expenses</i>	<u>8,313,185</u>	<u>13,954</u>	<u>-</u>	<u>8,327,139</u>	<u>7,693,433</u>	<u>2,522</u>	<u>-</u>	<u>7,695,955</u>
CHANGE IN NET ASSETS	2,253,837	(45,778)	-	2,208,059	6,875,515	27,664	-	6,903,179
NET ASSETS, BEGINNING 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>
NET ASSETS, END OF YEAR	<u>\$ 9,748,624</u>	<u>\$ 478,810</u>	<u>\$ -</u>	<u>\$ 10,227,434</u>	<u>\$ 7,494,787</u>	<u>\$ 524,588</u>	<u>\$ -</u>	<u>\$ 8,019,375</u>

See accompanying independent auditors' report on supplementary information.

MUSIC FOR ALL, INC. AND AFFILIATE
 COMBINED REVENUE GRAPHS
 FOR THE YEARS ENDED FEBRUARY 28, 2023 AND 2022



MUSIC FOR ALL, INC. AND AFFILIATE
COMBINED EXPENSE GRAPHS
FOR THE YEARS ENDED FEBRUARY 28, 2023 AND 2022



MUSIC FOR ALL, INC. AND AFFILIATE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED FEBRUARY 28, 2023

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	\$ 1,114,260
NATIONAL ENDOWMENT FOR THE ARTS			
<i>Indianapolis Arts Commission</i>			
Promotion of the Arts Partnership Agreements	45.025	000000000000000000064937	<u>13,071</u>
<i>Total expenditures of federal awards</i>			<u>\$ 1,127,331</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, 2023. 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 the Organizations, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organizations.

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. 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.



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, 2023, 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, and have issued our report thereon dated August 30, 2023.

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.

August 30, 2023



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 Organizations' major federal program for the year ended February 28, 2023. The Organizations' 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, 2023.

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 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.

August 30, 2023

MUSIC FOR ALL, INC. AND AFFILIATE
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED FEBRUARY 28, 2023

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 ___X___no
 - Significant deficiency(ies) identified? _____yes ___X___none reported
- 3. Noncompliance material to consolidated financial statements noted? _____yes ___X___no

Federal Awards

- 4. Internal control over major federal programs:
 - Material weakness(es) identified? _____yes ___X___no
 - Significant deficiency(ies) identified? _____yes ___X___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 ___X___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 ___X___no

B. FINDINGS - COMBINED FINANCIAL STATEMENTS AUDIT

None.

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

None.