



**Santa Barbara Symphony
Orchestra Association
and
Santa Barbara Symphony
Orchestra Endowment Trust**

**Combined Financial Statements
and Supplemental Information**

June 30, 2021



Santa Barbara Symphony Orchestra Association
and
Santa Barbara Symphony Orchestra Endowment Trust
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Santa Barbara Symphony Orchestra Association

Board of Trustees
Santa Barbara Symphony Orchestra Endowment Trust

Opinion

I have audited the accompanying combined financial statements of the Santa Barbara Symphony Orchestra Association and the Santa Barbara Symphony Orchestra Endowment Trust (both California nonprofit organizations) (hereinafter collectively referred to as "the Symphony") which comprise the statements of financial position as of June 30, 2021, the related statements of activities and of cash flows for the year ended June 30, 2021, and the related notes to the financial statements.

In my opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Symphony as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Symphony, and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Other Matter

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules presented on pages 24 - 25 are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Summarized Comparative Information

I have previously audited the combined financial statements of the Symphony as of June 30, 2020, and expressed a qualified audit opinion on those audited financial in my report dated April 21, 2021 (See Note 5). In my opinion, the summarized comparative information presented herein as of and for the year ended June

30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP); and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Santa Barbara Historical Museum's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Santa Barbara Historical Museum's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters I identified during the audit



Goleta, California
July 14, 2023

THE SANTA BARBARA SYMPHONY
Combined Statement of Financial Position
June 30, 2021
With Summarized Comparative Totals as of June 30, 2020

Assets		
	2021	2020
Current Assets:		
Cash and Cash Equivalents	\$ 691,919	\$ 341,356
Accounts Receivable	24,671	15,707
Employee Retention Credit Receivable (Note 15)	382,278	-
Pledges Receivable - Net (Note 2)	299,750	16,125
Prepaid Expenses and Other Current Assets	44,594	10,729
Total Current Assets	1,443,212	383,917
Unemployment Reserve Account	81,814	29,653
Pledge Receivable - Non-Current (Note 2)	699,922	-
Property and Equipment, Net (Note 3)	-	5,717
Investments (Note 4)	6,286,770	4,985,871
Interest in Charitable Remainder Trust (Notes 5 and 16)	790,521	681,603
Total Assets	<u>\$ 9,302,239</u>	<u>\$ 6,086,761</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 77,175	\$ 90,436
Accrued Payroll and Related Expenses	78,327	59,973
Line of Credit (Note 7)	-	250,000
Deferred Income	195,702	208,786
Total Current Liabilities	351,204	609,195
Long-term Loan - Paycheck Protection Program (Note 15)	331,360	401,947
Total Liabilities	682,564	1,011,142
Net Assets:		
Without Donor Restrictions:		
Undesignated	163,523	(1,101,302)
Board Designated (Note 8)	720,956	695,591
Total Net Assets Without Donor Restrictions	884,479	(405,711)
With Donor Restrictions		
Restricted by Purpose or Time (Note 8)	3,238,067	1,314,201
Restricted in Perpetuity (Note 8)	4,497,129	4,167,129
Total Net Assets With Donor Restrictions	7,735,196	5,481,330
Total Net Assets	8,619,675	5,075,619
Total Liabilities and Net Assets	<u>\$ 9,302,239</u>	<u>\$ 6,086,761</u>

See accompanying notes

THE SANTA BARBARA SYMPHONY
Combined Statement of Activities
For The Year Ended June 30, 2021
With Summarized Comparative Totals for the Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	2021	2020
<i>Operating Revenue</i>				
Revenue, Gains and Other Support				
Concert Income	\$ 161,167	\$ -	\$ 161,167	\$ 729,311
Program Book Revenue	-	-	-	32,325
Tuition	15,350	-	15,350	23,471
Contributions and Grants	1,267,187	1,347,472	2,614,659	1,327,994
Total before Fundraising Events	1,443,704	1,347,472	2,791,176	2,113,101
Gross Revenue from Fundraising Events	-	-	-	9,750
Less Costs of Direct Benefit to Donors	-	-	-	(9,267)
Net Income from Fundraising Events	-	-	-	483
Total Revenue, Gains and Other Support	1,443,704	1,347,472	2,791,176	2,113,584
Net Assets Released from Restriction	847,056	(847,056)	-	-
<i>Operating Expenses</i>				
Program Expenses				
Concert and Event Expenses	1,043,394	-	1,043,394	1,831,566
Music Education Center	324,107	-	324,107	452,063
Total Operating Program Expenses	1,367,501	-	1,367,501	2,283,629
Supporting Services				
Management and General	376,560	-	376,560	308,637
Fundraising	376,834	-	376,834	453,289
Total Supporting Services	753,394	-	753,394	761,926
Total Operating Expenses	2,120,895	-	2,120,895	3,045,555
Change in Net Assets from Operations	169,865	500,416	670,281	(931,971)
<i>Non-Operating Revenue and Expenses</i>				
Revenue				
Bequests	75,561	-	75,561	8,002
COVID Funding				
Payroll Protection Program Loan Forgiveness	401,947	-	401,947	-
Employee Retention Credit and Other Funding	466,684	-	466,684	-
Permanently Restricted Contributions	-	330,000	330,000	15,000
Investment Income, Net	465	128,340	128,805	118,026
Realized Gain on Sales of Investments	27,430	179,382	206,812	394,482
Unrealized Gain/Loss on Investments	153,955	1,006,810	1,160,765	(456,104)
Change in Value of Interest in Charitable Remainder Trust	-	108,918	108,918	20,297
Total Non-Operating Revenue	1,126,042	1,753,450	2,879,492	99,703
Expenses				
Depreciation Expense	5,717	-	5,717	8,085
Total Non-Operating Expenses	5,717	-	5,717	8,085
Change in Net Assets from Non-Operating Activities	1,120,325	1,753,450	2,873,775	91,618
Net Assets at Beginning of Year	(405,711)	5,481,330	5,075,619	5,915,972
Total Change in Net Assets	1,290,190	2,253,866	3,544,056	(840,353)
Net Assets at End of Year	\$ 884,479	\$ 7,735,196	\$ 8,619,675	\$ 5,075,619

See accompanying notes

THE SANTA BARBARA SYMPHONY
Combined Statement of Cash Flows
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 3,544,056	\$ (840,353)
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities		
Depreciation	5,717	8,085
Forgiveness of Payroll Protection Program Loan	(401,947)	-
Unrealized (Gain)/Loss on Investments	(1,160,765)	406,104
Realized Gain on Investments	(206,812)	(336,828)
Change in Value of Charitable Remainder Trust	(108,918)	(20,297)
Contributions to Endowment	(330,000)	(15,000)
Changes in		
Accounts Receivable	(8,964)	17,418
Pledges Receivable	(983,547)	120,015
Bequest Receivable	-	35,000
Prepaid Expenses and Other Current Assets	(33,865)	27,080
Unemployment Reserve Account	(52,161)	2,827
Accounts Payable and Accrued Expenses	(13,261)	40,533
Accrued Payroll and Related Expenses	18,354	8,305
Deferred Income	(13,084)	(248,819)
Net Cash Provided (Used) by Operating Activities	<u>254,803</u>	<u>(795,930)</u>
Cash Flows from Investing Activities		
Purchase of Investments	(811,049)	(1,381,708)
Proceeds from Sale of Investments	<u>877,727</u>	<u>1,764,156</u>
Net Cash Provided by Investing Activities	<u>66,678</u>	<u>382,448</u>
Cash Flows from Financing Activities		
(Repayment)/Proceeds from Line of Credit	(250,000)	250,000
Proceeds from Paycheck Protection Program	331,360	401,947
Contributions to Endowment	<u>330,000</u>	<u>15,000</u>
Net Cash Provided by Financing Activities	<u>411,360</u>	<u>666,947</u>
Net Increase in Cash	732,841	253,465
Cash and Cash Equivalents, Beginning of Year	<u>341,356</u>	<u>87,891</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,074,197</u>	<u>\$ 341,356</u>
Other disclosures		
Cash paid for interest	<u>\$ 6,095</u>	<u>\$ 5,128</u>

Included in contributions and rent expense for the year ended June 30, 2020, is a non-cash contribution of rent for \$12,854.

See accompanying notes

THE SANTA BARBARA SYMPHONY
Schedule of Functional Expenses of the
Santa Barbara Symphony Orchestra Association
For The Year Ended June 30, 2021
With Summarized Comparative Totals for the Year Ended June 30, 2020

	Program Services		Total Program Services	Management and General	Fundraising	2021 Expenses	2020 Expenses
	Concert	Education					
Salaries	\$ 134,849	\$ 195,053	\$ 329,902	\$ 187,354	\$ 240,946	\$ 758,202	\$ 1,382,950
Payroll Taxes and Benefits	67,298	26,084	93,382	41,201	31,290	165,873	163,834
Total Salaries and Related Expenses	202,147	221,137	423,284	228,555	272,236	924,075	1,546,784
Accounting	-	-	-	60,627	-	60,627	58,049
Advertising and Public Relations	66,146	10,488	76,634	-	4,983	81,617	98,912
Musicians and Concert Personnel	423,444	2,582	426,026	1,864	-	427,890	505,661
Conferences, Meetings, and Training	1,193	398	1,591	1,093	464	3,148	12,015
Contract Services	120,641	36,495	157,136	36,928	47,126	241,190	271,332
Hospitality	915	741	1,656	1,786	3,452	6,894	38,565
Dues and Subscriptions	35,016	8,799	43,815	6,756	8,022	58,593	57,003
Facilities and Equipment Rental and Maintenance	56,416	6,848	63,264	-	-	63,264	148,201
Bad Debt Expense	-	-	-	-	-	-	7,185
Fees	13,924	4,255	18,179	12,605	4,709	35,493	43,646
Insurance	10,696	6,707	17,403	6,409	4,111	27,923	36,047
Office Expense	6,818	2,820	9,638	365	13,370	23,373	81,243
Rent	62,959	19,492	82,451	14,674	15,759	112,884	87,264
Supplies	1,343	671	2,014	3,023	651	5,688	5,276
Telecomm	5,085	2,663	7,748	1,863	1,951	11,562	14,179
Travel and Transportation	36,651	11	36,662	12	-	36,674	34,193
Depreciation Expense	-	5,145	5,145	572	-	5,717	8,085
Cost of Direct Benefit to Donors	-	-	-	-	-	-	9,267
Total Expenses by Function - June 30, 2021	1,043,394	329,252	1,372,646	377,132	376,834	2,126,612	3,062,907
Less Expenses Included with Revenues on the Statement of Activities or Reported with Non-Operating Expenses							
Cost of Direct Benefit to Donors	-	-	-	-	-	-	(9,267)
Depreciation Expense	-	(5,145)	(5,145)	(572)	-	(5,717)	(8,085)
Total Expenses Reported As Operating Expenses on the Statement of Activities - 2021	<u>\$ 1,043,394</u>	<u>\$ 324,107</u>	<u>\$ 1,367,501</u>	<u>\$ 376,560</u>	<u>\$ 376,834</u>	<u>\$ 2,120,895</u>	
Total Expenses Reported As Operating Expenses on the Statement of Activities - 2020	<u>\$ 1,831,566</u>	<u>\$ 452,063</u>	<u>\$ 2,283,629</u>	<u>\$ 308,637</u>	<u>\$ 453,289</u>		<u>\$ 3,045,555</u>

See accompanying notes

THE SANTA BARBARA SYMPHONY
Notes to Combined Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The accompanying financial statements comprise the Santa Barbara Symphony Orchestra Association, originally incorporated in 1954 as the Santa Barbara Orchestral Society, and the Santa Barbara Symphony Orchestra Endowment Trust, created in 1975, both California nonprofit organizations (hereinafter collectively referred to as the "Symphony"). The purpose of the former is to enrich our community by creating powerful musical experiences performed with passion and excellence, and by providing indispensable music education and community engagement; and of the latter, is to support the former in achieving its goals.

Basis of Presentation

The accompanying financial statements of the Symphony have been presented on an accrual basis of accounting in accordance with generally accepted accounting standards. All funds that are received free of any donor imposed restriction are recorded as net assets without donor restrictions.

Principles of Combination

The Santa Barbara Symphony Orchestra Endowment Trust ("Endowment Trust") has elected to be presented as a supporting organization of the Santa Barbara Symphony Orchestra Association ("Symphony Orchestra Association"). Consequently, the Symphony has eliminated all material interorganizational transfers between the two organizations. (See Note 14)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management of the Symphony to make estimates and assumptions that affect the reported amounts of assets, liabilities, the disclosure of contingent assets and liabilities and the reported revenue and expenses.

Significant estimates used in preparing these financial statements include:

- Collectability of pledges receivable
- Net present value of the charitable remainder trust
- Fair value of investments

It is at least reasonably possible that the significant estimates used will change within the next year.

Non-Operating Revenue and Expenses

The Symphony considers revenue and expenses associated with investments, endowments, planned gifts, bequests, and depreciation as non-operating revenue and expenses.

Cash and Cash Equivalents

The Symphony classifies its unrestricted short-term, highly liquid investments having original maturities of three months or less as cash equivalents, except for cash which is held by the investment portfolio manager until suitable long term investments are identified.

THE SANTA BARBARA SYMPHONY
Notes to Combined Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

Receivables are comprised of amounts due from granting organizations, pledges receivable, and bequests receivable.

Investments and Investment Income

Investments are carried at their fair market value. Investment income and gains and losses on investments are classified as unrestricted unless a donor or law temporarily or permanently restricts their use. Unrealized gains and losses are included in the change in net assets.

Financial Instruments and Credit Risk

The Symphony manages deposit concentration risk by placing cash and money market accounts with financial institutions that Management believes to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Symphony has not experienced any losses in any of these accounts. Credit risk associated with promises to give and bequest receivables is considered by management to be limited due to high historical collection rates and because they are from donors supportive of the Symphony. Investments are made by a variety of investment managers whose performance is monitored by the Endowment Trust's Board of Trustees. Although the fair value of investments is subject to fluctuation on a year-to-year basis, Management and the Endowment Trust believe that the investment policies and guidelines are prudent for the long-term welfare of the organization.

Property, Equipment and Depreciation

Property is recorded at cost or, if donated, at the fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the asset. The Symphony's policy is to capitalize assets with a minimum value of \$5,000 that have a useful life of greater than one year.

Revenue and Revenue Recognition

Exchange Transactions and Deferred Revenue

Revenue from an exchange transaction is recognized when earned. The Symphony records deferred revenue when cash is received in advance for services to be performed in future periods such as season tickets and advertising income.

Contributions and Recognition of Donor Restrictions

Contributions are recorded at their fair value on the date of donation. The Symphony records all contributions as increases in unrestricted net assets unless the donor stipulates any restrictions. Donor restricted contributions are recorded as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified as net assets without donor restrictions.

THE SANTA BARBARA SYMPHONY
Notes to Combined Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and Revenue Recognition (Continued)

Contributions and Recognition of Donor Restrictions (Continued)

Unconditional promises to give are recorded when made. Unconditional promises to give in future years are reported at the present value of their net realizable value, using risk free interest rates applicable to the year in which the promise is received. Conditional promises to give are recognized when the condition on which the promise depends is substantially met.

Contributed Services

A substantial number of people have donated their time to the Symphony as volunteers. In accordance with accounting standards, only those services provided by professionals have been valued and recorded in these financial statements. As this volunteer service does not meet the recognition requirements of generally accepted accounting principles, no amount has been recorded in these financial statements for such services.

Fund Accounting

The accompanying financial statements of the Symphony have been prepared on the accrual basis. Assets, liabilities and net assets of the Symphony are reported based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Symphony and changes therein are classified and reported as follows:

- Net Assets without Donor Restrictions:

Net Assets without Donor Restrictions are net assets available for use in general operations and not subject to donor restrictions. The Board of Trustees has designated certain net assets from net assets without donor restrictions for board designated endowments and various projects.

- Net Assets with Donor Restrictions:

Net Assets with Donor Restrictions are subject to donor-imposed stipulations that can be temporary in nature in that the restriction can be met either by actions of the Symphony or by the passage of time. In addition, the donor can stipulate that the net assets are permanently restricted in that the donor can specify the resources are to be invested in perpetuity with only the income from these investments used.

THE SANTA BARBARA SYMPHONY
Notes to Combined Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Symphony is qualified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code, and is not considered a private foundation. Contributions made to the Symphony are deductible by the donor for income tax purposes according to the provisions of the Internal Revenue Code and similar state provisions. The Symphony is unaware of any uncertain tax positions at June 30, 2021, or for any period for which the normal statute of limitations remains open.

Functional Expenses

The Symphony allocates its expenses on a functional basis among its various program and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their expenditure classification. Any expenditures not directly chargeable, such as administration salaries, information technology, and depreciation, are allocated on the basis of their estimated benefit to the Symphony. These natural expenses attributable to more than one function are allocated using a variety of cost allocation techniques generally based on relative time spent.

Reclassifications

Certain reclassifications have been made to the June 30, 2020, balances as reported in the prior year financial statements to make them comparable to the balances reported for the year ended June 30, 2021.

THE SANTA BARBARA SYMPHONY
Notes to Combined Financial Statements

NOTE 2: PLEDGES RECEIVABLES

Pledges and bequest receivables are carried at their estimated collectible amount. Management periodically evaluates these receivables and records an allowance for any amounts estimated to be uncollectible. The evaluation is based upon a review of historical collections, current economic conditions, and an assessment of subsequent conditions. If management determines that additional amounts are uncollectible, the expense will be charged to operations. Management has determined these receivables are considered 100% collectible; therefore, no provision for uncollectible receivables is needed for the years ended June 30, 2021 and 2020.

Pledges are expected to be collected as follows over the next four years:

Year 1	\$ 299,750
Years 2-4	<u>799,875</u>
Total pledges receivable	1,099,625
Less discount to net present value	<u>(99,953)</u>
Pledges Receivable, Net	<u><u>\$ 999,672</u></u>

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	<u>2021</u>	<u>2020</u>
Office furniture and equipment	\$ 28,452	\$ 28,452
Software license	58,398	58,398
Instruments	50,488	50,488
Vehicles	<u>38,114</u>	<u>38,114</u>
Total	<u>175,452</u>	<u>175,452</u>
Less: Accumulated depreciation	<u>(175,452)</u>	<u>(169,735)</u>
Property and Equipment, Net	<u><u>\$ -</u></u>	<u><u>\$ 5,717</u></u>

Depreciation expense for the years ended June 30, 2021 and 2020, was \$5,717 and \$8,085, respectively.

NOTE 4: INVESTMENTS

The Endowment Trust owns a portfolio of marketable securities, which has been both donated and purchased, and is intended to provide investment income to be used for the Symphony's programs and activities. The hedge fund's market value is derived from the brokerage firm that is managing the funds. The remaining investments are stated at fair value determined by active markets (See Note 12). Prior to 1996, the Symphony was the primary donor to the Endowment Trust and the majority of these investments are permanently restricted.

THE SANTA BARBARA SYMPHONY
Notes to Combined Financial Statements

NOTE 4: INVESTMENTS (Continued)

Current additions to the endowment consist of contributions that are permanently restricted by the donor and funds that are designated by the Board of Directors to be added to the endowment. The Trustees of the Endowment Trust designate funds that can be withdrawn from the Endowment Trust. Currently, the Symphony Orchestra Association holds no investments outside of the Endowment Trust.

Total investments consist of the following:

	June 30, 2021		
	<u>Cost</u>	<u>Market</u>	<u>Unrealized Gain/(Loss)</u>
Mutual funds			
Bond funds	\$ 822,984	\$ 815,022	\$ (7,962)
Equity funds	2,673,261	3,944,913	1,271,652
Marketable securities	349,675	466,517	116,842
Hedge fund	<u>648,937</u>	<u>1,060,318</u>	<u>411,381</u>
Totals	<u>\$ 4,494,857</u>	<u>\$ 6,286,770</u>	<u>\$ 1,791,913</u>
Change in Unrealized Gain			<u>\$ 1,160,765</u>

	June 30, 2020		
	<u>Cost</u>	<u>Market</u>	<u>Unrealized Gain/(Loss)</u>
Mutual funds			
Bond funds	\$ 847,461	\$ 844,224	\$ (3,237)
Equity funds	2,787,262	3,157,580	370,318
Hedge fund	<u>720,000</u>	<u>984,067</u>	<u>264,067</u>
Totals	<u>\$ 4,354,723</u>	<u>\$ 4,985,871</u>	<u>\$ 631,148</u>
Change in Unrealized Gain			<u>\$ (456,101)</u>

NOTE 5: CHARITABLE REMAINDER TRUST

During the year ended June 30, 2008, the Symphony Orchestra Association was named as the remainder beneficiary in a charitable remainder trust. The trust, which was originally funded with \$1,170,900, was presented on the financial statements as a contribution and an asset equivalent to the present value of the trust assets and estimated future income net of the present value of estimated future payouts to the income beneficiaries. The present value of the estimated future value of assets to be received by the Symphony Orchestra Association is calculated using the IRS annuity tables and a discount rate of 4% based on the Symphony Orchestra Association's historic risk free rate of return.

THE SANTA BARBARA SYMPHONY
Notes to Combined Financial Statements

NOTE 5: CHARITABLE REMAINDER TRUST (Continued)

All changes in the present value of assets held under charitable remainder trust agreements or actual assets received upon distribution in subsequent years are recorded in the statement of activities as "change in the value of interest in charitable remainder trust."

As the donor has not restricted the proceeds of the assets held under this charitable remainder trust, the present value of assets held under this charitable remainder trust are classified as net assets with donor restrictions due to time in the financial statements. In November 2022 the last remaining beneficiary of the trust passed. In April 2022, the Symphony Orchestra Association received proceeds of \$1,010,303 from the trust, which in accordance with Symphony Orchestra Association's agreement with the Endowment Trust, were transferred to the Endowment Trust. In addition, the Symphony Orchestra Association received the balance of \$501,129 from the trust in April 2023, of which the Symphony Orchestra Association's Board designated \$100,000 as operating reserves.

In the prior year, the combined financial statements did not disclose information pertinent to estimating the valuation of a different charitable remainder trust. Management was unable to obtain needed information. Upon management's continued investigation, management determined that the criteria to recognize the charitable remainder trust as a contribution and asset no longer existed.

NOTE 6: COMMITMENTS

The Symphony Orchestra Association has a collective bargaining agreement with the American Federation of Musicians Local 308, which governs the employment agreements with orchestra members. The current agreement, renegotiated in 2020, expired on June 30, 2022, and subsequently renegotiated in 2023, expiring June 30, 2025.

The Symphony Orchestra Association entered into a lease agreement to rent office space effective July 1, 2009, and entered into the first amendment to its lease agreement effective October 1, 2020, expiring September 30, 2026. Under the terms of the amended lease, the monthly rent is \$6,427 per month. Total rent expense under this lease for the years ended June 30, 2021 and 2020, was \$84,111 and \$81,640, respectively.

Minimum annual lease commitments under the current long term lease agreement for the next five years are as follows:

<u>Year ended June 30,</u>	<u>Amount</u>
2022	\$ 77,124
2023	77,124
2024	77,124
2025	77,124
2026	19,291

THE SANTA BARBARA SYMPHONY
Notes to Combined Financial Statements

NOTE 7: LINE OF CREDIT

The Symphony Orchestra Association entered into a short-term line of credit with Montecito Bank and Trust effective November 5, 2020, due February 5, 2021, for \$250,000, with monthly interest payments commencing January 5, 2021, and all principal and unpaid and accrued interest due February 5, 2021.

This line of credit is secured by the general accounts and assets and any proceeds from charitable remainder trust held by the Symphony Orchestra Association. This line was subsequently renewed with similar terms and is due August 5, 2023. (See Note 16).

NOTE 8: NET ASSETS WITHOUT DONOR RESTRICTIONS AND WITH DONOR RESTRICTIONS

Net Assets without Donor Restrictions:

Included in net assets without donor restrictions include certain net assets designated by the Board of Directors or Trustees. As of June 30, 2021 and 2020, board designated net assets totaled \$892,957 and \$695,591, respectively, held by the Endowment Trust.

Net Assets with Donor Restrictions:

Temporarily Restricted Net Assets:

Temporarily restricted net assets consist of the following amounts at June 30:

	<u>2021</u>	<u>2020</u>
Concert sponsorships	\$ -	\$ 115,163
Pre-concert talks	45,544	45,544
Education	-	73,989
Unappropriated Endowment Trust earnings	1,402,330	381,777
Future periods	<u>999,672</u>	<u>16,125</u>
Total Temporarily Restricted Net Assets	<u>\$ 2,447,546</u>	<u>\$ 632,598</u>

Permanently Restricted Net Assets:

Permanently restricted net assets consist of funds invested into perpetuity for support of the Symphony Orchestra Association's programs and activities.

THE SANTA BARBARA SYMPHONY
Notes to Combined Financial Statements

NOTE 9: RETIREMENT PLAN

For musicians employed under the American Federation of Musicians Local 308 agreement, the Symphony Orchestra Association contributes 16.35% of their salary to the American Federation of Musicians and Employers Pension Fund. The Symphony Orchestra Association has a 403(b) retirement plan for all other employees who qualify, which is maintained by an outside broker. Employees may contribute a percentage of their salaries to the plan up to the maximum allowable under the Internal Revenue Code. The Symphony Orchestra Association matches up to 3% of participating employee's salary and, for the years ended June 30, 2021 and 2020, contributed \$40,238 and \$91,439, respectively, to both plans.

NOTE 10: CONCENTRATION OF RISK

The Federal Deposit Insurance Corporation (FDIC) only insures the first \$250,000 of funds on deposit with any one bank. The Symphony occasionally has more than \$250,000 on deposit with financial institutions. At June 30, 2021, the Symphony had uninsured funds of approximately \$97,000.

Certain of the Symphony's investments and cash and cash equivalents are held at a broker-dealer and are subject to the Securities Investor Protection Corporation (SIPC). Under SIPC, cash is insured up to \$250,000 per broker-dealer; the remaining cash equivalents and investments are insured up to \$500,000 as per the terms of SIPC.

NOTE 11: ENDOWMENTS

The Endowment Trust is a separate 501(c)(3) and was established to support the ongoing operations of the Symphony Orchestra Association and holds the endowments other than the charitable remainder trust. The endowment includes both donor-restricted funds and funds designated by the Board of Trustees to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of the Endowment Trust has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value 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 Endowment Trust classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

THE SANTA BARBARA SYMPHONY
Notes to Combined Financial Statements

NOTE 11: DONOR RESTRICTED AND BOARD DESIGNATED ENDOWMENTS (Continued)

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Symphony in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Endowment Trust considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (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 Symphony, and (7) the Endowment Trust's investment policies.

Investment Return Objectives, Risk Parameters and Strategies

The Endowment Trust has adopted investment and spending policies for the endowment assets and these policies have been approved by the Board. The objective of the investment policy is to provide adequate returns to meet the spending needs of the Symphony Orchestra Association while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return which exceeds the annual distribution with acceptable levels of risk. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, commodities and hedge funds.

Spending Policy

The Endowment Trust has established a spending policy that includes the annual distributions, as well as the cost of managing the funds. The Endowment Trust has a policy of appropriating for distribution each year 5% of its endowment fund's average fair value at year end for each of the prior three years preceding the year in which the distribution is planned. In establishing this policy, the Endowment Trust considered the funding needs of the Symphony Orchestra Association as well as the goal of protecting the purchasing power of endowment assets over the long-term.

The Endowment Trust expects the current spending policy to allow its endowment funds to grow at a rate that is at least at the rate of inflation. This is consistent with its objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

THE SANTA BARBARA SYMPHONY
Notes to Combined Financial Statements

NOTE 11: ENDOWMENTS (Continued)

From time to time, the fair value of assets associated with donor-restricted funds may fall below the level that current law requires the Endowment Trust to retain for a fund of perpetual duration. These deficiencies would be reported in the combined financial statements as a reduction in net assets with donor restrictions. As of June 30, 2021, the Symphony had no fund deficiencies.

Changes in the Symphony's endowment net assets are as follows as of June 30, 2021:

	<u>Board Designated</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Trust</u>
Endowment Trust Net				
Assets June 30, 2020	\$ 695,591	\$ 381,777	\$ 4,848,732	\$ 5,926,100
Contributions	-	-	330,000	330,000
Investment income	19,625	128,340	-	147,965
Appreciation (realized and unrealized)	181,385	1,186,192	-	1,367,577
Professional fees	(3,645)	(23,834)	-	(27,479)
Change in charitable trust	-	-	108,918	108,918
Amounts appropriated for expenditure	-	(270,145)	-	(270,145)
Total Funds	<u>\$ 892,956</u>	<u>\$ 1,402,330</u>	<u>\$ 5,287,650</u>	<u>\$ 7,582,936</u>

As of June 30, 2020, are as follows:

	<u>Board Designated</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Trust</u>
Endowment Trust Net				
Assets June 30, 2019	\$ 688,456	\$ 605,800	\$ 4,813,435	\$ 6,107,691
Contributions	-	-	15,000	15,000
Investment income	18,086	124,993	-	143,079
Appreciation (realized and unrealized)	(7,789)	(53,833)	-	(61,622)
Professional fees	(3,160)	(21,840)	-	(25,000)
Change in charitable trust	-	-	20,297	20,297
Amounts appropriated for expenditure	-	(273,345)	-	(273,345)
Total Funds	<u>\$ 695,591</u>	<u>\$ 381,777</u>	<u>\$ 4,848,732</u>	<u>\$ 5,926,100</u>

THE SANTA BARBARA SYMPHONY
Notes to Combined Financial Statements

NOTE 12: FAIR VALUE MEASUREMENT

The Symphony has adopted a framework for measuring and disclosing the fair value of assets and liabilities. Accounting principles define fair value as the price that would be received by the Symphony to sell an asset or be paid by the Symphony to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date. A fair value hierarchy has been established that prioritizes valuation inputs into three broad levels to ensure consistency and comparability. The valuation hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable inputs (Level 3).

The standard describes three levels of inputs that may be used to measure fair value as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; discounted cash flows; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities; including general partner estimates and recent third-party appraisals.

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying Statements of Financial Position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then Level 2 fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows. Fair market valuation of Level 3 assets is based on other market factors to determine if the carrying value of these investments should be adjusted.

In accordance with ASU No. 2009-12, Investment in Certain Entities that Calculate Net Asset Value Per Share, the NAV per share or its equivalent is used to fair value investments that follow the American Institute of Certified Public Accountants Guide in arriving at their reported NAV.

THE SANTA BARBARA SYMPHONY
Notes to Combined Financial Statements

NOTE 12: FAIR VALUE MEASUREMENT (Continued)

The table below presents the balances of assets measured at fair value on a recurring basis at June 30:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>2021</u>			
Mutual funds			
Bond funds	\$ 815,022	\$ -	\$ -
Equity funds	3,944,913	-	-
Marketable Securities	466,517	-	-
Hedge fund	-	1,060,318	-
Charitable Remainder Trust	-	790,521	-
Totals	<u>\$ 5,226,452</u>	<u>\$ 1,850,839</u>	<u>\$ -</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>2020</u>			
Mutual funds			
Bond funds	\$ 844,224	\$ -	\$ -
Equity funds	3,157,580	-	-
Hedge fund	-	984,067	-
Charitable Remainder Trust	-	681,603	-
Totals	<u>\$ 4,001,804</u>	<u>\$ 1,665,670</u>	<u>\$ -</u>

The following is a description of the general classification of such instruments pursuant to the valuation hierarchy:

Bond Funds – Investment in domestic and international bonds held as separate ownership shares in the form of mutual funds with daily pricing.

Equity Funds – Investment in domestic and international equities of varying market capitalizations. Equities are held as separate ownership shares of a specific company or in the form of mutual funds. All assets have daily pricing.

Charitable Remainder Trust – The present value of the estimated future value to be received by the Symphony is calculated using the IRS annuity tables and a discount rate of 4%, based on the Symphony's historic risk free rate of return.

Hedge Fund – Investments in the hedge fund are valued based on the Net Asset Value (NAV) per the most recent audited financial statements and interim information provided by the fund manager.

THE SANTA BARBARA SYMPHONY
Notes to Combined Financial Statements

NOTE 13 LIQUIDITY

As a part of its liquidity management, the Symphony structures its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

Financial assets and resources available for general expenditure, that is, without donor restrictions limiting their use, within one year of the date of the statement of financial position comprise the following:

Cash and cash equivalents	\$ 645,169
Receivables - current	406,949
Pledges receivable – current	299,750
Prepaid expenses and deposits	<u>44,594</u>
 Total financial assets available within one year	 <u>\$ 1,396,462</u>

The Symphony anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. In addition, the Symphony Orchestra Association has access to a line of credit (Notes 7 and 16). Further, the Symphony receives a draw from its endowment assets as described in Note 11.

NOTE 14: RELATED PARTY

A Board member is the CEO of the bank the Symphony uses to maintain a savings account and its line of credit. A Board member is a senior vice president of project management at a financial institution where the Symphony maintains an account.

On December 30, 2019, the Symphony Orchestra Association entered into a Promissory Note with the Endowment Trust for \$250,000, bearing interest of 1.61% per annum, with all unpaid principal and unpaid and accrued interest due June 30, 2020. While no monthly payments are due, unrestricted bequests received by the Symphony Orchestra Association shall first be applied to the outstanding balance due the Endowment Trust. Should the Symphony Orchestra be unable to pay the liability in full at June 30, 2020, the Endowment Trust will reduce the annual draw for the fiscal year ending June 30, 2021, by the amount due that is remaining. At June 30, 2020, the two parties amended the Promissory Note whereby now the balance is due June 30, 2021, and any unpaid liability at that time will reduce the annual draw for the fiscal year ending June 30, 2022. During the year ended June 30, 2021, the Endowment Trust forgave \$172,000 owed by the Symphony Orchestra Association.

At June 30, 2021, the Symphony Orchestra Association is not indebted to the Endowment Trust (See Note 16). At June 30, 2020, the Symphony Orchestra Association owes the Endowment Trust \$247,000. The Promissory Note Payable to and Receivable by the Endowment Trust has been eliminated in the Statement of Financial Position.

THE SANTA BARBARA SYMPHONY
Notes to Combined Financial Statements

NOTE 15: CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus known as COVID-19 a pandemic. As a result, economic uncertainties have arisen which are likely to impact net income negatively. Possible effects may include the disruption of revenue streams related to admissions, rentals, fundraising events, and foundation grants. Other financial impacts could occur though such potential impact is unknown at the time.

In consideration of the Center for Disease Control guidance related to the COVID-19 pandemic the Symphony cancelled all scheduled performances for March and April of 2020. In response to the requirement to cancel concerts, management redirected its efforts to an online platform, creating many virtual concerts. When permitted, the Symphony resumed live performances. Management continues to monitor state and local guidance related to operations and to adapt its programming to meet the changes.

Paycheck Protection Program (PPP) Loan

Under the CARES Act, the Symphony Orchestra Association applied for and received a Paycheck Protection Program (PPP) Loan under the Small Business Administration in the amount of \$331,360 on February 2, 2021, and \$401,948 on April 15, 2020. Under the terms of the loan, the Symphony Orchestra Association can expend minimally 60% of the funds for payroll and certain related expenses and 40% for other expenses as outlined in the regulations. Any amounts not forgiven will have an annual interest rate of 1% and principal and interest will be payable over five years.

The Symphony Orchestra Association received notices of forgiveness effective June 25, 2021, for its initial PPP loan of \$401,948, and May 31, 2022, for its second PPP loan of \$331,360.

Employee Retention Credits (ERC)

In addition, the Symphony Orchestra Association became eligible for funding under the ERC Program which was designed to encourage employers to keep employees on payroll during the months impacted by COVID in 2020 then extended into 2021. The initial credit was worth 50% of qualified employee wages with a maximum credit of \$5,000 per qualified employee for wages paid March 13, 2020, to December 31, 2020. For 2021, the credit increased to 70% of qualified employee wages per quarter, with a quarterly maximum credit of \$7,000. The Symphony Orchestra Association received a credit of approximately \$442,000, of which \$382,278 is included in receivables during the fiscal year. The government retains the right to audit the payroll expenditures that generated this credit. Management believes that the payroll expenditures qualified for the credit.

THE SANTA BARBARA SYMPHONY
Notes to Combined Financial Statements

NOTE 16: SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 14, 2023, which is the date the financial statements were available to be issued. Management has determined the following subsequent events requiring disclosure are:

Line of Credit

Subsequent to year end, the Symphony has renewed its line of credit with the bank for one year, expiring August 5, 2024, with an initial interest rate of 5.25%.

Promissory Note to Endowment Trust

On May 15, 2022, the Symphony entered into a promissory note with the Endowment Trust for the sum of \$250,000 bearing interest at 1.85% per annum with unpaid principal and interest due May 15, 2023. If the amounts remain unpaid, the Endowment Trust will reduce the annual draw for the fiscal year beginning July 1, 2023, by the amount due that is remaining. The Symphony repaid this in full January 20, 2023.

Supplemental Schedules

THE SANTA BARBARA SYMPHONY
Combining Statement of Financial Position
June 30, 2021
With Summarized Comparative Totals for June 30, 2020

	Assets			
	Symphony	Endowment		
	Orchestra	Trust	2021	2000
	Association			
Current Assets:				
Cash and Cash Equivalents	\$ 358,274	\$ 333,645	\$ 691,919	\$ 341,356
Accounts Receivable	24,671	-	24,671	15,707
Employee Retention Credit Receivable	382,278	-	382,278	-
Pledges Receivable, Net	299,750	-	299,750	16,125
Promissory Note Receivable from the Symphony Orchestra Association	-	-	-	247,000
Prepaid Expenses and Other Current Assets	44,594	-	44,594	10,729
Total Current Assets	<u>1,109,567</u>	<u>333,645</u>	<u>1,443,212</u>	<u>630,917</u>
Unemployment Reserve Account	81,814	-	81,814	29,653
Pledge Receivable - Non-Current	699,922	-	699,922	-
Property and Equipment:				
Automobiles	38,114	-	38,114	38,114
Office Equipment and Furniture	137,338	-	137,338	137,338
Less: Accumulated Depreciation	<u>(175,452)</u>	<u>-</u>	<u>(175,452)</u>	<u>(169,735)</u>
Net Property and Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,717</u>
Investments	-	6,286,770	6,286,770	4,985,871
Interest in Charitable Remainder Trust	<u>790,521</u>	<u>-</u>	<u>790,521</u>	<u>681,603</u>
Total Assets	<u><u>\$ 2,681,824</u></u>	<u><u>\$ 6,620,415</u></u>	<u><u>\$ 9,302,239</u></u>	<u><u>\$ 6,333,761</u></u>
Liabilities and Net Assets				
Current Liabilities:				
Accounts Payable and Accrued Expenses	\$ 77,175	\$ -	\$ 77,175	\$ 90,436
Accrued Payroll and Related Expenses	78,327	-	78,327	59,973
Promissory Note Payable to Endowment Trust	-	-	-	247,000
Line of Credit	-	-	-	250,000
Deferred Income	<u>195,702</u>	<u>-</u>	<u>195,702</u>	<u>208,786</u>
Total Current Liabilities	<u>351,204</u>	<u>-</u>	<u>351,204</u>	<u>856,195</u>
Long-term Loan - Paycheck Protection Program	331,360	-	331,360	401,947
Total Liabilities	<u>682,564</u>	<u>-</u>	<u>682,564</u>	<u>1,258,142</u>
Net Assets:				
Without Donor Restrictions:				
Undesignated	163,523	-	163,523	(1,101,302)
Board Designated	<u>-</u>	<u>720,956</u>	<u>720,956</u>	<u>695,591</u>
Total Net Assets Without Donor Restrictions	<u>163,523</u>	<u>720,956</u>	<u>884,479</u>	<u>(405,711)</u>
With Donor Restrictions:				
Restricted by Purpose or Time	1,835,737	1,402,330	3,238,067	1,314,201
Restricted in Perpetuity	<u>-</u>	<u>4,497,129</u>	<u>4,497,129</u>	<u>4,167,129</u>
Total Net Assets With Donor Restrictions	<u>1,835,737</u>	<u>5,899,459</u>	<u>7,735,196</u>	<u>5,481,330</u>
Total Net Assets	<u>1,999,260</u>	<u>6,620,415</u>	<u>8,619,675</u>	<u>5,075,619</u>
Total Liabilities and Net Assets	<u><u>\$ 2,681,824</u></u>	<u><u>\$ 6,620,415</u></u>	<u><u>\$ 9,302,239</u></u>	<u><u>\$ 6,333,761</u></u>

See accompanying notes

THE SANTA BARBARA SYMPHONY
Combining Statement of Activities
For The Year Ended June 30, 2021
With Summarized Comparative Totals for the Year Ended June 30, 2020

	Symphony Orchestra Association	Endowment Trust	2021	2020
<i>Operating Revenue</i>				
Revenue, Gains and Other Support				
Concert Income	\$ 161,167	\$ -	\$ 161,167	\$ 729,311
Program Book Revenue	-	-	-	32,325
Tuition	15,350	-	15,350	23,471
Contributions and Grants	2,614,659	-	2,614,659	1,327,994
Promissory Note Forgiveness	172,000	(172,000)	-	-
Operational Draw	270,145	(270,145)	-	-
Total before Fundraising Events	3,233,321	(442,145)	2,791,176	2,113,101
Revenue from Fundraising Events	-	-	-	9,750
Less Costs of Direct Benefit to Donors	-	-	-	(9,267)
Net Income from Fundraising Events	-	-	-	483
Total Revenue, Gains and Other Support	3,233,321	(442,145)	2,791,176	2,113,584
<i>Operating Expenses</i>				
Program Expenses				
Concert and Event Expenses	1,043,394	-	1,043,394	1,831,566
Music Education Center	324,107	-	324,107	452,063
Total Operating Program Expenses	1,367,501	-	1,367,501	2,283,629
Supporting Services				
Management and General	376,560	-	376,560	308,637
Fundraising	376,834	-	376,834	453,289
Total Supporting Services	753,394	-	753,394	761,926
Total Operating Expenses	2,120,895	-	2,120,895	3,045,555
Change in Net Assets from Operations	1,112,426	(442,145)	670,281	(931,971)
<i>Non-Operating Revenue and Expenses</i>				
Revenue				
Bequests	75,561	-	75,561	8,002
COVID Funding				
Payroll Protection Program Loan Forgiveness	401,947	-	401,947	-
Employee Retention Credit and Other Funding	466,684	-	466,684	-
Permanently Restricted Contributions	-	330,000	330,000	15,000
Investment Income, Net	8,319	120,486	128,805	118,026
Realized Gain on Sales of Investments	-	206,812	206,812	394,482
Unrealized Loss on Investments	-	1,160,765	1,160,765	(456,104)
Change in Value of Interest in Charitable Remainder Trust	108,918	-	108,918	20,297
Total Non-Operating Revenue	1,061,429	1,818,063	2,879,492	99,703
Expenses				
Depreciation Expense	5,717	-	5,717	8,085
Total Non-Operating Expenses	5,717	-	5,717	8,085
Change in Net Assets from Non-Operating Activities	1,055,712	1,818,063	2,873,775	91,618
Total Change in Net Assets	2,168,138	1,375,918	3,544,056	(840,353)
Net Assets at Beginning of Year	(168,878)	5,244,497	5,075,619	5,915,972
Net Assets at End of Year	\$ 1,999,260	\$ 6,620,415	\$ 8,619,675	\$ 5,075,619

See accompanying notes