

PLANO SYMPHONY ORCHESTRA

Plano, Texas

Financial Statements

Years Ended June 30, 2021 and 2020

PLANO SYMPHONY ORCHESTRA

Financial Statements

Years Ended June 30, 2021 and 2020

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statements of Financial Position	2
Statements of Activities	3 - 4
Statements of Functional Expenses	5 - 6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 15



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Plano Symphony Orchestra
Plano, Texas

We have audited the accompanying financial statements of Plano Symphony Orchestra (the "Association"), a nonprofit corporation, which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Plano Symphony Orchestra as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PSK LLP

Arlington, Texas
December 22, 2021

PLANO SYMPHONY ORCHESTRA

Statements of Financial Position

June 30, 2021 and 2020

	ASSETS	
	<u>2021</u>	<u>2020</u>
Current assets		
Cash and cash equivalents		
Operating	\$ 156,442	\$ 159,358
Reserve	<u>16,728</u>	<u>16,698</u>
Total cash and cash equivalents	<u>173,170</u>	<u>176,056</u>
Accounts receivable		
Pledges receivable, current portion	25,284	46,163
Other receivables	<u>175,002</u>	<u>138,200</u>
Total accounts receivable	<u>200,286</u>	<u>184,363</u>
Prepaid expenses	<u>37,826</u>	<u>38,523</u>
Total current assets	<u>411,282</u>	<u>398,942</u>
Investments	359,548	370,480
Pledges receivable, net of current portion	4,020	30,481
Property and equipment, net of accumulated depreciation	<u>605,233</u>	<u>636,052</u>
Total assets	<u>\$ 1,380,083</u>	<u>\$ 1,435,955</u>
	LIABILITIES AND NET ASSETS	
Current liabilities		
Accounts payable	\$ 84,659	\$ 15,498
Deferred revenue	207,986	248,946
Notes payable, current portion	<u>16,758</u>	<u>15,789</u>
Total current liabilities	309,403	280,233
Long-term liabilities		
Notes payable, net of current portion	<u>433,707</u>	<u>546,362</u>
Total liabilities	<u>743,110</u>	<u>826,595</u>
Net assets		
Without donor restrictions		
Undesignated	309,994	256,510
Board designated	<u>150,626</u>	<u>135,617</u>
Total without donor restrictions	460,620	392,127
With donor restrictions	<u>176,353</u>	<u>217,233</u>
Total net assets	<u>636,973</u>	<u>609,360</u>
Total liabilities and net assets	<u>\$ 1,380,083</u>	<u>\$ 1,435,955</u>

The accompanying notes are an integral part of these financial statements.

PLANO SYMPHONY ORCHESTRA

Statement of Activities
Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support:			
Contributions			
Corporate	\$ 115,608	\$ 50	\$ 115,658
Individuals	126,671	35,490	162,161
Education	41,933	10,803	52,736
In-kind	13,225	-	13,225
Sponsorships	66,965	-	66,965
Grants	217,158	6,500	223,658
Fundraising revenue	171,510	-	171,510
Ticket sales	261,329	-	261,329
Other	48,371	-	48,371
Paycheck Protection Program grants	196,910	-	196,910
Net assets released from restrictions:			
Expiration of time restrictions (pledges)	83,253	(83,253)	-
Expiration of time restrictions (corporate/grants)	10,300	(10,300)	-
Expiration of purpose restrictions	9,140	(9,140)	-
Total revenues and other support	<u>1,362,373</u>	<u>(49,850)</u>	<u>1,312,523</u>
Expenses:			
Program services	746,531	-	746,531
General and administrative	301,511	-	301,511
Fundraising	288,236	-	288,236
Total expenses	<u>1,336,278</u>	<u>-</u>	<u>1,336,278</u>
Decrease in net assets from operations	<u>26,095</u>	<u>(49,850)</u>	<u>(23,755)</u>
Other revenues, gains, and losses:			
Net investment return	<u>42,398</u>	<u>8,970</u>	<u>51,368</u>
Total change in net assets	68,493	(40,880)	27,613
Net assets at beginning of year	<u>392,127</u>	<u>217,233</u>	<u>609,360</u>
Net assets at end of year	<u>\$ 460,620</u>	<u>\$ 176,353</u>	<u>\$ 636,973</u>

The accompanying notes are an integral part of these financial statements.

PLANO SYMPHONY ORCHESTRA

Statement of Activities
Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support:			
Contributions			
Corporate	\$ 98,277	\$ 3,000	\$ 101,277
Individuals	122,008	33,492	155,500
Education	33,358	14,527	47,885
In-kind	50,505	-	50,505
Sponsorships	126,063	-	126,063
Grants	299,229	5,500	304,729
Fundraising revenue	153,839	-	153,839
Ticket sales	478,304	-	478,304
Other	27,442	-	27,442
Net assets released from restrictions:			
Expiration of time restrictions (pledges)	114,942	(114,942)	-
Expiration of time restrictions (corporate/grants)	18,600	(18,600)	-
Expiration of purpose restrictions	8,642	(8,642)	-
Total revenues and other support	<u>1,531,209</u>	<u>(85,665)</u>	<u>1,445,544</u>
Expenses:			
Program services	1,081,711	-	1,081,711
General and administrative	302,790	-	302,790
Fundraising	364,671	-	364,671
Total expenses	<u>1,749,172</u>	<u>-</u>	<u>1,749,172</u>
Decrease in net assets from operations	<u>(217,963)</u>	<u>(85,665)</u>	<u>(303,628)</u>
Other revenues, gains, and losses:			
Net investment return	<u>2,565</u>	<u>1,659</u>	<u>4,224</u>
Total decrease in net assets	(215,398)	(84,006)	(299,404)
Net assets at beginning of year	<u>607,525</u>	<u>301,239</u>	<u>908,764</u>
Net assets at end of year	<u>\$ 392,127</u>	<u>\$ 217,233</u>	<u>\$ 609,360</u>

The accompanying notes are an integral part of these financial statements.

PLANO SYMPHONY ORCHESTRAStatement of Functional Expenses
Year Ended June 30, 2021

	Program Services	Supporting Services		Total
		General and Administrative	Fundraising	
Personnel	\$ 245,167	\$ 125,693	\$ 153,330	\$ 524,190
Artistic costs	291,812	-	-	291,812
Concert production	120,475	-	-	120,475
Marketing	78,687	-	-	78,687
Fundraising events	-	-	134,709	134,709
Facilities	-	50,287	-	50,287
Supplies and resources	-	40,709	197	40,906
Depreciation	-	30,819	-	30,819
Interest	-	33,627	-	33,627
Other	10,390	20,376	-	30,766
Total	<u>\$ 746,531</u>	<u>\$ 301,511</u>	<u>\$ 288,236</u>	<u>\$ 1,336,278</u>

The accompanying notes are an integral part of these financial statements.

PLANO SYMPHONY ORCHESTRAStatement of Functional Expenses
Year Ended June 30, 2020

	Program Services	Supporting Services		Total
		General and Administrative	Fundraising	
Personnel	\$ 281,506	\$ 113,439	\$ 163,804	\$ 558,749
Artistic costs	494,337	-	-	494,337
Concert production	160,963	-	-	160,963
Marketing	124,981	-	-	124,981
Fundraising events	-	-	200,407	200,407
Facilities	-	52,115	-	52,115
Supplies and resources	-	50,603	460	51,063
Depreciation	-	32,050	-	32,050
Interest	-	32,329	-	32,329
Other	19,924	22,254	-	42,178
Total	<u>\$ 1,081,711</u>	<u>\$ 302,790</u>	<u>\$ 364,671</u>	<u>\$ 1,749,172</u>

The accompanying notes are an integral part of these financial statements.

PLANO SYMPHONY ORCHESTRAStatements of Cash Flows
Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 27,613	\$ (299,404)
Adjustments to reconcile change in net assets to net cash and cash equivalents used in operating activities:		
Depreciation	30,819	32,050
Forgiveness of Paycheck Protection Program	(196,910)	-
Adjustment to discount on pledges receivable	(1,259)	(5,527)
Net investment return	(51,368)	(4,224)
Changes in assets and liabilities:		
Accounts receivable	11,797	128,390
Prepaid expenses	697	(5,453)
Accounts payable	69,161	1,475
Deferred revenue	(40,960)	(66,403)
Net cash and cash equivalents used in operating activities	<u>(150,410)</u>	<u>(219,096)</u>
Cash flows from investing activities:		
Purchases and proceeds from sale of investments, net	62,300	241,935
Purchases of property and equipment	<u>-</u>	<u>(2,146)</u>
Net cash and cash equivalents provided by investing activities	<u>62,300</u>	<u>239,789</u>
Cash flows from financing activities:		
Proceeds from Payroll Protection Program	100,910	96,000
Payments on notes payable	<u>(15,686)</u>	<u>(14,509)</u>
Net cash and cash equivalents provided by financing activities	<u>85,224</u>	<u>81,491</u>
Net change in cash and cash equivalents	(2,886)	102,184
Cash and cash equivalents at beginning of year	<u>176,056</u>	<u>73,872</u>
Cash and cash equivalents at end of year	<u>\$ 173,170</u>	<u>\$ 176,056</u>
Supplemental Disclosures:		
Cash paid for interest	<u>\$ 33,627</u>	<u>\$ 32,329</u>

The accompanying notes are an integral part of these financial statements.

PLANO SYMPHONY ORCHESTRA
Notes to Financial Statements

1 - Nature of Organization and Activities

Plano Symphony Orchestra (the “Association”) is a nonprofit corporation organized to inspire, educate, entertain and involve the children, youth and adults of our community in the enjoyment of great music. The Association’s activities are generally exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

2 - Significant Accounting Policies

Basis of Accounting - The financial statements of the Association have been prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when the obligation is incurred. The financial statements have been prepared using accounting principles generally accepted in the United States of America (“U.S. GAAP.”)

Basis of Presentation - Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue Recognition - The Association is supported primarily through contributions, sponsorships, grants, fundraising events, and ticket sales. Revenues related to contributions, sponsorships, and grants are recognized when the funds are received or the promise is made. Revenues related to fundraising events and ticket sales are recognized evenly over the period of time during which services are rendered. All revenues are recognized in an amount that reflects the consideration the Association has received or expects to receive in exchange for those services.

Performance Obligations - Performance obligations related to fundraising events and ticket sales revenues are satisfied over the period of time for which concerts are performed or specific conditions are met.

Cash and Cash Equivalents - For purposes of reporting cash flows, the Association considers all bank deposits and highly liquid financial instruments with an original maturity of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted for capital needs, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

Pledges Receivable - Pledges receivable are comprised of uncollected Virtuoso Society pledges, net of a \$5,000 allowance for doubtful accounts for the year ended June 30, 2021 and a \$10,000 allowance for doubtful accounts for the year ended June 30, 2020. See Note 4 for more information on pledges receivable.

Other Receivables - Other receivables are comprised of uncollected contributions and ticket sales and are considered fully collectible at June 30, 2021 and 2020.

PLANO SYMPHONY ORCHESTRA
Notes to Financial Statements

2 - Significant Accounting Policies (continued)

Investments - As required by the Not-for-Profit Entities Investments of Debt and Equity Securities topic of the Financial Accounting Standards Board *Accounting Standards Codification* (the “FASB ASC”), investments in marketable equity securities with readily determinable fair values and all investments in debt securities are carried at their fair values in the statements of financial position. Dividends, interest, realized gains and losses, and unrealized gains and losses are included in the change in net assets.

Property and Equipment - Property and equipment are recorded at cost, if purchased, and fair market value at date of donation, if contributed. Maintenance, repairs, and minor renewals that do not significantly improve or extend the lives of the representative assets are expensed when incurred. Additions, improvements, and major renewals of \$1,000 or greater are capitalized. Capitalized instruments that have special significance are not being depreciated.

Depreciation is calculated using the straight line method over the estimated useful lives of the respective assets as follows:

Building and improvements	15 - 40 years
Furniture, fixtures and equipment	3 - 5 years

Deferred Revenue - Deferred revenue results from payments received for concerts to be performed in the next fiscal year.

Board Designated Endowment Fund - Endowment assets include board designated funds that the Association intends to hold long-term. The current long-term objective is to raise additional funds for the endowment, so that the endowment assets can return income, net of investment fees, sufficient to provide a predictable stream of funding for the programs supported by the Association. The Association's investment policy allows for these funds to be invested in a mix of mutual funds and exchange-traded funds, subject to certain conditions. The Association's spending policy allows for 5% of the unrestricted endowment portfolio balance to be used to fund operations of the Association each year, subject to certain conditions.

Grants - Grants require the fulfillment of certain conditions as set forth in the grant instrument. Failure to fulfill the conditions could result in the return of the funds to grantors. Although that is a possibility, the Board deems the contingency remote.

Donated Assets - Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation.

Use of Estimates - Management used estimates and assumptions in preparing these financial statements in accordance with U.S. GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Functional Allocation of Expenses - The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited on the basis of estimates of time and effort.

Compensated Absences - Employees of the Association are entitled to paid time off depending upon length of service and other factors. The Association cannot reasonably estimate the amount of compensation for future absences; accordingly, no liability has been recorded in the accompanying financial statements. The Association's policy is to recognize the cost of compensated absences when paid to employees.

PLANO SYMPHONY ORCHESTRA
Notes to Financial Statements

2 - Significant Accounting Policies (continued)

Income Taxes - The Association follows the Income Taxes topic of the FASB ASC, which prescribes a comprehensive model for the financial statement recognition, measurement, presentation and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. The Association is not aware of any activities that would jeopardize its tax-exempt status and is not aware of any activities that are subject to tax on unrelated business income. As of June 30, 2021, the Association has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements and does not expect this to change in the next twelve months. The 2018 through 2021 tax years remain subject to examination by the Internal Revenue Service.

3 - Liquidity and Availability of Resources

The Association operates under a budget approved by its Board of Directors (the "Board"), who is responsible for monitoring the liquidity necessary to meet the Association's operating needs. The Board meets periodically throughout the year to evaluate the actual results of financial operations versus the budget. Additionally, the Association maintains certain Board-designated and donor-restricted funds, purposed for various activities of the Association. Association management, in accordance with Association policy and/or in collaboration with the Board, appropriates resources from Board-designated and donor-restricted funds as needed.

Financial assets available for general expenditure, that is, without donor restrictions limiting their use or without requiring specific action of the Board, within one year of the dates of the statements of financial position are comprised of the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 173,170	\$ 176,056
Accounts receivable, current portion	200,286	184,363
Investments	<u>359,548</u>	<u>370,480</u>
	733,004	730,899
Donor-restricted funds, less portion related to long-term pledges receivable	(172,333)	(186,752)
Board-designated funds	<u>(150,626)</u>	<u>(135,617)</u>
Financial assets available to meet general expenditure needs within one year	<u>\$ 410,045</u>	<u>\$ 408,530</u>

PLANO SYMPHONY ORCHESTRA
Notes to Financial Statements

4 - Pledges Receivable

Virtuoso Society pledges have a five-year term. All other pledges are due within one year of when the commitments are made. The current portion of pledges receivable represents pledges due within one year. The long-term portion represents pledges due during subsequent fiscal years. Total pledges receivable are recorded net of a \$5,000 allowance for doubtful accounts the year ended June 30, 2021 and a \$10,000 allowance for doubtful accounts for the year ended June 30, 2020.

Pledges receivable at June 30, 2021 and 2020 are summarized as follows:

	2021		
	Current	Long-term	Total
Virtuoso Society pledges	\$ 29,284	\$ 5,020	\$ 34,304
Less allowance for doubtful accounts	(4,000)	(1,000)	(5,000)
	<u>\$ 25,284</u>	<u>\$ 4,020</u>	<u>\$ 29,304</u>
	2020		
	Current	Long-term	Total
Virtuoso Society pledges	\$ 53,163	\$ 34,740	\$ 87,903
Less discount to present value (3.25%)	-	(1,259)	(1,259)
Less allowance for doubtful accounts	(7,000)	(3,000)	(10,000)
	<u>\$ 46,163</u>	<u>\$ 30,481</u>	<u>\$ 76,644</u>

5 - Fair Value Measurements and Disclosures

The Association follows the Fair Value Measurements topic of the FASB ASC for all financial assets and liabilities measured at fair value on a recurring basis. The topic establishes a framework for measuring fair value and enhances disclosure requirements for fair value measurements. The topic defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The topic establishes market or observable inputs as preferred sources of values, followed by assumptions based on hypothetical transactions in the absence of market inputs. The topic establishes a hierarchy for grouping these assets and liabilities, based on the significance level of the following inputs:

Level I – Quoted prices in active markets for identical assets or liabilities.

Level II – Quoted prices in active markets for similar assets and liabilities, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations whose inputs are observable, or whose significant drivers are observable.

Level III – Significant inputs to the valuation model are unobservable.

PLANO SYMPHONY ORCHESTRA
Notes to Financial Statements

5 - Fair Value Measurements and Disclosures (continued)

The following is a listing of investments measured at fair value on a recurring basis and where they are classified within the hierarchy as of June 30, 2021 and 2020:

	2021			
	Level I	Level II	Level III	Total
Money market funds	\$ 9,906	\$ -	\$ -	\$ 9,906
Mutual funds	349,642	-	-	349,642
Total assets at fair value	\$ 359,548	\$ -	\$ -	\$ 359,548
	2020			
	Level I	Level II	Level III	Total
Money market funds	\$ 16,048	\$ -	\$ -	\$ 16,048
Mutual funds	354,432	-	-	354,432
Total assets at fair value	\$ 370,480	\$ -	\$ -	\$ 370,480

Money market funds and mutual funds are held on nationally recognized securities exchanges and are considered Level I investments.

6 - Property and Equipment

Property and equipment and accumulated depreciation as of June 30, 2021 and 2020 are comprised of the following:

	2021	2020
Building	\$ 351,000	\$ 351,000
Building improvements	176,648	176,648
Land	99,000	99,000
Furniture, fixtures and equipment	111,491	111,491
Instruments	12,500	12,500
	750,639	750,639
Less accumulated depreciation	(145,406)	(114,587)
	\$ 605,233	\$ 636,052

7 - Notes Payable

The Association has a note payable in the original amount of \$337,500 with the seller of property purchased by the Association during 2019. The note bears interest at a fixed rate of 8.00%, requires monthly payments of principal and interest of \$2,476, is secured by the property, and matures in October 2048, at which time all unpaid principal and interest will become due. The note had an outstanding balance at June 30, 2021 and 2020 of \$329,469 and \$332,682, respectively. See Note 12 for more information on this note payable.

The Association has a note payable in the original amount of \$150,000 with a financial institution. The funds were used to remodel the property purchased by the Association during 2019. The note bears interest at a fixed rate of 5.50%, requires monthly payments of principal and interest of \$1,633, is unsecured, and matures in October 2023, at which time all unpaid principal and interest will become due. The note had an outstanding balance at June 30, 2021 and 2020 of \$120,996 and \$133,469, respectively. See Note 12 for more information on this note payable.

PLANO SYMPHONY ORCHESTRA
Notes to Financial Statements

7 - Notes Payable (continued)

Future principal maturities on the above notes payable are scheduled as follows:

Year Ending June 30,		
2022	\$	16,758
2023		17,796
2024		97,773
2025		4,421
2026		4,788
Thereafter		<u>308,929</u>
Total	\$	<u><u>450,465</u></u>

8 - Paycheck Protection Program

In May 2020, the Association obtained a note payable under the Small Business Administration (“SBA”) Paycheck Protection Program (the “Program”) of the CARES Act in the amount of \$96,000. Under the Program, all or a portion of the note payable was eligible for forgiveness if used for qualifying purposes under the SBA requirements. In December 2020, the full amount of the Association’s note payable was forgiven by the SBA. The proceeds of the note payable are reported as Paycheck Protection Program grant income in the 2021 statement of activities.

In February 2021, the Association obtained a second note payable under the SBA Program in the amount of \$100,910. Under the Program, all or a portion of the note payable was eligible for forgiveness if used for the qualifying purposes under the SBA requirements. In August 2021, subsequent to year end, the full amount of the Association’s note payable was forgiven by the SBA. As the Association met all of the requirements for forgiveness during the fiscal year ended 2021, the proceeds of the note payable are reported as Paycheck Protection Program grant income in the 2021 statement of activities.

9 - Net Assets Without Donor Restrictions

The balances of net assets without donor restrictions as of June 30, 2021 and 2020 include net assets designated by the Board for the following purposes:

	<u>2021</u>	<u>2020</u>
Board Designated Endowment Fund	\$ 131,935	\$ 118,789
Alice Hobbs Education and Outreach Fund	<u>18,691</u>	<u>16,828</u>
	<u>\$ 150,626</u>	<u>\$ 135,617</u>

Endowment activities for the year ended June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Beginning balance	\$ 118,789	\$ 115,869
Contributions	-	-
Investment returns	<u>13,146</u>	<u>2,920</u>
Ending balance	<u>\$ 131,935</u>	<u>\$ 118,789</u>

PLANO SYMPHONY ORCHESTRA
Notes to Financial Statements

10 - Net Assets With Donor Restrictions

The balances of net assets with donor restrictions as of June 30, 2021 and 2020 relate to certain contributions for which the donors have imposed restrictions. These restrictions require the Association to use such funds for expenditures directly related to various activities as follows:

	<u>2021</u>	<u>2020</u>
Individual pledges restricted for future seasons	\$ 70,730	\$ 118,493
Corporate pledges restricted for future seasons	3,850	8,600
Government grants	6,500	5,500
Scholarships	95,273	84,540
Education	<u>-</u>	<u>100</u>
	<u>\$ 176,353</u>	<u>\$ 217,233</u>

During the years ended June 30, 2021 and 2020, net assets with donor restrictions in the amounts of \$102,693 and \$142,184, respectively, had been expended in accordance with donor restrictions and have been reclassified to net assets without donor restrictions.

11 - In-Kind Contributions

The Association receives a substantial amount of services donated by citizens interested in the Association's programs. Because of the difficulty in assigning values for such services, these items are generally not reflected in the accompanying financial statements. However, when contributed services meet the criteria under the Not-for-Profit Organizations topic of the FASB ASC, the amounts are reflected in the financial statements as revenues and expenses at their fair market values at the date of donation.

In-kind contributions include advertising space donated by local media, typesetting, printing, professional services, and airfare.

The value of donated materials and services included in the financial statements and the corresponding expenditures for the years ended June 30, 2021 and 2020, are as follows:

	<u>2021</u>	<u>2020</u>
Revenues:		
Donated services	\$ 11,845	\$ 17,084
Donated facilities and materials	<u>1,380</u>	<u>33,421</u>
	<u>\$ 13,225</u>	<u>\$ 50,505</u>
Expenditures:		
Program services	\$ 12,918	\$ 19,677
General and administrative	307	322
Fundraising	<u>-</u>	<u>30,506</u>
	<u>\$ 13,225</u>	<u>\$ 50,505</u>

PLANO SYMPHONY ORCHESTRA
Notes to Financial Statements

12 - Subsequent Events

Subsequent events have been evaluated through December 22, 2021, which is the date the financial statements were available to be issued.

In July 2021, the Association received a Shuttered Venue Operators Grant in the amount of \$211,245 funded by the SBA through the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act.

In August 2021, the Association received full forgiveness of its SBA note payable of \$100,910.

In September 2021, the Association received a contribution in the amount of \$410,000. \$360,000 of the gift is restricted for the salary of an assistant conductor, orchestra enhancements, the 40th anniversary concert, and technology support. In October 2021, the Association received an additional contribution in the amount of \$50,000 which is restricted for development costs. In December 2021, the Association received an additional contribution in the amount of \$35,000 for technology support.

In December 2021, the Association refinanced its existing notes payable into a single note payable with First United Bank. The note has an original balance of \$468,550, bears interest at a fixed rate of 4.25%, and will mature in December 2031.