

Shreveport Symphony, Inc.
CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2020



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June 30, 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Shreveport Symphony, Inc.
Shreveport, Louisiana

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Shreveport Symphony, Inc. (a nonprofit corporation) which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to 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 of America; 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 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 auditors' 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 auditors consider 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 Shreveport Symphony, Inc. as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position, activities, and functional expenses on pages 23 through 26 are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, activities, and functional expenses of the individual organizations, and it is not a required part of the consolidated financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head is presented in accordance with Act 706 of the Louisiana Revised Statutes (LRS) 24:513(A)(3) on page 27 for purposes of additional analysis and is 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 audit 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 of America. In our opinion, the consolidating information and the Schedule of Compensation, Benefits, and Other Payments to Agency Head are fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana

January 4, 2021

Shreveport Symphony, Inc.
Consolidated Statement of Financial Position

June 30, 2020

Assets

Current assets	
Cash	\$ 537,495
Accounts receivable, net of allowance for doubtful accounts of \$5,166	11,238
Prepaid expenses	360
Total current assets	549,093
Property and equipment, net	60,970
Restricted assets	
Cash	8,627
Investments	377,543
Beneficial interest in assets of foundation	221,580
Total restricted assets	607,750
Total assets	\$ 1,217,813

Liabilities and Net Assets

Current liabilities	
Accrued expenses	\$ 4,974
Deferred revenue	94,854
Current portion of note payable	71,723
Total current liabilities	171,551
Long-term liabilities	
Note payable, less current portion	91,358
Total long-term liabilities	91,358
Total liabilities	262,909
Net assets	
Without donor restrictions	469,201
With donor restrictions	485,703
Total net assets	954,904
Total liabilities and net assets	\$ 1,217,813

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

Shreveport Symphony, Inc.
Consolidated Statement of Activities

<i>For the year ended June 30, 2020</i>	Without Donor Restrictions	With Donor Restrictions	Totals
Revenue, Gains, and Other Support			
Support and contributions			
Contributions and sponsorships	\$ 859,978	\$ -	\$ 859,978
Grant income	104,840	47,581	152,421
Other revenue			
Performance fees	362,888	-	362,888
Contract fees	63,890	-	63,890
Advertising fees	21,575	-	21,575
Other	3,095	-	3,095
Investment income, net	9,855	2,466	12,321
Net realized and unrealized gain (loss) on investments	(36,496)	(8,725)	(45,221)
Total revenue, gains, and other support	1,389,625	41,322	1,430,947
Expenses			
Program services	829,598	-	829,598
Support services	406,269	-	406,269
Total expenses	1,235,867	-	1,235,867
Change in Net Assets	153,758	41,322	195,080
Net assets at beginning of year	315,443	444,381	759,824
Net assets at end of year	\$ 469,201	\$ 485,703	\$ 954,904

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

Shreveport Symphony, Inc.
Consolidated Statement of Functional Expenses

	Program Services			Supporting Services				Total Expenses
	Concert Production	Educational Activities	Total Program Services	Development and Fundraising	Marketing and Public Relations	Music Administration, Management and General	Total Supporting Services	
<i>For the year ended June 30, 2020</i>								
Payroll and related benefits	\$ 607,628	\$ 24,985	\$ 632,613	\$ 41,250	\$ 23,140	\$ 200,172	\$ 264,562	\$ 897,175
Advertising	-	-	-	-	39,017	-	39,017	39,017
Bank fees	-	-	-	-	-	1,086	1,086	1,086
Contract labor	51,312	-	51,312	-	-	-	-	51,312
Depreciation	-	-	-	-	-	5,225	5,225	5,225
Fundraising	-	-	-	11,088	-	-	11,088	11,088
Insurance	-	-	-	-	-	7,577	7,577	7,577
Licenses and fees	-	-	-	-	-	4,837	4,837	4,837
Occupancy	-	-	-	-	-	5,790	5,790	5,790
Postage and delivery	5,980	-	5,980	2,147	3,125	2,715	7,987	13,967
Printing and reproduction	11,548	-	11,548	-	-	1,605	1,605	13,153
Concert production	63,584	-	63,584	-	375	-	375	63,959
Professional and contract fees	-	-	-	-	-	32,503	32,503	32,503
Travel	52,478	-	52,478	-	-	331	331	52,809
Utilities	-	-	-	-	-	6,156	6,156	6,156
Office supplies and equipment	-	-	-	-	138	5,788	5,926	5,926
Other	12,083	-	12,083	2,385	-	9,819	12,204	24,287
Total Functional Expenses	\$ 804,613	\$ 24,985	\$ 829,598	\$ 56,870	\$ 65,795	\$ 283,604	\$ 406,269	\$ 1,235,867

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

Shreveport Symphony, Inc.
Consolidated Statement of Cash Flows

For the year ended June 30,

2020

Cash Flows from Operating Activities

Change in net assets	\$	195,080
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Bad debts		5,166
Depreciation		5,225
Unrealized and realized loss (gain) on investments		36,496
Changes in operating assets and liabilities		
Accounts receivable, net		20,976
Prepaid expenses		810
Accounts payable		(26,395)
Accrued expenses		(465)
Deferred income		(139,213)
<hr/>		
Net cash provided by (used in) operating activities		97,680

Cash Flows from Investing Activities

Change in beneficial interest in assets of foundation		6,259
Purchase of investments		(231,122)
Proceeds from sale of investments		225,922
<hr/>		
Net cash provided by (used in) investing activities		1,059

Cash Flows from Financing Activities

Proceeds from note payable		163,081
<hr/>		
Net cash provided by (used in) financing activities		163,081
<hr/>		
Net change in cash and restricted cash		261,820
Cash and restricted cash at beginning of year		284,302
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Cash and restricted cash at end of year	\$	546,122

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

Shreveport Symphony, Inc.
Notes to Consolidated Financial Statements

Note 1: NATURE OF ORGANIZATION

Organization

Shreveport Symphony, Inc. (the Symphony) is a nonprofit corporation formed under the laws of the State of Louisiana in 1948. The Symphony is an organization dedicated to promoting, supporting, and providing musical events and programming of the highest possible quality in the Shreveport – Bossier area. The Symphony encourages the development and growth of other arts organizations and individuals in order to enhance the quality of life and to develop a cultural identity for the area.

These financial statements include the Shreveport Symphony Orchestra Foundation (the Foundation), a 501(c)(3) corporation that is a supporting organization to the Symphony and therefore is consolidated in these statements with the Symphony. The Foundation was formed March 14, 1990, and is governed by a Board of Directors. The Board is made up of the Symphony's executive committee and two (2) additional directors that may or may not be members of the Symphony board. The Board will serve terms in office consistent with their terms in office with the Symphony with the exception of the two additional Board members not part of the Symphony's Executive Committee who will serve two (2) year terms and may be re-elected without term limits.

Nature of Activities

The Symphony's major sources of revenue are ticket sales and membership fees, sponsorships, and individual and corporate contributions.

The Symphony's musicians are organized under a collective bargaining agreement between the Symphony and Local 116, American Federation of Musicians.

The Symphony includes the following program and support activities:

Programs:

Concert Production - Includes the expenses necessary to produce the concerts that the Symphony performs.

Educational Activities - Includes the musician and staff expenses to present educational activities related to classical music and composers to over 10,000 school children per year.

Support Activities:

Music Administration, Management and General - Includes the expenses required to maintain the core musician staff and the music library.

Marketing and Public Relations - Encompasses the identification, cultivation and expansion of the Symphony's audience as the primary effort to promote the enjoyment of classical music and to increase public involvement in the Symphony's activities.

Shreveport Symphony, Inc.
Notes to Consolidated Financial Statements

Note 1: NATURE OF ORGANIZATION (Continued)

Development and Fundraising - Provides the structure necessary to encourage and secure private financial support from individuals, foundations, and corporations, as well as efforts to obtain state and local government funding.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

These consolidated financial statements include the financial position and the results of activities for the Symphony and the Foundation. All significant intercompany transactions have been eliminated in these consolidated financial statements.

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to the allowance for doubtful accounts and the valuation of investments.

The COVID-19 pandemic has created and may continue to create significant uncertainty in macroeconomic conditions, which may cause further business disruptions and adversely impact the results of operations. As a result, many of the estimates and assumptions required increased judgment and carry a higher degree of variability and volatility. As events continue to evolve and additional information becomes available, actual results could materially differ from those estimates in future periods.

Cash and Cash Equivalents

The Symphony considers all highly liquid investments with a remaining maturity at date of purchase of three months or less to be cash equivalents. The Symphony had no cash equivalents.

Shreveport Symphony, Inc.
Notes to Consolidated Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents (Continued)

The following table provides a reconciliation of cash and restricted cash reported within the Consolidated Statement of Financial Position to the amounts presented in the Consolidated Statement of Cash Flows:

Cash	\$ 537,495
Restricted cash	8,627
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Total cash and restricted cash	\$ 546,122
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Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Symphony provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of patrons to meet their obligations. It is the Symphony's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Property and Equipment

All acquisitions of property and equipment in excess of \$250 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method. Estimated useful lives used in computing depreciation are as follows:

Building	20 Years
Building improvements	20 Years
Musical instruments	5 - 7 Years
Concert production equipment	7 Years
Computer software and equipment	5 Years

Shreveport Symphony, Inc.
Notes to Consolidated Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

The Symphony reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the Consolidated Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Consolidated Statement of Activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Beneficial Interest in Assets of Foundation

Funds transferred to the Community Foundation of North Louisiana that specify the Shreveport Symphony, Inc. as the beneficiary are accounted for as an asset, in accordance with generally accepted accounting principles, and presented in the Consolidated Statement of Financial Position with the caption "Beneficial Interest in Assets of Foundation."

Compensated Absences

Employees of the Symphony earn one week of vacation after one year of service and two weeks of vacation after two or more years of service. They are required to use the vacation or forfeit it. Vacation time does not carry forward from one year to the next. There is no formal policy regarding sick leave, but sick leave is not allowed to be carried forward from one year to the next and is not paid upon termination of employment.

Net Assets

The Symphony reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Symphony, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. The governing board has designated, from net assets without donor restrictions, net assets of the Foundation to function as an endowment. Because there is no donor-imposed restriction, these funds are classified as net assets without donor restrictions; however, the Foundation restricts the use of the funds in the same manner as a donor would by creating an endowment.

Shreveport Symphony, Inc.
Notes to Consolidated Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (Continued)

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Contributions

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

Revenue Recognition

Revenues from season ticket sales, concert sponsorships, contracts, and advertising are recognized over time during the season as performances are held. Revenues which have been received for the next Symphony season are recorded as deferred revenue. Deferred revenue amounted to \$94,854 for the year ended June 30, 2020.

Donated Assets

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Symphony. Volunteers also provided fundraising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Shreveport Symphony, Inc.
Notes to Consolidated Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to payroll, payroll taxes, and employee benefits are allocated based on actual percentages of time spent in each functional area.

Advertising

Advertising costs are expensed as incurred. The Symphony's advertising costs for the year ended June 30, 2020 were \$39,017.

Federal Income Tax

Under provisions of Section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of the State of Louisiana, the Symphony is exempt from income taxes, except from unrelated business income. There were no unrelated business activities for the year ended June 30, 2020; accordingly, no tax expense was incurred for the year ended June 30, 2020. The Symphony believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements.

Retirement Plans

The Symphony contributes to the Local 116, American Federation of Musicians Pension Fund, in accordance with the collective bargaining agreement, based on 5.45% of gross wages. Additionally, the Symphony contributes to the Local 298, IATSE Annuity Fund in accordance with the collective bargaining agreement, based on 5.00% of gross wages.

Recently Adopted Accounting Standards

In November 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)*, which provides guidance on the presentation of restricted cash or restricted cash equivalents in the consolidated statement of cash flows. Management believes that the adoption of ASU 2016-18 provides a better presentation of cash flows to the users of its financial statements. Before the change, restricted cash, restricted cash were not included with cash when reconciling the beginning-of-year and end of year total amounts reported on the consolidated statement of cash flows. On July 1, 2019, the provisions of this ASU were applied using a retrospective transition method. The effect of the adoption of ASU 2016-18 was to increase total cash and restricted cash at the beginning of the year in the Consolidated Statement of Cash Flows by \$3,773 for restricted cash.

Shreveport Symphony, Inc.
Notes to Consolidated Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Adopted Accounting Standards (Continued)

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which will assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and (2) determining whether a contribution is conditional. During fiscal year 2020, the Symphony adopted the guidance from the ASU regarding contributions received. The effect of the adoption of ASU 2018-08 had no effect on net assets or the change in net assets.

Accounting Guidance Not Yet Adopted

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This guidance specifies that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU and its amendments supersede the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry specific guidance. In June 2020, the FASB approved ASU 2020-05 which allowed a limited deferral of the effective date of the Topic 606. The effective date of Topic 606 for the Symphony, as amended by ASU 2020-05, is the year ended June 30, 2021. The Symphony is currently evaluating the impact of the guidance on its financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 4, 2021, and determined there were no events that occurred that required disclosure.

Note 3: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Symphony maintains its financial assets primarily in cash to provide liquidity to ensure funds are available as the Symphony's expenditures come due. The following reflects the Symphony's financial assets as of the Consolidated Statement of Financial Position date that could readily be made available within one year of the balance sheet to fund expenditures without limitations:

Cash	\$ 537,495
Accounts receivable, net	11,238
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Financial assets available within one year	<u>\$ 548,733</u>

Shreveport Symphony, Inc.
Notes to Consolidated Financial Statements

Note 3: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)

The Symphony is primarily supported by contributions, grants and revenue from performances. As part of the Symphony's liquidity management, it structures financial assets to be available as its general expenditures, liabilities, and other obligations come due. Management believes the Symphony has sufficient financial assets available for general operations that may be drawn upon in the event of unanticipated financial distress or an immediate liquidity need. As discussed in more detail in Note 8, the Symphony maintains two lines of credit, of which \$259,306 was available as of June 30, 2020.

Note 4: PROPERTY AND EQUIPMENT

A summary of property and equipment at June 30, 2020, is as follows:

Building	\$	53,907
Building improvements		40,536
Musical instruments		84,283
Concert production equipment		2,404
Computer software and equipment		4,153
Total property and equipment		185,283
Less accumulated depreciation		(124,313)
<u>Property and equipment, net</u>	<u>\$</u>	<u>60,970</u>

Depreciation expense was \$5,225 for the year ended June 30, 2020.

Note 5: INVESTMENTS

Investments at June 30, 2020, are composed of the following:

	Cost	Fair Value	Cumulative Unrealized Gain (Loss)
Cash held for long-term investment	\$ 8,627	\$ 8,627	\$ -
Equities	199,120	199,499	379
Mutual funds	185,926	178,044	(7,882)
<u>Totals</u>	<u>\$ 393,673</u>	<u>\$ 386,170</u>	<u>\$ (7,503)</u>

Shreveport Symphony, Inc.
Notes to Consolidated Financial Statements

Note 5: INVESTMENTS (Continued)

The following schedule summarizes investment return (loss) for the year ended June 30, 2020:

Dividend and interest income	\$	14,475
Realized gain (loss) on investments		11,300
Unrealized gain (loss) on investments		(47,796)
Investment expenses		(4,326)
<hr/>		
Total	\$	(26,347)
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Note 6: BENEFICIAL INTEREST IN ASSETS OF FOUNDATION

During the 2017 fiscal year, the Symphony established an endowment fund at the Community Foundation of North Louisiana (the Community Foundation). Under the terms of the agreement, variance power and legal ownership of the funds rest with the Community Foundation, and the Shreveport Symphony, Inc. is the beneficiary of the reciprocal transfer.

Net investment income and/or capital appreciation of the endowment fund at the Community Foundation must be distributed to the Symphony at least annually, provided the average market value is greater than the amount contributed to the fund.

Activity of this beneficial interest is summarized as follows:

Balance, beginning of year	\$	227,839
Interest		4,650
Net realized and unrealized gain (loss)		(8,725)
Administrative fees		(2,184)
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Balance, end of year	\$	221,580
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Note 7: NOTE PAYABLE

At June 30, 2020, the Symphony had the following note payable:

Unsecured Paycheck Protection Program loan of \$163,081 administered by the U.S. Small Business Administration (SBA), serviced by Citizens National Bank, N.A. Loan has a 2 year maturity, bearing interest at 1%, with payments deferred for 6 months. The loan was forgiven on November 2, 2020.	\$	163,081
Less current portion		(71,723)
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Long-term portion	\$	91,358
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Shreveport Symphony, Inc.
Notes to Consolidated Financial Statements

Note 7: NOTE PAYABLE (Continued)

The following is a schedule of the note payable maturing in subsequent years ending June 30:

2021	\$ 71,723
2022	91,358
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Total	\$ 163,081
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Note 8: LINES OF CREDIT

The Symphony has the following revolving lines of credit as of June 30, 2020:

A revolving line of credit (LOC) in the name of the Shreveport Symphony, Inc. with a bank in the maximum amount of \$25,000, dated April 4, 2005 with interest at 6.25%, balance due as of June 30, 2020, is \$0.

A revolving line of credit in the name of the Shreveport Symphony Orchestra Foundation through the brokerage company in the maximum amount of \$234,306, dated July 2011, and bearing interest at variable rates determined by the type of advance. Variable rate advances bear interest at a variable rate equal to the LIBOR (London Interbank Offered Rate) plus the number of percentage points stated in the applicable notice or confirmation given by the lender. Fixed rate and term advances bear interest at a fixed rate agreed to by the borrower and lender. Variable rate advances and all accrued finance charges, fees and other charges are due and payable upon the earlier of demand or on the first business day of the month following the end of each billing cycle. Fixed rate advances with all accrued finance charges, fees and other charges are due and payable upon the earlier of demand or the last day of the fixed rate period. Term advances and all accrued finance charges are due and payable upon the earlier of demand or monthly, quarterly, semi-annually or annually as required by the lender. This line is secured by a pledge of the Foundation's investment assets held by the brokerage company, \$385,596 as of June 30, 2020. As of June 30, 2020, the outstanding balance due is \$0. The interest rate as of June 30, 2020, is 4.05325%.

Note 9: NET ASSETS

A summary of net assets without donor restrictions follows:

Undesignated	\$ (12,366)
Invested in property and equipment	60,970
Board designated endowment fund	420,597
<hr/>	
Total net assets without donor restrictions	\$ 469,201
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Shreveport Symphony, Inc.
Notes to Consolidated Financial Statements

Note 9: NET ASSETS (Continued)

A summary of net assets with donor restrictions follows:

Subject to time restrictions	
Beneficial interest in assets of foundation to be held in perpetuity	\$ 197,964
Accumulated earnings on beneficial interest in assets of foundation	18,616
Endowment fund to be held in perpetuity	221,542
Funds restricted for use during the next fiscal year	47,581
<hr/>	
Total net assets with donor restrictions	\$ 485,703

Note 10: ENDOWMENT FUND

As of June 30, 2020, the Foundation's funds include \$221,542 in donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The donor-restricted endowment funds were restricted based on information obtained from the donors. As of June 30, 2020, the Foundation has net assets without donor restrictions, identified by the Foundation's board to be used for future investment and growth, which are included as net assets without donor restrictions of the Foundation. The board-designated funds were \$420,597 as of June 30, 2020.

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 as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation 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 donor restricted endowment funds:

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

Shreveport Symphony, Inc.
Notes to Consolidated Financial Statements

Note 10: ENDOWMENT FUND (Continued)

Investment Return Objectives, Risk Parameters and Strategies

The Foundation has adopted investment and spending policies, approved by the Board, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk.

Endowment assets will be invested in a well-diversified asset mix, which may include equity and debt securities, intended to result in a consistent inflation-protected rate of return. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy

The Foundation has a policy of appropriating for distribution an amount up to 4.0% of the market value of the Foundation's assets averaged for the previous five-year period, subject to donor-restricted endowments.

Changes in the endowment net assets carried in the Shreveport Symphony Orchestra Foundation for the year ended June 30, 2020, are as follows:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	\$ 267,128	\$ 221,542	\$ 488,670
Contributions	184,699	-	184,699
Investment return, net	10,149	-	10,149
Other revenue	4,800	-	4,800
Realized and unrealized gain	(36,496)	-	(36,496)
Expenditures	(9,683)	-	(9,683)
Endowment net assets, end of year	\$ 420,597	\$ 221,542	\$ 642,139

Shreveport Symphony, Inc.
Notes to Consolidated Financial Statements

Note 10: ENDOWMENT FUND (Continued)

The following schedule summarizes the endowment net asset composition by type of fund as of June 30, 2020:

	Without donor restrictions	With donor restrictions	Total
Donor-restricted funds	\$ -	\$ 221,542	\$ 221,542
Board-designated funds	420,597	-	420,597
Total endowment funds	\$ 420,597	\$ 221,542	\$ 642,139

Note 11: FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
 - observable; or
 - can be corroborated by observable market data.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Shreveport Symphony, Inc.
Notes to Consolidated Financial Statements

Note 11: FAIR VALUE MEASUREMENTS (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2020:

Equities: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Symphony are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Symphony are deemed to be actively traded.

The following table provides fair value measurement information for financial assets measured at fair value on a recurring basis as of June 30, 2020:

	Level 1	Level 2	Level 3	Total
Cash held for long-term investment	\$ 8,627	\$ -	\$ -	\$ 8,627
Equities	199,499	-	-	199,499
Mutual funds	178,044	-	-	178,044
Total investments	\$ 386,170	\$ -	\$ -	\$ 386,170

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfer between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the year ended June 30, 2020, there were no significant transfers in or out of Levels 1, 2 or 3.

Note 12: CONCENTRATIONS

Financial instruments that potentially subject the Symphony to concentrations of credit risk consist principally of temporary cash investments, endowment investments, and accounts receivable. The Symphony maintains its temporary cash balances at several financial institutions located in Shreveport, Louisiana. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of June 30, 2020, the Symphony had \$190,762 in uninsured cash deposits.

Shreveport Symphony, Inc.
Notes to Consolidated Financial Statements

Note 12: CONCENTRATIONS (Continued)

The Symphony maintains its endowment investments with various investment companies. Accounts at these investment companies are insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000 (including cash claims up to \$250,000). As of June 30, 2020, the Symphony's basis in endowment investments was within the insured range. Concentrations of credit risk with respect to accounts receivable are limited due to the number of contributors comprising the Symphony's contributor base and their dispersion across different industries.

Note 13: UNION SPONSORED PENSION FUNDS

The Symphony participates in multiemployer defined benefit pension plans under the terms of collective bargaining agreements covering most of its union-represented employees. Governmental regulations impose certain requirements relative to union-sponsored pension plans. The risks of participation in these multiemployer plans are different than a single-employer plan in the following respects:

- Assets contributed to the plans by a company may be used to provide benefits to participants of other companies,
- If a participating employer discontinues contributions to the plans, other participating employers may have to cover any unfunded liability that may exist, and
- If the Symphony stops participating in a multiemployer pension plan, the Symphony may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

Information with respect to the multiemployer plans providing pension benefits in which the Symphony participates is shown in the following table:

Name of Plan, Plan Number, and Employer ID Number	Certified Zone Status	Improvement or Rehabilitation Plan Pending / Implemented	Surcharge Paid	Expiration Date of Collective Bargaining Agreement
American Federation of Musicians and Employees' Pension Funds (AFM-EPF) Plan # 001 EIN # 51-6120204	Red	Rehabilitation Plan adopted April 15, 2010 and was subsequently restated on June 27, 2016. The trustees updated the plan in June 2018.	N/A	Local 116 – 6/30/2020 Agreement for 7/1/2017 – 6/30/2020 signed July 31, 2017. Extended through 6/30/21, signed 9/8/20.

Shreveport Symphony, Inc.
Notes to Consolidated Financial Statements

NOTE 13: UNION SPONSORED PENSION FUNDS (Continued)

Name of Plan, Plan Number, and Employer ID Number	Certified Zone Status	Improvement or Rehabilitation Plan Pending / Implemented	Surcharge Paid	Expiration Date of Collective Bargaining Agreement
IATSE National Pension Plan Plan # 001 EIN # 13-1849172	Green	N/A	N/A	Local 298 – 8/31/2020 Agreement for 9/1/2017- 8/31/2020 signed September 25, 2017.

The zone status is based on information that the Symphony received from the plan. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded and plans in the green zone are at least 80 percent funded. The “Improvement or Rehabilitation Plan Pending / Implemented” Column indicates plans for which a financial improvement or a rehabilitation plan is either pending or has been implemented.

Contributions to the plans included in “Payroll and Related Benefits” expense for the year ended June 30, 2020, were \$27,784.

The Symphony has not received information from the plans’ administrators to determine its share of the vested benefits. The Symphony does not anticipate withdrawal from the plans, nor is the Symphony aware of any expected plan terminations.

Shreveport Symphony, Inc.
Consolidating Statement of Financial Position

<i>June 30, 2020</i>	Shreveport Symphony, Inc.	Shreveport Symphony Orchestra Foundation	Eliminations	Totals
Assets				
Current assets				
Cash	\$ 346,733	\$ 190,762	\$ -	\$ 537,495
Accounts receivable, net	11,238	-	-	11,238
Intercompany receivable	-	5,000	(5,000)	-
Prepaid expenses	360	-	-	360
Total current assets	358,331	195,762	(5,000)	549,093
Property and equipment, net	763	60,207	-	60,970
Restricted assets				
Cash	-	8,627	-	8,627
Investments	-	377,543	-	377,543
Beneficial interest in assets of foundation	221,580	-	-	221,580
Total restricted assets	221,580	386,170	-	607,750
Total assets	\$ 580,674	\$ 642,139	\$ (5,000)	\$ 1,217,813
Liabilities				
Current liabilities				
Accrued expenses	\$ 4,974	\$ -	\$ -	\$ 4,974
Intercompany payable	5,000	-	(5,000)	-
Deferred revenue	94,854	-	-	94,854
Current portion of note payable	71,723	-	-	71,723
Total current liabilities	176,551	-	(5,000)	171,551
Non long-term liabilities				
Note payable, less current portion	91,358	-	-	91,358
Total long-term liabilities	91,358	-	-	91,358
Total liabilities	267,909	-	(5,000)	262,909
Net assets				
Without donor restrictions	48,604	420,597	-	469,201
With donor restrictions	264,161	221,542	-	485,703
Total net assets	312,765	642,139	-	954,904
Total liabilities and net assets	\$ 580,674	\$ 642,139	\$ (5,000)	\$ 1,217,813

See Independent Auditors' Report.

Shreveport Symphony, Inc.
Consolidating Statement of Activities

<i>For the year ended June 30, 2020</i>	Shreveport Symphony, Inc.		Shreveport Symphony Orchestra Foundation		Eliminations	Totals
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions		
Revenue, Gains, and Other Support						
Support and contributions						
Contributions and sponsorships	\$ 675,279	\$ -	\$ 184,699	\$ -	\$ -	\$ 859,978
Grant income	104,840	47,581	-	-	-	152,421
Other revenue						
Performance fees	362,888	-	-	-	-	362,888
Contract fees	63,890	-	-	-	-	63,890
Advertising fees	21,575	-	-	-	-	21,575
Other	3,095	-	4,800	-	(4,800)	3,095
Investment income, net	(294)	2,466	10,149	-	-	12,321
Net realized and unrealized gain (loss) on investments	-	(8,725)	(36,496)	-	-	(45,221)
Total revenue, gains, and other support	1,231,273	41,322	163,152	-	(4,800)	1,430,947

(Continued)

See Independent Auditors' Report.

Shreveport Symphony, Inc.
Consolidating Statement of Activities

<i>For the Year Ended June 30, 2020</i>	Shreveport Symphony, Inc.		Shreveport Symphony Orchestra Foundation		Eliminations	Totals
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions		
Expenses						
Program services	829,598	-	-	-	-	829,598
Support services	401,386	-	9,683	-	(4,800)	406,269
Total expenses	1,230,984	-	9,683	-	(4,800)	1,235,867
Change in net assets	289	41,322	153,469	-	-	195,080
Net assets, beginning of year	48,315	222,839	267,128	221,542	-	759,824
Net assets, end of year	\$ 48,604	\$ 264,161	\$ 420,597	\$ 221,542	\$ -	\$ 954,904

See Independent Auditors' Report.

Shreveport Symphony, Inc.
Consolidating Statement of Functional Expenses

	Shreveport Symphony, Inc.					Shreveport Symphony Orchestra Foundation		Total Expenses
	Program Services		Supporting Services			Supporting Services		
	Concert Production	Educational Activities	Development and Fundraising	Marketing and Public Relations	Music Administration, Management and General	Music Administration, Management and General	Eliminations	
<i>For the Year Ended June 30, 2020</i>								
Payroll and related benefits	\$ 607,628	\$ 24,985	\$ 41,250	\$ 23,140	\$ 200,172	\$ -	\$ -	\$ 897,175
Advertising	-	-	-	39,017	-	-	-	39,017
Bank fees	-	-	-	-	1,086	-	-	1,086
Contract labor	51,312	-	-	-	-	-	-	51,312
Depreciation	-	-	-	-	503	4,722	-	5,225
Fundraising	-	-	11,088	-	-	-	-	11,088
Insurance	-	-	-	-	7,577	-	-	7,577
Licenses and fees	-	-	-	-	4,837	-	-	4,837
Occupancy	-	-	-	-	10,590	-	(4,800)	5,790
Postage and delivery	5,980	-	2,147	3,125	2,715	-	-	13,967
Printing and reproduction	11,548	-	-	-	1,605	-	-	13,153
Concert production	63,584	-	-	375	-	-	-	63,959
Professional and contract fees	-	-	-	-	27,603	4,900	-	32,503
Travel	52,478	-	-	-	331	-	-	52,809
Utilities	-	-	-	-	6,156	-	-	6,156
Office supplies and equipment	-	-	-	138	5,788	-	-	5,926
Other	12,083	-	2,385	-	9,758	61	-	24,287
Total Functional Expenses	\$ 804,613	\$ 24,985	\$ 56,870	\$ 65,795	\$ 278,721	\$ 9,683	\$ (4,800)	\$ 1,235,867

See Independent Auditors' Report.

Shreveport Symphony, Inc.
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended June 30, 2020

Agency Head Name: Lois Robinson, Executive Director

Purpose	Amount*
Salary	\$ -
Performance bonuses	-
Benefits-insurance	-
Benefits-retirement	-
Deferred compensation (contributions made by the agency)	-
Car allowance	-
Vehicle provided by government	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	-
Miscellaneous reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Conference travel (hotel expense)	-
Unvouchered expenses (example: travel advances, etc.)	-
Special meals	-
Other (including payments made by other parties on behalf of the agency head)	-

* The Agency Head does not receive compensation, benefits, and other payments that are derived from public funds.

See Independent Auditors' Report.

**Shreveport Symphony, Inc.
Schedule of Findings and Responses
For the Year Ended June 30, 2020**

Current Year Findings

None

Prior Year Findings

None