

YOUTH ORCHESTRA OF GREATER FORT WORTH, INC.

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

YEARS ENDED JUNE 30, 2019 AND 2018

**YOUTH ORCHESTRA OF GREATER FORT WORTH, INC.
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INDEPENDENT AUDITORS' REPORT

Board of Directors and Management
Youth Orchestra of Greater Fort Worth, Inc.
Fort Worth, Texas

We have audited the accompanying financial statements of Youth Orchestra of Greater Fort Worth, Inc., which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Board of Directors and Management
Youth Orchestra of Greater Fort Worth, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Youth Orchestra of Greater Fort Worth, Inc. as of June 30, 2019, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The 2018 financial statements of Youth Orchestra of Greater Fort Worth, Inc. were audited by other auditors whose report dated March 26, 2019, expressed an unmodified opinion on those statements.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Fort Worth, Texas
April 20, 2020

YOUTH ORCHESTRA OF GREATER FORT WORTH, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 70,305	\$ 56,993
Accounts Receivable	17,920	-
Rent Receivable	12,350	-
Grants and Pledges Receivable	50,000	12,308
Prepaid Expenses	1,650	1,650
Investments	3,193	3,069
Investments - Endowment	164,975	164,377
Total Current Assets	320,393	238,397
PROPERTY AND EQUIPMENT, Net	598,790	602,143
Total Assets	\$ 919,183	\$ 840,540
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 13,067	\$ 4,561
Deferred Revenue	46,350	42,000
Total Liabilities	59,417	46,561
NET ASSETS		
Without Donor Restrictions:		
Board Designated Endowment	7,176	7,152
Undesignated	644,791	629,602
Total Without Donor Restrictions	651,967	636,754
With Donor Restrictions:		
Endowment	157,799	157,225
Time Restrictions	50,000	-
Total With Donor Restrictions	207,799	157,225
Total Net Assets	859,766	793,979
Total Liabilities and Net Assets	\$ 919,183	\$ 840,540

See accompanying Notes to Financial Statements.

**YOUTH ORCHESTRA OF GREATER FORT WORTH, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2019 AND 2018**

	2019		2018		
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT					
Contributions	\$ 269,431	\$ 52,700	\$ 296,416	\$ 6,300	\$ 302,716
Concert Revenue	70,524	-	43,792	-	43,792
Special Events, Net of Direct Costs of \$13,669 in 2019 and \$- in 2018	22,810	-	3,307	-	3,307
Tuition, Net of Scholarships of \$17,750 and 13,850	254,605	-	197,623	-	197,623
Youth Orchestra Parents' Guild Income	21,252	-	18,727	-	18,727
Other Income	-	1,326	3,026	-	3,026
Net Investment Income	115	7,709	11,095	(3,545)	7,550
Lease Income	27,772	-	27,773	-	27,773
Rental Income	57,065	-	41,300	-	41,300
Net Assets Released from Restrictions:					
Satisfaction of Purpose Restrictions	11,161	(11,161)	6,300	(6,300)	-
Total Revenue and Other Support	<u>734,735</u>	<u>50,574</u>	<u>649,359</u>	<u>(3,545)</u>	<u>645,814</u>
EXPENSES					
Program	553,875	-	451,162	-	451,162
Management and General	113,509	-	181,276	-	181,276
Fundraising	52,138	-	9,326	-	9,326
Total Expenses	<u>719,522</u>	<u>-</u>	<u>641,764</u>	<u>-</u>	<u>641,764</u>
CHANGE IN NET ASSETS					
Net Assets - Beginning of Year	15,213	50,574	7,595	(3,545)	4,050
Net Assets - Beginning of Year	<u>636,754</u>	<u>157,225</u>	<u>629,159</u>	<u>160,770</u>	<u>789,929</u>
NET ASSETS - END OF YEAR	<u>\$ 651,967</u>	<u>\$ 207,799</u>	<u>\$ 636,754</u>	<u>\$ 157,225</u>	<u>\$ 793,979</u>

See accompanying Notes to Financial Statements.

YOUTH ORCHESTRA OF GREATER FORT WORTH, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

	Program Services	Fundraising	Management and General	Total
Bank Charges	\$ 2	\$ 415	\$ 8,347	\$ 8,764
Concert Expenses	73,216	-	-	73,216
Contract Labor	32,191	-	6,233	38,424
Depreciation	27,556	-	8,010	35,566
Employee Benefits	1,265	-	1,265	2,529
Insurance	10,833	1,024	1,990	13,847
Marketing	55,160	23,011	4,419	82,591
Merchandise	-	-	-	-
Music	1,520	-	-	1,520
Information Technology	3,664	-	590	4,254
Parents' Guild Expenses	17,867	-	-	17,867
Postage	1,041	417	84	1,542
Printing	868	-	-	868
Dues and Subscriptions	544	-	156	700
Professional Fees	-	-	14,699	14,699
Special Projects and Events	17,575	-	800	18,375
Repairs and Maintenance	9,895	-	3,298	13,193
Salaries and Wages	259,832	24,571	47,725	332,128
Supplies	8,154	771	1,498	10,423
Taxes and Fees	20,391	1,928	5,802	28,121
Telephone	3,719	-	1,240	4,959
Travel	877	-	-	877
Miscellaneous	1,809	-	72	1,881
Bad Debt	-	-	1,100	1,100
Utilities	18,543	-	6,181	24,724
Website	1,023	-	-	1,023
Total Gross Expenses	<u>567,544</u>	<u>52,138</u>	<u>113,509</u>	<u>733,191</u>
Direct Costs Netted Against Special Events Revenues in the Statement of Activities	<u>(13,669)</u>	<u>-</u>	<u>-</u>	<u>(13,669)</u>
Total Expenses	<u>\$ 553,875</u>	<u>\$ 52,138</u>	<u>\$ 113,509</u>	<u>\$ 719,522</u>

See accompanying Notes to Financial Statements.

YOUTH ORCHESTRA OF GREATER FORT WORTH, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2018

	<u>Program Services</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Bank Charges	\$ -	\$ -	\$ 6,531	\$ 6,531
Concert Expenses	48,339	-	-	48,339
Contract Labor	27,588	-	-	27,588
Depreciation	29,475	-	2,756	32,231
Employee Benefits	-	-	-	-
Insurance	13,522	-	4,250	17,772
Marketing	73,245	-	-	73,245
Merchandise	-	9,326	-	9,326
Music	3,430	-	-	3,430
Office Expenses	-	-	13,935	13,935
Parents' Guild Expenses	-	-	11,004	11,004
Postage	-	-	3,748	3,748
Professional Fees	-	-	11,977	11,977
Programs	8,822	-	-	8,822
Repairs and Maintenance	21,533	-	-	21,533
Salaries and Wages	183,693	-	107,302	290,995
Supplies	-	-	1,220	1,220
Taxes and Fees	17,891	-	8,209	26,100
Telephone	-	-	4,248	4,248
Travel	-	-	1,767	1,767
Tour Expenses	-	-	-	-
Training	-	-	-	-
Utilities	23,624	-	-	23,624
Website	-	-	4,329	4,329
	<u>-</u>	<u>-</u>	<u>4,329</u>	<u>4,329</u>
Total Expenses	<u>\$ 451,162</u>	<u>\$ 9,326</u>	<u>\$ 181,276</u>	<u>\$ 641,764</u>

See accompanying Notes to Financial Statements.

YOUTH ORCHESTRA OF GREATER FORT WORTH, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 65,787	\$ 4,050
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	35,566	32,231
Net (Appreciation) Depreciation of Investments	553	(7,550)
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(17,920)	1,017
Rent Receivable	(12,350)	-
Grants and Pledges Receivable	(37,692)	7,418
Prepaid Expenses	-	(1,650)
Accounts Payable	8,506	(3,109)
Deferred Revenue	4,350	8,450
Payroll Liabilities	-	(2,889)
Net Cash Provided by Operating Activities	46,800	37,968
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(32,213)	(10,979)
Purchase of Investments	(7,120)	-
Proceeds from Sale of Investments	5,845	6,889
Net Cash Used by Financing Activities	(33,488)	(4,090)
 NET INCREASE IN CASH AND CASH EQUIVALENTS	13,312	33,878
 Cash and Cash Equivalents - Beginning of Year	56,993	23,115
 CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 70,305	\$ 56,993

See accompanying Notes to Financial Statements.

YOUTH ORCHESTRA OF GREATER FORT WORTH, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 ORGANIZATION AND OPERATIONS

Youth Orchestra of Greater Fort Worth, Inc. (the Organization) is a nonprofit corporation organized under the Texas Non-Profit Corporation Act. The Organization's purpose is to provide an important music activity for young people in Fort Worth and surrounding areas. The Organization provides musical education to youth through public concerts and other activities. Concerts to the public assist in the development of cultural awareness and enhance the public's appreciation of classical music by providing free or low-cost concerts and music events. In addition, the Organization serves as a feeder system for adult symphony orchestras. The programs of the Organization are as follows:

Program Services – represents the portion of expendable funds that are available to support the development of young musicians through the study and performance of challenging orchestral and symphonic repertoire.

Building Services (Orchestra Hall) – represents resources used to maintain and operate the land and building. In addition, available resources are used to acquire additional equipment for the building and make improvements when necessary.

Youth Services (Parents' Guild) – represents resources raised by a volunteer group for the benefit of the Organization. Resources provide funding to reduce the cost of travel expenses for the Organization's musicians when they tour, and for other musician activities.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Organization is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (U.S. GAAP) and have been consistently applied in the preparation of the financial statements.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

YOUTH ORCHESTRA OF GREATER FORT WORTH, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with maturities of three months or less at the time of purchase to be cash equivalents.

Program Revenue

Revenue is recognized when earned. Program service fees and payments received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

Grants and Pledges Receivable

Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period the Organization is notified of the commitment. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Bequests are recorded as revenue at the time the Organization has an established right to the bequest and the proceeds are measurable. Management evaluates collectability of pledges based on an assessment of the credit history with those having outstanding balances and current relationships with them. The allowance for uncollectible pledges was \$-0- as of June 30, 2019 and 2018. The grants and pledge receivable balance is expected to be collected within one year, net of the allowance.

YOUTH ORCHESTRA OF GREATER FORT WORTH, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

It is the Organization's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated at cost using the straight-line method as follows:

Building	27 Years
Building Improvements	10 to 15 Years
Furniture, Fixtures, and Equipment	5 to 7 Years
Instruments	5 to 7 Years

Revenue With and Without Donor Restrictions

Contributions received are recorded with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in net assets with donor restrictions. 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 statement of activities as net assets released from restrictions.

Revenue from services and events is recognized in the period the services are performed and events occur. Deferred revenue represents amounts collected in advance for services and events occurring in the subsequent year.

Donated Assets and Services

Donations of property, equipment, materials and other assets are recorded as support at their estimated fair value at the date of donation. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose.

The Organization recognizes donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

YOUTH ORCHESTRA OF GREATER FORT WORTH, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets reflected on the statement of activities.

U.S. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. The three levels of fair value hierarchy are as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities. Active markets are those in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date. Level 2 includes those financial instruments that are valued using models or other valuation methodologies. These models are primarily industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors, and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace.

Level 3 – Pricing inputs include significant inputs that are generally unobservable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value. Level 3 instruments include those that may be more structured or otherwise tailored to the Organization's needs.

As of June 30, 2019 and 2018, the Organization was able to utilize Level 1 inputs for all significant investments.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

YOUTH ORCHESTRA OF GREATER FORT WORTH, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Federal Income Tax

The Organization is a nonprofit entity exempt from federal income taxes under Internal Revenue Code Section 501(c)(3); therefore, no provision for federal income taxes has been included in the financial statements. Taxes are paid on net income earned from sources unrelated to the exempt purposes. There was no net income from unrelated business for the years ended June 30, 2019 and 2018.

Recent Accounting Guidance

In August 18, 2016, FASB issued Accounting Standard Update (ASU) 2016-14, *Not for Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented.

Reclassifications

Certain reclassifications have been made to the 2018 financial statement information to conform to the current year presentation. These reclassifications had no effect on the change in net assets for 2018.

Subsequent Events

Management has evaluated subsequent events through April 20, 2020, the date that the financial statements were available to be issued.

NOTE 3 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2019</u>	<u>2018</u>
Cash and Cash Equivalents	\$ 70,305	\$ 56,993
Accounts and Rent Receivable	30,270	-
Grants and Pledges Receivable, Net	50,000	12,308
Investments	168,168	167,446
Less: Donor Restricted Net Assets	(50,000)	-
Less: Endowment Net Assets	(164,975)	(164,377)
Total	<u>\$ 103,768</u>	<u>\$ 72,370</u>

YOUTH ORCHESTRA OF GREATER FORT WORTH, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3 LIQUIDITY AND AVAILABILITY (CONTINUED)

The Organization has implemented a well-balanced development plan consisting of income from small donors, large donors, foundations/grants, and corporations. The income from these sources is derived from mailings, meetings, telephone calls, the governing board, specific sponsorship of some programs, monthly donors, and one special event a year. These year-round fundraising activities keep liquid resources available in line with the Organization's strategic goals, enabling the Organization to execute programs as budgeted throughout the year. The diversified sources of donations ensure that the Organization is not reliant on one or two sources for funds, but have backup sources if one source should suddenly become unavailable.

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30, 2019 and 2018:

	2019	2018
Land	\$ 25,424	\$ 25,424
Buildings and Improvements	1,178,727	1,159,229
Equipment	117,473	115,158
Instrument	74,609	64,209
Property and Equipment	1,396,233	1,364,020
Less: Accumulated Depreciation	(797,443)	(761,877)
Property and Equipment, Net	\$ 598,790	\$ 602,143

NOTE 5 IN-KIND CONTRIBUTIONS OF GOODS AND PROFESSIONAL SERVICES

The Organization received the following contributions of goods and professional services for the years ended June 30, 2019 and 2018:

	2019	2018
Graphic Design	\$ 6,979	\$ 2,150
Concert Venue	4,220	-
Instruments	9,000	-
Total	\$ 20,199	\$ 2,150

NOTE 6 INVESTMENTS

FASB ASC No. 820-10, Fair Value Measurements, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consists of other investments and Level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments.

YOUTH ORCHESTRA OF GREATER FORT WORTH, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6 INVESTMENTS (CONTINUED)

When available, the Organization measures fair value using Level 1 and Level 2 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are not used by the Organization.

Investments as of June 30, 2019 consisted of the following:

	Level 1		
Money Market Accounts	\$ 1,722		
Equity Mutual Funds	3,193		
Balanced Mutual Fund	163,253		
Total Investments	<u>\$ 168,168</u>		

	Fair Value	Cost	Cumulative Unrealized Appreciation (Depreciation)
Money Market Accounts	\$ 1,722	\$ 1,722	\$ -
Equity Mutual Funds	3,193	3,439	(246)
Balanced Mutual Fund	163,253	153,188	10,065
Total Investments	<u>\$ 168,168</u>	<u>\$ 158,349</u>	<u>\$ 9,819</u>

Investments as of June 30, 2018 consisted of the following:

	Level 1		
Money Market Accounts	\$ 1,321		
Equity Mutual Funds	3,069		
Balanced Mutual Fund	163,056		
Total Investments	<u>\$ 167,446</u>		

	Fair Value	Cost	Cumulative Unrealized Appreciation (Depreciation)
Money Market Accounts	\$ 1,321	\$ 1,321	\$ -
Equity Mutual Funds	3,069	3,439	(370)
Balanced Mutual Fund	163,056	152,233	10,823
Total Investments	<u>\$ 167,446</u>	<u>\$ 156,993</u>	<u>\$ 10,453</u>

YOUTH ORCHESTRA OF GREATER FORT WORTH, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 7 ENDOWMENT

Permanently restricted net assets at June 30, 2019 and 2018 consist of an endowment fund established in 1974 to support the Organization's program services. Currently held endowment funds, and future contributions to the endowment fund are subject to trust document restrictions imposed by the original donor that stipulate the original principal of the gift is to be held in trust and distributions from the fund are to be expended for program services. There are no other donor restricted funds included in the endowment fund. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization has adopted investment and spending policies for endowment assets that attempt to subject the fund to moderate investment risk and provide its program activities with current income. Endowment assets are invested in a JP Morgan balanced fund. The Organization currently receives required distributions from the Endowment Fund.

The following is a progression of the endowment fund for the year ended June 30, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, Beginning of Year	\$ 7,152	\$ 157,225	\$ 164,377
Investment Return:			
Interest Income	2	39	41
Dividend Income	131	2,871	3,002
Long-Term Capital Gain Distributions	308	6,769	7,077
Realized Gains	4	77	81
Unrealized Losses	(33)	(724)	(757)
Advisory Fees	(29)	(558)	(587)
Appropriation of Endowment			
Assets for Expenditure	(359)	(7,900)	(8,259)
Endowment Net Assets, End of Year	<u>\$ 7,176</u>	<u>\$ 157,799</u>	<u>\$ 164,975</u>

YOUTH ORCHESTRA OF GREATER FORT WORTH, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 7 ENDOWMENT (CONTINUED)

The following is a progression of the endowment fund for the year ended June 30, 2018:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, Beginning of Year	\$ 2,964	\$ 160,770	\$ 163,734
Investment Return:			
Interest Income	43	-	43
Dividend Income	3,072	-	3,072
Short-Term Capital Gain Distributions	62		
Long-Term Capital Gain Distributions	7,904	-	7,904
Realized Gains	-	-	-
Unrealized Losses	-	(982)	(982)
Advisory Fees	-	(2,563)	(2,563)
Appropriation of Endowment Assets for Expenditure	(6,893)	-	(6,893)
Endowment Net Assets, End of Year	<u>\$ 7,152</u>	<u>\$ 157,225</u>	<u>\$ 164,377</u>

NOTE 8 FUNCTIONALIZED EXPENSE ALLOCATION METHODOLOGY

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy which is allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, insurance, advertising, and other, which are allocated on the basis of estimates of time and effort or the benefit received.

NOTE 9 CONCENTRATIONS OF REVENUE AND OTHER SUPPORT

Two and one donor contributed approximately 31% and 16%, respectively, of contributions for the year ended June 30, 2019.