

# RICHMOND SYMPHONY

## **The Richmond Symphony and The Richmond Symphony Foundation**

Consolidated Financial Statements

June 30, 2019 and 2018



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**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 Consolidated 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, 2019 and 2018, 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 Consolidated 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, 2018 and 2017, 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.

## Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, the Organization adopted Accounting Standards Update (“ASU”) 2016-14, *“Presentation of Financial Statements of Not-for-Profit Entities”* (Topic 958). As a result of this adoption, net assets are now presented as net assets without donor restrictions and net assets with donor restrictions. In addition, there are expanded disclosures related to the presentation of expenses by function and nature, and endowments, and new disclosures of quantitative and qualitative information regarding liquidity and availability of resources. The adoption resulted in the reclassification of certain opening net asset balances. Our opinion is not modified with respect to this matter.

## 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.



October 10, 2019  
Glen Allen, Virginia

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

Consolidated Statements of Financial Position  
June 30, 2019 and 2018

<u>Assets</u>	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 1,577,946	\$ 1,578,669
Investments	14,783,929	14,123,747
Pledges receivable, net	2,775,725	3,003,388
Accounts receivable	98,702	68,657
Prepaid expenses and other assets	265,206	159,601
Property and equipment, net	<u>402,077</u>	<u>424,481</u>
 Total assets	 <u>\$ 19,903,585</u>	 <u>\$ 19,358,543</u>
 <u>Liabilities and Net Assets</u>		
Liabilities:		
Line of credit	\$ 1,195,000	\$ 1,298,000
Accounts payable	229,648	182,665
Accrued expenses	235,542	214,913
Capital lease obligation	11,131	19,672
Annuity obligation	65,402	66,011
Deferred revenue	<u>492,138</u>	<u>503,368</u>
 Total liabilities	 <u>2,228,861</u>	 <u>2,284,629</u>
Net assets (deficit):		
Without donor restrictions	(1,733,413)	(1,739,761)
With donor restrictions	<u>19,408,137</u>	<u>18,813,675</u>
 Total net assets	 <u>17,674,724</u>	 <u>17,073,914</u>
 Total liabilities and net assets	 <u>\$ 19,903,585</u>	 <u>\$ 19,358,543</u>

See accompanying notes to consolidated financial statements.

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

Consolidated Statements of Activities  
Year Ended June 30, 2019 with Comparative Totals for 2018

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Comparative Total
Revenue:				
Performance revenue	\$ 1,807,723	\$ -	\$ 1,807,723	\$ 1,605,374
Grants and contributions:				
Annual fund contributions	1,531,164	33,500	1,564,664	1,680,860
Other contributions	1,000	1,201,842	1,202,842	1,301,223
Grants for service and underwriting	325,675	181,480	507,155	502,450
Symphony's Big Tent	225,209	60,000	285,209	778,295
Menuhin Competition	330,137	519,863	850,000	-
Interest and dividend income	-	262,871	262,871	136,023
Net realized and unrealized gain on investments	-	294,741	294,741	1,078,710
Change in value of annuity obligation	-	(8,295)	(8,295)	622
Other	646,130	-	646,130	638,160
<b>Total revenue</b>	<b>4,867,038</b>	<b>2,546,002</b>	<b>7,413,040</b>	<b>7,721,717</b>
Net assets released from restrictions	1,951,540	(1,951,540)	-	-
Expenses:				
Program:				
Artistic personnel	3,107,558	-	3,107,558	3,092,230
Other direct concert costs	2,802,033	-	2,802,033	2,547,262
Supporting:				
General and administrative	430,844	-	430,844	468,234
Fundraising	471,795	-	471,795	508,121
<b>Total expenses</b>	<b>6,812,230</b>	<b>-</b>	<b>6,812,230</b>	<b>6,615,847</b>
Change in net assets	6,348	594,462	600,810	1,105,870
Net assets (deficit), beginning of year	(1,739,761)	18,813,675	17,073,914	15,968,044
Net assets (deficit), end of year	<u>\$ (1,733,413)</u>	<u>\$ 19,408,137</u>	<u>\$ 17,674,724</u>	<u>\$ 17,073,914</u>

See accompanying notes to consolidated financial statements.

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

Consolidated Statement of Activities  
Year Ended June 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Performance revenue	\$ 1,605,374	\$ -	\$ 1,605,374
Grants and contributions:			
Annual fund contributions	1,598,663	82,197	1,680,860
Other contributions	-	1,301,223	1,301,223
Grants for service and underwriting	284,293	218,157	502,450
Symphony's Big Tent	293,295	485,000	778,295
Interest and dividend income	-	136,023	136,023
Net realized and unrealized gain on investments	-	1,078,710	1,078,710
Change in value of annuity obligation	-	622	622
Other	638,160	-	638,160
Total revenue	4,419,785	3,301,932	7,721,717
Net assets released from restrictions	2,145,222	(2,145,222)	-
Expenses:			
Program:			
Artistic personnel	3,092,230	-	3,092,230
Other direct concert costs	2,547,262	-	2,547,262
Supporting:			
General and administrative	468,234	-	468,234
Fundraising	508,121	-	508,121
Total expenses	6,615,847	-	6,615,847
Change in net assets	(50,840)	1,156,710	1,105,870
Net assets (deficit), beginning of year	(1,688,921)	17,656,965	15,968,044
Net assets (deficit), end of year	\$ (1,739,761)	\$ 18,813,675	\$ 17,073,914

See accompanying notes to consolidated financial statements.

**THE RICHMOND SYMPHONY  
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Consolidated Statements of Cash Flows  
Years Ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ 600,810	\$ 1,105,870
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	93,661	89,621
Loss on disposal of property and equipment	2,310	-
Net realized and unrealized gain on investments	(294,741)	(1,078,710)
Dividends and interest reinvested	(255,441)	(134,109)
Change in value of annuity obligation	8,295	(622)
Contributions restricted for long-term investment	(941,761)	(1,078,435)
Change in operating assets and liabilities:		
Pledges receivable, net	227,663	(120,443)
Accounts receivable	(30,045)	(47,696)
Prepaid expenses and other assets	(105,605)	(98,035)
Accounts payable	46,983	80,509
Accrued expenses	20,629	39,828
Deferred revenue	(11,230)	23,638
Net cash used in operating activities	(638,472)	(1,218,584)
Cash flows from investing activities:		
Proceeds from sales of investments	575,000	-
Purchases of property and equipment	(73,567)	(55,533)
Purchase of investments	(685,000)	(250,000)
Net cash used in investing activities	(183,567)	(305,533)
Cash flows from financing activities:		
Net (payments on) proceeds from line of credit	(103,000)	453,000
Payments on capital lease obligation	(8,541)	(6,672)
Payments on annuity obligation, net	(8,904)	(6,753)
Contributions restricted for long-term investment	941,761	1,078,435
Net cash provided by financing activities	821,316	1,518,010
Net change in cash and cash equivalents	(723)	(6,107)
Cash and cash equivalents, beginning of year	1,578,669	1,584,776
Cash and cash equivalents, end of year	\$ 1,577,946	\$ 1,578,669
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 49,880	\$ 33,071
Purchase of property and equipment through capital lease	\$ -	\$ 18,061

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:

**Net Assets Without Donor Restrictions:** Net assets available for general use and not subject to donor restrictions. The Organization’s policy is to designate gifts without donor restrictions at the discretion of the Board of Trustees. There were no board designated net assets at June 30, 2019 and 2018.

**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:**

**Net Assets With Donor Restrictions:** Net assets stipulated by donors for specific operating times or purposes or restricted to investment in perpetuity. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. See Note 7 for further information on the nature of net assets with donor restrictions as of June 30, 2019 and 2018. Substantially all of the Foundation's net assets are restricted in perpetuity.

**Adoption of New Accounting Principles:** In August 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-14, "Presentation of Financial Statements of Not-for-Profit Entities" (Topic 958). The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions", (b) requiring that all nonprofits present an analysis of expenses by function and nature and disclose a summary of the allocation methods used to allocate costs, (c) requiring disclosure of quantitative and qualitative information regarding liquidity and availability of resources, and (d) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. The Organization adopted this ASU as of and for the year ended June 30, 2019 with the presentation shown retrospectively to include the year ended June 30, 2018. As allowed by the ASU, comparative information for disclosures about liquidity and availability of resources has been omitted in the year of adoption.

**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:** 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, 2019 or 2018.

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

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

**Investments:** All investments are held by the Foundation, which invests in The Richmond Fund, LP (the "Fund") and marketable securities carried at fair value as determined by the investment managers. Realized and unrealized gains and losses of marketable securities are included in the Consolidated Statements of Activities. Investments in the Fund are recorded based on the net asset value per share as a practical expedient of fair value as described in Note 4. The Foundation reports its proportionate share of realized and unrealized changes in the fair value of the Fund in the accompanying Consolidated Statements of Activities, net of allocated fund expenses of \$134,126 in 2019 and \$143,796 in 2018.

**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 on the date of the contribution. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

Furniture, fixtures, and office equipment	3-7 years
Musical instruments	5-25 years
Leasehold improvements	5 years
Big Tent and related equipment	3-10 years
Musical collections	7 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 contribution income at the date of the gift. Classification is determined based on the existence or absence of any donor-imposed restrictions. 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 until the time of termination.

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

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

**Split-Interest Agreements, Continued:** Resulting gain or loss due to annual revaluing or termination is recorded as revenue or expense, respectively, and is classified based on any donor-imposed restriction on the original gift in the accompanying Consolidated Statements of Activities.

**Contributions:** Contributions are recorded as support without donor restrictions or support with donor restrictions depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction.

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statements of activities as net assets released from restrictions.

**Donated Services:** From time to time, the Symphony receives donated services from companies and individuals that are eligible for recognition under GAAP. The Symphony received no such donated services in 2019 and approximately \$8,653 in 2018, 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.

**Functional Allocation of Expenses:** The costs of providing the various programs and supporting services have been summarized on a functional basis in Note 12.

The consolidated financial statements report expenses that are attributed to more than one program or supporting function, primarily salaries. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. All expenses are allocated on the basis of estimates of time and effort.

**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.

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

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

**Income Tax Uncertainties:** The Organization follows 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 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, 2022.

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

**Subsequent Events:** Management has evaluated subsequent events through October 10, 2019, 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.

**2. Liquidity and Availability:**

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to minimize interest-bearing borrowings and maximize the investment of its available funds.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities, such as concerts and student programs. In addition to financial assets available to meet general expenditures over the next 12-months, the Organization operates to minimize budgeted deficits and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

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

**2. Liquidity and Availability, Continued:**

As of June 30, 2019, the following table shows the total financial assets held by the Organization and the amounts of those financial assets that could readily be made available within one year to meet general expenditures:

Cash and cash equivalents	\$ 1,577,946
Investments	14,783,929
Pledges receivable, net	2,775,725
Accounts receivable and other current assets	<u>363,908</u>
 Total financial assets	 19,501,508
 Less: assets with donor-imposed restrictions	 <u>(18,809,602)</u>
 Available for general expenditure	 <u>\$ 691,906</u>

Substantially all of the Foundation's financial assets are donor restricted into perpetuity. However the Foundation was organized for the purpose of supporting the Symphony and in accordance with relevant law and policy (see Note 11), the Foundation appropriates funds on an annual basis for the Symphony to use for general expenditure. The Foundation has approved a payout of \$681,576 for fiscal year 2020, which represents funds included above with donor-imposed restrictions that will be released for expenditure to the Symphony.

The Rudy Bunzl Fund for the Future, also known as 'the Rainy Day Fund', was created by the Richmond Symphony Foundation in 2006. Its restricted purpose is to support the Richmond Symphony by providing a source of liquidity in the form of a no-interest loan, upon the request of the Board of Directors to the Board of Trustees, to be repaid on a jointly determined schedule if and when such a loan is made. As of June 30, 2019, loaned funds totaled \$74,000 and were eliminated in consolidation. Included above within the \$1,577,946 cash and cash equivalents and within the assets with donor-imposed restrictions, this fund had an available cash balance of \$626,323 on June 30, 2019.

The Organization also has available a revolving bank line of credit used as a part of its overall liquidity management. At June 30, 2019, the line had an additional \$305,000 available to borrow.

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

**3. Pledges Receivable:**

Anticipated collections of pledges receivable at June 30 are as follows:

	2019	2018
Within one year	\$ 1,582,240	\$ 1,722,128
In one to five years	1,158,243	1,344,625
In more than five years	105,867	-
Gross pledges receivable	2,846,350	3,066,753
Less discount to present value, discount rate of 2.37% for 2019 and 2.34% for 2018	(70,625)	(63,365)
	<u>\$ 2,775,725</u>	<u>\$ 3,003,388</u>

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

The Foundation's long-term investments primarily are held in The Richmond Fund, LP. The Richmond Fund, LP (the "Fund") is 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.

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 net asset value ("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. Investments valued using NAV per share as a practical expedient are excluded from the fair value hierarchy in accordance with FASB guidance. Investment transactions (purchases and sales) may occur daily. Redemptions from the Fund may occur on a quarterly basis with a 60 day notice period. There were no contributions or withdrawals during 2019 or 2018. There were no unfunded commitments as of June 30, 2019 and 2018.

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

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

The Foundation also invests in marketable securities, including mutual funds, held by Vanguard. Contributions of \$685,000 and withdrawals of \$575,000 were made during 2019. Contributions totaling \$250,000 were made in 2018. Mutual funds are actively traded and valued at the closing price as reported by the fund.

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. The guidance defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal and most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The levels of the hierarchy are defined 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 | Inputs to the valuation methodology are 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 Foundation did not have any assets valued using Level 3 inputs at June 30, 2019 and 2018.  |

Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.



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

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

The following is a description of the valuation methodologies used for assets and liabilities carried or disclosed at fair value:

	June 30, 2019		
	Level 1	Level 2	Total
<b>Assets:</b>			
Investments:			
Money market fund	\$ 117,622	\$ -	\$ 117,622
Mutual funds	266,173	-	266,173
Investments at net asset value	-	-	14,400,134
Total investments	383,795	-	14,783,929
Pledges receivable, net	-	2,775,725	2,775,725
Total assets at fair value	\$ -	\$ 2,775,725	\$ 17,559,654
<b>Liabilities:</b>			
Annuity obligation	\$ -	\$ 65,402	\$ 65,402
	June 30, 2018		
	Level 1	Level 2	Total
<b>Assets:</b>			
Investments:			
Money market fund	\$ 173	\$ -	\$ 173
Mutual funds	251,229	-	251,229
Investments at net asset value	-	-	13,872,345
Total investments	251,402	-	14,123,747
Pledges receivable, net	-	3,003,388	3,003,388
Total assets at fair value	\$ -	\$ 3,003,388	\$ 17,127,135
<b>Liabilities:</b>			
Annuity obligation	\$ -	\$ 66,011	\$ 66,011

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

Notes to Consolidated Financial Statements, Continued

**5. Property and Equipment:**

A summary of property and equipment and accumulated depreciation at June 30, 2019 and 2018 follows:

	2019		2018	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Furniture and fixtures	\$ 47,415	\$ 45,937	\$ 46,690	\$ 45,644
Musical instruments	261,833	220,631	260,835	215,121
Leasehold improvements	23,442	23,442	23,442	22,372
Office equipment	151,933	104,830	145,469	92,800
Big Tent and related equipment	328,821	135,770	328,821	97,396
Musical collections	27,606	27,539	27,606	24,942
Vehicles	184,256	65,080	188,042	45,873
	\$ 1,025,306	\$ 623,229	\$ 1,020,905	\$ 544,148

Depreciation expense amounted to \$93,661 for 2019 and \$89,621 for 2018.

**6. Commitments and Concentrations of Credit Risk:**

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and pledges receivable. 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, 2019 and 2018, no donor accounted for 10% or greater of pledges receivable or grants and contribution revenue.

During 2018, the Symphony entered into a contract with the Menuhin Competition Trust (the "Trust") to host the Menuhin Competition in 2020 with a total contract price of Great British Pounds ("GBP") 240,000. Payments to the Trust will be in three annual installments of GBP 80,000. The Symphony paid the first two installments of GBP 80,000 by June 30, 2019. That amount is included in prepaid assets and other on the Consolidated Statements of Financial Position. The total estimated contract cost remaining totaled GBP 80,000 (\$101,584 at June 30, 2019). The full contract price will be expensed in the year the competition takes place.

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

Notes to Consolidated Financial Statements, Continued

**7. Net Assets with Donor Restrictions:**

The Foundation receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. It also receives gifts to establish or support endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs.

The Symphony owns a mobile outdoor performance space, named the “Symphony’s Big Tent”, which allows 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 are usually 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 Foundation received two separate \$250,000 multi-year pledges during 2017 and 2016 (“Future Endowments”). The pledges are being paid over four-year periods in approximately equal installments and the funds will be used for purposes determined by the donors. After the four year period, any unspent funds remaining will convert to endowment. During 2019 and 2018, gifts totaling \$40,000 and \$11,488, respectively, were received as additions to these future endowments. As allowed by the agreements, during 2019, the donors released \$25,000 from each fund to support the Symphony.

During 2017, a donor made a pledge to the Foundation. During 2019, the donor paid the pledge in full, but redirected the proceeds to the Symphony. That amount is included within the releases below as “Donor redirection of restriction.”

Net assets with donor restrictions were released from restriction by satisfying time or purpose restrictions as follows for the years ended June 30:

	<u>2019</u>	<u>2018</u>
Purpose:		
Symphony's Big Tent	\$ 224,474	\$ 298,783
Time:		
Subsequent year performances or operations	708,676	996,674
Donor release from Future Endowments	50,000	-
Appropriation from perpetual endowment funds	807,406	849,765
Donor redirection of restriction	<u>160,984</u>	<u>-</u>
	<u>\$ 1,951,540</u>	<u>\$ 2,145,222</u>

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

Notes to Consolidated Financial Statements, Continued

**7. Net Assets with Donor Restrictions, Continued:**

Net assets with donor restrictions at year end were available for the following times and purposes:

	2019	2018
The Symphony:		
Symphony's Big Tent	\$ 360,000	\$ 524,464
Menuhin Competition	519,863	-
Subsequent year performances or operations	661,395	943,501
The Foundation:		
Future Endowments	497,366	498,885
Perpetually restricted endowment	17,369,513	16,846,825
	\$ 19,408,137	\$ 18,813,675

**8. 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. The current line extension expires on February 28, 2020. 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 1.5% (3.94% at June 30, 2019 and 3.48% at June 30, 2018). The outstanding balance on the line was \$1,195,000 at June 30, 2019 and \$1,298,000 at June 30, 2018.

**9. Leases:**

The Symphony entered a lease agreement for its administrative office space and additional storage 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, 2019 are as follows:

Year	Amount
2020	\$ 86,014
2021	14,394
	\$ 100,408

Total rent expense amounted to \$84,934 in 2019 and \$82,912 in 2018.

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

Notes to Consolidated Financial Statements, Continued

**9. Leases, Continued:**

The Organization leases certain equipment under agreements classified as capital leases that expire at various times through 2023. 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 depreciated over the lower of their lease terms or their estimated useful lives and is included in depreciation expense in the accompanying consolidated financial statements.

Depreciation of equipment under capital leases charged to expense totaled \$7,303 for 2019 and \$6,701 for 2018.

Monthly payments were \$626 in 2019 and ranged from \$677 to \$977 in 2018 with interest rates ranging from 2.15% - 3.53%. These leases are secured by equipment.

A summary of property held under capital leases included in Property and Equipment is as follows:

	2019	2018
Equipment	\$ 36,517	\$ 36,517
Less: accumulated depreciation	25,079	17,776
	\$ 11,438	\$ 18,741

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

Year	Amount
2020	\$ 3,937
2021	3,612
2022	3,612
2023	602
Total minimum payment	11,763
Less: amount representing interest	(632)
Present value of minimum lease payments	\$ 11,131

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

Notes to Consolidated Financial Statements, Continued

**10. 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 totaled \$140,769 in 2019 and \$132,070 in 2018.

**11. 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 net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, (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, and (d) cumulative gains on the donor restricted endowment funds until those amounts appropriated for expenditure are disbursed in accordance with the donor restrictions in a manner consistent with the standard of prudence prescribed by UPMIFA.

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

Notes to Consolidated Financial Statements, Continued

**11. Endowment Funds, 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 UPMIFA require 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. The Foundation allows spending from underwater endowment funds in accordance with the spending policy. In accordance with GAAP, deficiencies of this nature are reported in net assets with donor restrictions as follows:

	2019	2018
Fair value of underwater endowment funds	\$ 17,369,513	\$ 16,846,825
Original gift amount	19,058,364	18,115,801
Deficiencies of underwater funds	\$ (1,688,851)	\$ (1,268,976)

**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).

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

Notes to Consolidated Financial Statements, Continued

**11. Endowment Funds, Continued:**

**Return Objectives and Risk Parameters, Continued:** 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 Foundation's endowment net asset composition by type of fund was as follows at June 30:

	<u>2019</u>	<u>2018</u>
Donor restricted funds:		
Named endowment funds	\$ 11,332,674	\$ 10,815,292
General endowment	<u>6,036,839</u>	<u>6,031,533</u>
	<u>\$ 17,369,513</u>	<u>\$ 16,846,825</u>



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

Notes to Consolidated Financial Statements, Continued

**11. Endowment Funds, Continued:**

Changes in the Foundation's endowment net assets were as follows for the years ended June 30, 2019 and 2018:

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, July 1, 2017	\$ -	\$ 15,402,800	\$ 15,402,800
Investment return:			
Interest and dividend income	-	136,023	136,023
Unrealized gain on investments, net	-	1,078,710	1,078,710
Change in value of annuity obligation	-	622	622
Total investment return	-	1,215,355	1,215,355
New gifts	-	1,078,435	1,078,435
Appropriation for expenditure	849,765	(849,765)	-
Expenses	(849,765)	-	(849,765)
Net assets, June 30, 2018	-	16,846,825	16,846,825
Investment return:			
Interest and dividend income	-	262,871	262,871
Unrealized gain on investments, net	-	294,741	294,741
Change in value of annuity obligation	-	(8,295)	(8,295)
Total investment return	-	549,317	549,317
New gifts	-	941,761	941,761
Appropriation for expenditure	968,390	(968,390)	-
Expenses	(968,390)	-	(968,390)
Net assets, June 30, 2019	\$ -	\$ 17,369,513	\$ 17,369,513

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

Notes to Consolidated Financial Statements, Continued

**12. Functional Expenses:**

Expenses incurred for the Organization were as follows:

	Year Ended June 30, 2019			
	Total	Program	General and Administrative	Fundraising
Salaries, wages, and benefits	\$ 4,587,116	\$ 4,110,220	\$ 215,712	\$ 261,184
Services and professional fees	1,658,532	1,287,519	172,246	198,767
Office and occupancy	269,497	234,247	31,059	4,191
Supplies and travel	202,303	187,794	6,856	7,653
Depreciation	93,661	89,011	4,650	-
Other	1,121	800	321	-
Total expenses	<u>\$ 6,812,230</u>	<u>\$ 5,909,591</u>	<u>\$ 430,844</u>	<u>\$ 471,795</u>

  

	Year Ended June 30, 2018			
	Total	Program	General and Administrative	Fundraising
Salaries, wages, and benefits	\$ 4,483,852	\$ 3,931,139	\$ 262,482	\$ 290,231
Services and professional fees	1,514,748	1,159,153	149,981	205,614
Office and occupancy	285,212	251,702	29,419	4,091
Supplies and travel	241,631	225,582	7,864	8,185
Depreciation	89,621	71,287	18,334	-
Other	783	629	154	-
Total expenses	<u>\$ 6,615,847</u>	<u>\$ 5,639,492</u>	<u>\$ 468,234</u>	<u>\$ 508,121</u>

**13. Litigation:**

During 2018, the Symphony entered into an agreement with another organization (the "Defendant") to provide a joint musical performance promoted by the Defendant. The Defendant agreed to pay the Symphony a total of \$23,631 for the services provided. Since completion of the services, the Defendant made one payment of \$2,000 and has failed to make any additional payments to the Symphony for the provided services. On May 24, 2018, the Symphony submitted a writ of summons to the Defendant demanding payment of \$21,631 plus interest at a rate of 6%. Although there have been no additional payments received, based on recent actions and judgments relating to the case, the Symphony recorded a receivable of \$2,351 during 2019.

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

Notes to Consolidated Financial Statements, Continued

**14. New Accounting Guidance:**

**Leases:** In early 2016, the FASB issued ASU 2016-02 intended to improve financial reporting about leasing transactions. All leases with terms more than 12 months are required to be recognized on the balance sheet of the lessee by recording a right of use asset with a corresponding obligation to pay rent liability which will be calculated based on the net present value of rental payments. In addition, required disclosures will include qualitative and quantitative information. The ASU currently is effective for fiscal years beginning after December 15, 2019 with early adoption permitted, however it is likely that this effective date will be delayed by one year. The Organization is currently evaluating the impact on its financial statements.

**Revenue Recognition:** In 2014, the FASB issued ASU No. 2014-09, which defines a five-step process for evaluating revenue recognition for exchange transactions. The new standard also requires entities to enhance revenue recognition disclosures within the accounting policy footnote including both quantitative and qualitative information, significant judgments involved in the process, and the amount and timing of remaining performance obligations. The standard is effective for fiscal years beginning after December 15, 2018. Although the guidance is not applicable to grants and contributions, the Organization is currently evaluating the impacts for performance fees and other programmatic revenue.

**Contribution Revenue:** In response to ASU No.2014-09, the FASB issued ASU No. 2018-08, "Not for Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made", which presents a new methodology for determining whether a grant or contribution received or made should be accounted for as an exchange transaction or as a contribution. This new standard is effective for fiscal years beginning after December 15, 2018, for entities receiving contributions and fiscal years beginning after December 15, 2019, for entities providing contributions, with early adoption permitted. The Organization is currently evaluating the reporting and economic implications of the new standard.

**SUPPLEMENTAL INFORMATION**

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

Consolidating Schedule – Statement of Financial Position  
June 30, 2019

<u>Assets</u>	The Richmond Symphony	The Richmond Symphony Foundation	Eliminations	Consolidated
Cash and cash equivalents	\$ 45,055	\$ 1,532,891	\$ -	\$ 1,577,946
Investments	-	14,783,929	-	14,783,929
Pledges receivable, net	1,467,335	1,308,390	-	2,775,725
Accounts receivable	98,702	-	-	98,702
Due from related party	-	307,071	(307,071)	-
Prepaid expenses and other assets	265,206	-	-	265,206
Property and equipment, net	402,077	-	-	402,077
<b>Total assets</b>	<b>\$ 2,278,375</b>	<b>\$ 17,932,281</b>	<b>\$ (307,071)</b>	<b>\$ 19,903,585</b>
<u>Liabilities and Net Assets</u>				
Liabilities:				
Line of credit	\$ 1,195,000	\$ -	\$ -	\$ 1,195,000
Accounts payable	229,648	-	-	229,648
Accrued expenses	235,542	-	-	235,542
Due to related party	307,071	-	(307,071)	-
Capital lease obligation	11,131	-	-	11,131
Annuity obligation	-	65,402	-	65,402
Deferred revenue	492,138	-	-	492,138
<b>Total liabilities</b>	<b>2,470,530</b>	<b>65,402</b>	<b>(307,071)</b>	<b>2,228,861</b>
Net assets (deficit):				
Without donor restrictions	(1,733,413)	-	-	(1,733,413)
With donor restrictions	1,541,258	17,866,879	-	19,408,137
<b>Total net assets (deficit)</b>	<b>(192,155)</b>	<b>17,866,879</b>	<b>-</b>	<b>17,674,724</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,278,375</b>	<b>\$ 17,932,281</b>	<b>\$ (307,071)</b>	<b>\$ 19,903,585</b>

See Report of Independent Accountants.

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

Consolidating Schedule – Statement of Activities  
Year Ended June 30, 2019

	The Richmond Symphony			The Richmond Symphony Foundation			Eliminations Total	Consolidated		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue:</b>										
Performance revenue	\$ 1,807,723	\$ -	\$ 1,807,723	\$ -	\$ -	\$ -	\$ -	\$ 1,807,723	\$ -	\$ 1,807,723
<b>Grants and contributions:</b>										
Annual fund contributions	1,742,148	33,500	1,775,648	-	-	-	(210,984)	1,531,164	33,500	1,564,664
Other contributions	639,306	211,600	850,906	-	990,242	990,242	(638,306)	1,000	1,201,842	1,202,842
Grants for service and underwriting	325,675	181,480	507,155	-	-	-	-	325,675	181,480	507,155
Symphony's Big Tent	225,209	60,000	285,209	-	-	-	-	225,209	60,000	285,209
Menuhin Competition	330,137	519,863	850,000	-	-	-	-	330,137	519,863	850,000
Interest and dividend income	-	-	-	-	262,871	262,871	-	-	262,871	262,871
Net realized and unrealized gain on investments	-	-	-	-	294,741	294,741	-	-	294,741	294,741
Change in value of annuity obligation	-	-	-	-	(8,295)	(8,295)	-	-	(8,295)	(8,295)
Other	646,130	-	646,130	-	-	-	-	646,130	-	646,130
<b>Total revenue</b>	<b>5,716,328</b>	<b>1,006,443</b>	<b>6,722,771</b>	<b>-</b>	<b>1,539,559</b>	<b>1,539,559</b>	<b>(849,290)</b>	<b>4,867,038</b>	<b>2,546,002</b>	<b>7,413,040</b>
Net assets released from restrictions	933,150	(933,150)	-	1,018,390	(1,018,390)	-	-	1,951,540	(1,951,540)	-
<b>Expenses:</b>										
Annual Payout to Richmond Symphony	-	-	-	638,306	-	638,306	(638,306)	-	-	-
Transfer of Gifts to Richmond Symphony	-	-	-	210,984	-	210,984	(210,984)	-	-	-
<b>Program:</b>										
Artistic personnel	3,107,558	-	3,107,558	-	-	-	-	3,107,558	-	3,107,558
Other direct concert costs	2,802,033	-	2,802,033	-	-	-	-	2,802,033	-	2,802,033
<b>Supporting:</b>										
General and administrative	359,548	-	359,548	71,296	-	71,296	-	430,844	-	430,844
Fundraising	373,991	-	373,991	97,804	-	97,804	-	471,795	-	471,795
<b>Total expenses</b>	<b>6,643,130</b>	<b>-</b>	<b>6,643,130</b>	<b>1,018,390</b>	<b>-</b>	<b>1,018,390</b>	<b>(849,290)</b>	<b>6,812,230</b>	<b>-</b>	<b>6,812,230</b>
Change in net assets	6,348	73,293	79,641	-	521,169	521,169	-	6,348	594,462	600,810
Net assets (deficit), beginning of year	(1,739,761)	1,467,965	(271,796)	-	17,345,710	17,345,710	-	(1,739,761)	18,813,675	17,073,914
Net assets (deficit), end of year	\$ (1,733,413)	\$ 1,541,258	\$ (192,155)	\$ -	\$ 17,866,879	\$ 17,866,879	\$ -	\$ (1,733,413)	\$ 19,408,137	\$ 17,674,724

See Report of Independent Accountants.

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

Consolidating Schedule – Statement of Financial Position  
June 30, 2018

<u>Assets</u>	The Richmond Symphony	The Richmond Symphony Foundation	Eliminations	Consolidated
Cash and cash equivalents	\$ 31,286	\$ 1,547,383	\$ -	\$ 1,578,669
Investments	-	14,123,747	-	14,123,747
Pledges receivable	1,460,314	1,543,074	-	3,003,388
Accounts receivable	68,657	-	-	68,657
Due from related party	-	198,526	(198,526)	-
Prepaid expenses and other assets	159,601	-	-	159,601
Property and equipment, net	424,481	-	-	424,481
Total assets	<u>\$ 2,144,339</u>	<u>\$ 17,412,730</u>	<u>\$ (198,526)</u>	<u>\$ 19,358,543</u>
<u>Liabilities and Net Assets</u>				
Liabilities:				
Line of credit	\$ 1,298,000	\$ -	\$ -	\$ 1,298,000
Accounts payable	181,656	1,009	-	182,665
Accrued expenses	214,913	-	-	214,913
Due to related party	198,526	-	(198,526)	-
Capital lease obligation	19,672	-	-	19,672
Annuity obligation	-	66,011	-	66,011
Deferred revenue	503,368	-	-	503,368
Total liabilities	<u>2,416,135</u>	<u>67,020</u>	<u>(198,526)</u>	<u>2,284,629</u>
Net assets (deficit):				
Without donor restrictions	(1,739,761)	-	-	(1,739,761)
With donor restrictions	1,467,965	17,345,710	-	18,813,675
Total net assets	<u>(271,796)</u>	<u>17,345,710</u>	<u>-</u>	<u>17,073,914</u>
Total liabilities and net assets	<u>\$ 2,144,339</u>	<u>\$ 17,412,730</u>	<u>\$ (198,526)</u>	<u>\$ 19,358,543</u>

See Report of Independent Accountants.

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

Consolidating Schedule – Statement of Activities  
Year Ended June 30, 2018

	The Richmond Symphony			The Richmond Symphony Foundation			Eliminations Total	Consolidated		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		Without Donor Restrictions	With Donor Restrictions	Total
Revenue:										
Performance revenue	\$ 1,605,374	\$ -	\$ 1,605,374	\$ -	\$ -	\$ -	\$ -	\$ 1,605,374	\$ -	\$ 1,605,374
Grants and contributions:										
Annual fund contributions	1,598,663	82,197	1,680,860	-	-	-	-	1,598,663	82,197	1,680,860
Other contributions	609,797	211,300	821,097	-	1,089,923	1,089,923	(609,797)	-	1,301,223	1,301,223
Grants for service and underwriting	284,293	218,157	502,450	-	-	-	-	284,293	218,157	502,450
Symphony's Big Tent	293,295	485,000	778,295	-	-	-	-	293,295	485,000	778,295
Interest and dividend income	-	-	-	-	136,023	136,023	-	-	136,023	136,023
Net realized and unrealized gain on investments	-	-	-	-	1,078,710	1,078,710	-	-	1,078,710	1,078,710
Change in value of annuity obligation	-	-	-	-	622	622	-	-	622	622
Other	638,160	-	638,160	-	-	-	-	638,160	-	638,160
<b>Total revenue</b>	<b>5,029,582</b>	<b>996,654</b>	<b>6,026,236</b>	<b>-</b>	<b>2,305,278</b>	<b>2,305,278</b>	<b>(609,797)</b>	<b>4,419,785</b>	<b>3,301,932</b>	<b>7,721,717</b>
Net assets released from restrictions	1,295,457	(1,295,457)	-	849,765	(849,765)	-	-	2,145,222	(2,145,222)	-
Expenses:										
Payout to Richmond Symphony	-	-	-	609,797	-	609,797	(609,797)	-	-	-
Program:										
Artistic personnel	3,092,230	-	3,092,230	-	-	-	-	3,092,230	-	3,092,230
Other direct concert costs	2,547,262	-	2,547,262	-	-	-	-	2,547,262	-	2,547,262
Supporting:										
General and administrative	377,700	-	377,700	90,534	-	90,534	-	468,234	-	468,234
Fundraising	358,687	-	358,687	149,434	-	149,434	-	508,121	-	508,121
<b>Total expenses</b>	<b>6,375,879</b>	<b>-</b>	<b>6,375,879</b>	<b>849,765</b>	<b>-</b>	<b>849,765</b>	<b>(609,797)</b>	<b>6,615,847</b>	<b>-</b>	<b>6,615,847</b>
Change in net assets	(50,840)	(298,803)	(349,643)	-	1,455,513	1,455,513	-	(50,840)	1,156,710	1,105,870
Net assets (deficit), beginning of year	(1,688,921)	1,766,768	77,847	-	15,890,197	15,890,197	-	(1,688,921)	17,656,965	15,968,044
Net assets (deficit), end of year	\$ (1,739,761)	\$ 1,467,965	\$ (271,796)	\$ -	\$ 17,345,710	\$ 17,345,710	\$ -	\$ (1,739,761)	\$ 18,813,675	\$ 17,073,914

See Report of Independent Accountants.