PLANO SYMPHONY ORCHESTRA

Financial Statements
as of June 30, 2024 and 2023
Together with
Independent Auditor's Report

Bonadio & Co., LLP
Accounting, Consulting & More

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INDEPENDENT AUDITOR'S REPORT

January 16, 2025

To the Board of Directors of
Plano Symphony Orchestra:

Opinion
We have audited the accompanying financial statements of Plano Symphony Orchestra, which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2024 and 2023, 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
We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Plano Symphony Orchestra and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

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INDEPENDENT AUDITOR'S REPORT
(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements
Our 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 our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement 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 Plano Symphony Orchestra'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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Plano Symphony Orchestra's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Bonadio & Co., LLP

PLANO SYMPHOPNY ORCHESTRA

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents -		
Operating	$ 204,940	$ 272,545
Reserve	115,607	113,678
Held in investment accounts	12,077	47,430
Restricted	56,791	56,960
Total cash and cash equivalents, current	389,415	490,613
Accounts receivable		
Pledges receivable, current portion, net of allowance of $5,000 at 2024 and 2023	237,462	67,500
Other receivables	52,645	76,795
Prepaid expenses	107,459	35,671
Total current assets	786,981	670,579
NONCURRENT ASSETS:		
Investments	473,746	330,514
Cash restricted for long-term purposes	30,256	95,500
Pledges receivable, less current portion, net	43,000	74,770
Property and equipment	580,121	599,185
Total noncurrent assets	1,127,123	1,099,970
Total assets	$ 1,914,104	$ 1,770,550
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	$ 42,844	$ 62,929
Deferred revenue	420,399	388,286
Note payable, current portion	12,178	11,672
Total current liabilities	475,421	462,887
LONG-TERM LIABILITIES:		
Note payable, net of current portion and unamortized loan costs	410,097	419,652
Total noncurrent liabilities	410,097	419,652
Total liabilities	885,518	882,539
NET ASSETS:		
Without donor restrictions -		
Undesignated	426,950	447,514
Board designated	153,912	143,768
Total without donor restrictions	580,862	591,282
With donor restrictions	447,724	296,729
Total net assets	1,028,586	888,011
Total liabilities and net assets	$ 1,914,104	$ 1,770,550

The accompanying notes are an integral part of these statements.

PLANO SYMPHONY ORCHESTRA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Totals
REVENUE AND OTHER SUPPORT:			
Contributions -			
Corporate	136,655	$ 29,850	$ 166,505
Individuals	611,497	222,670	834,167
Education	79,942	9,107	89,049
Nonfinancial assets	86,300	-	86,300
Sponsorships	222,232	-	222,232
Grants	236,515	-	236,515
Fundraising revenue, less direct expenses of $76,216	110,695	-	110,695
Ticket sales	427,825	-	427,825
Other	107,993	-	107,993
Net assets released from restrictions -			
Expiration of time restrictions (pledges)	15,499	(15,499)	-
Expiration of time restrictions (corporate/grants)	14,594	(14,594)	-
Expiration of time restrictions (education)	16,815	(16,815)	
Expiration of purpose restrictions	76,494	(76,494)	-
Total revenue and other support	2,143,056	138,225	2,281,281
EXPENSES:			
Program services	1,789,335	-	1,789,335
General and administrative	200,736	-	200,736
Fundraising	202,938	-	202,938
Total operating expenses	2,193,009	-	2,193,009
CHANGE IN NET ASSETS FROM OPERATIONS	(49,953)	138,225	88,272
Net investment return	39,533	12,770	52,303
Change in net assets	(10,420)	150,995	140,575
NET ASSETS - beginning of year	591,282	296,729	888,011
NET ASSETS - end of year	$ 580,862	$ 447,724	$ 1,028,586

The accompanying notes are an integral part of these statements.

PLANO SYMPHONY ORCHESTRA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Totals
REVENUE AND OTHER SUPPORT:			
Contributions -			
Corporate	$ 88,582	$ 9,094	$ 97,676
Individuals	303,466	15,000	318,466
Education	46,207	16,815	63,022
Nonfinancial assets	41,183	-	41,183
Sponsorships	177,182	-	177,182
Grants	220,953	5,000	225,953
Fundraising revenue, less direct expenses of $84,323	94,757	-	94,757
Ticket sales	427,480	-	427,480
Other	102,338	-	102,338
Net assets released from restrictions -			
Expiration of time restrictions (pledges)	54,726	(54,726)	-
Expiration of time restrictions (corporate/grants)	33,750	(33,750)	-
Expiration of purpose restrictions	255,582	(255,582)	-
Total revenue and other support	1,846,206	(298,149)	1,548,057
EXPENSES:			
Program services	1,430,056	-	1,430,056
General and administrative	222,444	-	222,444
Fundraising	128,340	-	128,340
Total operating expenses	1,780,840	-	1,780,840
CHANGE IN NET ASSETS FROM OPERATIONS	65,366	(298,149)	(232,783)
Net investment return	20,482	8,134	28,616
Change in net assets	85,848	(290,015)	(204,167)
NET ASSETS - beginning of year	505,434	586,744	1,092,178
NET ASSETS - end of year	$ 591,282	$ 296,729	$ 888,011

The accompanying notes are an integral part of these statements.

PLANO SYMPHONY ORCHESTRA

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services	General and Administrative	Fundraising	Total
Personnel	$ 471,495	$ 102,480	$ 140,610	$ 714,585
Artistic costs	728,049	-	-	728,049
Concert production	283,071	-	-	283,071
Marketing	124,954	-	-	124,954
Fundraising events	-	-	111,934	111,934
In-kind expenses	80,265	523	5,606	86,394
Facilities	41,997	13,417	8,053	63,467
Supplies and resources	-	58,209	1,384	59,593
Depreciation and amortization	24,526	5,331	7,315	37,172
Interest	12,644	2,748	3,772	19,164
Loan amortization	1,611	350	480	2,441
Other	20,723	17,678	-	38,401
	$ 1,789,335	$ 200,736	$ 279,154	$ 2,269,225

PLANO SYMPHONY ORCHESTRA

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	Program Services	General and Administrative	Fundraising	Total
Personnel	$ 399,420	$ 116,485	$ 69,921	$ 585,826
Artistic costs	563,677	-	-	563,677
Concert production	182,841	-	-	182,841
Marketing	145,118	-	-	145,118
Fundraising events	-	-	126,026	126,026
Facilities	39,095	13,417	8,053	60,565
Supplies and resources	-	56,514	655	57,169
In-kind concert production	41,183	-	-	41,183
Depreciation and amortization	24,720	8,484	5,093	38,297
Interest	14,150	4,856	2,915	21,921
Other	19,852	22,688	-	42,540
	$ 1,430,056	$ 222,444	$ 212,663	$ 1,865,163

The accompanying notes are an integral part of these statements.

PLANO SYMPHONY ORCHESTRA

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	$ 140,575	$ (204,167)
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation	37,172	38,297
Amortization	2,440	2,440
Net investment return	(52,303)	(28,616)
Change in net assets and liabilities:		
Accounts receivable	(114,042)	(138,589)
Prepaid expenses	(71,788)	(7,172)
Accounts payable	(20,085)	26,321
Deferred revenue	32,113	162,893
Net cash flow from operating activities	(45,918)	(148,593)
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of investments	(99,483)	(11,863)
Proceeds from sale of investments	8,551	30,708
Purchases of property and equipment	(18,108)	(59,947)
Net cash flow from investing activities	(109,040)	(41,102)
CASH FLOW FROM FINANCING ACTIVITIES:		
Payments on note payable	(11,490)	(11,175)
Net cash flow from financing activities	(11,490)	(11,175)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(166,448)	(200,870)
CASH AND CASH EQUIVALENTS - beginning of year	586,113	786,983
CASH AND CASH EQUIVALENTS - end of year	$ 419,665	$ 586,113
SUPPLEMENTAL INFORMATION		
Cash paid for interest	$ 19,164	$ 19,480

The accompanying notes are an integral part of these statements.

1. THE ASSOCIATION

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The financial statements have been prepared using accounting principles generally accepted in the United States of America ("U.S. GAAP").

Recently Adopted Accounting Guidance
The Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") Topic 326, *Financial Instruments – Credit Losses,* which requires certain financial assets to be measured at amortized cost net of an allowance for estimated credit losses. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. The estimated credit loss is required to be based on historical information, current conditions, and forecasts that could impact the collectability of the amounts. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses.

Effective July 1, 2023, the Association adopted ASC Topic 326 using the modified retrospective approach for all financial assets measured at amortized cost. Results for reporting periods beginning after July 1, 2023 are presented under CECL while prior period amounts continue to be reported and disclosed in accordance with previously applicable accounting standards. The impact of adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

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 are available for use in general operations and not subject to donor-imposed restrictions. These net assets may be used at the discretion of the Association's Board of Directors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Net Assets With Donor Restrictions are 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 those 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.

Cash and Cash Equivalents

Cash and cash equivalents consist of 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. 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.

Revenue Recognition

The Association is supported primarily through ticket sales, contributions, sponsorships, grants, fundraising events, and ticket sales. The Association's performance obligation is met, and revenue is recognized, when the activity takes place for performance fees and concerts. 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 at a point in time for which concerts are performed or specific conditions are met. Pricing is set based upon historical information and attraction of performances.

Pledges Receivable

Pledges receivable are comprised of uncollected Virtuoso Society pledges, net of a $5,000 allowance at year ended June 30, 2024 and 2023. See Note 5 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, 2024 and 2023. As such, management does not consider an allowance for credit losses necessary.

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 of Directors deems the contingency remote.

Contributions of Nonfinancial Assets

Donated services and space are recognized as contributions in accordance with GAAP if the services or space create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased.

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

2. SUMMARY OF 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.

Fair Value Measurements

The Financial Accounting Standards Board (FASB) guidance on fair value measurements provides a framework for measuring fair value under generally accepted accounting principles. It also provides guidance regarding a fair value hierarchy, which prioritizes information used to measure fair value and the effects of fair value measurements on earnings and provides for enhanced disclosures determined by the level within the hierarchy of information used in the valuation.

Valuation of Investments

The Foundation's investments are recorded at fair value under FASB Accounting Standards Codification ASC 820. This standard defines fair value, establishes a framework used to measure fair value, and requires disclosures about fair value measurements. The standard prioritizes, within the measurement of fair value, the use of market-based information over entity-specific information and establishes a three-level hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and establishes classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entities own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical investments. Valuation adjustments and block discounts are not applied to Level 1 investments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these investments does not incorporate a significant degree of judgment.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Investments that are not measured at fair value or do not have a readily determinable fair value are not classified in the hierarchy. These investments are valued using a practical expedient that approximates fair value. Balanced pool funds are managed by The Dallas Foundation and do not have readily determinable fair values; net asset value ("NAV") per share is used as a practical expedient to value these investments. The balanced pools funds may be redeemed quarterly, subject to a short notice period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments
Financial instruments, which potentially subject the Council to concentrations of credit risk, include marketable equity securities. The Council places its temporary cash investments with creditworthy, high quality financial institutions that from time to time exceed federally insured limits. The Council has not experienced any losses with respect to its balances. The carrying amounts of cash, receivables, accounts payable and accrued expenses approximate fair value because of the short-term nature of the items. The fair value of marketable securities is determined by quoted market prices.

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	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 net assets 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.

Deferred Financing Costs
Deferred financing costs consist of costs associated with obtaining the notes payable. Deferred financing costs are being amortized on the straight-line method over the term of the related debt as an adjustment to interest expense. The costs are reported as a reduction of the related debt (See Note 8).

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 further 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.

Income Taxes

The Association is a nonprofit organization that has been determined to be exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, the Association is not a private foundation. 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, 2024, management of the Association has determined it 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.

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 net assets 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:

	2024	2023
Cash and cash equivalents	$ 377,338	$ 490,613
Accounts receivable, current portion	290,107	144,295
Investments	485,823	377,944
Cash restricted for long-term purposes	30,256	95,500
	$ 1,183,524	$ 1,108,352
Less:		
Donor restricted net assets	(447,724)	(296,729)
Board-designated net assets	(153,912)	(143,768)
	$ 581,888	$ 667,855

3. LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)

Restricted cash presented as cash and cash equivalents consists of cash required to be held in a separate bank account by the donor for the years ended June 30, 2024 and 2023, cash restricted for consists of cash required to be held in a separate bank account by the donor and includes $63,244 and $56,960 restricted for specific purposes relating to current operating needs, and $23,803 and $95,500, respectively, restricted for long term purposes, respectively.

4. CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

A reconciliation of cash, cash equivalents, and restricted cash reported within the statements of financial position that sum to the total of the same such amounts shown in the statements of cash flows at June 30:

	2024	2023
Cash and cash equivalents, current	$ 377,338	$ 490,613
Cash restricted for long-term purposes	30,256	95,500
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	$ 419,671	$ 586,113

5. PLEDGES RECEIVABLE

Virtuoso Society pledges have a three-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 amounts as of June 30, 2024 and 2023.

Pledges receivable are summarized as follows at June 30:

		2024	
	Current	Long-term	Total
Virtuoso Society pledges	$ 112,562	$ 43,000	$ 285,462
Other pledges	124,900	-	-
Less: Allowance for doubtful amounts	(5,000)	-	(5,000)
	$ 237,462	$ 43,000	$ 280,462

		2023	
	Current	Long-term	Total
Virtuoso Society pledges	$ 72,500	$ 74,000	$ 147,270
Less: Allowance for doubtful amounts	(5,000)	-	(5,000)
	$ 67,500	$ 74,000	$ 142,270

6. FAIR VALUE MEASUREMENTS AND DISCLOSURES

The Associations investments are measured at fair value on a recurring basis and where they are classified within the hierarchy as of June 30, 2024:

	Level I	Level II	Level III	Total
Equity securities	108,359	-	-	108,359
Fixed income securities	52,291	-	-	52,291
Total assets at fair value	160,650	-	-	160,650
Total assets at NAV	-	-	-	313,096
Total investments	$ 160,650	$ -	$ -	$ 473,746

The Associations investments are measured at fair value on a recurring basis and where they are classified within the hierarchy as of June 30, 2023:

	Level I	Level II	Level III	Total
Equity securities	70,490			70,940
Fixed income securities	20,445	-	-	20,445
Total assets at fair value	91,385	-	-	91,385
Total assets at NAV	-	-	-	239,129
Total investments	$ 91,385	$ -	$ -	$ 330,514

Net investment returns are comprised of the following for the years ended June 30:

	2024		2023	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
Interest and dividends	$ 7,856	$ 4,183	$ 9,706	$ 2,365
Fees	(5,622)	(1,842)	(2,614)	(1,007)
Net realized gains	22,512	12,598	13,793	2,831
Net unrealized gains (losses)	14,787	(2,169)	(403)	3,945
	$ 39,533	$ 12,770	$ 20,482	$ 8,134

7. PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following as of June 30:

	2024	2023
Building	$ 351,000	$ 351,000
Building improvements	191,951	176,647
Land	99,000	99,000
Furniture, fixtures, and equipment	176,384	173,579
Instruments	12,500	12,500
	830,835	812,726
Less: Accumulated depreciation	(250,714)	(213,541)
	$ 580,121	$ 599,185

8. NOTE PAYABLE

In December 2021, the Association entered into a note payable with a financial institution in the amount of $468,550. The note payable bears interest at a fixed rate of 4.25%, requires monthly payments of principal and interest of $2,555, is secured by the property, and matures in December 2031, at which time all unpaid principal and interest will become due.

The Association presents loan origination costs as a reduction of the carrying amount of the respective notes payable. Accordingly, the following is a summary of the components of the notes payable at June 30:

	2024	2023
Outstanding principal on notes payable	$ 440,579	$ 452,069
Less: Unamortized loan origination costs	(18,304)	(20,745)
Notes payable, net	$ 422,275	$ 431,324

Future principal maturities on the notes payable are scheduled as follows for the years ending June 30:

2025	12,178
2026	12,706
2027	13,256
2028	13,831
2029	14,430
Thereafter	374,178
Total	$ 440,579

9. NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions include net assets designated by the Board for the following purposes as of June 30:

	2024	2023
Board designated endowment fund	$ 143,051	$ 126,122
Alice Hobbs education and outreach fund	10,861	17,646
	$ 153,912	$ 143,768

10. NET ASSETS WITH DONOR RESTRICTIONS

Endowment activities are as follows for the years ended June 30:

	2024	2023
Beginning balance	$ 126,122	$ 114,146
Investment returns	16,929	11,976
Ending balance	$ 143,051	$ 126,122

The balances of net assets with donor restrictions 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 at June 30:

	2024	2023
Individual pledges restricted for future seasons	$ 31,670	$ 16,498
Corporate pledges restricted for future seasons	30,850	10,594
Government grants	-	5,000
Scholarships	107,118	95,362
Education	8,054	16,815
Assistant conductor position	87,047	137,047
Conductor position	90,000	-
String enhancements	-	6,960
Cello musician chair	52,067	-
Commission	40,582	-
Technology	-	8,453
	$ 447,724	$ 296,729

During the years ended June 30, 2024 and 2023, net assets with donor restrictions in the amounts of $123,402 and $344,058, 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 individuals 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 U.S. GAAP, the amounts are reflected in the financial statements as revenues and expenses at their fair market values at the date of donation based upon current market prices. In-kind contributions include advertising space donated by local media, typesetting, printing, professional services, hotel lodging, and airfare.

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

	2024	2023
Revenues:		
Donated services	$ 19,507	$ 19,051
Donated facilities and materials	66,887	22,132
	$ 86,394	$ 41,183

	2024	2023
Expenses:		
Program services	$ 80,265	$ 41,183
General and administrative	523	-
Fundraising	5,606	-
	$ 86,394	$ 41,183

12. SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 16, 2025, which is the date the financial statements were available to be issued.