

MUSIC FOR ALL, INC.
AND AFFILIATE
FINANCIAL STATEMENTS
Together with Independent Auditors' Report
FEBRUARY 28, 2010 AND 2009

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying combined statements of financial position of Music for All, Inc. and Affiliate as of February 28, 2010 and 2009, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits. The prior year summarized comparative information has been derived from the Organizations' 2009 financial statements and, in our report dated July 28, 2009, we expressed an unqualified opinion on those financial statements.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Music for All, Inc. and Affiliate as of February 28, 2010 and 2009, and the results of their operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

The accompanying financial statements have been prepared assuming that the Organizations will continue as a going concern. As discussed in Note 13 to the financial statements, the Organizations have a net deficit in unrestricted and total net assets. This condition could raise substantial doubt about the Organizations' ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 13. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Greenwalt CPAs, Inc.

June 8, 2010

MUSIC FOR ALL, INC. AND AFFILIATE
 COMBINED STATEMENTS OF FINANCIAL POSITION
 FEBRUARY 28, 2010 AND 2009

<u>ASSETS</u>	<u>2010</u>	<u>2009</u>	<u>LIABILITIES AND NET ASSETS (ACCUMULATED DEFICIT)</u>	<u>2010</u>	<u>2009</u>
Current Assets			Current Liabilities		
Cash and cash equivalents	\$ 629,128	\$ 896,345	Line of credit	\$ -	\$ 489,494
Accounts receivable, net of allowance for doubtful accounts of \$40,400 and \$26,900 in 2010 and 2009	663,940	999,654	Accounts payable	115,674	66,467
Inventory	11,502	10,318	Accrued expenses	101,136	150,277
Prepaid expenses	<u>194,453</u>	<u>78,330</u>	Prepaid event income	<u>1,711,445</u>	<u>2,045,237</u>
<i>Total current assets</i>	<u>1,499,023</u>	<u>1,984,647</u>	<i>Total current liabilities</i>	<u>1,928,255</u>	<u>2,751,475</u>
Investments			Long-Term Liabilities		
Marketable securities	<u>116,377</u>	<u>83,086</u>	Deferred trust liability	42,700	43,639
			Reserve for license fees	<u>36,864</u>	<u>35,196</u>
Property and Equipment			<i>Total long-term liabilities</i>	<u>79,564</u>	<u>78,835</u>
Property and equipment	1,500,482	1,599,628	<i>Total liabilities</i>	<u>2,007,819</u>	<u>2,830,310</u>
Accumulated depreciation	<u>(1,196,745)</u>	<u>(1,163,964)</u>	Commitments and Contingency (Notes 10 and 11)		
<i>Net property and equipment</i>	<u>303,737</u>	<u>435,664</u>	Net Assets (Accumulated Deficit)		
Other Assets			Unrestricted	(340,222)	(682,104)
Trademark	<u>20,000</u>	<u>20,000</u>	Temporarily restricted	132,155	264,249
			Permanently restricted	<u>139,385</u>	<u>110,942</u>
			<i>Total accumulated deficit</i>	<u>(68,682)</u>	<u>(306,913)</u>
	<u>\$ 1,939,137</u>	<u>\$ 2,523,397</u>		<u>\$ 1,939,137</u>	<u>\$ 2,523,397</u>

See accompanying notes to financial statements.

MUSIC FOR ALL, INC. AND AFFILIATE

COMBINED STATEMENTS OF ACTIVITIES

FOR THE YEAR ENDED FEBRUARY 28, 2010

WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED FEBRUARY 28, 2009

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>2010 TOTAL</u>	<u>2009 TOTAL</u>
REVENUE					
Event fees	\$ 777,627	\$ -	\$ -	\$ 777,627	\$ 685,082
Housing and meal fees	952,917	-	-	952,917	1,380,268
Ticket fees	1,798,789	-	-	1,798,789	1,830,377
Band fees	428,924	-	-	428,924	430,728
Relocation revenue	22,079	-	-	22,079	29,529
Merchandise sales	61,995	-	-	61,995	121,133
Program book sales	125,916	-	-	125,916	91,812
Photography commissions	70,001	-	-	70,001	88,000
Video commissions and fees	200,532	-	-	200,532	82,404
Merchandise commissions	191,315	-	-	191,315	184,433
Sponsorships	781,792	-	-	781,792	700,753
Contributions	63,337	2,594	7,443	73,374	480,452
In-kind contributions	242,199	-	-	242,199	257,087
Grants	47,685	-	-	47,685	158,160
Interest	3,401	-	-	3,401	9,620
Loss on disposal of assets	(22,505)	-	-	(22,505)	-
Realized and unrealized gain (loss) on investments	33,344	-	-	33,344	(28,491)
Miscellaneous	31,245	-	-	31,245	59,856
Net assets released from restrictions	113,688	(134,688)	21,000	-	-
<i>Total revenue</i>	<u>5,924,281</u>	<u>(132,094)</u>	<u>28,443</u>	<u>5,820,630</u>	<u>6,561,203</u>
EXPENSES					
Event	4,831,418	-	-	4,831,418	5,691,761
Fundraising	318,379	-	-	318,379	431,318
General and administrative	432,602	-	-	432,602	562,332
<i>Total expenses</i>	<u>5,582,399</u>	<u>-</u>	<u>-</u>	<u>5,582,399</u>	<u>6,685,411</u>
CHANGE IN NET ASSETS	341,882	(132,094)	28,443	238,231	(124,208)
NET ASSETS (ACCUMULATED DEFICIT), BEGINNING OF YEAR	<u>(682,104)</u>	<u>264,249</u>	<u>110,942</u>	<u>(306,913)</u>	<u>(182,705)</u>
NET ASSETS (ACCUMULATED DEFICIT), END OF YEAR	<u>\$ (340,222)</u>	<u>\$ 132,155</u>	<u>\$ 139,385</u>	<u>\$ (68,682)</u>	<u>\$ (306,913)</u>

MUSIC FOR ALL, INC. AND AFFILIATE

COMBINED STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED FEBRUARY 28, 2010

WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED FEBRUARY 28, 2009

	EVENT EXPENSES	FUNDRAISING EXPENSES	GENERAL AND ADMINISTRATIVE EXPENSES	2010 TOTAL	2009 TOTAL
EVENTS					
Awards and trophies	\$ 116,441	\$ -	\$ -	\$ 116,441	\$ 117,658
Scholarships	-	-	6,000	6,000	7,600
Clinicians and judges fees	507,253	-	-	507,253	608,686
Copyright fees	90,804	-	-	90,804	65,152
Cost of merchandise sold	221,622	-	-	221,622	172,195
Fair value adjustment of inventory	-	-	-	-	68,783
Equipment rental	84,268	-	942	85,210	87,919
Event promotion	71,336	33,232	19,548	124,116	162,767
Facility rental	608,310	-	-	608,310	375,041
Participants' housing and meals	936,040	-	-	936,040	1,226,143
Outside services	645,365	560	15,359	661,284	1,064,910
Other events expenses	146,055	6,620	241	152,916	224,753
<i>Total events and activities</i>	<u>3,427,494</u>	<u>40,412</u>	<u>42,090</u>	<u>3,509,996</u>	<u>4,181,607</u>
PERSONNEL RELATED					
Salaries and contract employees	757,494	237,885	186,873	1,182,252	1,451,826
Salaries - payroll taxes	48,989	16,679	12,247	77,915	98,747
403(b) contribution	-	-	-	-	16,981
Staff travel, housing and meals	2,836	2,665	6,617	12,118	28,252
Group insurance	53,557	8,460	13,389	75,406	96,678
Other personnel related expenses	8,112	-	2,028	10,140	13,062
<i>Total personnel related</i>	<u>870,988</u>	<u>265,689</u>	<u>221,154</u>	<u>1,357,831</u>	<u>1,705,546</u>
BUILDING AND FACILITY					
Depreciation and amortization	87,634	-	28,135	115,769	130,816
Rental - office building	192,951	-	48,204	241,155	241,020
Repairs and maintenance	17,885	-	4,198	22,083	38,195
Telephone and utilities	14,185	-	3,546	17,731	41,838
<i>Total building and facility</i>	<u>312,655</u>	<u>-</u>	<u>84,083</u>	<u>396,738</u>	<u>451,869</u>
OFFICE AND ADMINISTRATIVE					
Board of directors expense	-	-	8,287	8,287	8,700
Computer services and supplies	41,012	9,582	9,984	60,578	57,735
Business insurance	54,038	-	13,510	67,548	68,640
Interest	16,687	-	4,172	20,859	26,004
Franchise, sales, and income taxes	11,571	-	-	11,571	10,859
Other office and administrative	96,973	2,696	49,322	148,991	174,451
<i>Total office and administrative</i>	<u>220,281</u>	<u>12,278</u>	<u>85,275</u>	<u>317,834</u>	<u>346,389</u>
	<u>\$ 4,831,418</u>	<u>\$ 318,379</u>	<u>\$ 432,602</u>	<u>\$ 5,582,399</u>	<u>\$ 6,685,411</u>

CHANGE IN CASH AND CASH EQUIVALENTS

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from program activities and contributors	\$ 5,551,700	\$ 7,171,293
Cash paid to suppliers and employees	(5,305,681)	(6,654,619)
Interest expense	(20,859)	(26,004)
Interest income	3,401	9,620
	<u>228,561</u>	<u>500,290</u>
<i>Net cash and cash equivalents provided by operating activities</i>		
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(6,337)	(9,399)
Proceeds from sale of investments	53	65,772
Purchases of investments	-	(110,473)
	<u>(6,284)</u>	<u>(54,100)</u>
<i>Net cash and cash equivalents used in investing activities</i>		
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on notes payable	-	(80,000)
Net repayments on line of credit	(489,494)	(8,000)
	<u>(489,494)</u>	<u>(88,000)</u>
<i>Net cash and cash equivalents used in financing activities</i>		
CHANGE IN CASH AND CASH EQUIVALENTS	(267,217)	358,190
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>896,345</u>	<u>538,155</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 629,128</u>	<u>\$ 896,345</u>

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

	<u>2010</u>	<u>2009</u>
CHANGE IN NET ASSETS	\$ 238,231	\$ (124,208)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH AND CASH EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES		
Depreciation and amortization	115,759	130,816
Loss on disposal of fixed assets	22,505	-
Realized and unrealized (gain) loss on investments	(33,344)	28,491
<i>(Increase) decrease in operating assets:</i>		
Accounts receivable	335,714	(285,150)
Inventory	(1,184)	78,479
Prepaid expenses	(116,123)	73,776
<i>Increase (decrease) in operating liabilities:</i>		
Accounts payable	49,207	(540,571)
Accounts payable - related party	-	(104)
Accrued expenses	(49,141)	24,851
Prepaid event income	(333,792)	1,125,494
Deferred trust liability	(939)	(875)
Reserve for license fees	1,668	(10,709)
<i>Total adjustments</i>	<u>(9,670)</u>	<u>624,498</u>
NET CASH AND CASH EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES	<u>\$ 228,561</u>	<u>\$ 500,290</u>

MUSIC FOR ALL, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

FEBRUARY 28, 2010 AND 2009

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 whose mission is to create, provide and expand positively life-changing experiences through music for all. The organization is committed to expanding access to, and the role and value of music in, education, and to creating a positive environment for music and the arts through societal change.

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 CONSOLIDATION AND 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.

BASIC ACCOUNTING POLICY

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 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, 2009, from which the summarized information was derived.

CONTRIBUTIONS

Contributions are recognized when the donor makes an unconditional promise to give to the Organizations and are recorded at their fair values as revenues and assets in the year a contributions acknowledgement is received. 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.

NET ASSET CLASSIFICATIONS

The financial statements have been prepared in accordance with Accounting Standards for the presentation of Financial Statements of not-for-profit organizations. These standards of the financial statements require the Organizations to report information regarding its assets, liabilities, and net assets and its revenue, expenses, and

MUSIC FOR ALL, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

FEBRUARY 28, 2010 AND 2009

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

other changes in net assets according to class. 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 net assets in the amount of \$93,081 at February 28, 2010.

TEMPORARILY RESTRICTED NET ASSETS

The temporarily restricted net asset class includes assets of 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 designated promises to give that are due in future periods and are not permanently restricted are classified as temporarily restricted net assets. Temporarily restricted net assets are comprised of the following at February 28, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
National Association of Uniform Manufacturers and Distributors	\$ 1,000	\$ 1,000
Mark Jolesch Scholarship	5,372	7,372
McLeroy Scholarship Fund	882	-
Fred J Miller Scholarship Fund	-	19,000
Yamaha Scholarship Fund	-	2,000
Camp Scholarship Fund	300	-
Summer Symposium	1,930	1,930
The Paynter Project	2,909	2,517
Sandy Feldstein Music Education Fund	-	-
Mark Williams Fund	1,450	1,430
Summer Symposium – Music For All, Inc.	1,000	-
Lilly Endowment, Inc. - fundraising	67,312	179,000
Guitar Center, Inc.	50,000	50,000
	<u>\$ 132,155</u>	<u>\$ 264,249</u>

MUSIC FOR ALL, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

FEBRUARY 28, 2010 AND 2009

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, 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 28, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Honor Band Chair Endowment	\$ 50,750	\$ 50,750
L.J. Hancock Memorial Endowment	32,038	30,753
Sandy Feldstein Legacy Fund	34,914	29,439
Fred J Miller Scholarship Fund	21,000	-
Foundation Endowment	683	-
	<u>\$ 139,385</u>	<u>\$ 110,942</u>

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.

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.

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.

Management individually reviews all accounts receivable balances that exceed 90 days past due. Accounts are called on to notify past due amounts and establish payment plans. Receivable balances are not written off as bad debts until approved by the Board of Directors.

INVENTORY

Inventory, consisting of attire, recordings, trophies and related items, has been valued at the lower of cost or market on a first-in, first-out (FIFO) basis.

MUSIC FOR ALL, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

FEBRUARY 28, 2010 AND 2009

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

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost and depreciation is computed using straight-line and accelerated methods over the estimated useful lives of the assets (5-10 years for furniture, equipment, and vehicles). 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.

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 sales for the past three years on video tapes of special events sold to the general public, but not for tapes sold prior to the three year period. Provisions to the reserve are based on total audio/video sales during the year.

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.

IN-KIND CONTRIBUTIONS

During the years ended February 28, 2010 and 2009, contributed services, goods, and use of facilities were received by the Organizations. The fair market value of these services, goods and facilities of \$242,199 and \$257,087 (of which \$241,020 is rent for both years) for the years ended February 28, 2010 and 2009, has been reflected in the accompanying financial statements. Accordingly, these transactions have been treated as non-cash transactions and are properly excluded from the statement of cash flows.

MUSIC FOR ALL, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

FEBRUARY 28, 2010 AND 2009

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

EXPENSE ALLOCATION

Expenses have been classified as event expenses (program services), 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 \$15,702 and \$21,217 in advertising expense for the years ended February 28, 2010 and 2009, respectively. These costs were expensed as incurred.

FAIR VALUE MEASUREMENTS

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

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

Assets measured on a recurring basis at February 28, 2010 and 2009 are as follows:

	<u>Total</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>
Marketable Securities				
2010	\$ 116,377	\$ 116,377	\$ -	\$ -
2009	\$ 83,086	\$ 83,086	\$ -	\$ -

MUSIC FOR ALL, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

FEBRUARY 28, 2010 AND 2009

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

SUBSEQUENT EVENTS

Subsequent events have been evaluated by Management through June 8, 2010, 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.

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 Year Ended February 28, 2010:

Endowment net assets, beginning of year	\$	110,942
Donations		7,443
Transfer in		21,000
Expenditures		<u>-</u>
Endowment net assets, end of year	\$	<u><u>139,385</u></u>

MUSIC FOR ALL, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

FEBRUARY 28, 2010 AND 2009

2. ENDOWMENT FUNDS, CONTINUED

Endowment Net Asset Composition by Type of Fund as of February 28, 2010:

	<u>Unrestricted Endowment</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted Endowment funds	\$ -	\$ -	\$ 139,385	\$ 139,385
Total Funds	\$ -	\$ -	\$ 139,385	\$ 139,385

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 its long-term rate-of-return objectives, the Organization relies 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 the New York Stock Exchange.

MUSIC FOR ALL, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

FEBRUARY 28, 2010 AND 2009

3. INVESTMENTS, CONTINUED

Cost and fair value of investments at February 28, 2010 and 2009 are as follows:

	<u>2010</u> <u>Fair</u> <u>Value</u>	<u>2010</u> <u>Cost</u>	<u>2009</u> <u>Fair</u> <u>Value</u>	<u>2009</u> <u>Cost</u>
Marketable Securities	\$ 116,377	\$ 100,569	\$ 83,086	\$ 95,577

4. PROPERTY AND EQUIPMENT

Property and equipment at February 28, 2010 and 2009 is as follows:

	<u>2010</u>	<u>2009</u>
Leasehold improvements	\$ 763,638	\$ 763,638
Automobiles	-	49,973
Furniture and equipment	<u>736,844</u>	<u>786,017</u>
	1,500,482	1,599,628
Accumulated depreciation	<u>(1,196,745)</u>	<u>(1,163,964)</u>
	<u>\$ 303,737</u>	<u>\$ 435,664</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 28, 2010 and 2009 was \$1,711,445 and \$2,045,237, respectively.

6. BANK LINE OF CREDIT

Music for All maintained a \$500,000 line of credit with a bank that expired in April 2010. The line of credit bore interest at the LIBOR rate plus 4.00% with a 5.00% minimum (5.00% at February 28, 2010). Music for All had \$0 and \$489,494 outstanding on the line of credit at February 28, 2010 and 2009, respectively. The line of credit was secured by Music for All's assets.

In April 2010, Music for All renewed its line of credit agreement. The new line of credit agreement allows for a \$650,000 line of credit which matures in April 2011. The new line of credit will bear interest at LIBOR plus 4.0%, with a minimum interest rate of 5.0% and is secured by Music For All's assets.

MUSIC FOR ALL, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

FEBRUARY 28, 2010 AND 2009

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 \$42,700 and \$43,639 at February 28, 2010 and February 28, 2009, respectively.

8. TAX STATUS

Music for All and the Foundation are not-for-profit corporations, other than private foundations, and are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable federal unemployment taxes.

Accounting Standards for Income Taxes provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an enterprise's financial statements. The Organizations adopted the provisions of this standard on March 1, 2009. The implementation of this standard did not have any impact on the financial position or net assets of the Organizations.

The Organizations individually evaluate their activities to determine that they are in compliance with their tax-exempt purposes. Currently, the Organizations' management believes any activities that would generate unrelated business income are effectively reported, and tax owed, if any, is properly paid. The Organizations' management does not believe it is engaged in any activities that would create uncertain tax positions. All tax periods prior to 2006 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. In August 2008, the match was suspended. However, beginning in March 2010, the discretionary match has been reinstated at an amount not to exceed 3% 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, 2010 and February 28, 2009 totaled \$0 and \$16,981, respectively.

10. LEASES

Music for All has a lease with the Redevelopment Commission of the City of Indianapolis, Indiana (lessor) for office space. The lease expires June 2012. Music for All is responsible for paying the utilities and is required to comply with certain programmatic commitments to the City of Indianapolis. If Music for All does not comply, it must pay base rent at the rate of \$12 per square foot per year.

The lessor has certain rights to terminate the lease if it receives a certain offer by another tenant. Music for All may elect to match the offer and remain in the space or vacate the space and receive \$40,000 for each year remaining on the lease. The estimated fair market value of this lease is approximately \$20,000 per month. Accordingly, the annual fair market value of the lease is \$241,020, as noted in Footnote 1, is recorded as an in-kind contribution for the leased office space.

During the year, Music for All extended its lease with the Redevelopment Commission with the City of Indianapolis, Indiana. The lease extends from July 2013 through June 2023. The straight-line payments are \$16,738 per month.

MUSIC FOR ALL, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

FEBRUARY 28, 2010 AND 2009

10. LEASES, CONTINUED

Music for All also leases office equipment under various operating leases expiring March 2013.

Future minimum lease payments required under these leases are as follows for the years ending February 28:

2010	\$	-
2011		-
2012		-
2013		100,425
2014		200,850
Thereafter		<u>1,707,225</u>
	\$	<u>2,008,500</u>

Equipment rental expense for the years ended February 28, 2010 and 2009 for these leases amounted to \$21,141 and \$16,963, respectively. Music for All rents other equipment on a temporary basis for camps and other activities.

11. COMMITMENTS

Music for All has contracted with the Capital Improvement Board of Managers of Marion County, Indiana to host a regional competition and its Grand National competition at Lucas Oil Stadium annually through 2012. Both agreements have an exit clause, but require a percentage of the booking fee to be paid upon cancellation of the event. The regional competition will be held in Lucas Oil Stadium at a rate of \$230,812 for the three years, through November 2012. The Grand National competition held in Indianapolis will be held in Lucas Oil Stadium at a rate of \$973,086 for the three years, through November 2012.

12. RETROACTIVE RECLASSIFICATION

During the year ended February 28, 2010, the Organization determined that certain net assets needed to be reclassified out of temporarily restricted net assets and into permanently restricted net assets to coincide with donor intentions. As a result, \$29,439 of temporarily restricted net assets was reclassified to permanently restricted net assets as of February 28, 2009.

13. GOING CONCERN

As shown in the accompanying financial statements, the Organization had an increase in unrestricted net assets of approximately \$342,000 for the year ended February 28, 2010, but as of that date, the Organizations' current liabilities exceeded its current assets by approximately \$429,000 and the Organizations had a net deficit in their Unrestricted Net Assets and total Net Assets. While those factors create some uncertainty about the Organizations' ability to continue as a going concern, the Organizations continue to pursue and stay on plan to improve the financial position and eliminate their accumulated deficit. The budget for fiscal year 2011 shows an increase in net assets of approximately \$200,000.



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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

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

Our audits of the February 28, 2010 and 2009 combined financial statements were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. Our report on the basic financial statements appears on page one. The accompanying information shown in Exhibits I through VI is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The combining information for the years ended February 28, 2010 and 2009 has not been subjected to the auditing procedures applied in the audit of basic financial statements.

Greenwalt CPAs, Inc.

June 8, 2010

MUSIC FOR ALL, INC. AND AFFILIATE
 COMBINING STATEMENTS OF FINANCIAL POSITION
 FEBRUARY 28, 2010 AND 2009

Exhibit I

	MUSIC FOR ALL	MUSIC FOR ALL FOUNDATION	ELIMINATIONS	2010 TOTAL	2009 TOTAL
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 618,807	\$ 10,321	\$ -	\$ 629,128	\$ 896,345
Accounts receivable, net of allowance for doubtful accounts of \$40,400 and \$26,900 in 2010 and 2009	661,521	2,419	-	663,940	999,654
Accounts receivable - related party	19	5,840	(5,859)	-	-
Inventory	11,502	-	-	11,502	10,318
Prepaid expenses	194,453	-	-	194,453	78,330
<i>Total current assets</i>	<u>1,486,302</u>	<u>18,580</u>	<u>(5,859)</u>	<u>1,499,023</u>	<u>1,984,647</u>
INVESTMENTS					
Marketable securities	-	116,377	-	116,377	83,086
PROPERTY AND EQUIPMENT					
Property and equipment	1,492,633	7,849	-	1,500,482	1,599,628
Accumulated depreciation and amortization	(1,188,896)	(7,849)	-	(1,196,745)	(1,163,964)
<i>Net property and equipment</i>	<u>303,737</u>	<u>-</u>	<u>-</u>	<u>303,737</u>	<u>435,664</u>
OTHER ASSETS					
Trademark	20,000	-	-	20,000	20,000
	<u>\$ 1,810,039</u>	<u>\$ 134,957</u>	<u>\$ (5,859)</u>	<u>\$ 1,939,137</u>	<u>\$ 2,523,397</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Line of credit	\$ -	\$ -	\$ -	\$ -	\$ 489,494
Accounts payable	115,674	-	-	115,674	66,467
Accounts payable - related party	5,840	19	(5,859)	-	-
Accrued expenses	97,136	4,000	-	101,136	150,277
Prepaid event income	1,711,445	-	-	1,711,445	2,045,237
<i>Total current liabilities</i>	<u>1,930,095</u>	<u>4,019</u>	<u>(5,859)</u>	<u>1,928,255</u>	<u>2,751,475</u>
LONG-TERM LIABILITIES					
Deferred trust liability	42,700	-	-	42,700	43,639
Reserve for license fees	36,864	-	-	36,864	35,196
<i>Total long-term liabilities</i>	<u>79,564</u>	<u>-</u>	<u>-</u>	<u>79,564</u>	<u>78,835</u>
<i>Total liabilities</i>	<u>2,009,659</u>	<u>4,019</u>	<u>(5,859)</u>	<u>2,007,819</u>	<u>2,830,310</u>
NET ASSETS (ACCUMULATED DEFICIT)					
Unrestricted	(317,932)	(22,290)	-	(340,222)	(682,104)
Temporarily restricted	118,312	13,843	-	132,155	264,249
Permanently restricted	-	139,385	-	139,385	110,942
	<u>(199,620)</u>	<u>130,938</u>	<u>-</u>	<u>(68,682)</u>	<u>(306,913)</u>
	<u>\$ 1,810,039</u>	<u>\$ 134,957</u>	<u>\$ (5,859)</u>	<u>\$ 1,939,137</u>	<u>\$ 2,523,397</u>

MUSIC FOR ALL, INC. AND AFFILIATE
 COMBINING STATEMENTS OF ACTIVITIES
 FOR THE YEAR ENDED FEBRUARY 28, 2010

WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED FEBRUARY 28, 2009

Exhibit II

	UNRESTRICTED				TEMPORARILY	TEMPORARILY	PERMANENTLY	2010	2009
	MUSIC FOR ALL	MUSIC FOR ALL FOUNDATION	ELIMINATIONS	TOTAL	RESTRICTED MUSIC FOR ALL	RESTRICTED MUSIC FOR ALL FOUNDATION	RESTRICTED MUSIC FOR ALL FOUNDATION		
REVENUE									
Event fees	\$ 777,627	\$ -	\$ -	\$ 777,627	\$ -	\$ -	\$ -	\$ 777,627	\$ 685,082
Housing and meal fees	952,917	-	-	952,917	-	-	-	952,917	1,380,268
Ticket fees	1,798,789	-	-	1,798,789	-	-	-	1,798,789	1,830,377
Band fees	428,924	-	-	428,924	-	-	-	428,924	430,728
Relocation revenue	22,079	-	-	22,079	-	-	-	22,079	29,529
Merchandise sales	61,995	-	-	61,995	-	-	-	61,995	121,133
Program book sales	125,916	-	-	125,916	-	-	-	125,916	91,812
Photography commissions	70,001	-	-	70,001	-	-	-	70,001	88,000
Video commissions and fees	200,532	-	-	200,532	-	-	-	200,532	82,404
Merchandise commissions	191,315	-	-	191,315	-	-	-	191,315	184,433
Sponsorships	781,792	-	-	781,792	-	-	-	781,792	700,753
Contributions	62,938	399	-	63,337	1,000	1,594	7,443	73,374	480,452
In-kind contributions	242,199	-	-	242,199	-	-	-	242,199	257,087
Grants	47,685	-	-	47,685	-	-	-	47,685	158,160
Interest	3,386	15	-	3,401	-	-	-	3,401	9,620
Loss on disposal of assets	(22,505)	-	-	(22,505)	-	-	-	(22,505)	-
Realized and unrealized gain (loss) on investments	-	33,344	-	33,344	-	-	-	33,344	(28,491)
Miscellaneous	31,245	-	-	31,245	-	-	-	31,245	59,856
Net assets released from restrictions	111,688	2,000	-	113,688	(111,688)	(23,000)	21,000	-	-
<i>Total revenue</i>	<u>5,888,523</u>	<u>35,758</u>	<u>-</u>	<u>5,924,281</u>	<u>(110,688)</u>	<u>(21,406)</u>	<u>28,443</u>	<u>5,820,630</u>	<u>6,561,203</u>
EXPENSES									
Event	4,831,418	-	-	4,831,418	-	-	-	4,831,418	5,691,761
Fundraising	318,379	-	-	318,379	-	-	-	318,379	431,318
General and administrative	424,322	8,280	-	432,602	-	-	-	432,602	562,332
<i>Total expenses</i>	<u>5,574,119</u>	<u>8,280</u>	<u>-</u>	<u>5,582,399</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,582,399</u>	<u>6,685,411</u>
CHANGE IN NET ASSETS	314,404	27,478	-	341,882	(110,688)	(21,406)	28,443	238,231	(124,208)
NET ASSETS (DEFICIT), BEGINNING OF PERIOD	<u>(632,336)</u>	<u>(49,768)</u>	<u>-</u>	<u>(682,104)</u>	<u>229,000</u>	<u>35,249</u>	<u>110,942</u>	<u>(306,913)</u>	<u>(182,705)</u>
NET ASSETS (DEFICIT), END OF PERIOD	<u>\$ (317,932)</u>	<u>\$ (22,290)</u>	<u>\$ -</u>	<u>\$ (340,222)</u>	<u>\$ 118,312</u>	<u>\$ 13,843</u>	<u>\$ 139,385</u>	<u>\$ (68,682)</u>	<u>\$ (306,913)</u>

MUSIC FOR ALL, INC. AND AFFILIATE
 COMBINING SCHEDULE OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED FEBRUARY 28, 2010

WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED FEBRUARY 28, 2009

Exhibit III

	MUSIC FOR ALL				MUSIC FOR ALL FOUNDATION		2010 TOTAL	2009 TOTAL
	EVENT	FUNDRAISING	GENERAL & ADMINISTRATIVE EXPENSES	TOTAL	GENERAL & ADMINISTRATIVE EXPENSES			
EVENTS AND CONTESTS								
Awards and trophies	\$ 116,441	\$ -	\$ -	\$ 116,441	\$ -	\$ -	\$ 116,441	\$ 117,658
Scholarships	-	-	-	-	6,000	-	6,000	7,600
Clinicians and judges fees	507,253	-	-	507,253	-	-	507,253	608,686
Copyright fees	90,804	-	-	90,804	-	-	90,804	65,152
Cost of merchandise sold	221,622	-	-	221,622	-	-	221,622	172,195
Fair value adjustment of inventory	-	-	-	-	-	-	-	68,783
Equipment rental	84,268	-	942	85,210	-	-	85,210	87,919
Event promotion	71,336	33,232	19,048	123,616	500	-	124,116	162,767
Facility rental	608,310	-	-	608,310	-	-	608,310	375,041
Participants' housing and meals	936,040	-	-	936,040	-	-	936,040	1,226,143
Outside services	645,365	560	14,080	660,005	1,279	-	661,284	1,064,910
Other events expenses	146,055	6,620	241	152,916	-	-	152,916	224,753
<i>Total events and contests</i>	<u>3,427,494</u>	<u>40,412</u>	<u>34,311</u>	<u>3,502,217</u>	<u>7,779</u>	<u>-</u>	<u>3,509,996</u>	<u>4,181,607</u>
PERSONNEL RELATED								
Salaries and contract employees	757,494	237,885	186,873	1,182,252	-	-	1,182,252	1,451,826
Salaries - payroll taxes	48,989	16,679	12,247	77,915	-	-	77,915	98,747
403(b) contribution	-	-	-	-	-	-	-	16,981
Staff travel, housing and meals	2,836	2,665	6,617	12,118	-	-	12,118	28,252
Group insurance	53,557	8,460	13,389	75,406	-	-	75,406	96,678
Other personnel related expenses	8,112	-	2,028	10,140	-	-	10,140	13,062
<i>Total personnel related</i>	<u>870,988</u>	<u>265,689</u>	<u>221,154</u>	<u>1,357,831</u>	<u>-</u>	<u>-</u>	<u>1,357,831</u>	<u>1,705,546</u>
BUILDING AND FACILITY								
Depreciation and amortization	87,634	-	28,135	115,769	-	-	115,769	130,816
Rental - office building	192,951	-	48,204	241,155	-	-	241,155	241,020
Repairs and maintenance	17,885	-	4,198	22,083	-	-	22,083	38,195
Telephone and utilities	14,185	-	3,546	17,731	-	-	17,731	41,838
<i>Total building and facility</i>	<u>312,655</u>	<u>-</u>	<u>84,083</u>	<u>396,738</u>	<u>-</u>	<u>-</u>	<u>396,738</u>	<u>451,869</u>
OFFICE AND ADMINISTRATIVE								
Board of directors expense	-	-	8,287	8,287	-	-	8,287	8,700
Computer services and supplies	41,012	9,582	9,984	60,578	-	-	60,578	57,735
Business insurance	54,038	-	13,510	67,548	-	-	67,548	68,640
Interest	16,687	-	4,172	20,859	-	-	20,859	26,004
Franchise, sales, and income taxes	11,571	-	-	11,571	-	-	11,571	10,859
Other office and administrative	96,973	2,696	48,821	148,490	501	-	148,991	174,451
<i>Total office and administrative</i>	<u>220,281</u>	<u>12,278</u>	<u>84,774</u>	<u>317,333</u>	<u>501</u>	<u>-</u>	<u>317,834</u>	<u>346,389</u>
	<u>\$ 4,831,418</u>	<u>\$ 318,379</u>	<u>\$ 424,322</u>	<u>\$ 5,574,119</u>	<u>\$ 8,280</u>	<u>\$ -</u>	<u>\$ 5,582,399</u>	<u>\$ 6,685,411</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, 2010 AND 2009

Exhibit IV

	2010				2009			
	MUSIC FOR ALL	MUSIC FOR ALL FOUNDATION	ELIMINATIONS	TOTAL	MUSIC FOR ALL	MUSIC FOR ALL FOUNDATION	Eliminations	TOTAL
REVENUE								
Event fees	\$ 777,627	\$ -	\$ -	\$ 777,627	\$ 685,082	\$ -	\$ -	\$ 685,082
Housing and meal fees	952,917	-	-	952,917	1,380,268	-	-	1,380,268
Ticket fees	1,798,789	-	-	1,798,789	1,830,377	-	-	1,830,377
Band fees	428,924	-	-	428,924	430,728	-	-	430,728
Relocation revenue	22,079	-	-	22,079	29,529	-	-	29,529
Merchandise sales	61,995	-	-	61,995	121,133	-	-	121,133
Program book sales	125,916	-	-	125,916	91,812	-	-	91,812
Photography commissions	70,001	-	-	70,001	88,000	-	-	88,000
Video commissions and fees	200,532	-	-	200,532	82,404	-	-	82,404
Merchandise commissions	191,315	-	-	191,315	184,433	-	-	184,433
Sponsorships	781,792	-	-	781,792	700,753	-	-	700,753
Contributions	63,938	9,436	-	73,374	496,549	13,903	(30,000)	480,452
In-kind contributions	242,199	-	-	242,199	257,087	-	-	257,087
Grants	47,685	-	-	47,685	158,160	-	-	158,160
Interest	3,386	15	-	3,401	8,780	840	-	9,620
Loss on sale of assets	(22,505)	-	-	(22,505)	-	-	-	-
Realized and unrealized gain (loss) on investments	-	33,344	-	33,344	-	(28,491)	-	(28,491)
Miscellaneous	31,245	-	-	31,245	59,804	52	-	59,856
<i>Total revenue</i>	<u>5,777,835</u>	<u>42,795</u>	<u>-</u>	<u>5,820,630</u>	<u>6,604,899</u>	<u>(13,696)</u>	<u>(30,000)</u>	<u>6,561,203</u>
EXPENSES								
Event	4,831,418	-	-	4,831,418	5,691,761	-	-	5,691,761
Fundraising	318,379	-	-	318,379	431,318	-	-	431,318
General and administrative	424,322	8,280	-	432,602	552,926	39,406	(30,000)	562,332
<i>Total expenses</i>	<u>5,574,119</u>	<u>8,280</u>	<u>-</u>	<u>5,582,399</u>	<u>6,676,005</u>	<u>39,406</u>	<u>(30,000)</u>	<u>6,685,411</u>
CHANGE IN NET ASSETS	203,716	34,515	-	238,231	(71,106)	(53,102)	-	(124,208)
NET ASSETS (ACCUMULATED DEFICIT), BEGINNING OF PERIOD	<u>(403,336)</u>	<u>96,423</u>	<u>-</u>	<u>(306,913)</u>	<u>(332,230)</u>	<u>149,525</u>	<u>-</u>	<u>(182,705)</u>
NET ASSETS (ACCUMULATED DEFICIT), END OF PERIOD	<u>\$ (199,620)</u>	<u>\$ 130,938</u>	<u>\$ -</u>	<u>\$ (68,682)</u>	<u>\$ (403,336)</u>	<u>\$ 96,423</u>	<u>\$ -</u>	<u>\$ (306,913)</u>

See accompanying independent auditors' report on supplementary information.



