

**CHARLOTTE SYMPHONY ORCHESTRA
SOCIETY, INCORPORATED**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

As of and for the Years Ended June 30, 2021 and 2020

And Report of Independent Auditor

CHARLOTTE SYMPHONY ORCHESTRA SOCIETY, INCORPORATED

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Report of Independent Auditor

To the Board of Directors
Charlotte Symphony Orchestra Society, Incorporated
Charlotte, North Carolina

We have audited the accompanying financial statements of Charlotte Symphony Orchestra Society, Incorporated (the "Society"), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities 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.

Auditor's 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 audit 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 auditor's 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 auditor considers internal control relevant to the entity'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 entity'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 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 the Society 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying statements of financial position by fund are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of the Society's management and was derived from, and relates to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in our audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, when considered in relation to the basic financial statements taken as a whole.

Cherry Bekaert LLP

Charlotte, North Carolina
December 8, 2021

CHARLOTTE SYMPHONY ORCHESTRA SOCIETY, INCORPORATED
STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2021 AND 2020

	2021	2020
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,502,901	\$ 2,210,832
Accounts receivable	184,447	46,430
Government grant receivable	1,914,344	-
Allowable endowment spending receivable	497,927	446,548
Promises to give, net	339,803	347,751
Prepaid expenses and other current assets	55,536	75,219
Total Current Assets	<u>4,494,958</u>	<u>3,126,780</u>
Restricted cash	<u>34,221</u>	<u>23,504</u>
Noncurrent promises to give, net	<u>357,228</u>	<u>-</u>
Property and Equipment:		
Music library	324,010	324,010
Musical instruments	293,479	293,479
Furniture and equipment, less accumulated depreciation of \$248,300 at June 30, 2021 and \$203,100 at June 30, 2020	56,221	101,961
Property and Equipment, Net	<u>673,710</u>	<u>719,450</u>
Restricted Assets - Endowment:		
Cash restricted for endowments	-	312,148
Beneficial Interests in Trusts:		
Campaign for the Cultural Facilities	6,096,043	4,890,578
Campaign for the Cultural Facilities, promises to give	195,206	319,463
Other beneficial interests in trusts	7,087,526	5,191,602
Total Restricted Assets - Endowment	<u>13,378,775</u>	<u>10,713,791</u>
Total Assets	<u><u>\$ 18,938,892</u></u>	<u><u>\$ 14,583,525</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 873,383	\$ 656,394
Unearned ticket sales and dues	271,177	838,103
Paycheck Protection Program deferred grant revenue	1,232,397	1,187,600
Total Current Liabilities	<u>2,376,957</u>	<u>2,682,097</u>
Advance from Thrive	<u>1,000,000</u>	<u>1,000,000</u>
Total Liabilities	<u>3,376,957</u>	<u>3,682,097</u>
Net Assets (Deficit):		
Without donor restrictions	1,336,055	(470,126)
With donor restrictions	14,225,880	11,371,554
Total Net Assets	<u>15,561,935</u>	<u>10,901,428</u>
Total Liabilities and Net Assets	<u><u>\$ 18,938,892</u></u>	<u><u>\$ 14,583,525</u></u>

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

CHARLOTTE SYMPHONY ORCHESTRA SOCIETY, INCORPORATED
STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues:			
Concert Revenue:			
Season tickets	\$ 33,771	\$ -	\$ 33,771
Single tickets	251,134	-	251,134
Other fee concerts	35,200	-	35,200
Education and youth orchestra	127,591	-	127,591
Special events, net of expenses of \$52,952	158,295	90,400	248,695
Contributions:			
Individuals and foundations	2,216,164	673,503	2,889,667
Corporations	77,500	42,551	120,051
Arts and science council	432,611	-	432,611
Thrive	2,000,000	-	2,000,000
Government sources	3,828,819	-	3,828,819
Organizations	134,267	10,000	144,267
Allowable endowment balance for spending	497,927	-	497,927
	<u>9,793,279</u>	<u>816,454</u>	<u>10,609,733</u>
Net Assets Released from Restrictions:			
Other	400,431	(400,431)	-
Total Revenues	<u>10,193,710</u>	<u>416,023</u>	<u>10,609,733</u>
Expenses:			
Program Expenses:			
Musical and project	6,448,274		6,448,274
Supporting Services:			
Management and general	1,287,888	-	1,287,888
Fundraising and development	651,367	-	651,367
Total Expenses	<u>8,387,529</u>	<u>-</u>	<u>8,387,529</u>
Change in net assets before other changes	1,806,181	416,023	2,222,204
Other Changes:			
Change in beneficial interests in trusts	-	2,936,230	2,936,230
Release of allowable endowment balance for spending	<u>-</u>	<u>(497,927)</u>	<u>(497,927)</u>
Change in net assets	1,806,181	2,854,326	4,660,507
Net assets (deficit), beginning of year	<u>(470,126)</u>	<u>11,371,554</u>	<u>10,901,428</u>
Net assets (deficit), end of year	<u>\$ 1,336,055</u>	<u>\$ 14,225,880</u>	<u>\$ 15,561,935</u>

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

CHARLOTTE SYMPHONY ORCHESTRA SOCIETY, INCORPORATED
STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues:			
Concert Revenue:			
Season tickets	\$ 710,607	\$ -	\$ 710,607
Single tickets	1,792,230	-	1,792,230
Other fee concerts	289,206	-	289,206
Education and Youth orchestra	151,356	-	151,356
Special events, net of expenses of \$134,954	88,826	124,000	212,826
Contributions:			
Individuals and foundations	2,307,207	457,511	2,764,718
Corporations	145,000	125,000	270,000
Arts and Science Council	633,244	-	633,244
Thrive	2,000,000	-	2,000,000
Government sources	114,000	-	114,000
Organizations	34,040	-	34,040
Allowable endowment balance for spending	447,742	-	447,742
	<u>8,713,458</u>	<u>706,511</u>	<u>9,419,969</u>
Net Assets Released from Restrictions:			
Other	713,573	(713,573)	-
Total Revenues	<u>9,427,031</u>	<u>(7,062)</u>	<u>9,419,969</u>
Expenses:			
Program Expenses:			
Musical and project	7,663,528	-	7,663,528
Supporting Services:			
Management and general	1,348,987	-	1,348,987
Fundraising and development	539,702	-	539,702
Total Expenses	<u>9,552,217</u>	<u>-</u>	<u>9,552,217</u>
Change in net assets before other changes	(125,186)	(7,062)	(132,248)
Other Changes:			
Change in beneficial interests in trusts	-	58,480	58,480
Release of allowable endowment balance for spending	-	(447,742)	(447,742)
Change in net assets	(125,186)	(396,324)	(521,510)
Net assets (deficit) beginning of year,	<u>(344,940)</u>	<u>11,767,878</u>	<u>11,422,938</u>
Net assets (deficit), end of year	<u>\$ (470,126)</u>	<u>\$ 11,371,554</u>	<u>\$ 10,901,428</u>

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

CHARLOTTE SYMPHONY ORCHESTRA SOCIETY, INCORPORATED
STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ 4,660,507	\$ (521,510)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	45,740	45,116
Change in beneficial interests in trusts	(2,936,230)	(58,480)
Change in discounts on promises to give	10,400	1,400
Provision for uncollectible pledges	250	(5,500)
Contributions for endowment	(224,623)	(100,000)
Changes in operating assets and liabilities:		
Accounts receivable	(138,017)	246,422
Government grant receivable	(1,914,344)	-
Allowable endowment spending not withdrawn	(51,379)	(61,779)
Promises to give	(235,673)	962,553
Prepaid expenses and other current assets	19,683	66,683
Accounts payable and accrued liabilities	216,989	(5,890)
Unearned ticket sales and dues	(566,926)	(256,485)
Paycheck Protection Program deferred grant revenue	44,797	1,187,600
Net cash flows from operating activities	<u>(1,068,826)</u>	<u>1,500,130</u>
Cash flows from investing activities:		
Purchases of endowed investments	(165,159)	(137,913)
Purchases of furniture and equipment	-	(48,265)
Net cash flows from investing activities	<u>(165,159)</u>	<u>(186,178)</u>
Cash flows from financing activities:		
Contributions for endowment	224,623	100,000
Net cash from financing activities	<u>224,623</u>	<u>100,000</u>
Net change in cash, cash equivalents, and restricted cash	(1,009,362)	1,413,952
Cash, cash equivalents, and restricted cash, beginning of year	2,546,484	1,132,532
Cash, cash equivalents, and restricted cash, end of year	<u>\$ 1,537,122</u>	<u>\$ 2,546,484</u>
Cash and cash equivalents	\$ 1,502,901	\$ 2,210,832
Restricted cash	34,221	23,504
Cash restricted for endowments	-	312,148
	<u>\$ 1,537,122</u>	<u>\$ 2,546,484</u>

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

CHARLOTTE SYMPHONY ORCHESTRA SOCIETY, INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 1—Organization and summary of significant accounting policies

Organization and Nature of Activities – The Charlotte Symphony Orchestra Society, Incorporated (the “Society”) was founded in 1932 for the purpose of performing a broad range of orchestral music, including appropriate genres of American traditional and popular music, to engage, educate, and enrich audiences of all ages.

Basis of Presentation – The financial statements of the Society have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). 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 and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Society. These net assets may be used at the discretion of the Society’s management and the Board of Directors. The Society has chosen to provide further classification information about net assets without donor restrictions in the notes to the financial statements. The subclassifications are as follows:

Board Designated – Represents resources set aside by the Board of Directors to be used for specific activities within guidelines established by the Board of Directors. \$529,892 was designated by the board for an operating reserve as of June 30, 2020. There were no designated net assets without donor restrictions as of June 30, 2021.

Undesignated – Represents the cumulative net assets without donor restrictions excluding those net assets designated for specific activities.

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Society or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Contributions – Contributions, including unconditional promises to give, are recognized as revenues in the period made. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return or right of release, are not recognized until the conditions on which they depend have been substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Grants and other contributions of cash and other assets are considered to be available for use unless specifically restricted by the donor.

The Society records contributed services if the services received create or enhance long-lived assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. During the years ended June 30, 2021 and 2020, no such contributed assets or services were received. In addition, a number of unpaid volunteers, who serve in the capacity of board members, have made significant contributions of their time in the furtherance of the Society’s purpose. The value of this contributed time is not reflected in these financial statements since it does not meet the above recognition criteria.

From time to time, the Society may be named as a beneficiary in certain wills, trusts, and/or estates. Generally, these agreements are considered conditional promises to give. As such, no receivables or revenues are recognized until the underlying condition has been substantially met.

CHARLOTTE SYMPHONY ORCHESTRA SOCIETY, INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 1—Organization and summary of significant accounting policies (continued)

Income Taxes – The Society has received a favorable determination letter from the Internal Revenue Service with respect to its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. Management believes the Society continues to satisfy the requirements of a tax-exempt organization and is not subject to tax. Accordingly, no provision for income taxes has been reflected in the accompanying financial statements. The Society accounts for tax uncertainties based on a more likely than not recognition threshold whereby tax benefits are only recognized when the Society believes they have a greater than 50% likelihood of being sustained upon examination by taxing authorities. The Society has evaluated all its tax positions and determined it had no material uncertain income tax positions as of June 30, 2021 and 2020.

Cash and Cash Equivalents – The Society considers highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Restricted Cash – Restricted cash are funds related to the Instrument Loan Program. Funds related to the Instrument Loan Program are required to be kept in a separate bank account.

Cash Restricted for Endowments – Restricted cash for endowments are funds held from contributions received and/or payments on promises to give that are to be transferred into the endowment fund.

Accounts Receivable – Accounts receivable are stated at cost less an allowance for doubtful accounts, if necessary. Management's determination of the allowance for doubtful accounts is based on an evaluation of the receivable, past experience, and current economic conditions. Management has determined an allowance for doubtful accounts is not considered necessary as of June 30, 2021 and 2020.

Instrument Loans Receivable – Loans receivable are carried at unpaid principal balances, less an allowance for loan losses, if necessary. Management's determination of the allowance for loan losses is based on past loan loss experience, specific impaired loans, and current economic conditions. Management has determined an allowance for loan losses is not considered necessary as of June 30, 2021 and 2020. Interest on loans is recognized over the term of the loan and is calculated using the simple-interest method on principal amounts outstanding. At June 30, 2021 and 2020, the Society reported instrument loans receivable of approximately \$- and \$8,000, respectively, which are included in accounts receivable in the statements of financial position.

Promises to Give, Net – Contributions that are expected to be collected in future years are recorded at fair value which is estimated using the present value of their expected cash flows, discounted using current market rate assumptions, and are recorded net of an allowance for uncollectible promises to give, which is based on management's evaluation of potential uncollectible promises to give.

Beneficial Interests in Trusts – The Society recognizes assets held by a recipient organization for the sole benefit of the Society as beneficial interests in trusts.

Furniture and Equipment, Net – Furniture and equipment are stated at cost for purchased items and at estimated fair value at the date received for donated items. Depreciation is computed on the straight-line basis for furniture and equipment using an estimated useful life, which ranges from 3 to 10 years. The music library and musical instruments owned by the Society are not depreciated, as such assets are not considered to decline in value or usefulness.

Advance from Thrive – Other deferred revenue consists primarily of a \$1 million receipt during fiscal year 2015 that relates to the 2022 fiscal year grant from the Thrive campaign (see Note 2).

CHARLOTTE SYMPHONY ORCHESTRA SOCIETY, INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 1—Organization and summary of significant accounting policies (continued)

Ticket and Sponsorship Revenue – Ticket and sponsorship receipts for concerts prior to the performance are deferred and recognized in the accompanying statements of activities as revenues in the period in which the concert is given. Any amounts deferred at year-end are included in unearned ticket sales in the accompanying statements of financial position.

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Functional Expenses – The costs of providing the various programs and other activities of the Society 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 (see Note 13). Direct identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are allocated to the various programs and supporting services based on time and effort.

Government Grants – During the year ended June 30, 2021, the Society received federal grants in connection with relief efforts related to the novel strain of coronavirus (“COVID-19”) pandemic. The Society was deemed eligible for \$1,714,344 from the Employee Retention Credit (“ERC”) and recorded the receipt of the Paycheck Protection Program (“PPP”) loan deferred for the year ended June 30, 2020 as revenue for the year ended June 30, 2021. As disclosed in note 14, the Society also recognized \$200,000 of the Shuttered Venue Operators Grant (“SVOG”) grant for qualifying expenses through June 30, 2021. Each of these are included in governmental grants on the statement of activities. The ERC of \$1,714,344 and SVOG of \$200,000 are also reflected within the government grants receivable on the statement of financial position as of June 30, 2021.

Recently Issued Accounting Pronouncement Adopted – On May 28, 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The core principle is that an entity will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Society retrospectively adopted the provisions of this standard during the year ended June 30, 2021. There was no material impact on the Society’s financial position and results of operations upon adoption of the new standard.

Recently Issued Accounting Pronouncements Not Yet Adopted - In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in *Topic 840, Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either financing or operating, with classifications affecting the pattern of expense recognition in the statement of activities. The new standard is effective for fiscal years beginning after December 15, 2021. A modified retrospective transition approach is required for lessees for financing and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. Management is currently evaluating the impact of this standard on the Society’s financial statements.

In September 2020, FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard requires presentation of contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. It also requires a disclosure of disaggregated contributions of nonfinancial assets by category that depicts the type of contributed nonfinancial assets. This distinction will increase transparency of contributions recognized. This standard will be effective for fiscal years beginning after June 15, 2021. Management is currently evaluating the impact of this standard on the Society’s financial statements.

CHARLOTTE SYMPHONY ORCHESTRA SOCIETY, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 2—Liquidity and availability of resources

Liquidity and availability of resources is as follows:

	2021	2020
Financial assets at year-end:		
Cash, cash equivalents, and restricted cash	\$ 1,537,122	\$ 2,546,484
Accounts receivable	184,447	46,430
Government grant receivable	1,914,344	-
Allowable endowment spending receivable	497,927	446,548
Promises to give	697,031	347,751
Beneficial interests in trusts	13,378,775	10,401,643
Total financial assets at year-end	<u>18,209,646</u>	<u>13,788,856</u>
Less amounts not available to be used for general expenditures within one year:		
Board-designated funds	-	529,892
Restricted by donor with purpose or time restrictions	594,956	562,763
Endowment funds	<u>13,630,924</u>	<u>10,808,791</u>
Financial assets not available to be used within one year	<u>14,225,880</u>	<u>11,901,446</u>
Financial assets available to meet general expenditures within one year	<u>\$ 3,983,766</u>	<u>\$ 1,887,410</u>

The Society regularly monitors liquidity required to meet its operating needs and other contractual commitments, while striving to maximize the investment of and return on available funds. The Society has various sources of liquidity at its disposal. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Society considers all expenditures related to its ongoing activities of musical and project expenses as well as the conduct of services undertaken to support those activities to be general expenditures.

The Society has both donor-restricted and board-designated resources which are limited in their use for specific purposes or due to timing. Accordingly, these assets are shown as a reduction to financial assets available to meet general expenditures within one year. These assets limited to use, are more fully described in Note 9. Although the Society does not intend to spend from these board-designated funds, these amounts could be made available, if necessary.

Note 3—Promises to give, net

Promises to give represent donors' promises to pay contributions to the Society. The Society receives promises to give for undesignated support, support of future performances, endowments, and other restricted purposes. Receivables related to these promises to give, which are recorded in the accompanying statements of financial position as promises to give, are summarized as follows as of June 30:

CHARLOTTE SYMPHONY ORCHESTRA SOCIETY, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 3—Promises to give, net (continued)

	2021	2020
Time restricted promises to give	\$ 242,303	\$ 112,751
Purpose restricted promises to give	205,000	160,000
Endowment promises to give	<u>285,378</u>	<u>100,000</u>
Total promises to give	732,681	372,751
Less allowance for uncollectible accounts	(20,250)	(20,000)
Less discount to present value	<u>(15,400)</u>	<u>(5,000)</u>
Total promises to give, net	697,031	347,751
Receivable in one to five years	<u>357,228</u>	<u>-</u>
Receivable in less than one year	<u>\$ 339,803</u>	<u>\$ 347,751</u>

The fair value of promises to give are recorded at their present value of expected future cash flows using average credit adjusted risk free discount rates of 1.98% and 2.18% for the years ended June 30, 2021 and 2020, respectively. Management periodically reviews promises to give and assesses their collectability and records an allowance for potentially uncollectible amounts. Included in promises to give above are balances due from members of the Board of Directors of approximately \$77,000 and \$165,000 as of June 30, 2021 and 2020, respectively. Net endowment promises to give of approximately \$275,000 and \$95,000 as of 2021 and 2020, respectively are restricted for the endowment and have been included in endowment net assets (see Note 9).

Note 4—Beneficial interests in trusts

As discussed below, beneficial interests in trusts represent funds contributed by donors to the Greater Charlotte Cultural Trust (“GCCT”) for the benefit of the Society and which are managed as part of the Society’s endowment (see Note 6).

In January 2004, ASC’s Board of Directors adopted The Cultural Facilities Master Plan (the “Plan”) which recommended the construction or improvement of several cultural facilities in the Charlotte community, with capital funding to come from the local government. ASC, in conjunction with GCCT, also completed the Cultural Organizations Endowment Agreement (the “Agreement”) related to the Campaign for Cultural Facilities. The Agreement outlined the campaign to fund facility endowments to support the operation of the new or remodeled facilities as well as other endowment and capital needs in the cultural community. The Society is a party to this Agreement and is budgeted to be allocated \$7 million of the approximately \$83 million raised. If actual campaign collections are less than the total raised, the Society will receive a pro-rated share of its budgeted allocation. In accordance with the Agreement, the funds are used to create an endowment, with the earnings to be distributed annually to fund operating costs of the new facilities. The Society has recorded a beneficial interest in trust – Campaign for the Cultural Facilities of \$6,096,043 and \$4,890,578 at June 30, 2021 and 2020, respectively, representing the Society’s interest in the investment portion of funds held. In addition, as part of the Campaign for Cultural Facilities, the Society has endowed promises to give of \$195,206 and \$319,463 as of June 30, 2021 and 2020, respectively, which are presented as Campaign for the Cultural Facilities promises to give in the statements of financial position.

The Society has also recorded other beneficial interests in trusts held at Foundation for the Carolinas (“FFTC”) of \$7,087,526 and \$5,191,602 at June 30, 2021 and 2020, respectively.

CHARLOTTE SYMPHONY ORCHESTRA SOCIETY, INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 4—Beneficial interests in trusts (continued)

The Society's beneficial interests in trusts are exposed to various risks such as interest rates, market, liquidity, and credit risks. Due to the current and potential future volatility in the financial markets, it is possible that changes in the investment values and liquidity could occur in the near term and could materially affect the reported investment values in the accompanying statements of financial position.

The beneficial interests in trusts at FFTC are maintained with various broker-dealers, invested in pooled funds of primarily common stock equities, bonds, and fixed income investments, which are subject to fluctuations in market values and expose the Society to a certain degree of interest and credit risk.

Investments include fund managers that invest in private investment funds as part of the asset allocation, as an alternative investment strategy with the purpose of increasing the diversity of the holdings and being consistent with the overall investment objectives. The private investment funds are not traded on an exchange and, accordingly, investments in such funds may not be as liquid as investments in marketable equity or debt securities.

The private investment funds may invest in other private investment funds, equity, or debt securities, which may or may not have readily available fair values and foreign exchange or commodity forward contracts. Management of FFTC relies on various factors to estimate the fair value of these investments and believes its processes and procedures for valuing investments are effective and that its estimate of value is reasonable. However, the factors used by management are subject to change in the near term and, accordingly, investment values and performance can be affected. The effect of these changes could be material to the accompanying financial statements.

Note 5—Fair value measurement of assets and liabilities

In accordance with guidance on fair value measurements for financial instruments measured at fair value, fair value is defined as the price the Society would receive to sell an investment or pay to transfer a liability in a timely transaction with an independent buyer in the principal market, or in the absence of a principal market, the most advantageous market for the investment or liability. The fair value guidance establishes a three-tier hierarchy to distinguish between 1) inputs that reflect the assumptions that market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs), and 2) inputs that reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish classification of fair value measurements for disclosure purposes. Various inputs are used in determining the fair value of the Society's financial instruments. The inputs are summarized in the three broad levels listed below:

Level 1 – Quoted prices in active markets that are accessible at the measurement date for identical securities.

Level 2 – Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly.

Level 3 – Prices or valuations that require using significant unobservable inputs in determining fair value. The inputs into the determination of fair value require significant judgment or estimation by the investment manager.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The beneficial interest in trust is valued using the fair value of the assets in the trust as a practical expedient unless facts and circumstances indicate the fair value of the assets in the trust differs from the fair value of the beneficial interests. There have been no changes in the methodologies used at June 30, 2021.

CHARLOTTE SYMPHONY ORCHESTRA SOCIETY, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 5—Fair value measurement of assets and liabilities (continued)

The Society's beneficial interests in trust are considered a Level 3 financial instrument as of June 30, 2021 and 2020 because they represent a receivable to be paid from various pooled investments managed by FFTC. The Society has no ownership interest in those underlying investments. However, the fair value of those investments is used by management of FFTC to determine the fair value of the payable to the Society.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
June 30, 2021			
Beneficial interests in trusts	\$ -	\$ -	\$ 13,378,775
June 30, 2020			
Beneficial interests in trusts	\$ -	\$ -	\$ 10,401,643

For the assets measured at fair value on a recurring basis using Level 3 valuations during the period, the following table provides a reconciliation of beginning and ending balances for the years ended June 30, 2021 and 2020:

	Beneficial Interests in Trusts
Balance, June 30, 2019	\$ 10,292,381
Contributions	100,000
Allowable endowment spending	(447,742)
Change in beneficial interests in trusts	58,480
Other changes and adjustments to promises to give, net	398,524
Balance, June 30, 2020	10,401,643
Contributions	536,771
Allowable endowment spending	(497,927)
Change in beneficial interests in trusts	2,955,418
Other changes and adjustments to promises to give, net	(17,130)
Balance, June 30, 2021	\$ 13,378,775

Note 6—Endowment funds

The Society's endowment consists of eight individual funds established for a variety of purposes that are primarily held by GCCT and invested at FFTC. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Endowment net asset composition by type of fund as of June 30, 2021 and 2020 are listed below:

CHARLOTTE SYMPHONY ORCHESTRA SOCIETY, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 6—Endowment funds (continued)

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2021:			
Original donor-restricted gift amounts			
required to be maintained in perpetuity by donor	\$ -	\$ 12,291,033	\$ 12,291,033
Accumulated earnings	-	1,087,742	1,087,742
Total donor-restricted endowment funds	<u>\$ -</u>	<u>\$ 13,378,775</u>	<u>\$ 13,378,775</u>
June 30, 2020:			
Original donor-restricted gift amounts			
required to be maintained in perpetuity by donor	\$ -	\$ 12,083,662	\$ 12,083,662
Underwater endowments	-	(1,369,871)	(1,369,871)
Total donor-restricted endowment funds	<u>\$ -</u>	<u>\$ 10,713,791</u>	<u>\$ 10,713,791</u>

Included in the endowment net asset composition by type of fund above are endowment promises to give held in trust, net, which total \$195,206 and \$319,463 as of June 30, 2021 and 2020, respectively.

The Board of Directors of the Society has interpreted the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as requiring the preservation of the fair value of the original gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Society classifies as donor-restricted net assets (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted amounts not maintained in perpetuity are subject to appropriation for expenditure by the Society in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Society considers the following factors in making a determination to appropriate or accumulate donor-restricted endowments funds:

1. The duration and preservation of the fund
2. The purposes of the Society and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Society
7. The investment policies of the Society

FFTC administers the majority of these endowed funds. The Board of Directors governing the trusts and the Society have adopted investment and spending policies for endowment assets that attempt to provide for a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under these policies, the endowment assets are invested in a manner that is intended to produce results that provide an average annual real rate of return, net of fees, equal to or greater than spending, administrative fees, and inflation (Consumer Price Index). Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, the Society uses two different long-term FFTC investment strategies that rely on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

CHARLOTTE SYMPHONY ORCHESTRA SOCIETY, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 6—Endowment funds (continued)

FFTC has adopted an investment allocation for the first long-term growth strategy which includes a target asset allocation of U.S. equities, 20%; international equities, 12%; global equities, 5%; private investment partners, 20%; liquid real assets, 10%; fixed income, 10%; defensive hedge funds, 15%; and emerging markets, 8%. FFTC has adopted an investment allocation for the second long-term growth strategy which includes a target asset allocation of global equity, 60%; real assets, 10%; fixed income, 10%; and diversifying hedge funds, 20%.

FFTC has a policy of appropriating for distribution each year 5% of the endowment funds' average fair value using the prior three years' value at the calendar year-end proceeding the fiscal year in which the distribution is planned. FFTC evaluates the spending policy on an annual basis for prudence. In establishing the spending policy, the expected return on the endowment was taken into consideration. Accordingly, the spending policy is expected to allow the endowment to maintain its purchasing power by growing at a rate equal to planned payouts. Additional real growth will be provided through new gifts and any excess investment return.

Funds with Deficiencies – From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Society has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law.

The amounts by which fair value was below corpus at June 30 are:

	<u>2021</u>	<u>2020</u>
Fair value of underwater endowment funds	\$ 6,780,764	\$ 5,231,710
Original endowment gift amount	7,634,100	7,409,477
Deficiencies of underwater endowment funds	<u>\$ (853,336)</u>	<u>\$ (2,177,767)</u>

Changes in endowment net assets, which include cash restricted for endowment, investments, and Campaign for Cultural Facilities pledge receivable, for the years ended June 30, 2021 and 2020 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2019	\$ -	\$ 10,303,053	\$ 10,303,053
Contributions	-	100,000	100,000
Change in promises to give and other adjustments	-	700,000	700,000
Change in beneficial interests in trusts	-	58,480	58,480
Allowable endowment spending	-	<u>(447,742)</u>	<u>(447,742)</u>
Endowment net assets, June 30, 2020	-	10,713,791	10,713,791
Contributions	-	224,623	224,623
Change in promises to give and other adjustments	-	(17,130)	(17,130)
Change in beneficial interests in trusts	-	2,955,418	2,955,418
Allowable endowment spending	-	<u>(497,927)</u>	<u>(497,927)</u>
Endowment net assets, June 30, 2021	<u>\$ -</u>	<u>\$ 13,378,775</u>	<u>\$ 13,378,775</u>

CHARLOTTE SYMPHONY ORCHESTRA SOCIETY, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 7—Concentrations in financial support

Grants and contributions represented approximately 89% and 58% of the Society's revenue without donor restriction for the years ended June 30, 2021 and 2020, respectively. In addition, grants from two organizations comprised of 67% and 50% of total grants for the years ended June 30, 2021 and 2020, respectively. Certain grants are normally awarded on an annual basis, but continuation is dependent upon future annual determinations by the grantors.

Note 8—Paycheck Protection Program

The Society received a PPP loan in the amount of \$1,187,600 in May of 2020 and a second PPP loan of \$1,232,397 in March of 2021. The PPP loans are granted by the Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). PPP loans are considered conditional contributions under Accounting Standards Codification 958-605, *Not-for-Profit Entities – Revenue Recognition*. The loans must be repaid if the Organization does not overcome certain barriers within the CARES Act. The barriers under the program include the requirement to maintain employee headcount, spend up to 60% of the loan proceeds on certain payroll and employee benefits, and restricts other loan proceeds to be used for other qualifying expenses such as mortgage interest, rent, and utilities. For the PPP loan received in the year ended June 30, 2020, the Society believes it has substantially met all barriers as it received full loan forgiveness in July 2021 and has recorded \$1,187,600 as revenue which is included in the statement of activities for the year ended June 30, 2021. For the PPP loan received in the year ended June 30, 2021, the Society believes it has not substantially met all barriers for full loan forgiveness yet and, therefore, has recorded the receipt of the funds as deferred revenue in the statement of financial position for the year ended June 30, 2021.

Note 9—Net assets

Net assets with purpose and time donor restrictions at June 30, 2021 and 2020 have been restricted by the donors for the following purpose restrictions:

	<u>2021</u>	<u>2020</u>
Subject to purpose and time restrictions:		
Time restricted promises to give and contributions	\$ 431,653	\$ 252,751
Instrument loan fund	56,252	56,252
Other purpose restricted	107,051	253,760
Total subject to purpose and time restrictions	<u>594,956</u>	<u>562,763</u>
Endowment net assets:		
Donor-restricted endowment funds	13,170,341	10,394,328
Endowed promises to give held in trust	195,206	319,463
Endowed promises to give, net allowance	265,377	95,000
Total endowment net assets	<u>13,630,924</u>	<u>10,808,791</u>
Total net assets with donor restrictions	<u>\$ 14,225,880</u>	<u>\$ 11,371,554</u>

CHARLOTTE SYMPHONY ORCHESTRA SOCIETY, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 9—Net assets (continued)

Net assets totaling \$386,511 and \$713,573 for the years ended June 30, 2021 and 2020, respectively, were released from restrictions by incurring expenses satisfying the restricted purpose and by occurrence of other events specified by donors.

Net assets without donor restrictions at June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Board designated:		
Operating reserve	\$ -	\$ 529,892
Total board designated	-	529,892
Undesignated	<u>1,336,055</u>	<u>(1,000,018)</u>
Total net assets without donor restrictions	<u>\$ 1,336,055</u>	<u>\$ (470,126)</u>

Note 10—Benefit plans

The Society has established a qualified defined contribution plan for administrative employees. Under this plan, the Society had contributed 5% to 6% of total participating payroll. Contributions to the plan were suspended on April 1, 2009; therefore, no contributions were made to the plan during the years ended June 30, 2021 and 2020.

The Society also participates in a multi-employer defined benefit plan administered by a national trust, known as the American Federation of Musicians and Employers' Pension Fund, which covers all union musician employees of the Society. The plan is also designed to conform to the requirements of the Employee Retirement Income Security Act of 1974. Contributions to the plan are based upon a percentage of the participant's salary, as determined by the terms of the Collective Bargaining Agreement between the Society and American Federation of Musicians, Local No. 342. Participants do not contribute to the plan. Total contributions made to the plan were \$260,460 and \$200,898 for the years ended June 30, 2021 and 2020, respectively.

The risks of participating in a multi-employer plan differ from single-employer plans. The potential risks include, but are not limited to, the use of the Society's contributions to provide benefits to employees of other participating employers, the Society becoming obligated for other participating employers' unfunded obligations and, upon the Society's withdrawal from the plan, the Society being required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The plan in which the Society participated during the year ended June 30, 2021 is summarized in the following table. The zone status included in the table is based on information that the Society received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded.

CHARLOTTE SYMPHONY ORCHESTRA SOCIETY, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 10—Benefit plans (continued)

Pension Fund	EIN/ Pension Plan Number	PPA Zone Status (2)	FIP/RP Status (3)	2021 Contributions	Contributions Greater than 5% of Total Plan Contributions (1)	Expiration Date of CBA
American Federation of Musicians and Employers' Pension Plan	51-6120204	Red	Yes	\$ 260,460	No	August 2022

(1) This information was obtained from the respective plans' Form 5500 for the most current available filing. These dates may not correspond with the Society's calendar year contributions. The above noted percentage of total plan contributions column is based upon disclosures contained in the plans' Form 5500 filing ("Forms"). Those Forms, among other things, disclose the names of the individual participating employers whose annual contributions account for more than 5% of the aggregate annual amount contributed by all participating employers for a plan year.

(2) This zone status represents the most recent available information which is for the plan year ended March 31, 2020.

(3) On April 15, 2010, the Board of Trustees of the plan adopted a Rehabilitation Plan ("RP"). Effective for contributions earned on or after April 1, 2011 and thereafter, the RP required additional employer contributions to the plan. The duration of the RP is currently indefinite. The Society amended their Collective Bargaining Agreement, effective February 27, 2014, in accordance with the RP.

Note 11—Commitments and contingencies

In June 30, 2020, the Society entered into an office lease which expires in December 2025. The lease provides for scheduled annual increases in future minimum annual rental payments, with monthly payments ranging from \$13,586 to \$15,289.

Future minimum rental payments under this amended operating lease as of June 30, 2021 are as follows:

Years Ending June 30,

2022	\$ 173,367
2023	178,321
2024	183,446
2025	184,992
2026	76,449
	<u>\$ 796,575</u>

Rent expense amounted to \$169,125 and \$172,635 during the years ended June 30, 2021 and 2020, respectively.

CHARLOTTE SYMPHONY ORCHESTRA SOCIETY, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 11—Commitments and contingencies (continued)

The Society has an agreement for a contract for musician services with the American Federation of Musicians, Local No. 342 that expires August 31, 2022.

The Society's operations may be affected by the ongoing outbreak of COVID-19 which was declared a pandemic by the World Health Society's in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may negatively impact the Society's financial position, changes in net assets, and cash flows.

Note 12—Concentrations

The Society places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation covers \$250,000 for substantially all depository accounts. The Society from time to time may have amounts on deposit in excess of the insured limits.

The Society has recognized unconditional promises to give from donors in future years. Ultimately, realization of these amounts is influenced by economic conditions of the areas in which these donors reside, as well as other events/conditions which may affect the donors' intention or ability to give.

Note 13—Functional expenses

Expenses by function and nature consist of the following for the year ended June 30, 2021:

	Program Expenses	Supporting Services		Total
		Management and General	Fundraising and Development	
Salaries and wages	\$ 4,126,290	\$ 324,738	\$ 397,513	\$ 4,848,541
Employee benefits and taxes	1,423,091	226,748	82,345	1,732,184
Guest artists	83,990	-	-	83,990
Properties and production	670,864	-	479	671,343
Education	51,436	-	-	51,436
Promotion	33,187	34,805	546	68,538
Depreciation	-	45,740	-	45,740
Professional fees	15,256	315,218	105,381	435,855
Office expenses	41,161	305,625	37,633	384,419
Other	2,999	35,014	27,470	65,483
	<u>\$ 6,448,274</u>	<u>\$ 1,287,888</u>	<u>\$ 651,367</u>	<u>\$ 8,387,529</u>

CHARLOTTE SYMPHONY ORCHESTRA SOCIETY, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 13—Functional expenses (continued)

Expenses by function and nature consist of the following for the year ended June 30, 2020:

	Program Expenses	Supporting Services		Total
		Management and General	Fundraising and Development	
Salaries and wages	\$ 4,385,656	\$ 276,732	\$ 367,704	\$ 5,030,092
Employee benefits and taxes	1,420,476	101,490	57,286	1,579,252
Guest artists	455,921	-	-	455,921
Properties and production	698,328	-	-	698,328
Education	34,930	-	-	34,930
Other project expenses	80,899	-	-	80,899
Promotion	421,953	20,251	420	442,624
Depreciation	-	45,116	-	45,116
Professional fees	66,673	460,810	21,176	548,659
Office expenses	70,446	382,865	40,744	494,055
Other	28,246	61,723	52,372	142,341
	<u>\$ 7,663,528</u>	<u>\$ 1,348,987</u>	<u>\$ 539,702</u>	<u>\$ 9,552,217</u>

Note 14—Subsequent events

The Society has evaluated subsequent events through December 8, 2021, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued and has determined that there are no additional adjustments and/or disclosures required, except as noted below.

In November 2021, the Society entered into a \$1,500,000 line of credit agreement with Bank of America. The line of credit is available until November 2022.

In July 2021, the Society was awarded \$721,653 as its first installment of the SVOG program. Based on the period for qualifying expenses to be used toward the grant, the Society recognized \$200,000 of the grant for qualifying expenses through June 30, 2021. The amount is included in governmental grants on the statement of activities. The balance is expected to be recognized in the fiscal year ending June 30, 2022, as additional qualifying expenses are identified. In October 2021, the Society received \$977,025 as a second installment of the SVOG program which will be recognized for eligible expenses incurred through April 1, 2023.

SUPPLEMENTARY INFORMATION

CHARLOTTE SYMPHONY ORCHESTRA SOCIETY, INCORPORATED
STATEMENT OF FINANCIAL POSITION BY FUND

JUNE 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 1,412,048	\$ 90,853	\$ 1,502,901
Accounts receivable	184,447	-	184,447
Government grant receivable	1,914,344	-	1,914,344
Allowable endowment spending receivable	497,927	-	497,927
Promises to give, net	-	339,803	339,803
Prepaid expenses and other current assets	55,536	-	55,536
Total Current Assets	<u>4,064,302</u>	<u>430,656</u>	<u>4,494,958</u>
Restricted cash	<u>-</u>	<u>34,221</u>	<u>34,221</u>
Noncurrent promises to give, net	<u>-</u>	<u>357,228</u>	<u>357,228</u>
Property and equipment, net	<u>648,710</u>	<u>25,000</u>	<u>673,710</u>
Restricted Assets - Endowment:			
Beneficial Interests in Trusts:			
Campaign for the Cultural Facilities	-	6,096,043	6,096,043
Campaign for the Cultural Facilities promises to give	-	195,206	195,206
Other beneficial interests in trusts	<u>-</u>	<u>7,087,526</u>	<u>7,087,526</u>
Total Restricted Assets - Endowment	<u>-</u>	<u>13,378,775</u>	<u>13,378,775</u>
Total Assets	<u>\$ 4,713,012</u>	<u>\$ 14,225,880</u>	<u>\$ 18,938,892</u>
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Accounts payable and accrued liabilities	\$ 873,383	\$ -	\$ 873,383
Unearned ticket sales and dues	271,177	-	271,177
Paycheck Protection Program deferred grant revenue	<u>1,232,397</u>	<u>-</u>	<u>1,232,397</u>
Total Current Liabilities	<u>2,376,957</u>	<u>-</u>	<u>2,376,957</u>
Advance from Thrive	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
Total Liabilities	<u>3,376,957</u>	<u>-</u>	<u>3,376,957</u>
Net Assets (Deficit):			
Without donor restrictions	1,336,055	-	1,336,055
With donor restrictions	<u>-</u>	<u>14,225,880</u>	<u>14,225,880</u>
Total Net Assets	<u>1,336,055</u>	<u>14,225,880</u>	<u>15,561,935</u>
Total Liabilities and Net Assets	<u>\$ 4,713,012</u>	<u>\$ 14,225,880</u>	<u>\$ 18,938,892</u>

CHARLOTTE SYMPHONY ORCHESTRA SOCIETY, INCORPORATED
STATEMENT OF FINANCIAL POSITION BY FUND

JUNE 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 1,957,072	\$ 253,760	\$ 2,210,832
Accounts receivable	38,682	7,748	46,430
Allowable endowment spending receivable	446,548	-	446,548
Promises to give, net	-	347,751	347,751
Prepaid expenses and other current assets	75,219	-	75,219
Total Current Assets	<u>2,517,521</u>	<u>609,259</u>	<u>3,126,780</u>
Restricted cash	-	23,504	23,504
Property and equipment, net	<u>694,450</u>	<u>25,000</u>	<u>719,450</u>
Restricted Assets - Endowment:			
Cash restricted for endowments	-	312,148	312,148
Beneficial Interests in Trusts:			
Campaign for the Cultural Facilities	-	4,890,578	4,890,578
Campaign for the Cultural Facilities promises to give	-	319,463	319,463
Other beneficial interests in trusts	-	5,191,602	5,191,602
Total Restricted Assets - Endowment	<u>-</u>	<u>10,713,791</u>	<u>10,713,791</u>
Total Assets	<u>\$ 3,211,971</u>	<u>\$ 11,371,554</u>	<u>\$ 14,583,525</u>
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Accounts payable and accrued liabilities	\$ 656,394	\$ -	\$ 656,394
Unearned ticket sales and dues	838,103	-	838,103
Paycheck Protection Program deferred grant revenue	<u>1,187,600</u>	<u>-</u>	<u>1,187,600</u>
Total Current Liabilities	2,682,097	-	2,682,097
Advance from Thrive	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
Total Liabilities	<u>3,682,097</u>	<u>-</u>	<u>3,682,097</u>
Net Assets (Deficit):			
Without donor restrictions	(470,126)	-	(470,126)
With donor restrictions	-	11,371,554	11,371,554
Total Net Assets	<u>(470,126)</u>	<u>11,371,554</u>	<u>10,901,428</u>
Total Liabilities and Net Assets	<u>\$ 3,211,971</u>	<u>\$ 11,371,554</u>	<u>\$ 14,583,525</u>