



FINANCIAL STATEMENTS

JUNE 30, 2015



Leaf & Cole, LLP
Certified Public Accountants

**SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY
FINANCIAL STATEMENTS
JUNE 30, 2015**

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Leaf & Cole, LLP
Certified Public Accountants
A Partnership of Professional Corporations

Independent Auditor's Report

To the Board of Directors
San Diego Youth Symphony and Conservatory

Report on the Financial Statements

We have audited the accompanying financial statements of San Diego Youth Symphony and Conservatory, which comprise the statement of financial position as of June 30, 2015, and the related statements of activities 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.

Auditor's 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 auditor's 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of San Diego Youth Symphony and Conservatory as of June 30, 2015, 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.

Report on Summarized Comparative Information

We have previously audited San Diego Youth Symphony and Conservatory's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 7, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary schedule of functional expenses for the year ended June 30, 2015 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The summarized comparative information for the year ended June 30, 2014 included in the supplementary schedule of functional expenses for the year ended June 30, 2015 has been derived from San Diego Youth Symphony and Conservatory's 2014 financial statements and in our report dated October 7, 2014, we expressed our opinion that the information was fairly stated in all material respects in relation to the financial statements as a whole.

Leaf & Cole LLP

San Diego, California
January 29, 2016

SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

ASSETS

	<u>2015</u>	<u>2014</u>
<u>Current Assets:</u> (Notes 1 and 3)		
Cash and cash equivalents	\$ 121,907	\$ 213,299
Grants receivable	106,087	42,186
Pledges receivable	39,490	55,000
Other receivables	3,244	5,250
Prepaid expenses	26,348	23,035
Total Current Assets	<u>297,076</u>	<u>338,770</u>
<u>Noncurrent Assets:</u> (Notes 1, 2, 4, 5, 6 and 7)		
Investments	1,429,742	1,635,047
Charitable remainder unitrust	244,107	224,985
Musical instruments	489,853	342,926
Property and equipment, net	119,350	156,079
Beneficial interest in endowment funds	240,200	249,515
Total Noncurrent Assets	<u>2,523,252</u>	<u>2,608,552</u>
TOTAL ASSETS	<u>\$ 2,820,328</u>	<u>\$ 2,947,322</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities:</u> (Note 1)		
Accounts payable and accrued expenses	\$ 131,126	\$ 62,835
Deferred revenue	36,745	43,490
Total Current Liabilities	<u>167,871</u>	<u>106,325</u>
<u>Net Assets:</u> (Notes 1, 8, 9 and 10)		
Unrestricted:		
Undesignated	526,982	517,052
Undesignated spending allowance	66,770	83,410
Board designated - Quasi endowment	512,187	649,298
Total Unrestricted	<u>1,105,939</u>	<u>1,249,760</u>
Temporarily restricted	493,865	553,391
Permanently restricted	1,052,653	1,037,846
Total Net Assets	<u>2,652,457</u>	<u>2,840,997</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,820,328</u>	<u>\$ 2,947,322</u>

The accompanying notes are an integral part of the financial statements.

SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			Total	2014
	Unrestricted	Temporarily Restricted	Permanently Restricted		
<u>Revenue and Support:</u>					
Contributions	\$ 387,075	\$ 78,000	\$ 5,000	\$ 470,075	\$ 502,641
China tour	422,416	-	-	422,416	-
Tuition and fees	332,842	-	-	332,842	317,210
Fundraising activities	196,128	-	-	196,128	177,315
In-kind donations	155,631	-	-	155,631	48,308
Program revenue	152,863	-	-	152,863	161,808
City of San Diego Commission for Arts and Culture	89,470	-	-	89,470	85,313
Government grants	19,500	65,775	-	85,275	66,829
Other income	1,240	-	-	1,240	1,660
Loss on disposal of assets	-	-	-	-	(744)
Investment income (loss)	(6,640)	17,779	19,510	30,649	281,679
Net assets released from restrictions	230,783	(221,080)	(9,703)	-	-
Total Revenue and Support	<u>1,981,308</u>	<u>(59,526)</u>	<u>14,807</u>	<u>1,936,589</u>	<u>1,642,019</u>
<u>Expenses:</u>					
Program Services:					
Music program	<u>1,624,774</u>	<u>-</u>	<u>-</u>	<u>1,624,774</u>	<u>1,045,959</u>
Total Program Services	<u>1,624,774</u>	<u>-</u>	<u>-</u>	<u>1,624,774</u>	<u>1,045,959</u>
Supporting Services:					
General and administrative	174,170	-	-	174,170	191,040
Fundraising	<u>295,082</u>	<u>-</u>	<u>-</u>	<u>295,082</u>	<u>175,214</u>
Total Supporting Services	<u>469,252</u>	<u>-</u>	<u>-</u>	<u>469,252</u>	<u>366,254</u>
Total Program and Supporting Services	<u>2,094,026</u>	<u>-</u>	<u>-</u>	<u>2,094,026</u>	<u>1,412,213</u>
Fundraising Activities	<u>31,103</u>	<u>-</u>	<u>-</u>	<u>31,103</u>	<u>34,478</u>
Total Expenses	<u>2,125,129</u>	<u>-</u>	<u>-</u>	<u>2,125,129</u>	<u>1,446,691</u>
Change in Net Assets	(143,821)	(59,526)	14,807	(188,540)	195,328
Net Assets at Beginning of Year	<u>1,249,760</u>	<u>553,391</u>	<u>1,037,846</u>	<u>2,840,997</u>	<u>2,645,669</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,105,939</u>	<u>\$ 493,865</u>	<u>\$ 1,052,653</u>	<u>\$ 2,652,457</u>	<u>\$ 2,840,997</u>

The accompanying notes are an integral part of the financial statements.

SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014)

	<u>2015</u>	<u>2014</u>
<u>Cash Flows From Operating Activities:</u>		
Change in net assets	\$ (188,540)	\$ 195,328
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	43,369	54,647
Realized and unrealized losses (gains) on investments	14,209	(88,340)
Donated musical instruments	(133,544)	(28,920)
Donated music equipment	-	(6,000)
Loss on disposal of assets	-	744
Permanently restricted contributions	(5,000)	(5,600)
Permanently restricted investment income	(19,510)	(73,666)
Permanently restricted distributions	9,703	9,391
(Increase) Decrease in:		
Grants receivable	(63,901)	(2,027)
Pledges receivable	15,510	(55,000)
Other receivables	2,006	(435)
Prepaid expenses	(3,313)	(12,931)
Increase (Decrease) in:		
Accounts payable and accrued expenses	68,291	18,490
Deferred revenue	(6,745)	(2,680)
Net Cash (Used in) Provided by Operating Activities	<u>(267,465)</u>	<u>3,001</u>
<u>Cash Flows From Investing Activities:</u>		
Investment purchases and sales, net	191,096	92,989
Change in charitable remainder unitrust	(19,122)	(41,911)
Purchase of musical instruments	(13,383)	(15,650)
Purchase of property and equipment	(6,640)	(26,260)
Change in beneficial interest in endowment funds	9,315	(22,364)
Net Cash Provided by (Used in) Investing Activities	<u>161,266</u>	<u>(13,196)</u>
<u>Cash Flows From Financing Activities:</u>		
Permanently restricted contributions	5,000	5,600
Permanently restricted investment income	19,510	73,666
Permanently restricted distributions	(9,703)	(9,391)
Net Cash Provided by Financing Activities	<u>14,807</u>	<u>69,875</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(91,392)	59,680
Cash and Cash Equivalents at Beginning of Year	<u>213,299</u>	<u>153,619</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 121,907</u>	<u>\$ 213,299</u>

The accompanying notes are an integral part of the financial statements.

SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

Note 1 - Organization and Significant Accounting Policies:

Organization

San Diego Youth Symphony and Conservatory (the “Symphony”) was organized in 1948 under the Nonprofit Public Benefit Corporation Law for public and charitable purposes. The Symphony is the sixth oldest continuously operating youth orchestra in the United States. Based in Balboa Park, it is the San Diego region’s leading youth music education organization. The Symphony is committed to developing student performance skills and character through music education and has the goal of “Making Music Education Accessible and Affordable to All.” Each year the Symphony trains over 600 students in the performance of orchestra, wind ensemble, and chamber music at a highly advanced level. The Symphony’s ensembles perform throughout the community at events for the general public, other nonprofits, and government agencies. Its scholarship fund provides merit and need-based awards, sponsored lessons, and aids in maintaining tuition at affordable levels.

In addition, the Symphony is committed to restoring and strengthening music education in public schools by partnering with schools, research institutions, social service agencies, professional artists and parents. In 2010, the Symphony launched the Community Opus Project to rebuild access to music education in neighborhoods and partnered with the Chula Vista Elementary School District which had eliminated its music program 15 years earlier. To demonstrate the many positive benefits of learning music, the Symphony provided free after-school music lessons for 65 third-grade students. The changes in the students and the increased engagement by their families in their education convinced the District to re-instate in-school music instruction for all of the nearly 30,000 students. The Symphony continues to provide support to the District and conduct after-school music programs in Chula Vista. The Symphony is also partnered with Casa de Amistad in Solana Beach to provide after-school music instruction, with Price Philanthropies to enhance the music programs in City Heights K-12 public schools, and is advising other schools and communities across the nation on rebuilding and strengthening their music education programs.

Support for the Balboa Park programs comes from event ticket sales to the general public and student tuition as well as individual, foundation, and corporate donors plus various government agencies. The Community Opus Project is funded exclusively with contributed income from individuals, foundations, and corporations as well as government support, including school districts.

Significant Accounting Policies

Method of Accounting

The financial statements of the Symphony have been prepared on the accrual basis of accounting which is in accordance with accounting principles generally accepted in the United States of America (GAAP) and, accordingly, reflect all significant receivables, payables, and other liabilities.

SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

Note 1 - Organization and Significant Accounting Policies: (Continued)

Significant Accounting Policies (Continued)

Financial Statement Presentation

The financial statements present information regarding the financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

- Unrestricted net assets – Net assets not subject to donor imposed stipulations.
- Temporarily restricted net assets – Net assets subject to donor imposed stipulations that will be met by actions of the Symphony and/or the passage of time. When a donor stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.
- Permanently restricted net assets – Net assets subject to donor imposed stipulations requiring that they be maintained permanently by the Symphony. The income from these assets is available for either general operations or specific programs as specified by the donor.

The FASB has issued reporting standards for endowments of not-for-profit Organizations subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), and enhanced disclosures for all endowment funds. The standards provide guidance on classifying the net assets associated with donor-restricted endowment funds held by organizations that are subject to an enacted version of UPMIFA, which serves as a model act for states to modernize their laws governing donor-restricted endowment funds. The standards also require additional disclosures about endowments (both donor-restricted funds and board-designated funds) to enable users of financial statements to understand the net asset classification, net asset composition, changes in net asset composition, spending policies, and related investment policies of its endowment funds.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Risks and Uncertainties

The Symphony invests in various types of investment securities which are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statement of financial position.

SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

Note 1 - Organization and Significant Accounting Policies: (Continued)

Significant Accounting Policies (Continued)

Fair Value Measurements

Fair value accounting standards define fair value, establish a framework for measuring fair value, outline a fair value hierarchy based on inputs used to measure fair value and enhance disclosure requirements for fair value measurements. The fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Level 1 or 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

- Level 1 inputs are quoted prices in active markets for identical investments that the investment manager has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the investment.

The Symphony's statement of financial position includes the following financial instruments that are required to be measured at fair value on a recurring basis:

- Investments in mutual funds and common stocks are considered Level 1 assets and are reported at fair value based on quoted net asset values of the shares held at the measurement date.
- Investments in fixed income securities are considered Level 2 assets and are reported at fair value based on quoted prices in active markets for similar assets at the measurement date.
- Charitable remainder unitrust is considered a Level 3 asset and is reported at fair value based on management's assumptions about the expected investment return on the underlying trust assets, an applicable discount rate and the life expectancy of the donor.
- Beneficial interest in endowment funds held at San Diego Foundation is considered a Level 3 asset which represents an approximation of the discounted future cash flow based on the fair value of the underlying assets.

Allowance for Doubtful Accounts

Bad debts are recognized on the allowance method based on historical experience and management's evaluation of outstanding receivables. Management believes that all grants, pledges and other receivables are fully collectible; therefore, no allowance for doubtful accounts was recorded at June 30, 2015 and 2014.

SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

Note 1 - Organization and Significant Accounting Policies: (Continued)

Significant Accounting Policies (Continued)

Musical Instruments

The Symphony has a collection of musical instruments that they have purchased or have received as donations. The estimated fair value of this collection has been included as an asset totaling \$489,853 and \$342,926 at June 30, 2015 and 2014, respectively.

Capitalization and Depreciation

The Symphony capitalizes all expenditures in excess of \$200 for property and equipment at cost, while donations of property and equipment are recorded at their estimated fair values. Such donations are reported as unrestricted support 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 restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Symphony reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Symphony reclassifies temporarily restricted net assets to unrestricted net assets at that time. Maintenance, repairs and minor renewals are charged to operations as incurred. Property and equipment is depreciated using the straight-line method over the estimated useful lives as follows:

Tenant improvements	7 - 10 years
Music equipment	5 - 10 years
Office equipment and furnishings	5 - 7 years

Depreciation totaled \$43,369 and \$54,647 for the years ended June 30, 2015 and 2014, respectively.

Maintenance, repairs and minor renewals are charged to operations as incurred. Upon sale or disposition of property and equipment, the asset account is relieved of the cost and the accumulated depreciation account is charged with depreciation taken prior to the sale and any resultant gain or loss is credited or charged to earnings.

Compensated Absences

Accumulated unpaid vacation benefits totaling \$42,817 and \$27,423 at June 30, 2015 and 2014, respectively, are accrued when incurred and included in accounts payable and accrued expenses.

SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

Note 1 - Organization and Significant Accounting Policies: (Continued)

Significant Accounting Policies (Continued)

Revenue and Expense Recognition

Revenues from tuition, fees and expenses directly associated with a future performance or event are deferred until the fiscal year in which the performance or event occurs. Prepaid expenses related to future performances and events totaled \$18,245 and \$20,944 at June 30, 2015 and 2014, respectively and are included in prepaid expenses. Deferred revenues from tuition and fees totaled \$36,745 and \$43,490 at June 30, 2015 and 2014, respectively.

Contributions are recognized when the donor makes a promise to give to the Symphony that is in substance, unconditional. All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily or permanently restricted net assets are reclassified to unrestricted net assets.

Donated Services and Facilities

The Symphony occupies office and rehearsal halls in facilities donated by the San Diego Parks and Recreation. Donated facilities totaled \$11,200 for the years ended June 30, 2015 and 2014, recorded at fair value and have been included in revenue and expenses.

The Symphony received donated musical instruments. These donated musical instruments are recorded at fair value and totaled \$133,544 and \$28,920 for the years ended June 30, 2015 and 2014, respectively, and have been included in revenue and musical instruments.

The Symphony received donated music equipment. The donated music equipment is recorded at fair value and totaled \$2,256 and \$6,000 for the years ended June 30, 2015 and 2014, respectively, and have been included in revenue and expenses or property and equipment.

The Symphony has received donations for professional services and supplies. The professional services and supplies are recorded at their fair value and totaled \$8,631 and \$2,188 for the years ended June 30, 2015 and 2014, respectively, and have been included in revenue and expenses.

In addition, many individuals volunteer their time and perform a variety of tasks that assist the Symphony with specific programs and various committee assignments. This contribution of services by the volunteers is not recognized in the financial statements unless the services received (a) create or enhance nonfinancial assets or (b) require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The donated services by volunteers for the years ended June 30, 2015 and 2014, did not meet the requirements above, therefore no amounts were recognized in the financial statements for volunteer time.

Allocated Expenses

Expenses by function have been allocated among program and supporting services classifications on the basis of internal records and estimates made by the Symphony's management.

SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

Note 1 - Organization and Significant Accounting Policies: (Continued)

Significant Accounting Policies (Continued)

Income Taxes

The Symphony is a public charity and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. 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 financial statements. The Symphony is not a private foundation.

The Symphony's Return of Organization Exempt from Income Tax for the years ended June 30, 2015, 2014, 2013, and 2012 are subject to examination by the Internal Revenue Service and State taxing authorities, generally three to four years after the returns were filed.

Concentration of Credit Risk

The Symphony maintains its cash in bank deposit accounts and money market funds which, at times, may exceed federally insured limits. The Symphony has not experienced any losses in such accounts. The Symphony believes it is not exposed to any significant credit risk on cash and cash equivalents.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Symphony considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Comparative Totals for June 30, 2014

The financial statements include certain prior year summarized comparative information in total but not by net asset class. This summarized information is for comparative purposes only, and accordingly, such information should be read in conjunction with the Symphony's financial statements for the year ended June 30, 2014, from which the summarized comparative information was derived.

Subsequent Events

In preparing these financial statements, the Symphony has evaluated events and transactions for potential recognition or disclosure through January 29, 2016, the date the financial statements were available to be issued.

Reclassification

The Symphony has reclassified certain prior year information to conform with the current year presentation.

SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

Note 2 - Fair Value Measurements:

The following table summarizes assets measured at fair value by classification within the fair value hierarchy at June 30:

	2015			Balance at June 30, 2015
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Common Stocks:				
Domestic:				
Consumer Discretionary	\$ 69,953	\$ -	\$ -	\$ 69,953
Consumer Staples	109,840	-	-	109,840
Energy	10,428	-	-	10,428
Financials	60,615	-	-	60,615
Health care	65,189	-	-	65,189
Industrials	44,305	-	-	44,305
Information Technology	121,527	-	-	121,527
Materials	36,222	-	-	36,222
Real estate	24,978	-	-	24,978
Telecommunications	5,236	-	-	5,236
Utilities	30,194	-	-	30,194
Foreign:				
Consumer Discretionary	24,228	-	-	24,228
Consumer Staples	10,820	-	-	10,820
Financials	55,687	-	-	55,687
Health care	36,187	-	-	36,187
Industrials	28,079	-	-	28,079
Information Technology	10,798	-	-	10,798
Materials	15,257	-	-	15,257
Telecommunications	28,358	-	-	28,358
Utilities	1,549	-	-	1,549
Total Common Stocks	<u>789,450</u>	<u>-</u>	<u>-</u>	<u>789,450</u>
Mutual Funds:				
Value	90,080	-	-	90,080
Emerging market funds	126,474	-	-	126,474
Total Mutual Funds	<u>216,554</u>	<u>-</u>	<u>-</u>	<u>216,554</u>
Fixed Income Securities:				
Corporate bonds	-	279,249	-	279,249
U.S. Treasury securities	-	77,581	-	77,581
U.S. Government bonds	-	66,908	-	66,908
Total Fixed Income Securities	<u>-</u>	<u>423,738</u>	<u>-</u>	<u>423,738</u>
Charitable remainder unitrust (Note 5)	-	-	244,107	244,107
Beneficial interest in endowment funds (Note 7)	-	-	240,200	240,200
	<u>\$ 1,006,004</u>	<u>\$ 423,738</u>	<u>\$ 484,307</u>	<u>\$ 1,914,049</u>

SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

Note 2 - Fair Value Measurements: (Continued)

	2014			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2014
Common Stocks:				
Domestic:				
Consumer Discretionary	\$ 40,844	\$ -	\$ -	\$ 40,844
Consumer Staples	66,278	-	-	66,278
Energy	12,738	-	-	12,738
Financials	52,588	-	-	52,588
Health care	48,431	-	-	48,431
Industrials	56,126	-	-	56,126
Information Technology	96,542	-	-	96,542
Materials	35,484	-	-	35,484
Real estate	14,812	-	-	14,812
Telecommunications	5,335	-	-	5,335
Utilities	32,855	-	-	32,855
Foreign:				
Consumer Discretionary	26,636	-	-	26,636
Consumer Staples	22,186	-	-	22,186
Financials	84,518	-	-	84,518
Health care	46,975	-	-	46,975
Industrials	36,441	-	-	36,441
Information Technology	30,909	-	-	30,909
Materials	35,002	-	-	35,002
Telecommunications	21,467	-	-	21,467
Utilities	15,926	-	-	15,926
Total Common Stocks	<u>782,093</u>	<u>-</u>	<u>-</u>	<u>782,093</u>
Mutual Funds:				
Value	116,506	-	-	116,506
Growth	29,948	-	-	29,948
Emerging market funds	218,933	-	-	218,933
Total Mutual Funds	<u>365,387</u>	<u>-</u>	<u>-</u>	<u>365,387</u>
Fixed Income Securities:				
Corporate bonds	-	312,429	-	312,429
U.S. Treasury securities	-	88,471	-	88,471
U.S. Government bonds	-	86,667	-	86,667
Total Fixed Income Securities	<u>-</u>	<u>487,567</u>	<u>-</u>	<u>487,567</u>
Charitable remainder unitrust (Note 5)	-	-	224,985	224,985
Beneficial interest in endowment funds (Note 7)	-	-	249,515	249,515
	<u>\$ 1,147,480</u>	<u>\$ 487,567</u>	<u>\$ 474,500</u>	<u>\$ 2,109,547</u>

The reconciliation for financial instruments measured at fair value on a recurring basis as significant unobservable inputs (Level 3) are included in the Notes as indicated above.

SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

Note 3 - Pledges Receivable:

Pledges receivable consist of the following at June 30:

	<u>2015</u>	<u>2014</u>
Receivables due in less than one year	\$ 39,490	\$ 55,000
Total Pledges Receivable	<u>\$ 39,490</u>	<u>\$ 55,000</u>

Note 4 - Investments:

The Symphony's investments consist of the following at June 30:

	<u>2015</u>	<u>2014</u>
Common stocks	\$ 789,450	\$ 782,093
Fixed income securities	423,738	487,567
Mutual funds	216,554	365,387
Total Investments	<u>\$ 1,429,742</u>	<u>\$ 1,635,047</u>

The following schedule summarizes the investment income for the years ended June 30:

	2015			Total	2014 Total
	Unrestricted	Temporarily Restricted	Permanently Restricted		
Realized and unrealized gains (losses) on investments	\$ (14,209)	\$ -	\$ -	\$ (14,209)	\$ 88,340
Interest and dividends	26,134	17,779	-	43,913	133,514
San Diego Foundation	-	-	1,560	1,560	32,914
Charitable remainder unitrust	-	-	19,122	19,122	41,911
Investment fees	(18,565)	-	(1,172)	(19,737)	(15,000)
Total Investment Income (Loss)	<u>\$ (6,640)</u>	<u>\$ 17,779</u>	<u>\$ 19,510</u>	<u>\$ 30,649</u>	<u>\$ 281,679</u>

Note 5 - Charitable Remainder Unitrust:

The Symphony was named as the remainder beneficiary of a charitable remainder unitrust (the "Trust"). This Trust was established and funded by the donor and provides for a distribution annually to the donor during their lifetime. Upon the death of the donor, the remaining value of the Trust will be distributed to the Symphony subject to the donor restriction that the corpus be maintained in perpetuity. The assets held in the Trust totaling \$382,344 and \$361,822 at June 30, 2015 and 2014, respectively have been discounted to their net present value using a discount rate of 7%. The activity of the charitable remainder unitrust consisted of the following for the years ended June 30:

	<u>2015</u>	<u>2014</u>
Balance at Beginning of Year	\$ 224,985	\$ 183,074
Change in discount and fair value	19,122	41,911
Balance at End of Year	<u>\$ 244,107</u>	<u>\$ 224,985</u>

SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

Note 6 - Property and Equipment:

Property and equipment consist of the following at June 30:

	<u>2015</u>	<u>2014</u>
Tenant improvements	\$ 296,920	\$ 296,920
Music equipment	50,044	50,044
Office equipment and furnishings	66,622	59,982
Subtotal	<u>413,586</u>	<u>406,946</u>
Less: Accumulated depreciation	<u>(294,236)</u>	<u>(250,867)</u>
Property and Equipment, Net	<u>\$ 119,350</u>	<u>\$ 156,079</u>

Note 7 - Beneficial Interest in Endowment Funds:

The Symphony has a beneficial interest in endowment funds held at San Diego Foundation, which are classified as permanently restricted as these investments must be maintained in perpetuity. The beneficial interest in endowment funds is invested in a portfolio of equity and debt securities, which is structured for long-term total return, consisting of 25% domestic equities, 30% international equities, 16% alternative investments, 17% fixed income, 4% commodities and 8% real estate. The Symphony receives distributions of earnings on an annual basis. The distributions are used to further the Symphony's mission of providing the San Diego community with challenging and exciting music at a high artistic level. The Symphony received \$9,703 and \$9,391 in distributions for the years ended June 30, 2015 and 2014, respectively.

The activity in the beneficial interest in endowment funds consisted of the following for the years ended June 30:

	<u>2015</u>	<u>2014</u>
Balance at Beginning of Year	\$ 249,515	\$ 227,151
Investment income	1,560	32,914
Investment fees	(1,172)	(1,159)
Distributions	<u>(9,703)</u>	<u>(9,391)</u>
Balance at End of Year	<u>\$ 240,200</u>	<u>\$ 249,515</u>

SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY
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JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

Note 8 - Undesignated Spending Allowance:

San Diego Youth Symphony Board of Trustees has established a spending policy for the General Endowment and Board Designated - Quasi Endowment. For the year ended June 30, 2014, the amount available to spend in the operating budget in a fiscal year is calculated as a percentage of the moving average of the preceding three years June 30 year end valuation. The percentage rate that can be annually withdrawn from this average value is 5%. In 2015 the Board adopted a new spending policy that provides for the amount to be allocated to the Spending Allowance annually will be 5% of the \$100,000 threshold below the combined value of the Board Designated Quasi-Endowment Funds plus the General Endowment Funds (the "Funds"). Upon adoption of the policy, the values at June 30, 2015 were used to calculate the allocation for the year ended June 30, 2015. In subsequent years, the Spending Allowance allocation recorded at the close of the fiscal year will be calculated based on the December 31 values of the Funds. The matrix below serves as the guide to making this calculation. Higher and lower value \$100,000 thresholds will be applied if the combined Funds rise above or drop below those listed as follows:

\$800,000 to \$900,000	5% of \$800,000 = \$40,000
\$900,000 to \$1,000,000	5% of \$900,000 = \$45,000
\$1,000,000 to \$1,100,000	5% of \$1,000,000 = \$50,000

The value calculated on this basis will be moved to the Spending Allowance and is available for the management of the institution to spend at their discretion. Any additional income will be added to the Board Designated - Quasi Endowment and will become subject to the above restrictions.

The activity of the undesignated spending allowance consisted of the following for the years ended June 30:

	<u>2015</u>	<u>2014</u>
Undesignated Spending Allowance at Beginning of Year	\$ 83,410	\$ 87,035
Allocation	40,000	48,993
Expenditures	(56,640)	(52,618)
Undesignated Spending Allowance at End of Year	<u>\$ 66,770</u>	<u>\$ 83,410</u>

SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

Note 9 - Temporarily Restricted Net Assets:

Temporarily restricted net assets consist of contributions and endowment earnings received with time or purpose restrictions and consist of the following at June 30:

	<u>2015</u>	<u>2014</u>
Moeser Memorial	\$ 390,790	\$ 418,034
Opus Program	95,518	103,500
Board contributions (2014-2015 China Tour)	-	10,500
Inge Manes Memorial Fund	2,690	7,712
Kawashima Fund - Associate Concert Master	1,289	3,465
Blair and Georgia Sadler Fund - Scholarship	741	2,048
Elaine and Stanley Goff Fund - Scholarship	671	1,925
Chelsea King Scholarship – French Horn	561	1,607
Eleanor M. Young Scholarship Fund - Cello	457	1,309
La Jolla Debutante Ball Committee - Violin	403	1,155
Carson Kemp Memorial Fund - Nominated Scholarship	275	788
Julie E. Brewer Conductor’s Achievement Award - Scholarship	269	770
Clark Piano Fund	201	578
Total Temporarily Restricted Net Assets	<u>\$ 493,865</u>	<u>\$ 553,391</u>

Net assets in the amount of \$221,080 were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors for the year ended June 30, 2015.

Note 10 - Endowment Net Assets:

The Symphony’s endowment consists of individual funds established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions. The Symphony holds and manages fourteen of the funds, with the remaining fund held and managed by San Diego Foundation.

Symphony Managed Funds

In regards to the funds held and managed by the Symphony, the Symphony has interpreted the enacted version of the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Symphony classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment (2) the original value of subsequent gifts donated to the permanent endowment (3) 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 Symphony in a manner consistent with the standard of prudence prescribed by UPMIFA.

SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

Note 10 - Endowment Net Assets: (Continued)

Symphony Managed Funds (Continued)

In accordance with UPMIFA, the Symphony considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Symphony 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 Symphony
- The investment policies of the Symphony

From time to time, the fair value of the assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Symphony to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2015 and 2014.

The Symphony has adopted investment and spending policies for endowment funds that:

- Manage the funds in a prudent manner recognizing risk and return tradeoffs
- Maintain a diversified portfolio that provides for asset growth through a combination of investment income and capital appreciation comparable to established industry benchmarks
- Maintain sufficient liquidity to fund expenses and support the spending policy
- Comply with applicable laws

The Symphony's endowment funds are invested in a diversified portfolio of individual securities and mutual funds that are structured to satisfy its long-term rate-of-return objectives. The Symphony 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).

On an annual basis, the interest and dividends earned on the restricted endowment funds are added to temporarily restricted net assets. The Symphony's spending policy in regards to these funds is to disburse them for their restricted purpose to meet the current program needs of the Symphony. The Symphony's spending policy in regards to the General Endowment funds (with no specific donor intention) and the Board Designated-Quasi Endowment funds is described in Note 8.

SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

Note 10 - Endowment Net Assets: (Continued)

San Diego Foundation Managed Funds

The Symphony has a beneficial interest in endowment funds that are held at San Diego Foundation (the "Foundation"). The Foundation manages the funds in accordance with UPMIFA. The Foundation's objective is to maintain the purchasing power (real value) of the endowment funds. However, from time to time, the fair value of the assets in the endowment fund may fall below the level that the donors require the Symphony to retain as a fund of perpetual duration. The Symphony classifies permanently restricted net assets held by the Foundation as:

- The original value of gifts donated to the fund
- The original value of Symphony funds transferred to the fund
- The original value of subsequent gifts donated to the fund
- Investment income and realized and unrealized gains and losses on investments
- Distributions from the fund in accordance with the spending policy

The Foundation has adopted investment and spending policies for endowment funds that:

- Protect the invested assets
- Preserve spending capacity of the fund income
- Maintain a diversified portfolio of assets that meet investment return objectives while keeping risk at a level commensurate with that of the median fund in comparable foundations
- Comply with applicable laws

The Foundation's endowment funds are invested in a portfolio of equity and debt securities, which is structured for long-term total return. The Foundation's spending policy is to disburse 5% annually, based upon endowment principal market value over the last 36 months. These calculations are made on a monthly basis. If the market value of the Endowment Principal of any fund, at the end of each month, is less than the initial value of all contributions made to the Endowment Principal, then distributions will be limited to interest and dividends received.

SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

Note 10 - Endowment Net Assets: (Continued)

Endowment composition by type of fund at June 30:

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment funds:				
San Diego Foundation - General	\$ -	\$ -	\$ 240,200	\$ 240,200
Joan Kroc Fund - General	-	-	125,000	125,000
R.P. Foundation - General	-	-	125,000	125,000
Dorothy and Joel Sollender Fund - General	-	-	37,000	37,000
Charitable Remainder Unitrust	-	-	244,107	244,107
Inge Manes Memorial Fund	-	2,690	100,150	102,840
Kawashima Fund - Associate Concert Master	-	1,289	48,000	49,289
Elaine and Stanley Goff Fund - Scholarship	-	671	25,000	25,671
Blair and Georgia Sadler Fund - Scholarship	-	741	27,600	28,341
Chelsea King Scholarship – French Horn	-	561	20,867	21,428
Eleanor M. Young Scholarship Fund - Cello	-	457	17,000	17,457
La Jolla Debutante Ball Committee - Violin	-	403	15,000	15,403
Carson Kemp Memorial Fund - Nominated Scholarship	-	275	10,229	10,504
Julie E. Brewer Conductor’s Achievement Award - Scholarship	-	269	10,000	10,269
Clark Piano Fund	-	201	7,500	7,701
Total Donor Restricted Endowment Funds	-	7,557	1,052,653	1,060,210
Board Designated-Quasi Endowment	512,187	-	-	512,187
Total Endowment Funds	<u>\$ 512,187</u>	<u>\$ 7,557</u>	<u>\$ 1,052,653</u>	<u>\$ 1,572,397</u>

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment funds:				
San Diego Foundation - General	\$ -	\$ -	\$ 249,515	\$ 249,515
Joan Kroc Fund - General	-	-	125,000	125,000
R.P. Foundation - General	-	-	125,000	125,000
Dorothy and Joel Sollender Fund - General	-	-	36,000	36,000
Charitable Remainder Unitrust	-	-	224,985	224,985
Inge Manes Memorial Fund	-	7,712	100,150	107,862
Kawashima Fund - Associate Concert Master	-	3,465	45,000	48,465
Elaine and Stanley Goff Fund - Scholarship	-	1,925	25,000	26,925
Blair and Georgia Sadler Fund - Scholarship	-	2,048	26,600	28,648
Chelsea King Scholarship – French Horn	-	1,607	20,867	22,474
Eleanor M. Young Scholarship Fund - Cello	-	1,309	17,000	18,309
La Jolla Debutante Ball Committee - Violin	-	1,155	15,000	16,155
Carson Kemp Memorial Fund - Nominated Scholarship	-	788	10,229	11,017
Julie E. Brewer Conductor’s Achievement Award - Scholarship	-	770	10,000	10,770
Clark Piano Fund	-	578	7,500	8,078
Total Donor Restricted Endowment Funds	-	21,357	1,037,846	1,059,203
Board Designated-Quasi Endowment	649,298	-	-	649,298
Total Endowment Funds	<u>\$ 649,298</u>	<u>\$ 21,357</u>	<u>\$ 1,037,846</u>	<u>\$ 1,708,501</u>

SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

Note 10 - Endowment Net Assets: (Continued)

Changes in endowment net assets for the years ended June 30:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment Net Assets at June 30, 2013	\$ 615,234	\$ 18,274	\$ 967,971	\$ 1,601,479
Investment return:				
Investment income	82,192	21,357	32,914	136,463
Investment expenses	(13,841)	-	(1,159)	(15,000)
Net realized and unrealized gains	88,340	-	41,911	130,251
Total Investment Return	<u>156,691</u>	<u>21,357</u>	<u>73,666</u>	<u>251,714</u>
Contributions	-	-	5,600	5,600
Distribution of spending allowance	(48,993)	(18,274)	-	(67,267)
Distributions by Board approval	(73,634)	-	-	(73,634)
Distributions	-	-	(9,391)	(9,391)
Endowment Net Assets at June 30, 2014	<u>649,298</u>	<u>21,357</u>	<u>1,037,846</u>	<u>1,708,501</u>
Investment return:				
Investment income	25,469	7,557	1,560	34,586
Investment expenses	(18,515)	-	(1,172)	(19,687)
Net realized and unrealized gains (losses)	(13,529)	-	19,122	5,593
Total Investment Return	<u>(6,575)</u>	<u>7,557</u>	<u>19,510</u>	<u>20,492</u>
Contributions	-	-	5,000	5,000
Distribution of spending allowance	(40,000)	(21,357)	-	(61,357)
Distributions by Board approval	(90,536)	-	-	(90,536)
Distributions	-	-	(9,703)	(9,703)
Endowment Net Assets at June 30, 2015	<u>\$ 512,187</u>	<u>\$ 7,557</u>	<u>\$ 1,052,653</u>	<u>\$ 1,572,397</u>

**SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY
SUPPLEMENTARY SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014)**

	2015					2014 Total
	Supporting Services				Total	
	Music Program	General and Administrative	Fundraising	Supporting Supporting Services		
Salaries and Related Expenses:						
Salaries and wages	\$ 785,503	\$ 55,259	\$ 218,070	\$ 273,329	\$ 1,058,832	\$ 894,622
Payroll taxes and employee benefits	111,243	8,188	32,311	40,499	151,742	118,614
Total Salaries and Related Expenses	<u>896,746</u>	<u>63,447</u>	<u>250,381</u>	<u>313,828</u>	<u>1,210,574</u>	<u>1,013,236</u>
Nonsalary Related Expenses:						
China tour	477,998	-	-	-	477,998	-
Concert hall/rehearsal and office rent	72,093	6,000	-	6,000	78,093	74,904
Depreciation	6,193	37,176	-	37,176	43,369	54,647
Professional services	400	19,378	3,210	22,588	22,988	30,467
Advertising and promotion	21,734	-	-	-	21,734	33,348
Office and computer supplies	6,851	6,664	3,426	10,090	16,941	12,817
Development	-	-	15,943	15,943	15,943	10,768
Concert expenses	15,570	-	-	-	15,570	14,220
Bank and credit card charges	-	15,086	-	15,086	15,086	13,358
History center - storage and office	11,250	-	3,750	3,750	15,000	17,387
Printing	14,919	-	-	-	14,919	12,505
Balboa Park program expenses	13,214	-	-	-	13,214	9,727
Database	12,600	-	-	-	12,600	12,600
Minor equipment purchase and rental	11,591	-	-	-	11,591	14,319
Mileage, gas and parking	5,640	-	5,640	5,640	11,280	9,015
Repairs and maintenance	8,634	1,255	1,255	2,510	11,144	11,839
Insurance	-	10,288	-	10,288	10,288	6,773
Community program expenses	10,058	-	-	-	10,058	11,484
Telephone	4,522	2,262	2,262	4,524	9,046	7,212
In-kind expenses	8,631	-	-	-	8,631	2,188
Board and employee training	4,135	360	3,775	4,135	8,270	7,134
Memberships/dues	815	6,776	-	6,776	7,591	3,208
Copier	3,413	1,707	1,707	3,414	6,827	7,431
Board and advocacy expenses	4,135	-	1,016	1,016	5,151	614
Staff expenses	2,430	1,215	1,215	2,430	4,860	5,497
Postage and shipping	2,272	1,136	1,136	2,272	4,544	3,705
Awards	3,532	-	-	-	3,532	3,900
Transportation	2,454	-	-	-	2,454	2,080
Storage and janitorial	1,055	1,054	-	1,054	2,109	2,041
BPOC services	733	366	366	732	1,465	2,751
Royalty fees	1,156	-	-	-	1,156	1,038
Total Nonsalary Related Expenses	<u>728,028</u>	<u>110,723</u>	<u>44,701</u>	<u>155,424</u>	<u>883,452</u>	<u>398,977</u>
TOTAL PROGRAM AND SUPPORTING SERVICES EXPENSES	<u>\$ 1,624,774</u>	<u>\$ 174,170</u>	<u>\$ 295,082</u>	<u>\$ 469,252</u>	<u>\$ 2,094,026</u>	<u>\$ 1,412,213</u>