
MUSIC FOR ALL, INC.
AND AFFILIATE
COMBINED FINANCIAL STATEMENTS
Together with Independent Auditors' Report
FEBRUARY 29, 2016

GREENWALT^{CPAs}

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying combined financial statements of Music for All, Inc. and Affiliate, which comprise the combined statement of financial position as of February 29, 2016 and the related combined statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the 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; this includes 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

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

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Music for All, Inc. and Affiliate as of February 29, 2016, and the changes in their net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Music for All, Inc. and Affiliate's 2015 combined financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 10, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended February 28, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Greenwalt CPAs, Inc.

July 13, 2016

MUSIC FOR ALL, INC. AND AFFILIATE
 COMBINED STATEMENTS OF FINANCIAL POSITION
 FEBRUARY 29, 2016 AND FEBRUARY 28, 2015

<u>ASSETS</u>	<u>2016</u>	<u>2015</u>	<u>LIABILITIES AND NET ASSETS</u>	<u>2016</u>	<u>2015</u>
CURRENT ASSETS			CURRENT LIABILITIES		
Cash	\$ 2,565,854	\$ 2,461,328	Accounts payable	\$ 68,243	\$ 24,126
Accounts receivable, net of allowance for doubtful accounts of \$13,300 and \$15,400 in 2016 and 2015, respectively	646,243	558,799	Accrued expenses	252,288	284,590
Inventory	18,165	18,653	Prepaid event income	<u>2,479,935</u>	<u>2,156,666</u>
Prepaid expenses	<u>385,495</u>	<u>271,806</u>	<i>Total current liabilities</i>	<u>2,800,466</u>	<u>2,465,382</u>
<i>Total current assets</i>	<u>3,615,757</u>	<u>3,310,586</u>	LONG-TERM LIABILITIES		
INVESTMENTS			Deferred trust liability	35,430	36,863
Marketable securities	<u>258,003</u>	<u>285,097</u>	Reserve for license fees	<u>253,448</u>	<u>39,291</u>
PROPERTY AND EQUIPMENT			<i>Total long-term liabilities</i>	<u>288,878</u>	<u>76,154</u>
Property and equipment	1,525,740	1,464,036	<i>Total liabilities</i>	<u>3,089,344</u>	<u>2,541,536</u>
Accumulated depreciation	<u>(1,435,115)</u>	<u>(1,409,554)</u>	COMMITMENTS (NOTES 10 AND 11)		
<i>Net property and equipment</i>	<u>90,625</u>	<u>54,482</u>	NET ASSETS		
OTHER ASSETS			Unrestricted	587,432	825,234
Trademark	<u>20,000</u>	<u>20,000</u>	Temporarily restricted	160,925	157,914
			Permanently restricted	<u>146,684</u>	<u>145,481</u>
			<i>Total net assets</i>	<u>895,041</u>	<u>1,128,629</u>
	<u>\$ 3,984,385</u>	<u>\$ 3,670,165</u>		<u>\$ 3,984,385</u>	<u>\$ 3,670,165</u>

See accompanying notes to financial statements.

MUSIC FOR ALL, INC. AND AFFILIATE

COMBINED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED FEBRUARY 29, 2016

WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED FEBRUARY 28, 2015

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>2016 TOTAL</u>	<u>2015 TOTAL</u>
REVENUE					
Program fees	\$ 900,197	\$ -	\$ -	\$ 900,197	\$ 819,121
Housing and meal fees	1,348,849	-	-	1,348,849	1,279,977
Ticket fees	2,638,655	-	-	2,638,655	2,472,160
Band fees	553,475	-	-	553,475	531,446
Merchandise sales	25,457	-	-	25,457	21,985
Program book sales	145,729	-	-	145,729	145,540
Photography commissions	1,660	-	-	1,660	1,000
Video commissions and fees	-	-	-	-	900
Merchandise commissions and sales	725,629	-	-	725,629	610,451
Sponsorships	1,001,139	-	-	1,001,139	973,103
Contributions	134,652	300	1,203	136,155	121,827
In-kind contributions	167,726	-	-	167,726	148,605
Grants	148,270	-	-	148,270	133,426
Interest and dividends	12,123	-	-	12,123	11,842
Realized and unrealized gain (loss) on investments	(34,121)	3,211	-	(30,910)	7,915
Miscellaneous	29,179	-	-	29,179	46,404
Net assets released from restrictions	500	(500)	-	-	-
<i>Total revenue</i>	<u>7,799,119</u>	<u>3,011</u>	<u>1,203</u>	<u>7,803,333</u>	<u>7,325,702</u>
EXPENSES					
Program	7,344,865	-	-	7,344,865	6,307,168
Fundraising	177,535	-	-	177,535	145,794
General and administrative	514,521	-	-	514,521	466,366
<i>Total expenses</i>	<u>8,036,921</u>	<u>-</u>	<u>-</u>	<u>8,036,921</u>	<u>6,919,328</u>
CHANGE IN NET ASSETS	(237,802)	3,011	1,203	(233,588)	406,374
NET ASSETS, BEGINNING OF YEAR	<u>825,234</u>	<u>157,914</u>	<u>145,481</u>	<u>1,128,629</u>	<u>722,255</u>
NET ASSETS, END OF YEAR	<u>\$ 587,432</u>	<u>\$ 160,925</u>	<u>\$ 146,684</u>	<u>\$ 895,041</u>	<u>\$ 1,128,629</u>

MUSIC FOR ALL, INC. AND AFFILIATE

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED FEBRUARY 29, 2016

WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED FEBRUARY 28, 2015

	<u>PROGRAM EXPENSES</u>	<u>FUNDRAISING EXPENSES</u>	<u>GENERAL AND ADMINISTRATIVE EXPENSES</u>	<u>2016 TOTAL</u>	<u>2015 TOTAL</u>
PROGRAMS					
Awards and trophies	\$ 110,705	\$ -	\$ -	\$ 110,705	\$ 78,969
Scholarships and grants	10,670	-	-	10,670	36,770
Clinicians' and judges' fees	827,939	-	-	827,939	760,390
Copyright fees	443,118	-	-	443,118	119,269
Cost of merchandise sold	435,634	-	16,979	452,613	210,820
Equipment rental	140,808	-	677	141,485	132,390
Program promotion	168,632	14,161	31,421	214,214	158,726
Facility rental	728,607	-	-	728,607	740,396
Participants' housing and meals	1,327,513	-	-	1,327,513	1,229,849
Outside services	1,006,969	7,434	16,939	1,031,342	930,030
Other program expenses	414,631	11,943	7,544	434,118	370,244
<i>Total programs and activities</i>	<u>5,615,226</u>	<u>33,538</u>	<u>73,560</u>	<u>5,722,324</u>	<u>4,767,853</u>
PERSONNEL RELATED					
Salaries and contract employees	1,003,897	99,953	248,974	1,352,824	1,271,162
Salaries - payroll taxes	64,790	7,646	16,197	88,633	87,307
403(b) contribution	19,602	1,375	4,901	25,878	22,538
Staff travel, housing and meals	10,732	885	7,848	19,465	9,593
Group insurance	94,517	11,223	23,629	129,369	99,951
Other personnel related expenses	3,819	-	955	4,774	19,952
<i>Total personnel related</i>	<u>1,197,357</u>	<u>121,082</u>	<u>302,504</u>	<u>1,620,943</u>	<u>1,510,503</u>
BUILDING AND FACILITY					
Depreciation and amortization	19,945	630	4,986	25,561	22,938
Rental - office building	186,162	7,122	46,540	239,824	239,824
Repairs and maintenance	13,087	495	3,100	16,682	22,118
Telephone and utilities	37,465	1,406	9,338	48,209	42,975
<i>Total building and facility</i>	<u>256,659</u>	<u>9,653</u>	<u>63,964</u>	<u>330,276</u>	<u>327,855</u>
OFFICE AND ADMINISTRATIVE					
Board of director's expense	8,815	322	1,882	11,019	9,160
Computer services and supplies	53,029	4,440	21,770	79,239	60,155
Business insurance	58,436	2,200	14,609	75,245	68,518
Professional services	-	-	404	404	404
Interest	667	-	167	834	782
Franchise, sales, and income taxes	13,614	-	-	13,614	16,814
Other office and administrative	141,062	6,300	35,661	183,023	157,284
<i>Total office and administrative</i>	<u>275,623</u>	<u>13,262</u>	<u>74,493</u>	<u>363,378</u>	<u>313,117</u>
	<u>\$ 7,344,865</u>	<u>\$ 177,535</u>	<u>\$ 514,521</u>	<u>\$ 8,036,921</u>	<u>\$ 6,919,328</u>

INCREASE IN CASH

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from program activities and contributors	\$ 7,824,286	\$ 7,079,896
Cash paid to suppliers and employees	(7,665,529)	(6,567,675)
Interest expense	(834)	(782)
Interest and dividend income	12,123	11,842
	<u>170,046</u>	<u>523,281</u>
<i>Net cash provided by operating activities</i>		
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(61,704)	(26,590)
Proceeds from sale of investments	4,000	-
Purchases of investments	(7,816)	(9,891)
	<u>(65,520)</u>	<u>(36,481)</u>
<i>Net cash used in investing activities</i>		
INCREASE IN CASH	104,526	486,800
CASH, BEGINNING OF YEAR	<u>2,461,328</u>	<u>1,974,528</u>
CASH, END OF YEAR	<u>\$ 2,565,854</u>	<u>\$ 2,461,328</u>
NON-CASH OPERATING ACTIVITY		
Credit card charges in prepaid and accrued expenses	<u>\$ -</u>	<u>\$ 37,179</u>

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

	<u>2016</u>	<u>2015</u>
CHANGE IN NET ASSETS	\$ (233,588)	\$ 406,374
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation	25,561	20,154
Realized and unrealized loss (gain) on investments	30,910	(7,915)
<i>(Increase) decrease in operating assets:</i>		
Accounts receivable	(87,444)	(31,716)
Inventory	488	(669)
Prepaid expenses	(113,689)	(16,859)
<i>Increase (decrease) in operating liabilities:</i>		
Accounts payable	44,117	4,770
Accrued expenses	(32,302)	113,740
Prepaid event income	323,269	31,699
Deferred trust liability	(1,433)	(1,341)
Reserve for license fees	214,157	5,044
<i>Total adjustments</i>	<u>403,634</u>	<u>116,907</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 170,046</u>	<u>\$ 523,281</u>

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 29, 2016 AND FEBRUARY 28, 2015

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GENERAL

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

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

PRINCIPLES OF COMBINATION

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

BASIS OF ACCOUNTING AND USE OF ESTIMATES

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

SUMMARIZED COMPARATIVE INFORMATION

The financial statements include certain prior year summarized comparative information in total, but not by net asset class and functional expense class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organizations' financial statements for the year ended February 28, 2015, from which the summarized information was derived.

CASH

For purposes of the statement of cash flows, the Organizations consider all highly liquid temporary cash investments purchased with a maturity of three months or less to be cash equivalents. The Organizations had no cash equivalents at February 29, 2016 and February 28, 2015. The Organizations maintain cash balances at commercial banks and have maintained cash balances in excess of Federal Deposit Insurance Corporation (FDIC) limits at February 29, 2016, and from time to time during the year.

RECEIVABLES AND CREDIT POLICIES

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

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 29, 2016 AND FEBRUARY 28, 2015

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

RECEIVABLES AND CREDIT POLICIES, CONTINUED

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

INVENTORY

Inventory, consisting of audio and video recordings, has been valued at the lower of cost, determined on a first-in, first-out (FIFO) basis, or market.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost and depreciation is computed using straight-line method over the estimated useful lives of the assets (5-10 years for furniture and equipment). Leasehold improvements are amortized over the term of the lease.

OTHER ASSETS

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

REVENUE RECOGNITION

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

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

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

RESERVE FOR LICENSE FEES

The financial statements include a reserve liability for management's estimate of royalties and license fees due (or potentially due) on distribution for the past three years on audio/video media of Music for All events. Provisions to the reserve are based on total audio/video media distributed during the year.

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 29, 2016 AND FEBRUARY 28, 2015

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

NET ASSET CLASSIFICATIONS

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

The following classes of net assets are maintained:

UNRESTRICTED NET ASSETS

The unrestricted net asset class includes general and board designated assets and liabilities of the Organizations. The unrestricted net assets of the Organizations may be used at the discretion of management to support the Organizations' purposes and operations. The Board of Directors has designated a portion of the unrestricted assets to be used in the event of an emergency in the amount of \$94,199 at February 29, 2016 and February 28, 2015.

TEMPORARILY RESTRICTED NET ASSETS

The temporarily restricted net asset class includes assets of Music for All and the Foundation related to gifts with explicit donor-imposed restrictions that have not been met as to a specified purpose or to later periods of time or after specified dates. Donor restricted promises to give that are due in future periods and are not permanently restricted are classified as temporarily restricted net assets. Temporarily restricted net assets are comprised of the following at February 29, 2016 and February 28, 2015:

	<u>2016</u>	<u>2015</u>
National Association of Uniform Manufacturers and Distributors	\$ 1,000	\$ 1,000
Mark Jolesch Scholarship	373	373
McLeroy Scholarship Fund	1,382	1,282
Yamaha Scholarship Fund	-	500
The Paynter Project	3,008	2,908
Mark Williams Fund	104,723	101,641
Revelli Scholarship	200	100
Guitar Center, Inc. – teacher education fund	50,000	50,000
L.J. Hancock Memorial Endowment	139	60
Fred J. Miller Scholarship Fund	100	50
	<u>\$ 160,925</u>	<u>\$ 157,914</u>

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 29, 2016 AND FEBRUARY 28, 2015

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

NET ASSET CLASSIFICATIONS, CONTINUED

Permanently Restricted Net Assets

The permanently restricted net asset class includes assets of the Foundation for which the donor has stipulated that the contribution be maintained in perpetuity. Donor imposed restrictions limiting the use of the assets or its economic benefit neither expire with the passage of time nor can be removed by satisfying a specific purpose. Permanently restricted net assets are comprised of the following at February 29, 2016 and February 28, 2015:

	<u>2016</u>	<u>2015</u>
Honor Band Chair Endowment	\$ 50,750	\$ 50,750
L.J. Hancock Memorial Endowment	35,374	34,971
Sandy Feldstein Legacy Fund	36,356	36,256
Fred J. Miller Scholarship Fund	21,000	21,000
Foundation Endowment	3,204	2,504
	<u>\$ 146,684</u>	<u>\$ 145,481</u>

IN-KIND CONTRIBUTIONS

The Organizations receive contributed services, goods, and use of facilities. The fair market value of these services, goods and facilities of \$167,726 and \$148,605 for the years ended February 29, 2016 and February 28, 2015, respectively, has been reflected in the accompanying financial statements. This includes annual rent of \$132,000 for the years ended February 29, 2016 and February 28, 2015. See Note 10. Accordingly, these transactions have been treated as non-cash transactions and are properly excluded from the statement of cash flows.

EXPENSE ALLOCATION

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

ADVERTISING COSTS

The Organizations incurred \$36,748 and \$42,527 in advertising expense for the years ended February 29, 2016 and February 28, 2015, respectively. These costs were expensed as incurred.

MUSIC FOR ALL, INC. AND AFFILIATE
 NOTES TO COMBINED FINANCIAL STATEMENTS
 FEBRUARY 29, 2016 AND FEBRUARY 28, 2015

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

FAIR VALUE MEASUREMENTS

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

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

Assets measured on a recurring basis at February 29, 2016 and February 28, 2015 are as follows:

2016	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds				
Growth	\$ 60,462	\$ 60,462	\$ -	\$ -
Value	85,289	85,289	-	-
Blended	4,958	4,958	-	-
Diversified				
emerging markets	6,126	6,126	-	-
Fixed income				
Bond	101,168	101,168	-	-
	<u>\$ 258,003</u>	<u>\$ 258,003</u>	<u>\$ -</u>	<u>\$ -</u>

MUSIC FOR ALL, INC. AND AFFILIATE
 NOTES TO COMBINED FINANCIAL STATEMENTS
 FEBRUARY 29, 2016 AND FEBRUARY 28, 2015

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

FAIR VALUE MEASUREMENTS, CONTINUED

2015	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets <u>(Level 1)</u>	Significant Other Observable Inputs <u>(Level 2)</u>	Significant Unobservable Inputs <u>(Level 3)</u>
Mutual funds				
Growth	\$ 59,559	\$ 59,559	\$ -	\$ -
Value	95,163	95,163	-	-
Blended	5,724	5,724	-	-
Diversified				
emerging markets	7,664	7,664	-	-
Fixed income				
Bond	<u>116,987</u>	<u>116,987</u>	<u>-</u>	<u>-</u>
	<u>\$ 285,097</u>	<u>\$ 285,097</u>	<u>\$ -</u>	<u>\$ -</u>

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

- Mutual funds and fixed income - Valued at the net asset value of shares held by the Organizations at year-end as quoted in the active market.

The valuation methodologies have not changed during the year ended February 29, 2016.

SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through July 13, 2016, which is the date the financial statements were available to be issued.

2. ENDOWMENT FUNDS

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

MUSIC FOR ALL, INC. AND AFFILIATE
 NOTES TO COMBINED FINANCIAL STATEMENTS
 FEBRUARY 29, 2016 AND FEBRUARY 28, 2015

2. ENDOWMENT FUNDS, CONTINUED

INTERPRETATION OF RELEVANT LAW

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

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

Changes in Endowment Net Assets for the years ended February 29, 2016 and February 28, 2015:

<u>2016</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 110	\$ 145,481	\$ 145,591
Donations	-	1,203	1,203
Investment income	7,273	-	7,273
Appropriation of endowment net assets for expenditure	<u>(7,144)</u>	<u>-</u>	<u>(7,144)</u>
Endowment net assets, end of year	<u>\$ 239</u>	<u>\$ 146,684</u>	<u>\$ 146,923</u>

<u>2015</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ 144,379	\$ 144,379
Donations	-	1,102	1,102
Investment income	7,219	-	7,219
Appropriation of endowment net assets for expenditure	<u>(7,109)</u>	<u>-</u>	<u>(7,109)</u>
Endowment net assets, end of year	<u>\$ 110</u>	<u>\$ 145,481</u>	<u>\$ 145,591</u>

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 29, 2016 AND FEBRUARY 28, 2015

2. 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.

3. 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.

Cost and fair value of investments at February 29, 2016 and February 28, 2015 are as follows:

	<u>2016</u> <u>Fair</u> <u>Value</u>	<u>2016</u> <u>Cost</u>	<u>2015</u> <u>Fair</u> <u>Value</u>	<u>2015</u> <u>Cost</u>
Marketable Securities	\$ 258,003	\$ 262,727	\$ 285,097	\$ 260,212

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 29, 2016 AND FEBRUARY 28, 2015

4. PROPERTY AND EQUIPMENT

Property and equipment at February 29, 2016 and February 28, 2015 is as follows:

	<u>2016</u>	<u>2015</u>
Leasehold improvements	\$ 763,638	\$ 763,638
Capitalized software	30,205	30,205
Furniture and equipment	<u>731,897</u>	<u>670,193</u>
	1,525,740	1,464,036
Accumulated depreciation	<u>(1,435,115)</u>	<u>(1,409,554)</u>
	<u>\$ 90,625</u>	<u>\$ 54,482</u>

5. PREPAID EVENT INCOME

The Organizations record 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 the Organizations. Income is recognized as the Organizations fulfill the contract requirements. Prepaid event income as of February 29, 2016 and February 28, 2015 was \$2,479,935 and \$2,156,666, respectively.

6. BANK LINE OF CREDIT

Music for All maintains a \$620,000 line of credit with a bank that expires in August 2016. The line of credit bears interest at the LIBOR rate plus 3.5% (3.9% at February 29, 2016). Music for All had no outstanding balance on the line of credit at February 29, 2016 and February 28, 2015. The line of credit is secured by Music for All's assets.

7. 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 \$35,430 and \$36,863 at February 29, 2016 and February 28, 2015, respectively.

8. 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. All tax periods prior to 2012 are no longer subject to examination.

9. EMPLOYEE BENEFIT PLAN

Music for All maintains a Section 403(b) salary reduction retirement plan. The plan covers essentially all salaried employees who have completed one year of service. The plan agreement provides for discretionary employer matching contributions. The discretionary match is at an amount not to exceed 4% of the employee's annual salary.

MUSIC FOR ALL, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FEBRUARY 29, 2016 AND FEBRUARY 28, 2015

9. EMPLOYEE BENEFIT PLAN, CONTINUED

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 29, 2016 and February 28, 2015 totaled \$25,878 and \$22,538, respectively.

10. LEASES

Music for All has a lease for office space. Music for All signed a lease extension that expires June 2023. Rent during the extension term escalates annually. The straight-line rent payments are \$5,652 per month. Total lease expense under the extended lease was \$67,819 for the year ended February 29, 2016. 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 2016 was \$132,000, as noted in Note 1, which is recorded as an in-kind contribution for the leased office space.

Music for All also leases office equipment under various operating leases expiring August 2020. Equipment rental expense for the years ended February 29, 2016 and February 28, 2015 for these leases amounted to \$23,231 and \$25,001, 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:

2017	\$	54,468
2018		67,669
2019		85,584
2020		103,669
2021		110,512
Thereafter		<u>307,445</u>
	\$	<u>729,347</u>

11. COMMITMENTS

Music for All has contracted to hold a portion of its programming activities at two venues through June 2023 and November 2023. The minimum annual amounts due under these contracts are \$395,000. Music for All reserves hotel rooms in advance of future events which have commitments. The fiscal year 2018 and 2019 agreements were signed prior to February 29, 2016. There is a food and beverage minimum of \$190,000 and \$195,000, respectively over the dates of the event which is guaranteed up to 40% each year by Music for All; however, registrants offset the cost of the room as well as food and beverage costs which are included in the registration fee. In addition, should the agreements be cancelled prior to the event, the hotel has a cancellation clause stating that Music for All will owe up to \$332,000 if both events are cancelled within the next fiscal year. Music for All also has agreements in place to sponsor future events through December 2019. The total commitments related to these agreements are \$60,000.



INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

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

We have audited the combined financial statements of Music for All, Inc. and Affiliate as of and for the year ended February 29, 2016, and our report thereon dated July 13, 2016, which expressed an unmodified opinion on those combined financial statements, appears on page one. We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the combined statement of financial position of Music for All, Inc. and Affiliate as of February 28, 2015 and the related combined statements of activities, functional expenses and cash flows for the year then ended and we expressed an unmodified opinion on those combined financial statements. Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The information in Exhibits I through VI, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the combined financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

July 13, 2016

Greenwalt CPAs, Inc.

MUSIC FOR ALL, INC. AND AFFILIATE

COMBINING STATEMENTS OF FINANCIAL POSITION

FEBRUARY 29, 2016

WITH COMPARATIVE TOTALS AS OF FEBRUARY 28, 2015

Exhibit I

<u>ASSETS</u>	<u>MUSIC FOR ALL</u>	<u>MUSIC FOR ALL FOUNDATION</u>	<u>ELIMINATIONS</u>	<u>2016 TOTAL</u>	<u>2015 TOTAL</u>
CURRENT ASSETS					
Cash	\$ 2,560,744	\$ 5,110	\$ -	\$ 2,565,854	\$ 2,461,328
Accounts receivable, net of allowance for doubtful accounts of \$13,300 and \$15,400 in 2016 and 2015, respectively	646,174	69	-	646,243	558,799
Accounts receivable - related party	-	12,711	(12,711)	-	-
Inventory	18,165	-	-	18,165	18,653
Prepaid expenses	385,495	-	-	385,495	271,806
<i>Total current assets</i>	<u>3,610,578</u>	<u>17,890</u>	<u>(12,711)</u>	<u>3,615,757</u>	<u>3,310,586</u>
INVESTMENTS					
Marketable securities	-	258,003	-	258,003	285,097
PROPERTY AND EQUIPMENT					
Property and equipment	1,517,891	7,849	-	1,525,740	1,464,036
Accumulated depreciation and amortization	(1,427,266)	(7,849)	-	(1,435,115)	(1,409,554)
<i>Net property and equipment</i>	<u>90,625</u>	<u>-</u>	<u>-</u>	<u>90,625</u>	<u>54,482</u>
OTHER ASSETS					
Trademark	20,000	-	-	20,000	20,000
	<u>\$ 3,721,203</u>	<u>\$ 275,893</u>	<u>\$ (12,711)</u>	<u>\$ 3,984,385</u>	<u>\$ 3,670,165</u>
<u>LIABILITIES AND NET ASSETS</u>					
CURRENT LIABILITIES					
Accounts payable	\$ 68,243	\$ -	\$ -	\$ 68,243	\$ 24,126
Accounts payable - related party	12,711	-	(12,711)	-	-
Accrued expenses	248,288	4,000	-	252,288	284,590
Prepaid event income	2,479,935	-	-	2,479,935	2,156,666
<i>Total current liabilities</i>	<u>2,809,177</u>	<u>4,000</u>	<u>(12,711)</u>	<u>2,800,466</u>	<u>2,465,382</u>
LONG-TERM LIABILITIES					
Deferred trust liability	35,430	-	-	35,430	36,863
Reserve for license fees	253,448	-	-	253,448	39,291
<i>Total long-term liabilities</i>	<u>288,878</u>	<u>-</u>	<u>-</u>	<u>288,878</u>	<u>76,154</u>
<i>Total liabilities</i>	<u>3,098,055</u>	<u>4,000</u>	<u>(12,711)</u>	<u>3,089,344</u>	<u>2,541,536</u>
NET ASSETS					
Unrestricted	573,148	14,284	-	587,432	825,234
Temporarily restricted	50,000	110,925	-	160,925	157,914
Permanently restricted	-	146,684	-	146,684	145,481
	<u>623,148</u>	<u>271,893</u>	<u>-</u>	<u>895,041</u>	<u>1,128,629</u>
	<u>\$ 3,721,203</u>	<u>\$ 275,893</u>	<u>\$ (12,711)</u>	<u>\$ 3,984,385</u>	<u>\$ 3,670,165</u>

MUSIC FOR ALL, INC. AND AFFILIATE

COMBINING STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED FEBRUARY 29, 2016

WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED FEBRUARY 28, 2015

Exhibit II

	UNRESTRICTED			TEMPORARILY RESTRICTED			PERMANENTLY RESTRICTED	2016 TOTAL	2015 TOTAL
	MUSIC FOR ALL	MUSIC FOR ALL FOUNDATION	TOTAL	MUSIC FOR ALL	MUSIC FOR ALL FOUNDATION	TOTAL	MUSIC FOR ALL FOUNDATION		
REVENUE									
Program fees	\$ 900,197	\$ -	\$ 900,197	\$ -	\$ -	\$ -	\$ -	\$ 900,197	\$ 819,121
Housing and meal fees	1,348,849	-	1,348,849	-	-	-	-	1,348,849	1,279,977
Ticket fees	2,638,655	-	2,638,655	-	-	-	-	2,638,655	2,472,160
Band fees	553,475	-	553,475	-	-	-	-	553,475	531,446
Merchandise sales	25,457	-	25,457	-	-	-	-	25,457	21,985
Program book sales	145,729	-	145,729	-	-	-	-	145,729	145,540
Photography commissions	1,660	-	1,660	-	-	-	-	1,660	1,000
Video commissions and fees	-	-	-	-	-	-	-	-	900
Merchandise commissions and sales	725,629	-	725,629	-	-	-	-	725,629	610,451
Sponsorships	1,001,139	-	1,001,139	-	-	-	-	1,001,139	973,103
Contributions	104,617	30,035	134,652	-	300	300	1,203	136,155	121,827
In-kind contributions	167,726	-	167,726	-	-	-	-	167,726	148,605
Grants	148,270	-	148,270	-	-	-	-	148,270	133,426
Interest and dividends	308	11,815	12,123	-	-	-	-	12,123	11,842
Realized and unrealized loss (gain) on investments	-	(34,121)	(34,121)	-	3,211	3,211	-	(30,910)	7,915
Miscellaneous	29,179	-	29,179	-	-	-	-	29,179	46,404
Net assets released from restrictions	-	500	500	-	(500)	(500)	-	-	-
<i>Total revenue</i>	<u>7,790,890</u>	<u>8,229</u>	<u>7,799,119</u>	<u>-</u>	<u>3,011</u>	<u>3,011</u>	<u>1,203</u>	<u>7,803,333</u>	<u>7,325,702</u>
EXPENSES									
Program	7,334,195	10,670	7,344,865	-	-	-	-	7,344,865	6,307,168
Fundraising	177,535	-	177,535	-	-	-	-	177,535	145,794
General and administrative	510,550	3,971	514,521	-	-	-	-	514,521	466,366
<i>Total expenses</i>	<u>8,022,280</u>	<u>14,641</u>	<u>8,036,921</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,036,921</u>	<u>6,919,328</u>
CHANGE IN NET ASSETS	(231,390)	(6,412)	(237,802)	-	3,011	3,011	1,203	(233,588)	406,374
NET ASSETS, BEGINNING OF YEAR	<u>804,538</u>	<u>20,696</u>	<u>825,234</u>	<u>50,000</u>	<u>107,914</u>	<u>157,914</u>	<u>145,481</u>	<u>1,128,629</u>	<u>722,255</u>
NET ASSETS, END OF YEAR	<u>\$ 573,148</u>	<u>\$ 14,284</u>	<u>\$ 587,432</u>	<u>\$ 50,000</u>	<u>\$ 110,925</u>	<u>\$ 160,925</u>	<u>\$ 146,684</u>	<u>\$ 895,041</u>	<u>\$ 1,128,629</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 29, 2016

WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED FEBRUARY 28, 2015

Exhibit III

	MUSIC FOR ALL				MUSIC FOR ALL FOUNDATION	2016 TOTAL	2015 TOTAL
	PROGRAM	FUNDRAISING	GENERAL & ADMINISTRATIVE EXPENSES	TOTAL			
PROGRAMS							
Awards and trophies	\$ 110,705	\$ -	\$ -	\$ 110,705	\$ -	\$ 110,705	\$ 78,969
Scholarships and grants	-	-	-	-	10,670	10,670	36,770
Clinicians' and judges' fees	827,939	-	-	827,939	-	827,939	760,390
Copyright fees	443,118	-	-	443,118	-	443,118	119,269
Cost of merchandise sold	435,634	-	16,979	452,613	-	452,613	210,820
Equipment rental	140,808	-	677	141,485	-	141,485	132,390
Program promotion	168,632	14,161	31,421	214,214	-	214,214	158,726
Facility rental	728,607	-	-	728,607	-	728,607	740,396
Participants' housing and meals	1,327,513	-	-	1,327,513	-	1,327,513	1,229,849
Outside services	1,006,969	7,434	13,481	1,027,884	3,458	1,031,342	930,030
Other program expenses	414,631	11,943	7,544	434,118	-	434,118	370,244
<i>Total programs and activities</i>	<u>5,604,556</u>	<u>33,538</u>	<u>70,102</u>	<u>5,708,196</u>	<u>14,128</u>	<u>5,722,324</u>	<u>4,767,853</u>
PERSONNEL RELATED							
Salaries and contract employees	1,003,897	99,953	248,974	1,352,824	-	1,352,824	1,271,162
Salaries - payroll taxes	64,790	7,646	16,197	88,633	-	88,633	87,307
403(b) contribution	19,602	1,375	4,901	25,878	-	25,878	22,538
Staff travel, housing and meals	10,732	885	7,848	19,465	-	19,465	9,593
Group insurance	94,517	11,223	23,629	129,369	-	129,369	99,951
Other personnel related expenses	3,819	-	955	4,774	-	4,774	19,952
<i>Total personnel related</i>	<u>1,197,357</u>	<u>121,082</u>	<u>302,504</u>	<u>1,620,943</u>	<u>-</u>	<u>1,620,943</u>	<u>1,510,503</u>
BUILDING AND FACILITY							
Depreciation and amortization	19,945	630	4,986	25,561	-	25,561	22,938
Rental - office building	186,162	7,122	46,540	239,824	-	239,824	239,824
Repairs and maintenance	13,087	495	3,100	16,682	-	16,682	22,118
Telephone and utilities	37,465	1,406	9,338	48,209	-	48,209	42,975
<i>Total building and facility</i>	<u>256,659</u>	<u>9,653</u>	<u>63,964</u>	<u>330,276</u>	<u>-</u>	<u>330,276</u>	<u>327,855</u>
OFFICE AND ADMINISTRATIVE							
Board of director's expense	8,815	322	1,882	11,019	-	11,019	9,160
Computer services and supplies	53,029	4,440	21,770	79,239	-	79,239	60,155
Business insurance	58,436	2,200	14,609	75,245	-	75,245	68,518
Professional services	-	-	-	-	404	404	404
Interest	667	-	167	834	-	834	782
Franchise, sales, and income taxes	13,614	-	-	13,614	-	13,614	16,814
Other office and administrative	141,062	6,300	35,552	182,914	109	183,023	157,284
<i>Total office and administrative</i>	<u>275,623</u>	<u>13,262</u>	<u>73,980</u>	<u>362,865</u>	<u>513</u>	<u>363,378</u>	<u>313,117</u>
	<u>\$ 7,334,195</u>	<u>\$ 177,535</u>	<u>\$ 510,550</u>	<u>\$ 8,022,280</u>	<u>\$ 14,641</u>	<u>\$ 8,036,921</u>	<u>\$ 6,919,328</u>

See accompanying independent auditors' report on supplementary information.

MUSIC FOR ALL, INC. AND AFFILIATE

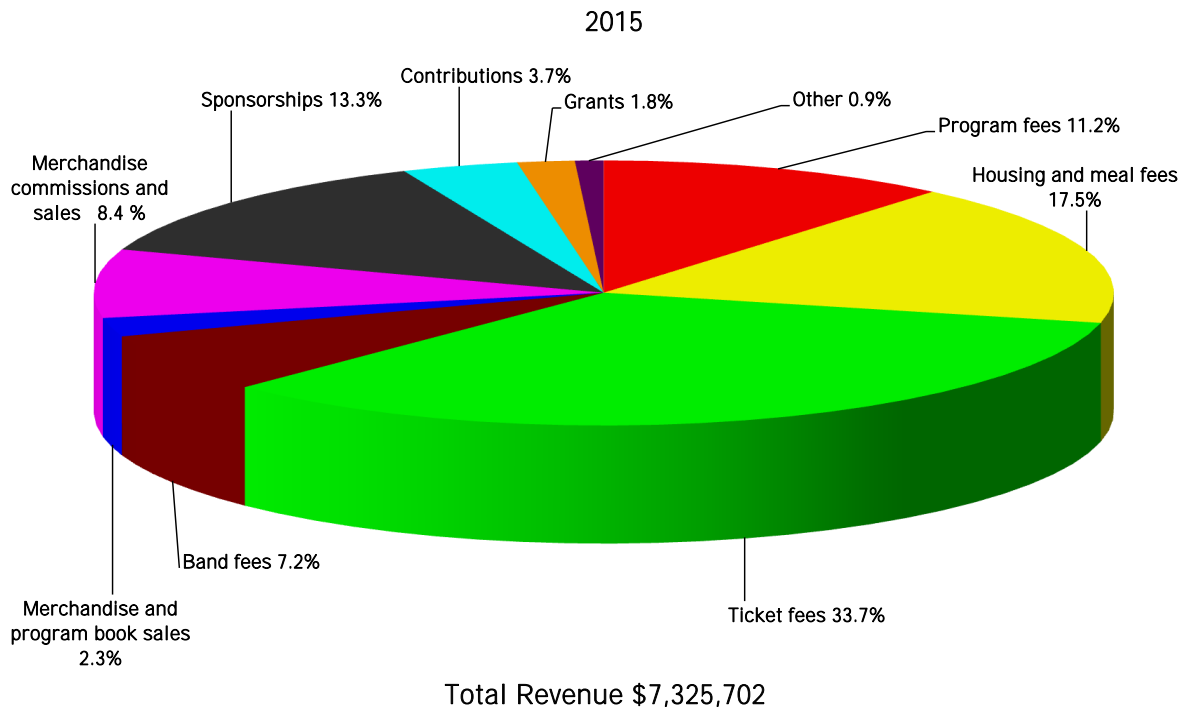
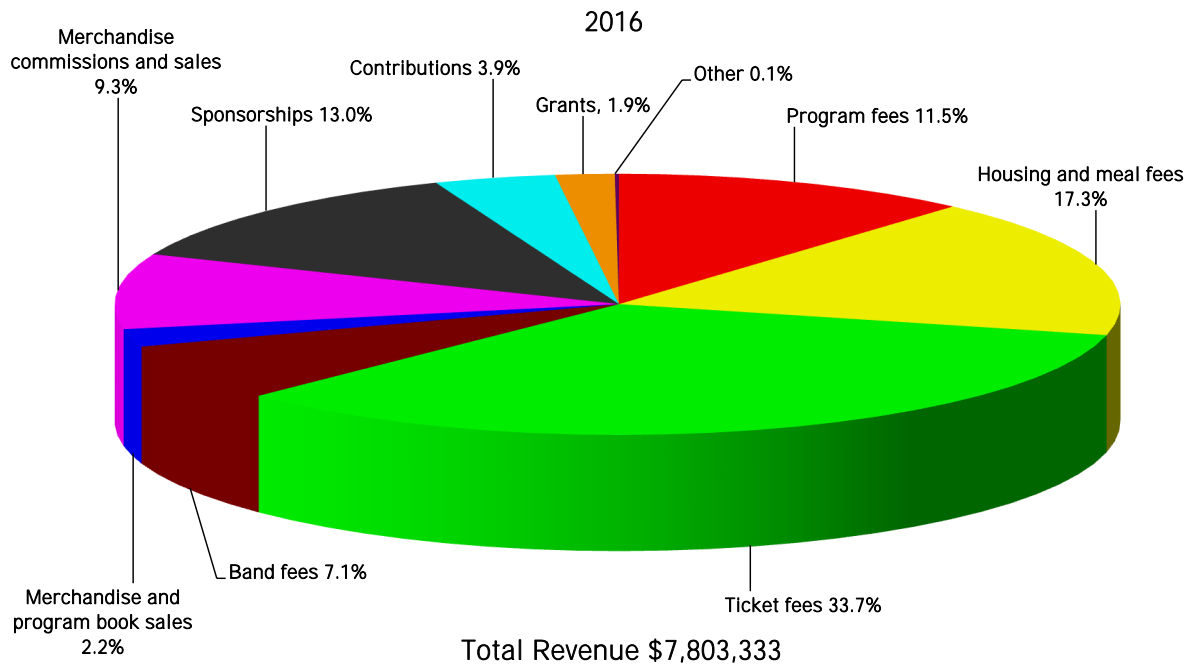
COMBINING STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED FEBRUARY 29, 2016 AND FEBRUARY 28, 2015

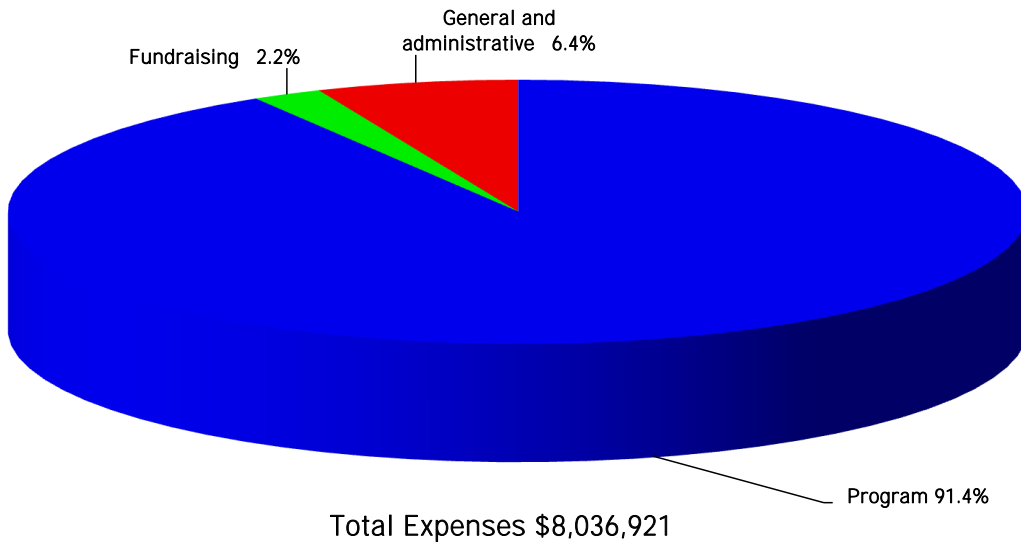
Exhibit IV

	2016				2015			
	<u>MUSIC FOR ALL</u>	<u>MUSIC FOR ALL FOUNDATION</u>	<u>ELIMINATIONS</u>	<u>TOTAL</u>	<u>MUSIC FOR ALL</u>	<u>MUSIC FOR ALL FOUNDATION</u>	<u>ELIMINATIONS</u>	<u>TOTAL</u>
REVENUE								
Program fees	\$ 900,197	\$ -	\$ -	\$ 900,197	\$ 819,121	\$ -	\$ -	\$ 819,121
Housing and meal fees	1,348,849	-	-	1,348,849	1,279,977	-	-	1,279,977
Ticket fees	2,638,655	-	-	2,638,655	2,472,160	-	-	2,472,160
Band fees	553,475	-	-	553,475	531,446	-	-	531,446
Merchandise sales	25,457	-	-	25,457	21,985	-	-	21,985
Program book sales	145,729	-	-	145,729	145,540	-	-	145,540
Photography commissions	1,660	-	-	1,660	1,000	-	-	1,000
Video commissions and fees	-	-	-	-	900	-	-	900
Merchandise commissions	725,629	-	-	725,629	610,451	-	-	610,451
Sponsorships	1,001,139	-	-	1,001,139	973,103	-	-	973,103
Contributions	104,617	31,538	-	136,155	95,684	26,143	-	121,827
In-kind contributions	167,726	-	-	167,726	148,605	-	-	148,605
Grants	148,270	-	-	148,270	133,426	-	-	133,426
Interest	308	11,815	-	12,123	437	11,405	-	11,842
Realized and unrealized loss (gain) on investments	-	(30,910)	-	(30,910)	-	7,915	-	7,915
Miscellaneous	29,179	-	-	29,179	46,404	-	-	46,404
<i>Total revenue</i>	<u>7,790,890</u>	<u>12,443</u>	<u>-</u>	<u>7,803,333</u>	<u>7,280,239</u>	<u>45,463</u>	<u>-</u>	<u>7,325,702</u>
EXPENSES								
Program	7,334,195	10,670	-	7,344,865	6,272,612	34,556	-	6,307,168
Fundraising	177,535	-	-	177,535	145,794	-	-	145,794
General and administrative	510,550	3,971	-	514,521	463,211	3,155	-	466,366
<i>Total expenses</i>	<u>8,022,280</u>	<u>14,641</u>	<u>-</u>	<u>8,036,921</u>	<u>6,881,617</u>	<u>37,711</u>	<u>-</u>	<u>6,919,328</u>
CHANGE IN NET ASSETS	(231,390)	(2,198)	-	(233,588)	398,622	7,752	-	406,374
NET ASSETS, BEGINNING OF YEAR	<u>854,538</u>	<u>274,091</u>	<u>-</u>	<u>1,128,629</u>	<u>455,916</u>	<u>266,339</u>	<u>-</u>	<u>722,255</u>
NET ASSETS, END OF YEAR	<u>\$ 623,148</u>	<u>\$ 271,893</u>	<u>\$ -</u>	<u>\$ 895,041</u>	<u>\$ 854,538</u>	<u>\$ 274,091</u>	<u>\$ -</u>	<u>\$ 1,128,629</u>

See accompanying independent auditors' report on supplementary information.



2016



2015

