

RICHMOND SYMPHONY

The Richmond Symphony and The Richmond Symphony Foundation

Consolidated Financial Statements

June 30, 2021 and 2020



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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, 2021 and 2020, 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, 2021 and 2020, 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 flourish at the end.

December 9, 2021
Glen Allen, Virginia

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

Consolidated Statements of Financial Position
June 30, 2021 and 2020

<u>Assets</u>	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,575,583	\$ 1,601,166
Investments	20,459,707	14,623,459
Pledges receivable, net	1,056,615	1,939,100
Accounts receivable	56,662	77,300
Prepaid expenses and other assets	131,163	481,724
Property and equipment, net	<u>291,216</u>	<u>369,280</u>
 Total assets	 <u>\$ 23,570,946</u>	 <u>\$ 19,092,029</u>
 <u>Liabilities and Net Assets</u>		
Liabilities:		
Line of credit	\$ 745,000	\$ 1,090,000
Paycheck Protection Program loan (Note 8)	-	169,710
Accounts payable	226,956	79,561
Accrued expenses	133,565	216,380
Capital lease obligation	22,890	31,309
Annuity obligation	14,456	61,889
Deferred revenue	<u>203,548</u>	<u>455,841</u>
 Total liabilities	 <u>1,346,415</u>	 <u>2,104,690</u>
Net assets (deficit):		
Without donor restrictions	(1,774,259)	(1,827,810)
With donor restrictions	<u>23,998,790</u>	<u>18,815,149</u>
 Total net assets	 <u>22,224,531</u>	 <u>16,987,339</u>
 Total liabilities and net assets	 <u>\$ 23,570,946</u>	 <u>\$ 19,092,029</u>

See accompanying notes to consolidated financial statements.

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

Consolidated Statements of Activities
Year Ended June 30, 2021 with Comparative Totals for 2020

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Comparative Totals
Revenue:				
Performance revenue	\$ 360,111	\$ -	\$ 360,111	\$ 1,270,816
Contract fees - Big Tent	-	-	-	84,984
Grants and contributions:				
Annual fund contributions	2,492,226	957,178	3,449,404	1,511,883
Other contributions	100,735	501,692	602,427	542,406
Grants for service and underwriting	-	231,075	231,075	412,050
Symphony's Big Tent	-	52,110	52,110	82,054
Menuhin Competition	-	252,027	252,027	885,891
Paycheck Protection Program loan forgiveness (Note 8)	988,320	-	988,320	648,790
School of Music tuition income	65,693	-	65,693	-
Interest and dividend income	-	150,629	150,629	248,743
Net realized and unrealized gain (loss) on investments	-	6,086,806	6,086,806	(349,471)
Change in value of annuity obligation	-	39,195	39,195	(9,279)
Other	171,259	-	171,259	653,410
Total revenue	4,178,344	8,270,712	12,449,056	5,982,277
Expenses and losses:				
Program:				
Artistic personnel	2,972,556	-	2,972,556	2,812,342
Other direct concert costs	1,846,229	-	1,846,229	2,609,039
Menuhin Competition	915,529	-	915,529	390,628
Supporting:				
General and administrative	595,421	-	595,421	452,235
Fundraising	528,794	-	528,794	405,418
Total expenses	6,858,529	-	6,858,529	6,669,662
Loss on uncollectible pledges	335,100	18,235	353,335	-
Total expenses and losses	7,193,629	18,235	7,211,864	-
Net assets released from restrictions	2,018,797	(2,018,797)	-	-
Endowment redirected to the Symphony	100,000	(100,000)	-	-
Net assets appropriated for expenditure	950,039	(950,039)	-	-
Total reclassifications	3,068,836	(3,068,836)	-	-
Change in net assets	53,551	5,183,641	5,237,192	(687,385)
Net assets (deficit), beginning of year	(1,827,810)	18,815,149	16,987,339	17,674,724
Net assets (deficit), end of year	<u>\$ (1,774,259)</u>	<u>\$ 23,998,790</u>	<u>\$ 22,224,531</u>	<u>\$ 16,987,339</u>

See accompanying notes to consolidated financial statements.

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

Consolidated Statements of Activities, Continued
Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Performance revenue	\$ 1,270,816	\$ -	\$ 1,270,816
Contract fees - Big Tent	84,984	-	84,984
Grants and contributions:			
Annual fund contributions	1,027,733	484,150	1,511,883
Other contributions	140,930	401,476	542,406
Grants for service and underwriting	168,630	243,420	412,050
Symphony's Big Tent	-	82,054	82,054
Menuhin Competition	-	885,891	885,891
Paycheck Protection Program loan forgiveness (Note 8)	648,790	-	648,790
Interest and dividend income	-	248,743	248,743
Net realized and unrealized loss on investments	-	(349,471)	(349,471)
Change in value of annuity obligation	-	(9,279)	(9,279)
Other	653,410	-	653,410
Total revenue	3,995,293	1,986,984	5,982,277
Expenses:			
Program:			
Artistic personnel	2,812,342	-	2,812,342
Other direct concert costs	2,609,039	-	2,609,039
Menuhin Competition	390,628	-	390,628
Supporting:			
General and administrative	452,235	-	452,235
Fundraising	405,418	-	405,418
Total expenses	6,669,662	-	6,669,662
Net assets released from restrictions	1,750,245	(1,750,245)	-
Endowment redirected to the Symphony	50,000	(50,000)	-
Net assets appropriated for expenditure	779,727	(779,727)	-
Total reclassifications	2,579,972	(2,579,972)	-
Change in net assets	(94,397)	(592,988)	(687,385)
Net assets (deficit), beginning of year	(1,733,413)	19,408,137	17,674,724
Net assets (deficit), end of year	\$ (1,827,810)	\$ 18,815,149	\$ 16,987,339

See accompanying notes to consolidated financial statements.

**THE RICHMOND SYMPHONY
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Consolidated Statements of Cash Flows
Years Ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 5,237,192	\$ (687,385)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	94,220	91,462
Net realized and unrealized (gain) loss on investments	(6,086,806)	349,471
Loss on uncollectible pledges	353,335	-
Dividends and interest reinvested	(149,442)	(239,001)
Change in value of annuity obligation	(39,195)	9,279
Contributions restricted for long-term investment	(333,153)	(309,560)
Forgiveness of Paycheck Protection Program loans	(988,320)	(648,790)
Changes in operating assets and liabilities:		
Pledges receivable, net	529,150	836,625
Accounts receivable	20,638	21,402
Prepaid expenses and other assets	350,561	(216,518)
Accounts payable	147,395	(150,087)
Accrued expenses	(82,815)	(19,162)
Deferred revenue	(252,293)	(36,297)
Net cash used in operating activities	(1,199,533)	(998,561)
Cash flows from investing activities:		
Proceeds from sales of investments	1,070,000	475,000
Purchases of property and equipment	(16,156)	(31,343)
Purchases of investments	(670,000)	(425,000)
Net cash provided by investing activities	383,844	18,657
Cash flows from financing activities:		
Net payments on line of credit	(345,000)	(105,000)
Proceeds from Paycheck Protection Program loans	818,610	818,500
Payments on capital lease obligation	(8,419)	(7,144)
Payments on annuity obligation, net	(8,238)	(12,792)
Contributions restricted for long-term investment	333,153	309,560
Net cash provided by financing activities	790,106	1,003,124
Net change in cash and cash equivalents	(25,583)	23,220
Cash and cash equivalents, beginning of year	1,601,166	1,577,946
Cash and cash equivalents, end of year	\$ 1,575,583	\$ 1,601,166
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 23,496	\$ 34,012
Non-cash investing and financing transactions:		
Purchase of property and equipment through capital lease	\$ -	\$ 27,322

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 29 members; 25 are directors elected by the Board of Trustees of the Foundation and no more than 4 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, 2021 and 2020.

**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, 2021 and 2020. Substantially all of the Foundation's net assets are restricted in perpetuity.

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, 2021 or 2020.

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 \$131,105 in 2021 and \$119,133 in 2020.

**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 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. 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.

Paycheck Protection Program ("PPP") Loans: The Symphony's policy is to account for the PPP loans (see Note 8) as debt until qualifying expenses are incurred that are expected to earn forgiveness. Management evaluates costs incurred to determine the likelihood that those costs will be forgiven, and costs that substantially meet the forgiveness criteria are recognized as revenue. The Symphony continued to record the loans as debt until those expenses were incurred.

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

1. Summary of Significant Accounting Policies, Continued:

Revenue Recognition: The Organization follows ASC 958 which prescribes a specific framework for not-for-profit entities to determine whether revenue streams qualify as exchange-based or non-exchange-based transactions. In May 2014, the FASB issued Accounting Standards Update (“ASU”) 2014-09: Revenue from contracts with customers (Topic 606) which eliminates all transaction and industry-specific accounting principles for revenue recognition of exchange transactions and replaced them with a unified, five step approach. The Organization adopted the ASU effective July 1, 2019, the first day of the first reported year, under the full retrospective transition method. The adoption of Topic 606 did not have a material impact on the Organization’s consolidated financial statements and there were no adjustments to previously reported amounts.

Grants and Contributions: All grants and contributions are accounted for in accordance with ASC 958-605 and are considered to be net assets without donor restrictions unless specifically restricted by the donor. 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.

Performance Revenue: The Organization recognizes revenue for performance fees subject to the guidance of Topic 606, as such revenue is generated by satisfaction of performance obligations. Transaction prices are fixed based on the individual customer contract. Services are billed at a point in time upon completion of a particular performance or over time for a series of performances.

Contract liabilities represent payments received in advance of performance under a contract, primarily advance payments under subscriptions and ticket sales attributable to the next performance season. Contract liabilities are recognized as revenue as (or when) the Organization performs under the contract. Deferred revenue totaled \$203,548 at June 30, 2021 and \$455,841 at June 30, 2020. There are no significant contract assets at June 30, 2021 or 2020.

Donated Services: From time to time, the Symphony receives donated services from companies and individuals that are eligible for recognition under GAAP. There were no donated services in 2021. The Symphony received \$9,000 of donated services in 2020, which have been recognized as revenue and expenses in the 2020 consolidated statement of activities.

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

Notes to Consolidated Financial Statements, Continued

1. Summary of Significant Accounting Policies, Continued:

Functional Allocation of Expenses: The costs of providing the various programs and supporting services have been summarized on a functional basis in Note 13.

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.

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.

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

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.

As of June 30, 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:

	2021	2020
Cash and cash equivalents	\$ 1,575,583	\$ 1,601,166
Investments	20,459,707	14,623,459
Pledges receivable, net	1,056,615	1,939,100
Accounts receivable and other current assets	56,662	559,024
 Total financial assets	 23,148,567	 18,722,749
 Less: assets with donor-imposed restrictions	 (23,080,362)	 (18,686,123)
 Available for general expenditure	 \$ 68,205	 \$ 36,626

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 12), the Foundation appropriates funds on an annual basis for the Symphony to use for general expenditure. The Foundation has approved a payout of \$750,000 for fiscal year 2022, which represents funds included above with donor-imposed restrictions that will be released for expenditure to the Symphony.

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

Notes to Consolidated Financial Statements, Continued

2. Liquidity and Availability, Continued:

The Rudy Bunzl Fund for the Future, also known as ‘the Rainy Day Fund’, was created by the Richmond Symphony Foundation Trustees in 2006 as an endowment fund that allows any contributed amounts to be accessed by the Symphony, with approval of the Board of Trustees of the Foundation, in the form of a no-interest loan. Contributions to this fund are donor restricted based on the purpose of the fund established at the time it was created and based on donor intent. Borrowings are to be repaid on a schedule jointly determined by the Foundation and the Symphony at the time of the request. As of June 30, 2021, loaned funds totaled \$279,000 and were eliminated in consolidation. Included above within cash and cash equivalents and within the assets with donor-imposed restrictions, this fund had an available cash balance of \$467,499 on June 30, 2021.

The Organization also has available a revolving bank line of credit used as a part of its overall liquidity management. At June 30, 2021, the line had an additional \$755,000 available to borrow.

3. Pledges Receivable:

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

	2021	2020
Within one year	\$ 721,430	\$ 1,178,315
In one to five years	298,425	693,315
In more than five years	40,160	70,870
Gross pledges receivable	1,060,015	1,942,500
Less discount to present value, discount rate of 0.13% for 2021 and 0.18% for 2020	(3,400)	(3,400)
	\$ 1,056,615	\$ 1,939,100

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.

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

4. Investments and Fair Value Measurements, Continued:

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. Withdrawals totaled \$420,000 and there were no contributions in 2021. There were no contributions or withdrawals during 2020. There were no unfunded commitments as of June 30, 2021 and 2020.

The Foundation also invests in marketable securities, including mutual funds, held by Vanguard. 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, 2021 and 2020. |

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

4. Investments and Fair Value Measurements, Continued:

Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for assets and liabilities carried or disclosed at fair value:

	June 30, 2021		
	Level 1	Level 2	Total
Assets:			
Investments:			
Money market fund	\$ 91,183	\$ -	\$ 91,183
Mutual funds	352,853	-	352,853
Investments at net asset value	-	-	20,015,671
Total investments	444,036	-	20,459,707
Pledges receivable, net	-	1,056,615	1,056,615
Total assets at fair value	\$ -	\$ 1,056,615	\$ 21,516,322
Liabilities:			
Annuity obligation	\$ -	\$ 14,456	\$ 14,456
	June 30, 2020		
	Level 1	Level 2	Total
Assets:			
Investments:			
Money market fund	\$ 71,143	\$ -	\$ 71,143
Mutual funds	276,971	-	276,971
Investments at net asset value	-	-	14,275,345
Total investments	348,114	-	14,623,459
Pledges receivable, net	-	1,939,100	1,939,100
Total assets at fair value	\$ -	\$ 1,939,100	\$ 16,562,559
Liabilities:			
Annuity obligation	\$ -	\$ 61,889	\$ 61,889

**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, 2021 and 2020 follows:

	2021		2020	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Furniture and fixtures	\$ 46,232	\$ 45,283	\$ 46,232	\$ 44,724
Musical instruments	274,961	239,745	274,961	230,029
Leasehold improvements	23,442	23,442	23,442	23,442
Office equipment	179,744	138,505	177,012	112,374
Big Tent and related equipment	328,821	210,703	328,821	173,399
Musical collections	27,606	27,606	27,606	27,606
Vehicles	184,256	99,812	184,256	82,976
Website development	15,000	3,750	-	-
Construction in progress	-	-	1,500	-
	<u>\$ 1,080,062</u>	<u>\$ 788,846</u>	<u>\$ 1,063,830</u>	<u>\$ 694,550</u>

Depreciation expense amounted to \$94,220 for 2021 and \$91,462 for 2020.

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, 2021, two donors accounted for approximately 29% of pledges receivable, and one donor accounted for approximately 13% of grants and contribution revenue. As of June 30, 2020, no donor accounted for 10% or greater of pledges receivable or grants and contribution revenue.

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 RICHMOND SYMPHONY
AND THE RICHMOND SYMPHONY FOUNDATION**

Notes to Consolidated Financial Statements, Continued

7. Net Assets with Donor Restrictions, Continued:

The Foundation received two separate \$250,000 multi-year pledges during 2017 and 2016 (“Future Endowments”). The pledges were paid over four-year periods in approximately equal installments and the funds were able to be used for purposes determined by the donors. After the four-year period, any unspent funds convert to endowment. During 2020, the Future Endowment established in 2016 was extended for one additional year. As allowed by the agreements, during 2021, one donor redirected \$100,000 to support the Symphony. Both Future Endowments converted to perpetually restricted endowments on June 30, 2021.

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

	<u>2021</u>	<u>2020</u>
Purpose:		
Symphony's Big Tent	\$ 52,116	\$ 277,038
Menuhin Competition	1,168,217	489,564
Major Gifts Officer salary	18,479	-
Time:		
Subsequent year performances or operations	779,985	983,643
Donor release from Future Endowments	100,000	50,000
Appropriation from perpetual endowment funds	<u>950,039</u>	<u>779,727</u>
	<u>\$ 3,068,836</u>	<u>\$ 2,579,972</u>

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

	<u>2021</u>	<u>2020</u>
The Symphony:		
Symphony's Big Tent	\$ 165,000	\$ 165,016
Menuhin Competition	-	916,190
Subsequent year performances or operations	1,042,600	475,322
The Foundation:		
Major Gifts Officer salary	4,539	18,479
Future Endowments	-	450,803
Perpetually restricted endowment	<u>22,786,651</u>	<u>16,789,339</u>
	<u>\$ 23,998,790</u>	<u>\$ 18,815,149</u>

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

Notes to Consolidated Financial Statements, Continued

8. Paycheck Protection Program (PPP) Loans:

In response to the economic instability caused by COVID-19, the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was passed by Congress and signed into law by the President on March 27, 2020. The Paycheck Protection Program ("PPP") was a component of the CARES Act and provided for a loan ("PPP Loan") to provide a direct incentive for employers to keep their employees on the payroll. A PPP Loan is eligible for full or partial forgiveness if the funds are used for qualifying costs including payroll, rent, mortgage interest, or utilities during the covered period, as further defined in the CARES Act.

During 2020, the Symphony applied for and was approved for a PPP Loan in the amount of \$818,500. The loan was funded on April 17, 2020. The loan accrued interest at 1.0%, with payments required to begin 10 months after the end of the covered period. The Symphony was eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements and incurring qualified costs. Through June 30, 2020, the Symphony determined that qualifying costs totaling \$648,790 substantially met the criteria to earn forgiveness, and therefore recognized income in 2020 totaling this amount based on the assumed forgiveness. The Symphony received full forgiveness of the loan in 2021, and recognized income in 2021 for the remaining amount of \$169,710.

During 2021, the Symphony applied for and was approved for a second PPP loan in the amount of \$818,610. The loan accrued interest at 1%, with payments required to begin 10 months after the end of the covered period. As of June 30, 2021, the Symphony had used all loan proceeds for qualifying costs and subsequently received full forgiveness of the loan in August 2021. Based on its facts and circumstances, the Symphony recognized income in 2021 totaling the full amount of \$818,610.

9. Line of Credit:

The Symphony has a line of credit with Truist Bank that provides for short-term borrowings of up to \$1,500,000. The current line extension expires on June 21, 2022. 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 SOFR Rate plus 3.54%, with a floor of 4.55% (4.55% at June 30, 2021). Amounts previously bore interest at the 30-day LIBOR rate plus 1.5% (1.67% at June 30, 2020). The outstanding balance on the line was \$745,000 at June 30, 2021 and \$1,090,000 at June 30, 2020.

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

Notes to Consolidated Financial Statements, Continued

10. Leases:

The Symphony has a lease agreement for its administrative office space and storage space through August 31, 2025.

Future minimum lease payments under non-cancelable operating leases with initial or remaining lease terms in excess of one year as of June 30, 2021 are as follows:

<u>Year</u>	<u>Amount</u>
2022	\$ 90,884
2023	92,952
2024	93,300
2025	93,300
2026	<u>15,550</u>
	<u>\$ 385,986</u>

Total rent expense amounted to \$88,938 in 2021 and \$87,054 in 2020.

The Organization leases certain equipment under agreements classified as capital leases that expire at various times through 2025. 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 \$9,077 for 2021 and \$7,673 for 2020.

Monthly payments ranged from \$165 to \$305 in 2021 and 2020 with interest rates ranging from 3.21% - 3.73%. These leases are secured by equipment.

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

	<u>2021</u>	<u>2020</u>
Equipment	\$ 43,856	\$ 43,856
Less: accumulated depreciation	<u>23,372</u>	<u>14,295</u>
	<u>\$ 20,484</u>	<u>\$ 29,561</u>

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

Notes to Consolidated Financial Statements, Continued

10. Leases, Continued:

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

<u>Year</u>	<u>Amount</u>
2022	\$ 9,267
2023	6,257
2024	5,655
2025	<u>2,853</u>
Total minimum payment	24,032
Less: amount representing interest	<u>(1,142)</u>
Present value of minimum lease payments	<u><u>\$ 22,890</u></u>

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 totaled \$146,105 in 2021 and \$135,734 in 2020.

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.

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

Notes to Consolidated Financial Statements, Continued

12. Endowment Funds, Continued:

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.

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

Return Objectives and Risk Parameters: The Foundation has adopted investment and spending policies for donor-restricted endowment funds that attempt to provide a predictable stream of funding to the Symphony and to programs supported by the 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. 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.

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

Notes to Consolidated Financial Statements, Continued

12. Endowment Funds, Continued:

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.

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 cumulative excess of spending over revenue or decreases in the market value of the Foundation's investments. The Foundation allows spending from underwater endowment funds in accordance with the spending policy described above. In accordance with GAAP, deficiencies of this nature are reported in net assets with donor restrictions as follows:

	<u>2021</u>	<u>2020</u>
Fair value of endowment funds	\$ 22,786,651	\$ 16,789,339
Original gift amount	<u>19,757,858</u>	<u>19,206,137</u>
Gains on (deficiencies of) endowment funds	<u>\$ 3,028,793</u>	<u>\$ (2,416,798)</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, 2021 and 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, July 1, 2019	\$ -	\$ 17,369,513	\$ 17,369,513
Investment return (loss):			
Interest and dividend income	-	248,743	248,743
Realized and unrealized loss on investments, net	-	(349,471)	(349,471)
Change in value of annuity obligation	-	(9,279)	(9,279)
Total investment loss	-	(110,007)	(110,007)
New gifts	-	309,560	309,560
Appropriation for expenditure	779,727	(779,727)	-
Expenses	(779,727)	-	(779,727)
Net assets, June 30, 2020	-	16,789,339	16,789,339
Investment return:			
Interest and dividend income	-	150,629	150,629
Realized and unrealized gain on investments, net	-	6,086,806	6,086,806
Change in value of annuity obligation	-	39,195	39,195
Total investment return	-	6,276,630	6,276,630
New gifts	-	333,153	333,153
Net assets converted to permanent endowment	-	355,803	355,803
Appropriation for expenditure	950,039	(950,039)	-
Expenses	(950,039)	-	(950,039)
Loss on uncollectible pledges	-	(18,235)	(18,235)
Net assets, June 30, 2021	<u>\$ -</u>	<u>\$ 22,786,651</u>	<u>\$ 22,786,651</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, 2021			
	Total	Program	General and Administrative	Fundraising
Salaries, wages, and benefits	\$ 4,617,443	\$ 3,950,152	\$ 208,613	\$ 458,678
Services and professional fees	1,547,474	1,310,344	178,745	58,385
Office and occupancy	312,247	163,794	140,012	8,441
Supplies and travel	138,535	131,140	7,395	-
Depreciation	94,220	67,605	26,615	-
Other	148,610	111,279	34,041	3,290
Total expenses	<u>\$ 6,858,529</u>	<u>\$ 5,734,314</u>	<u>\$ 595,421</u>	<u>\$ 528,794</u>

	Year Ended June 30, 2020			
	Total	Program	General and Administrative	Fundraising
Salaries, wages, and benefits	\$ 4,653,402	\$ 4,212,320	\$ 223,043	\$ 218,039
Services and professional fees	1,517,567	1,158,551	179,784	179,232
Office and occupancy	228,101	189,292	34,514	4,295
Supplies and travel	174,941	161,864	9,225	3,852
Depreciation	91,462	87,294	4,168	-
Other	4,189	2,688	1,501	-
Total expenses	<u>\$ 6,669,662</u>	<u>\$ 5,812,009</u>	<u>\$ 452,235</u>	<u>\$ 405,418</u>

14. Risks and Uncertainties:

In March 2020, COVID-19 was declared a worldwide health pandemic and has had a significant impact on the national and global economy. As a result, many events after March 2020 were postponed, canceled, or moved to a hybrid environment. In 2021 the Symphony began a return to programming, offering virtual and reduced capacity events. As of the date of issuance, event activity has not fully returned to normal levels. The ultimate impact of COVID-19 on the future financial state of the Symphony and the Foundation is unknown at this time.

15. Subsequent Events:

On September 29, 2021, the Foundation was the recipient of a \$1 million pledge for the establishment of a new endowment fund. Funds are to be received in installments over the course of 2022 and 2023.

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

Notes to Consolidated Financial Statements, Continued

15. Subsequent Events, Continued:

In addition, subsequent to year end, the Organization was awarded \$610,833 under the Shuttered Venue Operators Grant program of the Small Business Administration.

Management has evaluated subsequent events through December 9, 2021, the date the financial statements were available to be issued and has determined that other than as disclosed in above and in Note 8, there are no additional items to be disclosed.

16. New Accounting Guidance:

Leases: In February 2016, the FASB issued a new accounting standard for leases that will impact both lessees and lessors. The new lease standard will require leases with terms more than 12 months to be recognized on the statement of financial position of lessees 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. The new standard will be effective for periods beginning after December 15, 2021, and will require entities to use a modified retrospective approach to the earliest period presented. The Organization is currently evaluating the reporting and economic implications of the new standard.

In-Kind Gifts: In September 2020, the FASB issued ASU 2020-07, "Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets." The standard provides additional guidance to nonprofit organizations on how to record and disclose in-kind contributions. The overall purpose of the update is to provide more transparency in how organizations are receiving and valuing in-kind contributions. The ASU now requires nonprofit organizations to present in-kind contributions as a separate line item in the financial statements and to provide additional disclosures in the footnotes covering the following areas:

- A description of the organization's policy for monetizing rather than utilizing in-kind contributions;
- A listing of in-kind contributions categorized by type with a description about whether each type was monetized or utilized during the reporting period;
- For in-kind contributions that were utilized during the reporting period, the nonprofit must include a description of the programs or activities in which those contributions were used; and
- A description of the valuation process utilized by the organization to determine the fair value of the in-kind contributions.

The ASU is effective for periods beginning after June 30, 2021. 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, 2021

<u>Assets</u>	The Richmond Symphony	The Richmond Symphony Foundation	Eliminations	Consolidated
Cash and cash equivalents	\$ 261,578	\$ 1,314,005	\$ -	\$ 1,575,583
Investments	-	20,459,707	-	20,459,707
Pledges receivable, net	663,196	393,419	-	1,056,615
Accounts receivable	56,662	-	-	56,662
Due from related party	-	638,515	(638,515)	-
Prepaid expenses and other assets	131,163	-	-	131,163
Property and equipment, net	291,216	-	-	291,216
Total assets	<u>\$ 1,403,815</u>	<u>\$ 22,805,646</u>	<u>\$ (638,515)</u>	<u>\$ 23,570,946</u>
<u>Liabilities and Net Assets</u>				
Liabilities:				
Line of credit	\$ 745,000	\$ -	\$ -	\$ 745,000
Accounts payable	226,956	-	-	226,956
Accrued expenses	133,565	-	-	133,565
Due to related party	638,515	-	(638,515)	-
Capital lease obligation	22,890	-	-	22,890
Annuity obligation	-	14,456	-	14,456
Deferred revenue	203,548	-	-	203,548
Total liabilities	<u>1,970,474</u>	<u>14,456</u>	<u>(638,515)</u>	<u>1,346,415</u>
Net assets (deficit):				
Without donor restrictions	(1,774,259)	-	-	(1,774,259)
With donor restrictions	1,207,600	22,791,190	-	23,998,790
Total net assets (deficit)	<u>(566,659)</u>	<u>22,791,190</u>	<u>-</u>	<u>22,224,531</u>
Total liabilities and net assets	<u>\$ 1,403,815</u>	<u>\$ 22,805,646</u>	<u>\$ (638,515)</u>	<u>\$ 23,570,946</u>

See Report of Independent Accountants.

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

**Consolidating Schedule – Statement of Activities
Year Ended June 30, 2021**

	The Richmond Symphony			The Richmond Symphony Foundation					Eliminations	Consolidated			
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions			Total		Without Donor Restrictions	With Donor Restrictions	Total	
					Revenue and Appropriation	Purpose Restrictions	Future Endowments						Principal Amount of Gifts
Revenue:													
Performance revenue	\$ 360,111	\$ -	\$ 360,111	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 360,111	\$ -	\$ 360,111
Grants and contributions:													
Annual fund contributions	2,592,226	957,178	3,549,404	-	-	-	-	-	(100,000)	2,492,226	957,178	3,449,404	
Other contributions	850,735	159,000	1,009,735	-	-	4,539	5,000	333,153	342,692	(750,000)	100,735	501,692	602,427
Grants for service and underwriting	-	231,075	231,075	-	-	-	-	-	-	-	-	231,075	231,075
Symphony's Big Tent	-	52,110	52,110	-	-	-	-	-	-	-	-	52,110	52,110
Menuhin Competition	119,000	252,027	371,027	-	-	-	-	-	(119,000)	-	-	252,027	252,027
Paycheck Protection Program loan forgiveness (Note 8)	988,320	-	988,320	-	-	-	-	-	-	-	988,320	-	988,320
School of Music tuition income	65,693	-	65,693	-	-	-	-	-	-	-	65,693	-	65,693
Interest and dividend income	-	-	-	-	150,629	-	-	-	150,629	-	-	150,629	150,629
Net realized and unrealized gain on investments	-	-	-	-	6,086,806	-	-	-	6,086,806	-	-	6,086,806	6,086,806
Change in value of annuity obligation	-	-	-	-	39,195	-	-	-	39,195	-	-	39,195	39,195
Other	171,259	-	171,259	-	-	-	-	-	-	-	171,259	-	171,259
Total revenue	5,147,344	1,651,390	6,798,734	-	6,276,630	4,539	5,000	333,153	6,619,322	(969,000)	4,178,344	8,270,712	12,449,056
Expenses and losses:													
Annual payout to Richmond Symphony	-	-	-	750,000	-	-	-	-	750,000	(750,000)	-	-	-
Gifts to Richmond Symphony	-	-	-	119,000	-	-	-	-	119,000	(119,000)	-	-	-
Donor redirection of gifts to Richmond Symphony Program:	-	-	-	100,000	-	-	-	-	100,000	(100,000)	-	-	-
Artistic personnel	2,972,556	-	2,972,556	-	-	-	-	-	-	-	2,972,556	-	2,972,556
Other direct concert costs	1,846,229	-	1,846,229	-	-	-	-	-	-	-	1,846,229	-	1,846,229
Menuhin Competition	915,529	-	915,529	-	-	-	-	-	-	-	915,529	-	915,529
Supporting:													
General and administrative	565,400	-	565,400	30,021	-	-	-	-	30,021	-	595,421	-	595,421
Fundraising	459,297	-	459,297	69,497	-	-	-	-	69,497	-	528,794	-	528,794
Total expenses	6,759,011	-	6,759,011	1,068,518	-	-	-	-	1,068,518	(969,000)	6,858,529	-	6,858,529
Loss on uncollectible pledges	335,100	-	335,100	-	-	-	-	18,235	18,235	-	335,100	18,235	353,335
Total expenses and losses	7,094,111	-	7,094,111	1,068,518	-	-	-	18,235	1,086,753	(969,000)	7,193,629	18,235	7,211,864
Net assets released from restrictions	2,000,318	(2,000,318)	-	18,479	-	(18,479)	-	-	-	-	2,018,797	(2,018,797)	-
Endowment redirected to the Symphony	-	-	-	100,000	-	-	(100,000)	-	-	-	100,000	(100,000)	-
Net assets appropriated for expenditure	-	-	-	950,039	(831,039)	-	-	(119,000)	-	-	950,039	(950,039)	-
Net assets converted to permanent endowment	-	-	-	-	-	-	(355,803)	355,803	-	-	-	-	-
Total reclassifications	2,000,318	(2,000,318)	-	1,068,518	(831,039)	(18,479)	(455,803)	236,803	-	-	3,068,836	(3,068,836)	-
Change in net assets	53,551	(348,928)	(295,377)	-	5,445,591	(13,940)	(450,803)	551,721	5,532,569	-	53,551	5,183,641	5,237,192
Net assets (deficit), beginning of year	(1,827,810)	1,556,528	(271,282)	-	(2,416,798)	18,479	450,803	19,206,137	17,258,621	-	(1,827,810)	18,815,149	16,987,339
Net assets (deficit), end of year	\$ (1,774,259)	\$ 1,207,600	\$ (566,659)	\$ -	\$ 3,028,793	\$ 4,539	\$ -	\$ 19,757,858	\$ 22,791,190	\$ -	\$ (1,774,259)	\$ 23,998,790	\$ 22,224,531

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

Consolidating Schedule – Statement of Financial Position
June 30, 2020

<u>Assets</u>	The Richmond Symphony	The Richmond Symphony Foundation	Eliminations	Consolidated
Cash and cash equivalents	\$ 399,755	\$ 1,201,411	\$ -	\$ 1,601,166
Investments	-	14,623,459	-	14,623,459
Pledges receivable, net	1,088,928	850,172	-	1,939,100
Accounts receivable	77,300	-	-	77,300
Due from related party	-	645,468	(645,468)	-
Prepaid expenses and other assets	481,724	-	-	481,724
Property and equipment, net	369,280	-	-	369,280
Total assets	<u>\$ 2,416,987</u>	<u>\$ 17,320,510</u>	<u>\$ (645,468)</u>	<u>\$ 19,092,029</u>
<u>Liabilities and Net Assets</u>				
Liabilities:				
Line of credit	\$ 1,090,000	\$ -	\$ -	\$ 1,090,000
Paycheck Protection Program Loan (Note 8)	169,710	-	-	169,710
Accounts payable	79,561	-	-	79,561
Accrued expenses	216,380	-	-	216,380
Due to related party	645,468	-	(645,468)	-
Capital lease obligation	31,309	-	-	31,309
Annuity obligation	-	61,889	-	61,889
Deferred revenue	455,841	-	-	455,841
Total liabilities	<u>2,688,269</u>	<u>61,889</u>	<u>(645,468)</u>	<u>2,104,690</u>
Net assets (deficit):				
Without donor restrictions	(1,827,810)	-	-	(1,827,810)
With donor restrictions	1,556,528	17,258,621	-	18,815,149
Total net assets (deficit)	<u>(271,282)</u>	<u>17,258,621</u>	<u>-</u>	<u>16,987,339</u>
Total liabilities and net assets	<u>\$ 2,416,987</u>	<u>\$ 17,320,510</u>	<u>\$ (645,468)</u>	<u>\$ 19,092,029</u>

See Report of Independent Accountants.

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

Consolidating Schedule – Statement of Activities
Year Ended June 30, 2020

	The Richmond Symphony			The Richmond Symphony Foundation						Eliminations	Consolidated		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions			Total	Total		Without Donor Restrictions	With Donor Restrictions	Total
					Revenue and Appropriation	Purpose Restrictions	Future Endowments						
Revenue:													
Performance revenue	\$ 1,270,816	\$ -	\$ 1,270,816	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,270,816	\$ -	\$ 1,270,816
Contract fees - Big Tent	84,984	-	84,984	-	-	-	-	-	-	-	84,984	-	84,984
Grants and contributions:													
Annual fund contributions	1,077,733	484,150	1,561,883	-	-	-	-	-	(50,000)	1,027,733	484,150	1,511,883	
Other contributions	822,506	70,000	892,506	-	-	18,479	3,437	309,560	(681,576)	140,930	401,476	542,406	
Grants for service and underwriting	168,630	243,420	412,050	-	-	-	-	-	-	168,630	243,420	412,050	
Symphony's Big Tent	-	82,054	82,054	-	-	-	-	-	-	-	82,054	82,054	
Menuhin Competition	-	885,891	885,891	-	-	-	-	-	-	-	885,891	885,891	
Paycheck Protection Program loan forgiveness (Note 8)	648,790	-	648,790	-	-	-	-	-	-	648,790	-	648,790	
Interest and dividend income	-	-	-	-	248,743	-	-	-	248,743	-	248,743	248,743	
Net realized and unrealized gain on investments	-	-	-	-	(349,471)	-	-	-	(349,471)	-	(349,471)	(349,471)	
Change in value of annuity obligation	-	-	-	-	(9,279)	-	-	-	(9,279)	-	(9,279)	(9,279)	
Other	653,410	-	653,410	-	-	-	-	-	-	653,410	-	653,410	
Total revenue (loss)	4,726,869	1,765,515	6,492,384	-	(110,007)	18,479	3,437	309,560	221,469	(731,576)	3,995,293	1,986,984	5,982,277
Expenses:													
Annual payout to Richmond Symphony	-	-	-	681,576	-	-	-	-	681,576	(681,576)	-	-	-
Redirection of gifts to Richmond Symphony	-	-	-	50,000	-	-	-	-	50,000	(50,000)	-	-	-
Program:													
Artistic personnel	2,812,342	-	2,812,342	-	-	-	-	-	-	-	2,812,342	-	2,812,342
Menuhin Competition	390,628	-	390,628	-	-	-	-	-	-	-	390,628	-	390,628
Other direct concert costs	2,609,039	-	2,609,039	-	-	-	-	-	-	-	2,609,039	-	2,609,039
Supporting:													
General and administrative	391,562	-	391,562	60,673	-	-	-	-	60,673	-	452,235	-	452,235
Fundraising	367,940	-	367,940	37,478	-	-	-	-	37,478	-	405,418	-	405,418
Total expenses	6,571,511	-	6,571,511	829,727	-	-	-	-	829,727	(731,576)	6,669,662	-	6,669,662
Net assets released from restrictions	1,750,245	(1,750,245)	-	-	-	-	-	-	-	-	1,750,245	(1,750,245)	-
Endowment redirected to the Symphony	-	-	-	50,000	-	-	(50,000)	-	-	-	50,000	(50,000)	-
Net assets appropriated for expenditure	-	-	-	779,727	(779,727)	-	-	-	-	-	779,727	(779,727)	-
Total reclassifications	1,750,245	(1,750,245)	-	829,727	(779,727)	-	(50,000)	-	-	-	2,579,972	(2,579,972)	-
Change in net assets	(94,397)	15,270	(79,127)	-	(889,734)	18,479	(46,563)	309,560	(608,258)	-	(94,397)	(592,988)	(687,385)
Net assets (deficit), beginning of year	(1,733,413)	1,541,258	(192,155)	-	(1,527,064)	-	497,366	18,896,577	17,866,879	-	(1,733,413)	19,408,137	17,674,724
Net assets (deficit), end of year	\$ (1,827,810)	\$ 1,556,528	\$ (271,282)	\$ -	\$ (2,416,798)	\$ 18,479	\$ 450,803	\$ 19,206,137	\$ 17,258,621	\$ -	\$ (1,827,810)	\$ 18,815,149	\$ 16,987,339

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