



R I C H M O N D  
S Y M P H O N Y

**THE RICHMOND SYMPHONY  
AND  
THE RICHMOND SYMPHONY FOUNDATION**

**Consolidated Financial Statements**

**June 30, 2015 and 2014**

**THE RICHMOND SYMPHONY  
AND THE RICHMOND SYMPHONY FOUNDATION**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Board of Directors, The Richmond Symphony  
Board of Trustees, The Richmond Symphony Foundation  
Richmond, Virginia

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of The Richmond Symphony and The Richmond Symphony Foundation (collectively, the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2015 and 2014, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

## **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Richmond Symphony and The Richmond Symphony Foundation as of June 30, 2015 and 2014, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

## **Supplemental Information**

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

A handwritten signature in black ink, appearing to read "Keiter", with a stylized, sweeping flourish at the end.

October 19, 2015  
Glen Allen, Virginia

**THE RICHMOND SYMPHONY  
AND THE RICHMOND SYMPHONY FOUNDATION**

Consolidated Statements of Financial Position  
June 30, 2015 and 2014

<u>Assets</u>	<u>2015</u>	<u>2014</u>
Cash and cash equivalents	\$ 975,378	\$ 1,307,193
Investments	11,887,080	11,539,363
Pledges receivable, net	1,328,798	581,430
Accounts receivable	17,938	12,391
Prepaid expenses and other assets	90,875	48,815
Note receivable	-	1,600
Property and equipment, net	<u>178,095</u>	<u>143,291</u>
Total assets	<u>\$ 14,478,164</u>	<u>\$ 13,634,083</u>
<u>Liabilities and Net Assets</u>		
Liabilities:		
Line of credit	\$ 330,000	\$ 790,000
Accounts payable	90,372	74,034
Accrued expenses	184,137	160,501
Capital leases	25,772	18,911
Annuity obligation	66,161	131,760
Deferred revenue	<u>434,899</u>	<u>432,259</u>
Total liabilities	<u>1,131,341</u>	<u>1,607,465</u>
Net assets (deficit):		
Unrestricted	(2,164,447)	(2,064,354)
Temporarily restricted	1,073,334	652,599
Permanently restricted	<u>14,437,936</u>	<u>13,438,373</u>
Total net assets	<u>13,346,823</u>	<u>12,026,618</u>
Total liabilities and net assets	<u>\$ 14,478,164</u>	<u>\$ 13,634,083</u>

See accompanying notes to consolidated financial statements.

**THE RICHMOND SYMPHONY  
AND THE RICHMOND SYMPHONY FOUNDATION**

Consolidated Statements of Activities  
Year Ended June 30, 2015 with Comparative Totals for 2014

	2015			2014	
	Unrestricted Operating	Temporarily Restricted	Permanently Restricted	Total	Comparative Total
Revenue:					
Performance revenue	\$ 1,566,155	\$ -	\$ -	\$ 1,566,155	\$ 1,407,795
Grants and contributions:					
Annual fund contributions	1,452,845	42,621	-	1,495,466	1,854,199
Other contributions	21,100	52,360	942,500	1,015,960	572,686
Grants for service and underwriting	305,666	195,000	-	500,666	454,029
Symphony's Big Tent	215,482	788,605	-	1,004,087	-
Interest and dividend income	115,745	-	-	115,745	123,918
Net realized and unrealized gain on investments	482,444	-	-	482,444	1,430,483
Change in value of annuity obligation	(1,338)	-	57,063	55,725	(9,720)
Other	483,272	-	-	483,272	627,859
 Total revenue	 <u>4,641,371</u>	 <u>1,078,586</u>	 <u>999,563</u>	 <u>6,719,520</u>	 <u>6,461,249</u>
 Net assets released from restrictions	 <u>657,851</u>	 <u>(657,851)</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
Expenses:					
Program:					
Artistic personnel	2,383,620	-	-	2,383,620	2,383,609
Other direct concert costs	2,176,480	-	-	2,176,480	1,794,177
Supporting:					
General and administrative	523,136	-	-	523,136	500,078
Fundraising	316,079	-	-	316,079	341,988
 Total expenses	 <u>5,399,315</u>	 <u>-</u>	 <u>-</u>	 <u>5,399,315</u>	 <u>5,019,852</u>
 Change in net assets	 (100,093)	 420,735	 999,563	 1,320,205	 1,441,397
 Net assets (deficit), beginning of year	 <u>(2,064,354)</u>	 <u>652,599</u>	 <u>13,438,373</u>	 <u>12,026,618</u>	 <u>10,585,221</u>
 Net assets (deficit), end of year	 <u>\$ (2,164,447)</u>	 <u>\$ 1,073,334</u>	 <u>\$ 14,437,936</u>	 <u>\$ 13,346,823</u>	 <u>\$ 12,026,618</u>

See accompanying notes to consolidated financial statements.

**THE RICHMOND SYMPHONY  
AND THE RICHMOND SYMPHONY FOUNDATION**

Consolidated Statement of Activities  
Year Ended June 30, 2014

	Unrestricted Operating	Temporarily Restricted	Permanently Restricted	Total
Revenue:				
Performance revenue	\$ 1,407,795	\$ -	\$ -	\$ 1,407,795
Grants and contributions:				
Annual fund contributions	1,735,399	118,800	-	1,854,199
Other contributions	12,800	262,900	296,986	572,686
Grants for service and underwriting	178,878	275,151	-	454,029
Interest and dividend income	123,918	-	-	123,918
Net realized and unrealized gain on investments	1,430,483	-	-	1,430,483
Change in value of annuity obligation	(9,720)	-	-	(9,720)
Other	627,859	-	-	627,859
	<u>5,507,412</u>	<u>656,851</u>	<u>296,986</u>	<u>6,461,249</u>
Total revenue				
Net assets released from restrictions	621,700	(621,700)	-	-
Expenses:				
Program:				
Artistic personnel	2,383,609	-	-	2,383,609
Other direct concert costs	1,794,177	-	-	1,794,177
Supporting:				
General and administrative	500,078	-	-	500,078
Fundraising	341,988	-	-	341,988
	<u>5,019,852</u>	<u>-</u>	<u>-</u>	<u>5,019,852</u>
Total expenses				
Change in net assets	1,109,260	35,151	296,986	1,441,397
Net assets (deficit), beginning of year	(3,173,614)	617,448	13,141,387	10,585,221
Net assets (deficit), end of year	<u>\$ (2,064,354)</u>	<u>\$ 652,599</u>	<u>\$ 13,438,373</u>	<u>\$ 12,026,618</u>

See accompanying notes to consolidated financial statements.

**THE RICHMOND SYMPHONY  
AND THE RICHMOND SYMPHONY FOUNDATION**

Consolidated Statements of Cash Flows  
Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,320,205	\$ 1,441,397
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	40,619	38,511
Net realized and unrealized gain on investments	(482,444)	(1,430,483)
Dividends and interest reinvested	(115,273)	(123,343)
Change in value of annuity obligation	(55,725)	9,720
Contributions restricted for long-term investment	(942,500)	(296,986)
Change in operating assets and liabilities:		
Pledges receivable, net	(747,368)	294,055
Accounts receivable	(5,547)	26,113
Prepaid expenses and other assets	(42,060)	(38,522)
Note receivable	1,600	16,000
Accounts payable	16,338	2,907
Accrued expenses	23,636	28,340
Deferred revenue	2,640	76,103
Net cash (used in) provided by operating activities	<u>(985,879)</u>	<u>43,812</u>
Cash flows used in investing activities:		
Proceeds from sales of investments	250,000	-
Purchases of property and equipment	(56,657)	(29,856)
Net cash provided by (used in) investing activities	<u>193,343</u>	<u>(29,856)</u>
Cash flows from financing activities:		
Payments on line of credit, net of proceeds	(460,000)	(200,000)
Payments on capital leases	(11,905)	(8,438)
Payments on annuity obligation, net	(9,874)	(18,229)
Contributions restricted for long-term investment	942,500	296,986
Net cash provided by financing activities	<u>460,721</u>	<u>70,319</u>
Net change in cash and cash equivalents	(331,815)	84,275
Cash and cash equivalents, beginning of year	<u>1,307,193</u>	<u>1,222,918</u>
Cash and cash equivalents, end of year	<u>\$ 975,378</u>	<u>\$ 1,307,193</u>

See accompanying notes to consolidated financial statements.



**THE RICHMOND SYMPHONY  
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Consolidated Statements of Cash Flows, Continued  
Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 21,954</u>	<u>\$ 27,085</u>
Non-cash transactions:		
Acquisition of property and equipment through capital lease obligations	<u>\$ 18,766</u>	<u>\$ -</u>
In-kind contributions	<u>\$ 27,011</u>	<u>\$ 114,142</u>

See accompanying notes to consolidated financial statements.

# THE RICHMOND SYMPHONY AND THE RICHMOND SYMPHONY FOUNDATION

## Notes to Consolidated Financial Statements

### 1. Summary of Significant Accounting Policies:

**Description of Organization:** The Richmond Symphony (the “Symphony”) was founded in 1957 and is a non-profit organization engaged principally in the production and promotion of musical performances, the organization and sponsorship of musical organizations, and the encouragement and development of the arts. The Symphony is governed by its own independent Board of Directors.

The Richmond Symphony Foundation (the “Foundation”) was incorporated as an independent not-for-profit, non-stock corporation in 1989 for the purpose of soliciting, receiving, and administering gifts, grants, and contributions for the benefit of the Symphony through the establishment and maintenance of an endowment fund. The articles and bylaws of the Foundation structurally preserve an “arms-length” relationship between the Foundation and the Symphony designed to ensure that the restricted funds of the endowment may be protected in perpetuity. The Board of Trustees of the Foundation consists of 15 members; 12 are directors elected by the Board of Trustees of the Foundation and no more than 3 are ex-officio representatives of the Symphony. By this arrangement, the Symphony is prevented from exercising either control or undue influence over decisions made by the Foundation Board. Donations are made by the Foundation to the Symphony each year at the discretion of the trustees of the Foundation.

**Principles of Consolidation and Basis of Presentation:** According to the articles of incorporation and by-laws of the Foundation, the Foundation’s purpose is to perform activities described above exclusively for the benefit of the Symphony. For financial reporting purposes, in accordance with Generally Accepted Accounting Principles (“GAAP”), the Foundation’s financial statements and the Symphony’s financial statements have been consolidated (collectively, the “Organization”). All significant intercompany balances and transactions have been eliminated in consolidation.

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting. 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:

**Unrestricted Net Assets - Undesignated:** Net assets comprised of funds that are not subject to donor-imposed stipulations on the Organization as to their use or purpose.

**Unrestricted Net Assets - Board Designated:** Net assets comprised of funds that are not subject to donor-imposed stipulations on the Organization as to their use or purpose, but are designated by the Board of Directors to be used for a particular purpose. There were no board designated unrestricted net assets at June 30, 2015 and 2014.

**THE RICHMOND SYMPHONY  
AND THE RICHMOND SYMPHONY FOUNDATION**

Notes to Consolidated Financial Statements, Continued

**1. Summary of Significant Accounting Policies, Continued:**

**Principles of Consolidation and Basis of Presentation, Continued:**

**Temporarily Restricted Net Assets:** Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions. Temporarily restricted net assets consist of contributions that are to be used in future years. See Note 7 for further information on the significant increase in temporarily restricted net assets as of June 30, 2015.

**Permanently Restricted Net Assets:** Net assets subject to donor-imposed stipulations that they be permanently maintained. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

**Use of Estimates:** The preparation of consolidated financial statements in conformity with 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 consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents:** For purposes of the Consolidated Statements of Cash Flows, the Organization considers all highly liquid securities that were purchased with original maturity of three months or less to be cash equivalents.

**Allowance for Doubtful Accounts:** The Organization uses the reserve method of accounting for bad debts for financial reporting purposes. A reserve is not considered necessary at June 30, 2015 or 2014.

**Investments:** The Foundation invests in The Richmond Fund L.P. ("Richmond Fund"). Investments in the Richmond Fund are recorded based on the net asset value per share as a practical expedient of fair value as described in Note 3. The Foundation reports its proportionate share of realized and unrealized changes in the fair value of the Richmond Fund in the accompanying Consolidated Statements of Activities, net of allocated fund expenses of \$123,372 in 2015 and \$114,809 in 2014.

**THE RICHMOND SYMPHONY  
AND THE RICHMOND SYMPHONY FOUNDATION**

Notes to Consolidated Financial Statements, Continued

**1. Summary of Significant Accounting Policies, Continued:**

**Property and Equipment:** Property and equipment is stated on the basis of cost. Property and equipment received as a contribution is recorded at fair value at the date of the contribution. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets as follows:

Furniture, fixtures, and equipment	3-7 years
Musical instruments	5-25 years
Vehicles	5 years

**Long-Lived Assets:** For contributions of long-lived assets (or contributions of cash or other assets restricted for acquisition of long-lived assets), unless donor or grantor restrictions specify how long-lived assets must be maintained, the donor's or grantor's restrictions are considered expired upon placing the assets in service for their intended use.

**Split-Interest Agreements:** The Foundation established a gift annuity plan whereby donors may contribute assets to the Foundation in exchange for the right to receive a fixed dollar annual return during their lifetimes. A portion of the transfer is considered to be a charitable donation for income tax purposes.

The difference between the amount provided for the gift annuity and the liability for future payments, determined on an actuarial basis, is recognized as permanently restricted contribution income at the date of the gift. The liability on the Consolidated Statements of Financial Position entitled "annuity obligation" includes the present value of the life interest payable to the recipients.

The annuity liability is revalued annually based upon computed present values. Resulting gain or loss is recorded as other permanently restricted revenue or expense, respectively, in the accompanying Consolidated Statements of Activities.

**Contributions:** Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any grantor or donor restrictions.

Support that is restricted by the grantor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other grantor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying Consolidated Statements of Activities as net assets released from restrictions.

**THE RICHMOND SYMPHONY  
AND THE RICHMOND SYMPHONY FOUNDATION**

Notes to Consolidated Financial Statements, Continued

**1. Summary of Significant Accounting Policies, Continued:**

**Donated Services:** The Symphony receives donated services from multiple companies and individuals. The Symphony received donated services of approximately \$27,000 in 2015 and \$114,000 in 2014, which have been recognized as revenue and expenses in the Consolidated Statements of Activities.

**Deferred Revenue:** Deferred revenue primarily consists of advance payments related to subscriptions and ticket sales attributable to the next performance season.

**Income Taxes:** The Internal Revenue Service (the "IRS") has determined that the Symphony and the Foundation are exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (the "IRC" or "the Code"). Contributions to the Symphony and the Foundation are tax deductible as defined by Section 170 of the Code. In addition, the IRS has determined that neither the Symphony, nor the Foundation are "private foundations" within the meaning of Section 509(a) of the Code.

**Income Tax Uncertainties:** The Organization follows Financial Accounting Standards Board ("FASB") guidance for how uncertain tax positions should be recognized, measured, disclosed and presented in the consolidated financial statements. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Organization's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained "when challenged" or "when examined" by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax expense and liability in the current year. Management evaluated the Organization's tax position and concluded that the Organization had taken no uncertain tax positions that require adjustment to the consolidated financial statements to comply with the provisions of this guidance. The Organization's income tax returns for years since 2012 remain open for examination by tax authorities. The Organization is not currently under audit by any tax jurisdiction.

**Collective Bargaining Agreement:** Substantially all of the performing artists employed by the Symphony are members of the American Federation of Musicians. The current labor contract extends through August 23, 2018.

**Subsequent Events:** Management has evaluated subsequent events through October 19, 2014, the date the consolidated financial statements were available to be issued, and has determined there are no subsequent events to be reported in the accompanying consolidated financial statements.

**Reclassifications:** Certain prior year balances have been reclassified to conform with current year presentation.

**THE RICHMOND SYMPHONY  
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Notes to Consolidated Financial Statements, Continued

**2. Pledges Receivable:**

Anticipated collections of pledges receivable at June 30:

	2015	2014
Pledges receivable to be collected:		
Within one year	\$ 687,867	\$ 493,801
In one to five years	655,000	110,000
Gross pledges receivable	1,342,867	603,801
Less discount to present value, discount rate of .43% for 2015 and .32% for 2014	(14,069)	(22,371)
	\$ 1,328,798	\$ 581,430

**3. Investments and Fair Value Measurements:**

The FASB has issued guidance for measurement and disclosure of fair value and establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.
- Level 2 Quoted prices for similar instruments in active and inactive markets; and model driven valuations with significant inputs and drivers derived from observable active markets.
- Level 3 Inputs to the valuation methodology are unobservable for the instrument and significant to the fair value measurement.

**THE RICHMOND SYMPHONY  
AND THE RICHMOND SYMPHONY FOUNDATION**

Notes to Consolidated Financial Statements, Continued

**3. Investments and Fair Value Measurements, Continued:**

The Foundation's long-term investments are held in The Richmond Fund, LP (the "Fund"), an investment limited partnership that provides a vehicle for 501(c) organizations to achieve investment returns that mirror those of the University of Richmond's endowment through a blended rate of return agreement. The Fund is a global macro hedge and currency asset fund that utilizes a broad spectrum of common and preferred stocks, worldwide futures contracts, and global currencies, and forward contracts on currencies, commodities, energy products, interest-rates, and stock indices for its investment portfolio. Profits and losses of the Fund are allocated to each partner's capital account according to their respective interests in the Fund. Spider Management Company, a wholly-owned subsidiary of the University of Richmond, manages the Fund.

The Foundation was required to maintain a balance no less than the original contribution into the Fund of approximately \$6,400,000 through January 1, 2014. In 2015, the Foundation withdrew \$250,000.

Based on the terms in the partnership agreement, for fair value measurement, the Foundation views its investment in the Fund as a single asset category. As a practical expedient, the Foundation has estimated the fair value of its investments in the Fund on the basis of the NAV per share of the investment (or its equivalent) because a) the underlying investment manager's calculation of NAV is fair value based, and b) the NAV has been calculated as of the Foundation's fiscal year date.

The following table summarizes the Foundation's investments measured a fair value using net asset value per share as of June 30, 2015 and 2014:

Investments at:	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
June 30, 2015	\$ 11,887,080	N/A	Quarterly	60 days
June 30, 2014	\$ 11,539,363	N/A	Quarterly	60 days

In May 2015, the FASB issued Accounting Standards Update ("ASU") No. 2015-07, "Disclosures for Investments in Certain Entities that Calculated Net Asset Value per Share (or Its Equivalent)", which eliminates the requirement to categorize investments in the fair value hierarchy if their fair value is measured using net asset value per share as a practical expedient. The amendments in this ASU are effective for fiscal years beginning after December 15, 2016, with early adoption permitted. The Foundation has elected to early adopt this ASU. All investments on the accompanying Statements of Financial Position were valued using net asset value per share as a practical expedient and therefore are excluded from the fair value hierarchy.

**THE RICHMOND SYMPHONY  
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Notes to Consolidated Financial Statements, Continued

**4. Note Receivable:**

The Organization had a note receivable with a publishing company for amounts owed under the terms of an agreement entered in March 2009. The note was non-interest bearing and was payable in monthly installments of \$1,600. The outstanding balance of the note amounted to \$1,600 as of June 30, 2014, and was paid off in full in July 2014.

**5. Property and Equipment:**

A summary of property and equipment and accumulated depreciation at June 30, 2015 and 2014 follows:

	2015		2014	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Furniture and fixtures	\$ 46,020	\$ 43,260	\$ 45,867	\$ 43,514
Leasehold improvements	23,442	8,306	23,442	3,598
Office equipment	144,197	108,052	154,891	129,613
Musical instruments	258,927	193,050	262,876	185,498
Musical collections	27,606	13,111	27,606	9,168
Vehicles	98,079	54,397	52,277	52,277
	<u>\$ 598,271</u>	<u>\$ 420,176</u>	<u>\$ 566,959</u>	<u>\$ 423,668</u>

Depreciation expense amounted to \$40,619 for 2015 and \$38,511 for 2014.

**6. Concentrations of Credit Risk:**

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization maintains its cash and cash equivalents in several financial institutions located in Virginia. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, balances with FDIC-insured banks may exceed federally insured limits.

Pledges receivable are from individuals, corporations, and foundations. The Organization believes its credit risk related to these receivables is limited due to the nature of its donors. As of June 30, 2015, three donors accounted for 58% of pledges receivable and two donors accounted for 22% of grants and contributions revenue. As of June 30, 2014, three donors accounted for 51% of pledges receivable.



**THE RICHMOND SYMPHONY  
AND THE RICHMOND SYMPHONY FOUNDATION**

Notes to Consolidated Financial Statements, Continued

**7. Temporarily Restricted Net Assets:**

In November of 2014, the Symphony was awarded a \$500,000 challenge grant by the Mary Morton Parsons Foundation for the purchase of a mobile outdoor performance space (a stage and stage cover) and related capital expenditures. This space, named the Symphony's "Big Tent", will allow the Symphony to perform in parks and other public places, with a particular emphasis on reaching new and diverse audiences. The concerts held using the Big Tent will usually be free to attend, with a primary goal of making these concerts the centerpiece of a multi-day community festival from which neighborhood stakeholders will realize a lasting impact and commence a long term relationship with the Symphony. The acquisition and deployment of the Big Tent is enabling the Symphony to increase exponentially the thousands of people touched by live orchestral music throughout Richmond and the Commonwealth of Virginia.

The Symphony met the challenge grant by raising matching funds for this purpose before the fiscal year ended on June 30, 2015, with much of the matching funds being designated for use in underwriting Big Tent performances taking place after fiscal year 2015. Purchases of equipment for which the grant was written totaled \$106,464 at June 30, 2015, resulting in \$393,536 of the \$500,000 grant being temporarily restricted until all funds are expended on the requisite purchases.

Other temporarily restricted net assets consist of restricted grants, contributions and pledges receivable that are restricted for use in future years. Amounts reported as net assets released from restricted include grants, contributions, and pledges made in prior years for use in 2015.

**8. Permanently Restricted Net Assets:**

Permanently restricted net assets which are restricted to ensure the existence of the Symphony were \$14,437,936 at June 30, 2015 and \$13,438,373 at June 30, 2014. The principal is required to be invested in perpetuity and the investment income is expendable to fund the operating and administrative costs of the Organization.

**9. Line of Credit:**

The Symphony has a line of credit with SunTrust Bank that provides for short-term borrowings of up to \$1,500,000 that is guaranteed by the Foundation. The current line extension expires on March 25, 2016. The line is secured by a general assignment of the Symphony's assets, including accounts receivable, property, and equipment. The Symphony and Foundation signed an agreement whereby the Foundation agreed to guarantee the Symphony's obligations and become a co-borrower with the Symphony under this credit line. Borrowings under this line extension are due on demand and bear interest at the 30-day LIBOR rate plus 2.3% (2.49% at June 30, 2015). The outstanding balance on the line was \$330,000 at June 30, 2015 and \$790,000 at June 30, 2014.

**THE RICHMOND SYMPHONY  
AND THE RICHMOND SYMPHONY FOUNDATION**

Notes to Consolidated Financial Statements, Continued

**10. Leases:**

The Symphony entered into a non-cancelable operating lease agreement to lease its administrative office space through August 2015. On May 5, 2015, the Symphony entered a new lease for the same space and additional space through August 31, 2020.

Future minimum lease payments under non-cancelable operating leases with initial or remaining lease terms in excess of one year as of June 30, 2015 are as follows:

<u>Year</u>	<u>Amount</u>
2016	\$ 79,550
2017	81,288
2018	82,912
2019	84,084
2020	86,014
Thereafter	14,394
	<u>\$ 428,242</u>

Total rent expense amounted to \$77,246 in 2015 and \$75,963 in 2014.

The Organization leases certain equipment under agreements classified as capital leases that expire at various times through 2020. The equipment and related liabilities under capital leases were recorded at their lower of the present value of minimum lease payments or the fair value of the equipment. The equipment is amortized over the lower of their lease terms or their estimated useful lives. Amortization of equipment under capital lease is included in depreciation expense in the accompanying consolidated financial statements.

Depreciation of equipment under capital leases charged to expense was \$12,167 for 2015 and \$8,476 for 2014.

Monthly payments were approximately \$1,086 in 2015 and \$762 in 2014 with interest rates ranging from 2.15% - 3.00%. These leases are secured by equipment.

**THE RICHMOND SYMPHONY  
AND THE RICHMOND SYMPHONY FOUNDATION**

Notes to Consolidated Financial Statements, Continued

**10. Leases, Continued:**

The following is a summary of property held under capital leases included in Property and Equipment.

	2015	2014
Equipment	\$ 60,836	\$ 42,379
Less: accumulated depreciation	36,499	24,332
	\$ 24,337	\$ 18,047

Future minimum lease payments under these capital leases are as follows as of June 30:

Year	Amount
2016	\$ 10,170
2017	8,121
2018	4,249
2019	3,897
2020	325
Total minimum payment	26,762
Less: amount representing interest	(990)
Present value of minimum lease payments	\$ 25,772

**11. Defined Contribution Plan:**

The Symphony participates in a defined contribution pension plan as part of its collective bargaining agreement with the Richmond Musician's Association, Local 123 American Federation of Musicians. The Symphony will contribute a percentage of base salary or straight time hourly wage for qualified musicians on active payroll on the last day of the plan year. The percentage contribution is determined in the collective bargaining agreement.

The Symphony has established a Matching Tax Deferred Annuity Plan, 403(b), for its office employees. Employees can defer a portion of their compensation subject to the maximum allowed by the IRC. The Symphony matching contributions are discretionary up to 50% of the employee deferral to a maximum of 6% of the employee's compensation.

Contributions by the Symphony to these plans were \$103,021 in 2015 and \$97,464 in 2014.

**THE RICHMOND SYMPHONY  
AND THE RICHMOND SYMPHONY FOUNDATION**

Notes to Consolidated Financial Statements, Continued

**12. Endowment Funds:**

There are several endowment funds within the Foundation. These endowment funds are donor-restricted and were established for a variety of purposes. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**Interpretation of Relevant Law:** The Board of Trustees of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as requiring the preservation of the fair value of the original gift of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment funds that are not classified as permanently restricted net assets are classified as temporarily restricted net assets until those amounts appropriate for expenditure are disbursed in accordance with the donor restrictions in a manner consistent with the standard of prudence prescribed by UPMIFA.

**Interpretation of Relevant Law, Continued:** In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate funds in the endowment funds designated by the Board of Trustees:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

**Funds with Deficits:** From time to time, the fair value of assets associated with individual endowment funds may fall below the level that the donor or the UPMIFA requires the Foundation to retain as a fund of perpetual duration. These deficiencies result from a decrease in the market value of the Foundation’s investments. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets and were \$565,591 at June 30, 2015 and \$437,596 at June 30, 2014.

**THE RICHMOND SYMPHONY  
AND THE RICHMOND SYMPHONY FOUNDATION**

Notes to Consolidated Financial Statements, Continued

**12. Endowment Funds, Continued:**

**Return Objectives and Risk Parameters:** The Foundation has adopted investment and spending policies for some donor-restricted endowment funds that attempt to provide a predictable stream of funding to the organizations endowed by donor-restricted funds as well as programs supported by the endowment funds of the Foundation at the direction of the Board of Trustees. In addition to providing a predictable stream of funding the adopted investment and spending policies also seek to maintain the purchasing power of the endowment assets. Endowment assets include assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Trustees, the portfolio is to attain a favorable absolute and relative rate of return consistent with a conservative, balanced portfolio management approach.

This return should be sufficient to cover the spending policy obligations over a 3-5 year period consistent with the risk parameters in the policy.

Some donor-restricted endowment funds restrict annual distributions to net income. The Foundation uses the same investment policies and intends to produce the same investment results as mentioned above for these donor-restricted endowment funds.

**Strategies Employed for Achieving Objectives:** To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

**Spending Policy and How the Investment Objectives Relate to Spending Policy:** The Foundation has a policy of appropriating for distribution each year of up to 5 percent of the endowment funds' average fair value, depending on annual budgetary goals. In establishing this policy, the Foundation considered the long-term expected return on the endowments. Accordingly, over the long term the Foundation expects the current spending policy to allow the endowments to continue to grow annually. This is consistent with objectives to maintain the purchasing power of the endowment assets held in perpetuity or for a specific term as well as to provide additional real growth through new gifts and investment return restrictions.

**THE RICHMOND SYMPHONY  
AND THE RICHMOND SYMPHONY FOUNDATION**

Notes to Consolidated Financial Statements, Continued

**12. Endowment Funds, Continued:**

The Foundation's endowment net asset composition by type of fund was as follows at June 30:

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted funds:				
Named endowment funds	\$ -	\$ -	\$ 8,610,473	\$ 8,610,473
General endowment	-	-	5,827,463	5,827,463
General unrestricted	<u>(565,591)</u>	<u>-</u>	<u>-</u>	<u>(565,591)</u>
Total	<u>\$ (565,591)</u>	<u>\$ -</u>	<u>\$ 14,437,936</u>	<u>\$ 13,872,345</u>
	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted funds:				
Named endowment funds	\$ -	\$ -	\$ 7,687,102	\$ 7,687,102
General endowment	-	-	5,751,271	5,751,271
General unrestricted	<u>(437,596)</u>	<u>-</u>	<u>-</u>	<u>(437,596)</u>
Total	<u>\$ (437,596)</u>	<u>\$ -</u>	<u>\$ 13,438,373</u>	<u>\$ 13,000,777</u>

**THE RICHMOND SYMPHONY  
AND THE RICHMOND SYMPHONY FOUNDATION**

Notes to Consolidated Financial Statements, Continued

**12. Endowment Funds, Continued:**

Changes in the Foundation's endowment net assets were as follows for the years ended June 30, 2015 and 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets, July 1, 2013	\$ (1,326,996)	\$ -	\$ 13,141,387	\$ 11,814,391
Investment return:				
Interest and dividend income	123,918	-	-	123,918
Unrealized gain on investments, net	1,430,483	-	-	1,430,483
Change in value of annuity obligation	(9,720)	-	-	(9,720)
Total investment return	1,544,681	-	-	1,544,681
New gifts	-	-	296,986	296,986
Expenses	(655,281)	-	-	(655,281)
Net assets, June 30, 2014	(437,596)	-	13,438,373	13,000,777
Investment return:				
Interest and dividend income	115,703	-	-	115,703
Unrealized gain on investments, net	482,444	-	-	482,444
Change in value of annuity obligation	(1,338)	-	57,063	55,725
Total investment return	596,809	-	57,063	653,872
New gifts	-	-	942,500	942,500
Expenses	(724,804)	-	-	(724,804)
Net assets, June 30, 2015	<u>\$ (565,591)</u>	<u>\$ -</u>	<u>\$ 14,437,936</u>	<u>\$ 13,872,345</u>

**THE RICHMOND SYMPHONY  
AND THE RICHMOND SYMPHONY FOUNDATION**

Notes to Consolidated Financial Statements, Continued

**13. Functional Expenses:**

Expenses incurred for the Organization were as follows:

	Year Ended June 30, 2015			
	Total	Program	General and Administrative	Fundraising
Salaries, wages, and benefits	\$ 3,778,259	\$ 3,331,688	\$ 268,323	\$ 178,248
Services and professional fees	1,186,358	919,376	136,646	130,336
Office and occupancy	222,193	136,516	85,677	-
Supplies and travel	168,636	153,535	7,606	7,495
Depreciation	40,619	16,885	23,734	-
Other	3,250	2,100	1,150	-
Total expenses	<u>\$ 5,399,315</u>	<u>\$ 4,560,100</u>	<u>\$ 523,136</u>	<u>\$ 316,079</u>

  

	Year Ended June 30, 2014			
	Total	Program	General and Administrative	Fundraising
Salaries, wages, and benefits	\$ 3,459,322	\$ 3,017,167	\$ 260,795	\$ 181,360
Services and professional fees	1,163,058	883,833	126,480	152,745
Office and occupancy	200,945	117,018	83,927	-
Supplies and travel	157,379	143,719	5,777	7,883
Depreciation	38,511	15,567	22,944	-
Other	637	482	155	-
Total expenses	<u>\$ 5,019,852</u>	<u>\$ 4,177,786</u>	<u>\$ 500,078</u>	<u>\$ 341,988</u>



**THE RICHMOND SYMPHONY  
AND THE RICHMOND SYMPHONY FOUNDATION**

Consolidating Schedule – Statement of Financial Position  
June 30, 2015

<u>Assets</u>	<u>The Richmond Symphony</u>	<u>The Richmond Symphony Foundation</u>	<u>Eliminations</u>	<u>Consolidated</u>
Cash and cash equivalents	\$ 7,309	\$ 968,069	\$ -	\$ 975,378
Investments	-	11,887,080	-	11,887,080
Pledges receivable, net	345,382	983,416	-	1,328,798
Accounts receivable	17,938	-	-	17,938
Due from related parties	-	99,958	(99,958)	-
Prepaid expenses and other assets	90,103	772	-	90,875
Property and equipment, net	178,095	-	-	178,095
Total assets	<u>\$ 638,827</u>	<u>\$ 13,939,295</u>	<u>\$ (99,958)</u>	<u>\$ 14,478,164</u>
<u>Liabilities and Net Assets</u>				
Line of credit	\$ 330,000	\$ -	\$ -	\$ 330,000
Accounts payable	89,583	789	-	90,372
Accrued expenses	184,137	-	-	184,137
Due to related parties	99,958	-	(99,958)	-
Capital leases	25,772	-	-	25,772
Annuity obligation	-	66,161	-	66,161
Deferred revenue	434,899	-	-	434,899
Total liabilities	<u>1,164,349</u>	<u>66,950</u>	<u>(99,958)</u>	<u>1,131,341</u>
Net assets (deficit):				
Unrestricted	(1,598,856)	(565,591)	-	(2,164,447)
Temporarily restricted	1,073,334	-	-	1,073,334
Permanently restricted	-	14,437,936	-	14,437,936
Total net assets (deficit)	<u>(525,522)</u>	<u>13,872,345</u>	<u>-</u>	<u>13,346,823</u>
Total liabilities and net assets	<u>\$ 638,827</u>	<u>\$ 13,939,295</u>	<u>\$ (99,958)</u>	<u>\$ 14,478,164</u>

See Report of Independent Accountants.

**THE RICHMOND SYMPHONY  
AND THE RICHMOND SYMPHONY FOUNDATION**

Consolidating Schedule – Statement of Activities  
Year Ended June 30, 2015

	The Richmond Symphony			The Richmond Symphony Foundation			Eliminations	Consolidated			
	Unrestricted Operating	Temporarily Restricted	Total	Unrestricted Operating	Permanently Restricted	Total		Total	Unrestricted Operating	Temporarily Restricted	Permanently Restricted
Revenue:											
Performance revenue	\$ 1,566,155	\$ -	\$ 1,566,155	\$ -	\$ -	\$ -	\$ -	\$ 1,566,155	\$ -	\$ -	\$ 1,566,155
Grants and contributions:											
Annual fund contributions	1,452,845	42,621	1,495,466	-	-	-	-	1,452,845	42,621	-	1,495,466
Other contributions	530,377	52,360	582,737	-	942,500	942,500	(509,277)	21,100	52,360	942,500	1,015,960
Grants for service and underwriting	305,666	195,000	500,666	-	-	-	-	305,666	195,000	-	500,666
Symphony's big tent	215,482	788,605	1,004,087	-	-	-	-	215,482	788,605	-	1,004,087
Interest and dividend income	42	-	42	115,703	-	115,703	-	115,745	-	-	115,745
Net realized and unrealized gain											
on investments	-	-	-	482,444	-	482,444	-	482,444	-	-	482,444
Change in value of annuity obligation	-	-	-	(1,338)	57,063	55,725	-	(1,338)	-	57,063	55,725
Other	483,272	-	483,272	-	-	-	-	483,272	-	-	483,272
<b>Total revenue</b>	<b>4,553,839</b>	<b>1,078,586</b>	<b>5,632,425</b>	<b>596,809</b>	<b>999,563</b>	<b>1,596,372</b>	<b>(509,277)</b>	<b>4,641,371</b>	<b>1,078,586</b>	<b>999,563</b>	<b>6,719,520</b>
Net assets released from restrictions	657,851	(657,851)	-	-	-	-	-	657,851	(657,851)	-	-
Expenses:											
Payout to Richmond Symphony Program:											
Artistic personnel	2,383,620	-	2,383,620	-	-	-	-	2,383,620	-	-	2,383,620
Other direct concert costs	2,176,480	-	2,176,480	-	-	-	-	2,176,480	-	-	2,176,480
Supporting:											
General and administrative	409,042	-	409,042	114,094	-	114,094	-	523,136	-	-	523,136
Fundraising	214,646	-	214,646	101,433	-	101,433	-	316,079	-	-	316,079
<b>Total expenses</b>	<b>5,183,788</b>	<b>-</b>	<b>5,183,788</b>	<b>724,804</b>	<b>-</b>	<b>724,804</b>	<b>(509,277)</b>	<b>5,399,315</b>	<b>-</b>	<b>-</b>	<b>5,399,315</b>
Change in net assets	27,902	420,735	448,637	(127,995)	999,563	871,568	-	(100,093)	420,735	999,563	1,320,205
Net assets (deficit), beginning of year	(1,626,758)	652,599	(974,159)	(437,596)	13,438,373	13,000,777	-	(2,064,354)	652,599	13,438,373	12,026,618
Net assets (deficit), end of year	\$ (1,598,856)	\$ 1,073,334	\$ (525,522)	\$ (565,591)	\$ 14,437,936	\$ 13,872,345	\$ -	\$ (2,164,447)	\$ 1,073,334	\$ 14,437,936	\$ 13,346,823

See Report of Independent Accountants.

**THE RICHMOND SYMPHONY  
AND THE RICHMOND SYMPHONY FOUNDATION**

Consolidating Schedule – Statement of Financial Position  
June 30, 2014

<u>Assets</u>	The Richmond Symphony	The Richmond Symphony Foundation	Eliminations	Consolidated
Cash and cash equivalents	\$ 251,067	\$ 1,056,126	\$ -	\$ 1,307,193
Investments	-	11,539,363	-	11,539,363
Pledges receivable	266,586	314,844	-	581,430
Accounts receivable	12,391	-	-	12,391
Due from related parties	-	222,195	(222,195)	-
Prepaid expenses and other assets	48,102	713	-	48,815
Note receivable	1,600	-	-	1,600
Property and equipment, net	143,291	-	-	143,291
Total assets	<u>\$ 723,037</u>	<u>\$ 13,133,241</u>	<u>\$ (222,195)</u>	<u>\$ 13,634,083</u>
<u>Liabilities and Net Assets</u>				
Line of credit	\$ 790,000	\$ -	\$ -	\$ 790,000
Accounts payable	73,330	704	-	74,034
Accrued expenses	160,501	-	-	160,501
Due to related parties	222,195	-	(222,195)	-
Capital leases	18,911	-	-	18,911
Annuity obligation	-	131,760	-	131,760
Deferred revenue	432,259	-	-	432,259
Total liabilities	<u>1,697,196</u>	<u>132,464</u>	<u>(222,195)</u>	<u>1,607,465</u>
Net assets (deficit):				
Unrestricted	(1,626,758)	(437,596)	-	(2,064,354)
Temporarily restricted	652,599	-	-	652,599
Permanently restricted	-	13,438,373	-	13,438,373
Total net assets (deficit)	<u>(974,159)</u>	<u>13,000,777</u>	<u>-</u>	<u>12,026,618</u>
Total liabilities and net assets	<u>\$ 723,037</u>	<u>\$ 13,133,241</u>	<u>\$ (222,195)</u>	<u>\$ 13,634,083</u>

See Report of Independent Accountants.

**THE RICHMOND SYMPHONY  
AND THE RICHMOND SYMPHONY FOUNDATION**

Consolidating Schedule – Statement of Activities  
Year Ended June 30, 2014

	The Richmond Symphony			The Richmond Symphony Foundation			Eliminations	Consolidated			
	Unrestricted	Temporarily	Total	Unrestricted	Permanently	Total		Unrestricted	Temporarily	Permanently	Total
	Operating	Restricted		Operating	Restricted		Operating	Restricted	Restricted		
Revenue:											
Performance revenue	\$ 1,407,795	\$ -	\$ 1,407,795	\$ -	\$ -	\$ -	\$ -	\$ 1,407,795	\$ -	\$ -	\$ 1,407,795
Grants and contributions:											
Annual fund contributions	1,735,399	118,800	1,854,199	-	-	-	-	1,735,399	118,800	-	1,854,199
Other contributions	475,406	262,900	738,306	-	296,986	296,986	(462,606)	12,800	262,900	296,986	572,686
Grants for service and underwriting	178,878	275,151	454,029	-	-	-	-	178,878	275,151	-	454,029
Interest and dividend income	-	-	-	123,918	-	123,918	-	123,918	-	-	123,918
Net realized and unrealized gain on investments	-	-	-	1,430,483	-	1,430,483	-	1,430,483	-	-	1,430,483
Change in value of annuity obligation	-	-	-	(9,720)	-	(9,720)	-	(9,720)	-	-	(9,720)
Other	627,859	-	627,859	-	-	-	-	627,859	-	-	627,859
<b>Total revenue</b>	<b>4,425,337</b>	<b>656,851</b>	<b>5,082,188</b>	<b>1,544,681</b>	<b>296,986</b>	<b>1,841,667</b>	<b>(462,606)</b>	<b>5,507,412</b>	<b>656,851</b>	<b>296,986</b>	<b>6,461,249</b>
Net assets released from restrictions	621,700	(621,700)	-	-	-	-	-	621,700	(621,700)	-	-
Expenses:											
Payout to Richmond Symphony Program:	-	-	-	462,606	-	462,606	(462,606)	-	-	-	-
Artistic personnel	2,383,609	-	2,383,609	-	-	-	-	2,383,609	-	-	2,383,609
Other direct concert costs	1,794,177	-	1,794,177	-	-	-	-	1,794,177	-	-	1,794,177
Supporting:											
General and administrative	394,520	-	394,520	105,558	-	105,558	-	500,078	-	-	500,078
Fundraising	254,871	-	254,871	87,117	-	87,117	-	341,988	-	-	341,988
<b>Total expenses</b>	<b>4,827,177</b>	<b>-</b>	<b>4,827,177</b>	<b>655,281</b>	<b>-</b>	<b>655,281</b>	<b>(462,606)</b>	<b>5,019,852</b>	<b>-</b>	<b>-</b>	<b>5,019,852</b>
Change in net assets	219,860	35,151	255,011	889,400	296,986	1,186,386	-	1,109,260	35,151	296,986	1,441,397
Net assets (deficit), beginning of year	(1,846,618)	617,448	(1,229,170)	(1,326,996)	13,141,387	11,814,391	-	(3,173,614)	617,448	13,141,387	10,585,221
Net assets (deficit), end of year	\$ (1,626,758)	\$ 652,599	\$ (974,159)	\$ (437,596)	\$ 13,438,373	\$ 13,000,777	\$ -	\$ (2,064,354)	\$ 652,599	\$ 13,438,373	\$ 12,026,618

See Report of Independent Accountants.