

PLANO SYMPHONY ORCHESTRA

**Financial Statements
as of June 30, 2025 and 2024
Together with
Independent Auditor's Report**

INDEPENDENT AUDITOR'S REPORT

January 14, 2026

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, 2025 and 2024, 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, 2025 and 2024, 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.

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.

7557 Rambler Road,
Suite 600
Dallas, TX 75231
p (214) 346-0750
f (214) 346-0784

www.bonadio.com

(Continued)

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, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents -		
Operating	\$ 230,421	\$ 204,940
Reserve	117,252	115,607
Held in investment accounts	103,800	12,077
Restricted	<u>37,047</u>	<u>56,791</u>
Total cash and cash equivalents, current	<u>488,520</u>	<u>389,415</u>
Accounts receivable -		
Pledges receivable, current portion, net of allowance of \$5,000 at 2025 and 2024	208,517	237,462
Other receivables	84,522	52,645
Prepaid expenses	<u>170,140</u>	<u>107,459</u>
Total current assets	<u>951,699</u>	<u>786,981</u>
NONCURRENT ASSETS:		
Investments	735,745	473,746
Cash restricted for long-term purposes	36,830	30,256
Pledges receivable, less current portion, net	142,080	43,000
Property and equipment	<u>601,252</u>	<u>580,121</u>
Total noncurrent assets	<u>1,515,907</u>	<u>1,127,123</u>
Total assets	<u>\$ 2,467,606</u>	<u>\$ 1,914,104</u>
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	\$ 73,136	\$ 42,844
Deferred revenue	558,884	420,399
Note payable, current portion	<u>12,405</u>	<u>12,178</u>
Total current liabilities	644,425	475,421
LONG-TERM LIABILITIES:		
Note payable, net of current portion and unamortized loan costs	<u>400,017</u>	<u>410,097</u>
Total liabilities	<u>1,044,442</u>	<u>885,518</u>
NET ASSETS:		
Without donor restrictions:		
Undesignated	400,775	426,950
Board designated	<u>167,186</u>	<u>153,912</u>
Total without donor restrictions	567,961	580,862
With donor restrictions	<u>855,203</u>	<u>447,724</u>
Total net assets	<u>1,423,164</u>	<u>1,028,586</u>
Total liabilities and net assets	<u>\$ 2,467,606</u>	<u>\$ 1,914,104</u>

The accompanying notes are an integral part of these statements.

PLANO SYMPHONY ORCHESTRA

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2025

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
REVENUE AND OTHER SUPPORT:			
Contributions -			
Corporate	\$ 109,385	\$ 61,000	\$ 170,385
Individuals	754,003	523,835	1,277,838
Education	93,145	100	93,245
Nonfinancial assets	288,163	-	288,163
Sponsorships	244,957	-	244,957
Grants	374,321	7,500	381,821
Fundraising revenue, less direct expenses of \$78,602	84,608	-	84,608
Ticket sales	430,131	-	430,131
Other	128,133	-	128,133
Net assets released from restrictions:			
Expiration of time restrictions (pledges)	31,170	(31,170)	-
Expiration of time restrictions (corporate/grants)	30,350	(30,350)	-
Expiration of time restrictions (education)	15,129	(15,129)	-
Expiration of purpose restrictions	<u>120,750</u>	<u>(120,750)</u>	<u>-</u>
Total revenue and other support	<u>2,704,245</u>	<u>395,036</u>	<u>3,099,281</u>
EXPENSES:			
Program services	2,167,450	-	2,167,450
General and administrative	309,082	-	309,082
Fundraising	<u>278,553</u>	<u>-</u>	<u>278,553</u>
Total operating expenses	<u>2,755,085</u>	<u>-</u>	<u>2,755,085</u>
CHANGE IN NET ASSETS FROM OPERATIONS	(50,840)	395,036	344,196
NET INVESTMENT RETURN	<u>37,939</u>	<u>12,443</u>	<u>50,382</u>
CHANGE IN NET ASSETS	(12,901)	407,479	394,578
NET ASSETS - beginning of year	<u>580,862</u>	<u>447,724</u>	<u>1,028,586</u>
NET ASSETS - end of year	<u>\$ 567,961</u>	<u>\$ 855,203</u>	<u>\$ 1,423,164</u>

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 <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
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	<u>2,143,056</u>	<u>138,225</u>	<u>2,281,281</u>
EXPENSES:			
Program services	1,789,335	-	1,789,335
General and administrative	200,736	-	200,736
Fundraising	202,938	-	202,938
Total operating expenses	<u>2,193,009</u>	<u>-</u>	<u>2,193,009</u>
CHANGE IN NET ASSETS FROM OPERATIONS	(49,953)	138,225	88,272
NET INVESTMENT RETURN	<u>39,533</u>	<u>12,770</u>	<u>52,303</u>
CHANGE IN NET ASSETS	(10,420)	150,995	140,575
NET ASSETS - beginning of year	<u>591,282</u>	<u>296,729</u>	<u>888,011</u>
NET ASSETS - end of year	<u>\$ 580,862</u>	<u>\$ 447,724</u>	<u>\$ 1,028,586</u>

The accompanying notes are an integral part of these statements.

PLANO SYMPHONY ORCHESTRA

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2025

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Personnel	\$ 488,581	\$ 146,375	\$ 191,603	\$ 826,559
Artistic costs	783,962	-	-	783,962
Concert production	636,588	-	-	636,588
Marketing	188,338	-	-	188,338
Fundraising events	-	-	147,302	147,302
Facilities	1,572	68,247	603	70,422
Supplies and resources	-	73,803	2,193	75,996
Depreciation and amortization	27,834	7,886	10,670	46,390
Interest	11,017	3,121	4,223	18,361
Loan amortization	1,464	415	561	2,440
Other	28,094	9,235	-	37,329
	<u>\$ 2,167,450</u>	<u>\$ 309,082</u>	<u>\$ 357,155</u>	<u>\$ 2,833,687</u>

The accompanying notes are an integral part of these statements.

PLANO SYMPHONY ORCHESTRA

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

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Personnel	\$ 471,495	\$ 102,480	\$ 140,610	\$ 714,585
Artistic costs	728,049	-	-	728,049
Concert production	332,383	-	-	332,383
Marketing	155,907	-	-	155,907
Fundraising events	-	-	117,540	117,540
Facilities	41,997	13,417	8,053	63,467
Supplies and resources	-	58,732	1,384	60,116
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
	<u>\$ 1,789,335</u>	<u>\$ 200,736</u>	<u>\$ 279,154</u>	<u>\$ 2,269,225</u>

The accompanying notes are an integral part of these statements.

PLANO SYMPHONY ORCHESTRA

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 394,578	\$ 140,575
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation	46,390	37,172
Amortization	2,440	2,440
Net investment gains	(36,491)	(47,728)
Changes in:		
Accounts receivable	(102,012)	(114,042)
Prepaid expenses	(62,681)	(71,788)
Accounts payable	30,292	(20,085)
Deferred revenue	<u>138,485</u>	<u>32,113</u>
Net cash flow from operating activities	<u>411,001</u>	<u>(41,343)</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of investments	(564,370)	(104,058)
Proceeds from sale of investments	338,862	8,551
Purchases of property and equipment	<u>(67,521)</u>	<u>(18,102)</u>
Net cash flow from investing activities	<u>(293,029)</u>	<u>(113,609)</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Payments on note payable	<u>(12,293)</u>	<u>(11,490)</u>
Net cash flow from financing activities	<u>(12,293)</u>	<u>(11,490)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	105,679	(166,442)
CASH AND CASH EQUIVALENTS - beginning of year	<u>419,671</u>	<u>586,113</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 525,350</u>	<u>\$ 419,671</u>
SUPPLEMENTAL INFORMATION:		
Cash paid for interest	<u>\$ 18,361</u>	<u>\$ 19,164</u>

The accompanying notes are an integral part of these statements.

PLANO SYMPHONY ORCHESTRA

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

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 Plano, Texas and surrounding communities 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).

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.

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, and fundraising events. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 represent unconditional promises to give and are recognized as revenue in the period the pledge is made, net of an allowance for doubtful accounts. See Note 5 for more information on pledges receivable.

Other Receivables

Other receivables are comprised of uncollected contributions and contracted grant revenue and are considered fully collectible at June 30, 2025 and 2024. 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 and are recognized as revenue when eligible costs are incurred. 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.

Investments

Investments in marketable equity securities with readily determinable fair values and all investments in debt securities are carried at their fair value. Dividends, interest, realized gains and losses, and unrealized gains and losses are included in the change in net assets.

U.S. GAAP provides a framework for measuring fair value. 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.

The Association's investments are recorded at fair value. U.S. GAAP establishes a framework used to measure fair value and requires disclosures about fair value measurements. The standards prioritize, 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 investment, 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:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments (Continued)

Level 1 – Valuations are 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 are 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 are 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.

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 credit worthy, 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 value at date of donation. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 note 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.

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. Those expenses include personnel, facilities, depreciation and amortization, and other expense related costs. Personnel expenses are allocated based on time spent in programs. Facilities, depreciation and amortization, and other expenses are directly charged based upon actual usage of the expenses by program and supporting functions. 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 has also been determined not to be a private foundation. 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, 2025, 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.

Reclassifications

Certain reclassifications have been made to the financial statements for the year ended June 30, 2024. These reclassifications are for comparative purposes only and have no effect on net assets or change in net assets as originally reported.

3. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Association operates under a budget approved by its Board of Directors (the Board), which 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 at June 30:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 488,520	\$ 389,415
Pledges and other receivables, current	293,039	290,107
Investments	735,745	473,746
Cash restricted for long-term purposes	<u>-</u>	<u>30,256</u>
	1,517,304	1,183,524
Less:		
Donor restricted net assets	(855,203)	(447,724)
Board-designated net assets	<u>(167,186)</u>	<u>(153,912)</u>
	<u>\$ 494,915</u>	<u>\$ 581,888</u>

Restricted cash presented as cash and cash equivalents consists of cash required to be held in a separate bank account by the donor amounted to \$37,047 and \$56,791 at June 30, 2025 and 2024, respectively, is to be used for specific purposes relating to current operating needs. Restricted cash for long-term purposes amounted to \$36,830 and \$30,256 at June 30, 2025 and 2024, 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 was as follows at June 30:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents, current	\$ 488,520	\$ 389,415
Cash restricted for long-term purposes	<u>36,830</u>	<u>30,256</u>
	<u>\$ 525,350</u>	<u>\$ 419,671</u>

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, 2025 and 2024.

Pledges receivable are summarized as follows at June 30:

	<u>Current</u>	<u>2025 Long-term</u>	<u>Total</u>
Virtuoso Society pledges	\$ 91,310	\$ 142,080	\$ 233,390
Other pledges	122,207	-	122,207
Less: Allowance for doubtful amounts	<u>(5,000)</u>	<u>-</u>	<u>(5,000)</u>
	<u>\$ 208,517</u>	<u>\$ 142,080</u>	<u>\$ 350,597</u>

	<u>Current</u>	<u>2024 Long-term</u>	<u>Total</u>
Virtuoso Society pledges	\$ 117,562	\$ 43,000	\$ 160,562
Other pledges	124,900	-	124,900
Less: Allowance for doubtful amounts	<u>(5,000)</u>	<u>-</u>	<u>(5,000)</u>
	<u>\$ 237,462</u>	<u>\$ 43,000</u>	<u>\$ 280,462</u>

6. FAIR VALUE MEASUREMENTS AND DISCLOSURES

The Associations investments consisted of the following and were measured at fair value on a recurring basis using the following input levels as of June 30, 2025:

	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>	<u>Total</u>
Equity securities	\$ 191,238	\$ -	\$ -	\$ 191,238
Fixed income securities	<u>211,715</u>	<u>-</u>	<u>-</u>	<u>211,715</u>
Total assets at fair value	402,953	-	-	402,953
Total assets at NAV	<u>-</u>	<u>-</u>	<u>-</u>	<u>332,792</u>
	<u>\$ 402,953</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 735,745</u>

6. FAIR VALUE MEASUREMENTS AND DISCLOSURES (Continued)

The Associations investments consisted of the following and were measured at fair value on a recurring basis using the following input levels as of June 30, 2024:

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

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

	<u>2025</u>		<u>2024</u>	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
Interest and dividends	\$ 15,480	\$ 3,401	\$ 7,856	\$ 4,183
Fees	(3,313)	(1,677)	(5,622)	(1,842)
Net realized gains	2,601	824	22,512	12,598
Net unrealized gains (losses)	<u>23,171</u>	<u>9,895</u>	<u>14,787</u>	<u>(2,169)</u>
	<u>\$ 37,939</u>	<u>\$ 12,443</u>	<u>\$ 39,533</u>	<u>\$ 12,770</u>

7. PROPERTY AND EQUIPMENT, NET

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

	<u>2025</u>	<u>2024</u>
Building	\$ 351,000	\$ 351,000
Building improvements	202,066	191,951
Land	99,000	99,000
Furniture, fixtures, and equipment	233,788	176,384
Instruments	<u>12,500</u>	<u>12,500</u>
	898,354	830,835
Less: Accumulated depreciation	<u>(297,102)</u>	<u>(250,714)</u>
	<u>\$ 601,252</u>	<u>\$ 580,121</u>

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:

	<u>2025</u>	<u>2024</u>
Outstanding principal on notes payable	\$ 428,286	\$ 440,579
Less: Unamortized loan origination costs	<u>(15,864)</u>	<u>(18,304)</u>
Notes payable, net	<u>\$ 412,422</u>	<u>\$ 422,275</u>

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

2026	\$ 12,405
2027	12,951
2028	13,473
2029	14,112
2030	14,732
Thereafter	<u>360,613</u>
	<u>\$ 428,286</u>

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:

	<u>2025</u>	<u>2024</u>
Board designated endowment fund	\$ 155,514	\$ 143,051
Alice Hobbs education and outreach fund	<u>11,672</u>	<u>10,861</u>
	<u>\$ 167,186</u>	<u>\$ 153,912</u>

10. ENDOWMENT

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

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 143,051	\$ 126,122
Investment returns	<u>12,463</u>	<u>16,929</u>
Ending balance	<u>\$ 155,514</u>	<u>\$ 143,051</u>

11. NET ASSETS WITH DONOR RESTRICTIONS

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 as follows at June 30:

	<u>2025</u>	<u>2024</u>
Individual pledges restricted for future seasons	\$ 188,334	\$ 31,670
Corporate pledges restricted for future seasons	61,500	30,850
Government grants	7,500	-
Scholarships	108,210	107,118
Education	100	8,054
Assistant conductor position	37,047	87,047
Conductor position	336,000	90,000
Cello musician chair	56,343	52,067
Commission	60,000	40,750
Technology	<u>169</u>	<u>168</u>
	<u>\$ 855,203</u>	<u>\$ 447,724</u>

During the years ended June 30, 2025 and 2024, net assets with donor restrictions in the amounts of \$197,399 and \$123,402, respectively, had been expended in accordance with donor restrictions and have been reclassified to net assets without donor restrictions.

12. 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 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 were as follows for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Revenues:		
Donated services	\$ 20,932	\$ 19,507
Donated facilities and materials	<u>267,231</u>	<u>66,887</u>
	<u>\$ 288,163</u>	<u>\$ 86,394</u>
	<u>2025</u>	<u>2024</u>
Expenses:		
Program services	\$ 281,558	\$ 80,265
General and administrative	1,681	523
Fundraising	<u>4,924</u>	<u>5,606</u>
	<u>\$ 288,163</u>	<u>\$ 86,394</u>

13. SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 14, 2026, which is the date the financial statements were available to be issued.