



**FINANCIAL STATEMENTS**

**JUNE 30, 2016**



**Leaf & Cole, LLP**  
*Certified Public Accountants*

**SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY  
FINANCIAL STATEMENTS  
JUNE 30, 2016**

**TABLE OF CONTENTS**

	<u>Page</u>
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 21
Supplementary Information: Supplementary Schedule of Functional Expenses	22



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, 2016, 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, 2016, 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 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 29, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, 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, 2016 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, 2015 included in the supplementary schedule of functional expenses for the year ended June 30, 2016 has been derived from San Diego Youth Symphony and Conservatory's 2015 financial statements and in our report dated January 29, 2016, 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  
November 28, 2016

**SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2016**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)**

**ASSETS**

	<u>2016</u>	<u>2015</u>
<b><u>Current Assets:</u></b> (Notes 1 and 3)		
Cash and cash equivalents	\$ 101,654	\$ 121,907
Grants receivable	166,696	106,087
Other receivables	29,435	3,244
Pledges receivable	24,000	39,490
Prepaid expenses	13,331	26,348
Total Current Assets	<u>335,116</u>	<u>297,076</u>
<b><u>Noncurrent Assets:</u></b> (Notes 1, 2, 4, 5, 6 and 7)		
Investments	1,345,172	1,429,742
Charitable remainder unitrust	221,758	244,107
Musical instruments	511,020	489,853
Property and equipment, net	95,719	119,350
Beneficial interest in endowment funds	225,365	240,200
Total Noncurrent Assets	<u>2,399,034</u>	<u>2,523,252</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 2,734,150</u></b>	<b><u>\$ 2,820,328</u></b>

**LIABILITIES AND NET ASSETS**

<b><u>Current Liabilities:</u></b> (Note 1)		
Accounts payable and accrued expenses	\$ 116,763	\$ 131,126
Deferred revenue	30,940	36,745
Total Current Liabilities	<u>147,703</u>	<u>167,871</u>
<b><u>Net Assets:</u></b> (Notes 1, 8, 9 and 10)		
Unrestricted:		
Undesignated	508,698	526,982
Undesignated spending allowance	45,056	66,770
Board designated Quasi-endowment	416,342	512,187
Total Unrestricted	<u>970,096</u>	<u>1,105,939</u>
Temporarily restricted	583,012	493,865
Permanently restricted	1,033,339	1,052,653
Total Net Assets	<u>2,586,447</u>	<u>2,652,457</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 2,734,150</u></b>	<b><u>\$ 2,820,328</u></b>

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, 2016**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)**

	2016			Total	2015
	Unrestricted	Temporarily Restricted	Permanently Restricted		
<b><u>Revenue and Support:</u></b>					
Contributions	\$ 448,571	\$ 255,975	\$ 17,870	\$ 722,416	\$ 440,382
Tuition and fees	372,607	-	-	372,607	329,820
Program revenue	283,023	-	-	283,023	155,918
Fundraising activities	203,002	-	-	203,002	184,768
City of San Diego Commission for Arts and Culture	110,802	-	-	110,802	89,470
Government grants	-	96,091	-	96,091	115,275
In-kind donations	45,767	-	-	45,767	155,631
Other income	1,312	-	-	1,312	12,260
China tour	-	-	-	-	422,416
Investment (loss) income	(60,571)	18,916	(27,144)	(68,799)	30,649
Net assets released from restrictions	291,875	(281,835)	(10,040)	-	-
<b>Total Revenue and Support</b>	<b>1,696,388</b>	<b>89,147</b>	<b>(19,314)</b>	<b>1,766,221</b>	<b>1,936,589</b>
<b><u>Expenses:</u></b>					
<b>Program Services:</b>					
Music program	1,289,533	-	-	1,289,533	1,630,269
<b>Total Program Services</b>	<b>1,289,533</b>	<b>-</b>	<b>-</b>	<b>1,289,533</b>	<b>1,630,269</b>
<b>Supporting Services:</b>					
General and administrative	200,017	-	-	200,017	174,170
Fundraising	301,357	-	-	301,357	295,082
<b>Total Supporting Services</b>	<b>501,374</b>	<b>-</b>	<b>-</b>	<b>501,374</b>	<b>469,252</b>
<b>Total Program and Supporting Services</b>	<b>1,790,907</b>	<b>-</b>	<b>-</b>	<b>1,790,907</b>	<b>2,099,521</b>
<b>Fundraising Activities</b>	<b>41,324</b>	<b>-</b>	<b>-</b>	<b>41,324</b>	<b>25,608</b>
<b>Total Expenses</b>	<b>1,832,231</b>	<b>-</b>	<b>-</b>	<b>1,832,231</b>	<b>2,125,129</b>
Change in Net Assets	(135,843)	89,147	(19,314)	(66,010)	(188,540)
Net Assets at Beginning of Year	1,105,939	493,865	1,052,653	2,652,457	2,840,997
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 970,096</b>	<b>\$ 583,012</b>	<b>\$ 1,033,339</b>	<b>\$ 2,586,447</b>	<b>\$ 2,652,457</b>

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, 2016**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)**

	<u>2016</u>	<u>2015</u>
<b><u>Cash Flows From Operating Activities:</u></b>		
Change in net assets	\$ (66,010)	\$ (188,540)
<b>Adjustments to reconcile change in net assets to net cash used in operating activities:</b>		
Depreciation	46,008	43,369
Realized and unrealized losses on investments	70,223	14,209
Donated musical instruments	(19,427)	(133,544)
Permanently restricted contributions	(17,870)	(5,000)
Permanently restricted investment loss (income)	27,144	(19,510)
Permanently restricted distributions	10,040	9,703
<b>(Increase) Decrease in:</b>		
Grants receivable	(60,609)	(63,901)
Other receivables	(26,191)	2,006
Pledges receivable	15,490	15,510
Prepaid expenses	13,017	(3,313)
<b>Increase (Decrease) in:</b>		
Accounts payable and accrued expenses	(20,363)	68,291
Deferred revenue	(5,805)	(6,745)
Net Cash Used in Operating Activities	<u>(34,353)</u>	<u>(267,465)</u>
<b><u>Cash Flows From Investing Activities:</u></b>		
Investment purchases and sales, net	14,347	191,096
Change in charitable remainder unitrust	22,349	(19,122)
Purchase of musical instruments	(1,740)	(13,383)
Purchase of property and equipment	(16,377)	(6,640)
Change in beneficial interest in endowment funds	14,835	9,315
Net Cash Provided by Investing Activities	<u>33,414</u>	<u>161,266</u>
<b><u>Cash Flows From Financing Activities:</u></b>		
Permanently restricted contributions	17,870	5,000
Permanently restricted investment (loss) income	(27,144)	19,510
Permanently restricted distributions	(10,040)	(9,703)
Net Cash (Used in) Provided by Financing Activities	<u>(19,314)</u>	<u>14,807</u>
Net Decrease in Cash and Cash Equivalents	(20,253)	(91,392)
Cash and Cash Equivalents at Beginning of Year	<u>121,907</u>	<u>213,299</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 101,654</u>	<u>\$ 121,907</u>

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

**SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)**

**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.

The Symphony also makes research into the benefits of music education on child development a priority. It has partnered with two organizations to evaluate outcomes of the Community Opus Project. The University of California at San Diego’s Center for Human Development is conducting a longitudinal study to measure how learning to play an instrument affects the structure of the brain and cognitive development. The Longy School of Music at Bard College selected the Community Opus Project as one of nine U.S. El-Sistema-inspired afterschool music programs to study the relationship between musical and social/emotional learning. Both studies are now in the data analysis stage.

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 (U.S. GAAP) and, accordingly, reflect all significant receivables, payables, and other liabilities.



**SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)**

**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, 2016**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)**

**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 the fair value of the underlying assets as reported by San Diego Foundation.

**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, other and pledges receivable are fully collectible; therefore, no allowance for doubtful grants, other and pledges receivable was recorded at June 30, 2016 and 2015.

**SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)**

**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 \$511,020 and \$489,853 at June 30, 2016 and 2015, respectively.

**Capitalization and Depreciation**

The Symphony capitalizes all expenditures in excess of \$1,000 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 \$46,008 and \$43,369 for the years ended June 30, 2016 and 2015, 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 \$42,896 and \$42,817 at June 30, 2016 and 2015, respectively, are accrued when incurred and included in accounts payable and accrued expenses.

**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 \$3,969 and \$18,245 at June 30, 2016 and 2015, respectively and are included in prepaid expenses. Deferred revenues from tuition and fees totaled \$30,940 and \$36,745 at June 30, 2016 and 2015, respectively.

**SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)**

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

**Significant Accounting Policies (Continued)**

**Revenue and Expense Recognition (Continued)**

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 each of the years ended June 30, 2016 and 2015, 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 \$19,427 and \$133,544 for the years ended June 30, 2016 and 2015, 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 \$-0- and \$2,256 for the years ended June 30, 2016 and 2015, respectively, and have been included in revenue and property and equipment.

The Symphony has received donations for professional services and supplies. The professional services and supplies are recorded at fair value and totaled \$15,140 and \$8,631 for the years ended June 30, 2016 and 2015, 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, 2016 and 2015, 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, 2016**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)**

**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, 2016, 2015, 2014, and 2013 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, 2015**

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, 2015, from which the summarized comparative information was derived.

**Reclassification**

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

**Subsequent Events**

In preparing these financial statements, the Symphony has evaluated events and transactions for potential recognition or disclosure through November 28, 2016, the date the financial statements were available to be issued.

**SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)**

**Note 2 - Fair Value Measurements:**

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

	2016			Balance at June 30, 2016
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Common Stocks:				
Domestic:				
Health Care	\$ 69,432	\$ -	\$ -	\$ 69,432
Consumer Discretionary	58,181	-	-	58,181
Consumer Staples	102,139	-	-	102,139
Energy	10,836	-	-	10,836
Financials	50,681	-	-	50,681
Industrials	52,278	-	-	52,278
Information Technology	108,174	-	-	108,174
Materials	25,487	-	-	25,487
Tele-communications	7,945	-	-	7,945
Utilities	23,207	-	-	23,207
Real Estate	7,134	-	-	7,134
Foreign:				
Health Care	16,137	-	-	16,137
Consumer Discretionary	22,051	-	-	22,051
Consumer Staples	22,560	-	-	22,560
Energy	11,270	-	-	11,270
Financials	20,923	-	-	20,923
Industrials	30,535	-	-	30,535
Information Technology	14,412	-	-	14,412
Materials	19,093	-	-	19,093
Tele-communications	32,501	-	-	32,501
Utilities	4,683	-	-	4,683
Real Estate	3,073	-	-	3,073
Total Common Stocks	<u>712,733</u>	<u>-</u>	<u>-</u>	<u>712,733</u>
Mutual Funds:				
Value	66,718	-	-	66,718
Emerging market funds	139,088	-	-	139,088
Total Mutual Funds	<u>205,807</u>	<u>-</u>	<u>-</u>	<u>205,807</u>
Fixed Income Securities:				
Corporate bonds	-	287,137	-	287,137
U.S. Treasury securities	-	77,928	-	77,928
U.S. Government bonds	-	61,567	-	61,567
Total Fixed Income Securities	<u>-</u>	<u>426,632</u>	<u>-</u>	<u>426,632</u>
Charitable remainder unitrust (Note 5)	-	-	221,758	221,758
Beneficial interest in endowment funds (Note 7)	-	-	225,365	225,365
	<u>\$ 918,539</u>	<u>\$ 426,632</u>	<u>\$ 447,123</u>	<u>\$ 1,792,295</u>

**SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)**

**Note 2 - Fair Value Measurements: (Continued)**

	2015			
	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, 2015
<b>Common Stocks:</b>				
<b>Domestic:</b>				
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
<b>Foreign:</b>				
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>
<b>Mutual Funds:</b>				
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>
<b>Fixed Income Securities:</b>				
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>

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, 2016**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)**

**Note 2 - Fair Value Measurements: (Continued)**

The following table represents the Symphony's Level 3 financial instruments, the valuation techniques used to measure the fair value of the financial instruments, and the significant unobservable inputs and the range of values for those inputs for the years ended June 30:

		2016		
Instrument	Fair Value	Principal Valuation Technique	Unobservable Inputs	Significant Input Values
Charitable remainder unitrust	\$ 221,758	Present value of expected cash flows	Investment yield Discount rate	7% 7%
Beneficial interest in endowment funds	\$ 225,365	Valuation of underlying assets as provided by San Diego Foundation	Base Price	N/A
		2015		
Instrument	Fair Value	Principal Valuation Technique	Unobservable Inputs	Significant Input Values
Charitable remainder unitrust	\$ 244,107	Present value of expected cash flows	Investment yield Discount rate	7% 7%
Beneficial interest in endowment funds	\$ 240,200	Valuation of underlying assets as provided by San Diego Foundation	Base Price	N/A

**Note 3 - Pledges Receivable:**

Pledges receivable consist of the following at June 30:

	<u>2016</u>	<u>2015</u>
Due in less than one year	\$ 24,000	\$ 39,490
Total Pledges Receivable	<u>\$ 24,000</u>	<u>\$ 39,490</u>



**SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)**

**Note 4 - Investments:**

Investments consist of the following at June 30:

	<u>2016</u>	<u>2015</u>
Common stocks	\$ 712,733	\$ 789,450
Fixed income securities	426,632	423,738
Mutual funds	205,807	216,554
Total Investments	<u>\$ 1,345,172</u>	<u>\$ 1,429,742</u>

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

	<u>2016</u>			<u>Total</u>	<u>2015</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>		<u>Total</u>
Interest and dividends	\$ 21,498	\$ 18,916	\$ -	\$ 40,414	\$ 43,913
Realized and unrealized losses	(70,223)	-	(3,713)	(73,936)	(12,649)
Charitable remainder unitrust	-	-	(22,349)	(22,349)	19,122
Investment fees	(11,846)	-	(1,082)	(12,928)	(19,737)
Total Investment (Loss)	<u>(60,571)</u>	<u>18,916</u>	<u>(27,144)</u>	<u>(68,799)</u>	<u>30,649</u>
Income	<u>\$ (60,571)</u>	<u>\$ 18,916</u>	<u>\$ (27,144)</u>	<u>\$ (68,799)</u>	<u>\$ 30,649</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 \$338,764 and \$382,344 at June 30, 2016 and 2015, 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>2016</u>	<u>2015</u>
Balance at Beginning of Year	\$ 244,107	\$ 224,985
Change in discount and fair value	(22,349)	19,122
Balance at End of Year	<u>\$ 221,758</u>	<u>\$ 244,107</u>

**SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)**

**Note 6 - Property and Equipment:**

Property and equipment consist of the following at June 30:

	<u>2016</u>	<u>2015</u>
Tenant improvements	\$ 296,920	\$ 296,920
Music equipment	52,720	50,044
Office equipment and furnishings	74,323	66,622
Construction in Progress	12,000	-
Subtotal	<u>435,963</u>	<u>413,586</u>
Less: Accumulated depreciation	<u>(340,244)</u>	<u>(294,236)</u>
Property and Equipment, Net	<u>\$ 95,719</u>	<u>\$ 119,350</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 26% domestic equities, 28% international equities, 16% alternative investments, 17% fixed income, 4% commodities and 8% real estate and 1% cash and cash equivalents. 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 \$10,040 and \$9,703 in distributions for the years ended June 30, 2016 and 2015, respectively.

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

	<u>2016</u>	<u>2015</u>
Balance at Beginning of Year	\$ 240,200	\$ 249,515
Investment (loss) income	(3,713)	1,560
Investment fees	(1,082)	(1,172)
Distributions	<u>(10,040)</u>	<u>(9,703)</u>
Balance at End of Year	<u>\$ 225,365</u>	<u>\$ 240,200</u>

**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. The amount to be allocated to the Spending Allowance annually is 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 Spending Allowance allocation for the year ended June 30, 2015. The Spending Allowance allocation for the year ended June 30, 2016 was calculated based on the December 31, 2015 value 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:

**SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)**

**Note 8 - Undesignated Spending Allowance: (Continued)**

\$700,000 to \$800,000	5% of \$700,000 = \$35,000
\$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 is moved to the Spending Allowance and is available for the management to spend at their discretion. Any additional income is added to the Board Designated Quasi-Endowment and becomes subject to the above restrictions.

The activity of the Undesignated Spending Allowance consisted of the following for the years ended June 30:

	<u>2016</u>	<u>2015</u>
Undesignated Spending Allowance at Beginning of Year	\$ 66,770	\$ 83,410
Allocation	35,000	40,000
Expenditures	(56,714)	(56,640)
Undesignated Spending Allowance at End of Year	<u>\$ 45,056</u>	<u>\$ 66,770</u>

**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>2016</u>	<u>2015</u>
Moeser Memorial	\$ 385,061	\$ 390,790
Opus Program	189,690	95,518
Inge Manes Memorial Fund	2,796	2,690
Kawashima Fund - Associate Concert Master	1,396	1,289
Blair and Georgia Sadler Fund - Scholarship	785	741
Elaine and Stanley Goff Fund - Scholarship	698	671
Chelsea King Scholarship – French Horn	583	561
Eleanor M. Young Scholarship Fund - Cello	475	457
La Jolla Debutante Ball Committee - Violin	419	403
Betty R. Hiller Scholarship Fund	330	-
Carson Kemp Memorial Fund - Nominated Scholarship	291	275
Julie E. Brewer Conductor’s Achievement Award - Scholarship	279	269
Clark Piano Fund	209	201
Total Temporarily Restricted Net Assets	<u>\$ 583,012</u>	<u>\$ 493,865</u>

Net assets in the amount of \$281,835 were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors for the year ended June 30, 2016.

**SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**  
**(WITH COMPARATIVE TOTALS FOR 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 fifteen 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.

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, 2016 and 2015.

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

**SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)**

**Note 10 - Endowment Net Assets: (Continued)**

**Symphony Managed Funds (Continued)**

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 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, 2016**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)**

**Note 10 - Endowment Net Assets: (Continued)**

Endowment composition by type of fund at June 30:

	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor Restricted Endowment Funds:				
San Diego Foundation - General	\$ -	\$ -	\$ 225,365	\$ 225,365
Charitable Remainder Unitrust	-	-	221,758	221,758
Joan Kroc Fund - General	-	-	125,000	125,000
R.P. Foundation - General	-	-	125,000	125,000
Inge Manes Memorial Fund	-	2,796	100,150	102,946
Kawashima Fund - Associate Concert Master	-	1,396	50,000	51,396
Dorothy and Joel Sollender Fund - General	-	-	37,500	37,500
Blair and Georgia Sadler Fund - Scholarship	-	785	28,100	28,885
Elaine and Stanley Goff Fund - Scholarship	-	698	25,000	25,698
Chelsea King Scholarship – French Horn	-	583	20,867	21,450
Eleanor M. Young Scholarship Fund - Cello	-	475	17,000	17,475
La Jolla Debutante Ball Committee - Violin	-	419	15,000	15,419
Carson Kemp Memorial Fund - Nominated Scholarship	-	330	14,433	14,763
Betty R. Hiller Scholarship Fund	-	291	10,666	10,957
Julie E. Brewer Conductor’s Achievement Award - Scholarship	-	279	10,000	10,279
Clark Piano Fund	-	209	7,500	7,709
Total Donor Restricted Endowment Funds	-	8,261	1,033,339	1,041,600
Board Designated-Quasi Endowment	416,342	-	-	416,342
Total Endowment Funds	<u>\$ 416,342</u>	<u>\$ 8,261</u>	<u>\$ 1,033,339</u>	<u>\$ 1,457,942</u>

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor Restricted Endowment Funds:				
Charitable Remainder Unitrust	\$ -	\$ -	\$ 244,107	\$ 244,107
San Diego Foundation - General	-	-	240,200	240,200
Joan Kroc Fund - General	-	-	125,000	125,000
R.P. Foundation - General	-	-	125,000	125,000
Inge Manes Memorial Fund	-	2,690	100,150	102,840
Kawashima Fund - Associate Concert Master	-	1,289	48,000	49,289
Dorothy and Joel Sollender Fund - General	-	-	37,000	37,000
Blair and Georgia Sadler Fund - Scholarship	-	741	27,600	28,341
Elaine and Stanley Goff Fund - Scholarship	-	671	25,000	25,671
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>

**SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)**

**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, 2014	\$ 649,298	\$ 21,357	\$ 1,037,846	\$ 1,708,501
Investment return:				
Interest and dividends	25,469	7,557	-	33,026
Investment expenses	(18,515)	-	(1,172)	(19,687)
Net realized and unrealized gains (losses)	(13,529)	-	20,682	7,153
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>
Investment return:				
Interest and dividends	21,224	8,261	-	29,485
Investment expenses	(11,846)	-	(1,082)	(12,988)
Net realized and unrealized losses	(70,223)	-	(26,062)	(96,285)
Total Investment Return	<u>(60,845)</u>	<u>8,261</u>	<u>(27,144)</u>	<u>(79,728)</u>
Contributions	-	-	17,870	17,870
Distribution of spending allowance	(35,000)	(7,557)	-	(42,557)
Distributions	-	-	(10,040)	(10,040)
Endowment Net Assets at June 30, 2016	<u>\$ 416,342</u>	<u>\$ 8,261</u>	<u>\$ 1,033,339</u>	<u>\$ 1,457,942</u>

**SAN DIEGO YOUTH SYMPHONY AND CONSERVATORY**  
**SUPPLEMENTARY SCHEDULE OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)**

	2016					2015 Total
	Supporting Services				Total	
	Music Program	General and Administrative	Fundraising	Supporting Supporting Services		
<b>Salaries and Related Expenses:</b>						
Salaries and wages	\$ 856,095	\$ 70,696	\$ 228,863	\$ 299,559	\$ 1,155,654	\$ 1,058,832
Payroll taxes and employee benefits	117,935	10,295	33,328	43,623	161,558	151,742
Total Salaries and Related Expenses	<u>974,030</u>	<u>80,991</u>	<u>262,191</u>	<u>343,182</u>	<u>1,317,212</u>	<u>1,210,574</u>
<b>Nonsalary Related Expenses:</b>						
Advertising and promotion	20,475	-	-	-	20,475	21,734
Awards	2,875	-	-	-	2,875	3,532
Balboa Park program expenses	19,716	-	-	-	19,716	13,214
Bank and credit card charges	-	13,031	-	13,031	13,031	15,086
Board and advocacy expenses	571	732	-	732	1,303	5,151
Board and employee training	3,546	-	3,546	3,546	7,092	8,270
BPOC services	870	435	435	870	1,740	1,465
China tour	279	-	-	-	279	477,998
Community program expenses	24,634	-	-	-	24,634	10,058
Concert expenses	18,631	-	-	-	18,631	15,570
Concert hall/rehearsal and office rent	60,473	6,000	-	6,000	66,473	78,093
Consession expenses	9,498	-	-	-	9,498	5,495
Copier	3,952	1,975	1,975	3,950	7,902	6,827
Database	8,089	-	8,089	8,089	16,178	12,600
Depreciation	6,270	39,738	-	39,738	46,008	43,369
Development	-	-	10,042	10,042	10,042	15,943
History center - storage and office	16,500	-	-	-	16,500	15,000
In-kind expenses	15,140	-	-	-	15,140	8,631
Insurance	-	15,871	-	15,871	15,871	10,288
Memberships and dues	-	7,116	-	7,116	7,116	7,591
Mileage, gas and parking	5,661	-	5,661	5,661	11,322	11,280
Minor equipment purchase and rental	10,332	-	-	-	10,332	11,591
Office and computer supplies	5,536	6,066	2,767	8,833	14,369	16,941
Program expenses	12,361	-	-	-	12,361	-
Postage and shipping	3,080	1,540	1,540	3,080	6,160	4,544
Printing	13,147	-	-	-	13,147	14,919
Professional services	36,606	20,551	-	20,551	57,157	22,988
Repairs and maintenance	3,822	1,437	1,437	2,874	6,696	11,144
Royalty fees	990	-	-	-	990	1,156
Staff expenses	1,534	767	767	1,534	3,068	4,860
Storage and janitorial	861	860	-	860	1,721	2,109
Telephone	5,813	2,907	2,907	5,814	11,627	9,046
Transportation	4,241	-	-	-	4,241	2,454
Total Nonsalary Related Expenses	<u>315,503</u>	<u>119,026</u>	<u>39,166</u>	<u>158,192</u>	<u>473,695</u>	<u>888,947</u>
<b>TOTAL PROGRAM AND SUPPORTING SERVICES EXPENSES</b>	<u>\$ 1,289,533</u>	<u>\$ 200,017</u>	<u>\$ 301,357</u>	<u>\$ 501,374</u>	<u>\$ 1,790,907</u>	<u>\$ 2,099,521</u>