

METROPOLITAN YOUTH SYMPHONY
(AN OREGON NOT-FOR-PROFIT CORPORATION)

FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2022 AND 2021

Metropolitan Youth Symphony

Reviewed Financial Statements for the years ended June 30, 2022 and 2021

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REICHLIN

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Metropolitan Youth Symphony
Portland, Oregon

I have reviewed the accompanying statements of financial position of Metropolitan Youth Symphony (an Oregon not-for-profit organization) which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

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.

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of Metropolitan Youth Symphony and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



Troy Reichlein
Certified Public Accountant

October 31, 2022
Lake Oswego, Oregon

Metropolitan Youth Symphony

Statements of Financial Position

As of June 30, 2022 and 2021

	<u>June 30, 22</u>	<u>June 30, 21</u>
ASSETS		
Current Assets:		
Cash & Cash Equivalents	\$ 772,880	\$ 443,316
Investments	255,370	254,695
Accounts Receivable	0	10,581
Prepaid Expenses	1,250	2,997
Total Current Assets:	<u>1,029,500</u>	<u>711,589</u>
Fixed Assets:		
Musical Instruments	215,808	212,018
Office Equipment	24,502	27,119
Banners/Signs	2,940	2,940
Total Fixed Assets:	<u>243,250</u>	<u>242,077</u>
Accumulated Depreciation	<u>(230,250)</u>	<u>(226,755)</u>
Net Fixed Assets:	<u>13,000</u>	<u>15,322</u>
Long-Term Assets (Endowment Funds):		
Cash	26,488	24,367
Investments	65,081	75,633
Total Long-Term Assets:	<u>91,569</u>	<u>100,000</u>
Total Assets:	<u>\$1,134,069</u>	<u>\$ 826,911</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable	\$ 55	\$ 0
Prepaid Registration and Tuition	25,423	5,080
Total Current Liabilities:	<u>25,478</u>	<u>5,080</u>
Non-Current Liabilities:		
PPP Loan	0	67,501
Total Liabilities:	<u>25,478</u>	<u>72,581</u>
Net Assets:		
Without Donor Restrictions	878,144	609,551
With Donor Restrictions - Program	130,447	44,779
With Donor Restrictions - Permanent Endowment	100,000	100,000
Total Net Assets:	<u>1,108,591</u>	<u>754,330</u>
Total Liabilities and Net Assets:	<u>\$1,134,069</u>	<u>\$ 826,911</u>

Metropolitan Youth Symphony

Statements of Activities

For the years ended June 30, 2022 and 2021

	June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue & Support:			
Program Revenue			
Audition & Tuition	\$ 252,230	\$ 0	\$ 252,230
Tuition Assistance	24,862	0	24,862
Ticket Sales	53,652	0	53,652
Instrument/Wardrobe Rental	75	0	75
Miscellaneous	523	0	523
Total Program Revenue:	331,342	0	331,342
Contributions and Grants	405,111	527,268	932,379
Interest & Investment Income	1,036	1,633	2,669
Miscellaneous	1,797	0	1,797
Product Sales, Net of Expenses of \$486	717	0	717
Total Revenue & Support:	740,003	528,901	1,268,904
Net Assets Released from Restrictions	443,233	(443,233)	0
Total Revenue, Support & Reclassifications:	1,183,236	85,668	1,268,904
Expenses:			
Program Expenses			
Youth Symphony	648,214	0	648,214
Supporting Services			
Management and General	75,155	0	75,155
Fund Development Expenses	180,722	0	180,722
Total Expenses:	904,091	0	904,091
Increase/(Decrease) in Net Assets:	279,145	85,668	364,813
Unrealized Gain/(Loss) on Investments:	(10,552)	0	(10,552)
Net Assets - Beginning of Year:	609,551	144,779	754,330
Net Assets - End of Year:	\$ 878,144	\$ 230,447	\$ 1,108,591

Metropolitan Youth Symphony

Statements of Activities

For the years ended June 30, 2022 and 2021

	June 30, 2021		Total
	Without Donor Restrictions	With Donor Restrictions	
Revenue & Support:			
Program Revenue			
Audition & Tuition	\$ 207,385	\$ 0	\$ 207,385
Tuition Assistance	14,625	0	14,625
Ticket Sales	0	0	0
Instrument/Wardrobe Rental	0	0	0
Miscellaneous	220	0	220
Total Program Revenue:	222,230	0	222,230
Contributions and Grants	298,183	146,062	444,245
Interest & Investment Income	4,946	1,331	6,277
Miscellaneous	1,509	0	1,509
Product Sales, Net of Expenses of \$132	1,073	0	1,073
Total Revenue & Support:	527,941	147,393	675,334
Net Assets Released from Restrictions	165,062	(165,062)	0
Total Revenue, Support & Reclassifications:	693,003	(17,669)	675,334
Expenses:			
Program Expenses			
Youth Symphony	482,755	0	482,755
Supporting Services			
Management and General	76,130	0	76,130
Fund Development Expenses	88,297	0	88,297
Total Expenses:	647,182	0	647,182
Increase/(Decrease) in Net Assets:	45,821	(17,669)	28,152
Unrealized Gain/(Loss) on Investments:	6,885	0	6,885
Net Assets - Beginning of Year:	556,845	162,448	719,293
Net Assets - End of Year:	\$ 609,551	\$ 144,779	\$ 754,330

Metropolitan Youth Symphony
 Statements of Functional Expenses
 For the years ended June 30, 2022 and 2021

<u>June 30, 2022</u>	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total 6/30/2022</u>
	<u>Youth Symphony</u>	<u>Management and General</u>	<u>Fund Development</u>	
Accounting & Bookkeeping	\$ 0	\$ 11,650	\$ 0	\$ 11,650
Advertising & Marketing	25,205	0	0	25,205
Bank & Investment Fees	227	9,111	0	9,338
Conductors, Coaches & Judges	138,362	0	0	138,362
Compensation and Related Expenses:				
Wages and Salary	223,621	14,257	70,897	308,775
Employee Benefits	9,968	3,780	2,494	16,242
Payroll Taxes	20,126	1,283	6,078	27,487
Depreciation	6,112	0	0	6,112
Dues & Subscriptions	5,495	0	0	5,495
Equipment Lease/Rental	3,584	2,651	3,584	9,819
Event Supplies/Instruments	15,637	0	4,275	19,912
Gala Event - Annual	0	0	40,332	40,332
Insurance	0	8,756	0	8,756
Meals/Entertainment	2,157	170	1,931	4,258
Miscellaneous	94	221	0	315
Outside Services	28,529	1,575	37,945	68,049
Postage/Delivery/Transport	3,922	1,466	0	5,388
Program Brochures & Posters	3,131	0	0	3,131
Printed Music	8,522	0	0	8,522
Printing & Reproduction	7,437	801	452	8,690
Rent/Lease	85,940	7,605	7,605	101,150
Supplies	7,793	7,997	3,573	19,363
Taxes & Licenses	0	374	0	374
Telephone	1,556	1,556	1,556	4,668
Training	24,725	0	0	24,725
Travel	1,209	1,902	0	3,111
Tuition Assistance	24,862	0	0	24,862
	<u>\$ 648,214</u>	<u>\$ 75,155</u>	<u>\$ 180,722</u>	<u>\$ 904,091</u>

Metropolitan Youth Symphony
 Statements of Functional Expenses
 For the years ended June 30, 2022 and 2021

<u>June 30, 2021</u>	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total 6/30/2021</u>
	<u>Youth Symphony</u>	<u>Management and General</u>	<u>Fund Development</u>	
Accounting & Bookkeeping	\$ 0	\$ 9,726	\$ 0	\$ 9,726
Advertising & Marketing	17,005	0	445	17,450
Bank & Investment Fees	16	9,372	0	9,388
Conductors, Coaches & Judges	129,596	0	0	129,596
Compensation and Related Expenses:				
Wages and Salary	227,384	22,691	46,942	297,017
Employee Benefits	10,350	3,300	2,175	15,825
Payroll Taxes	20,088	2,129	5,646	27,863
Depreciation	6,329	0	0	6,329
Dues & Subscriptions	1,088	0	0	1,088
Equipment Lease/Rental	2,902	2,902	2,903	8,707
Event Supplies/Instruments	8,321	0	0	8,321
Gala Event - Annual	0	0	18,762	18,762
Insurance	0	11,676	0	11,676
Meals/Entertainment	0	180	0	180
Miscellaneous	0	205	0	205
Outside Services	23,954	385	400	24,739
Postage/Delivery/Transport	0	722	0	722
Program Brochures & Posters	400	0	0	400
Printed Music	7,824	0	0	7,824
Printing & Reproduction	108	654	1,898	2,660
Rent/Lease	6,380	6,365	6,364	19,109
Supplies	4,323	3,801	1,210	9,334
Taxes & Licenses	0	470	0	470
Telephone	1,552	1,552	1,552	4,656
Tuition Assistance	14,625	0	0	14,625
Travel	510	0	0	510
	<u>\$ 482,755</u>	<u>\$ 76,130</u>	<u>\$ 88,297</u>	<u>\$ 647,182</u>

Metropolitan Youth Symphony

Statements of Cash Flows

For the years ended June 30, 2022 and 2021

	<u>June 30, 22</u>	<u>June 30, 21</u>
Cash Flows From Operating Activities:		
Cash Received from:		
Program Revenue	\$ 351,685	\$ 217,020
Contributions and Grants	866,296	454,284
Product Sales, Net of Expense	717	1,073
Miscellaneous	1,797	1,509
Interest & Investment Income	2,669	6,277
Total Cash Received from Operating Activities:	<u>1,223,164</u>	<u>680,163</u>
Cash Disbursed for:		
Program Accomplishments	(627,855)	(473,524)
Management and General	(103,562)	(95,915)
Fund Development	(155,597)	(80,212)
Total Cash Disbursed from Operating Activities:	<u>(887,014)</u>	<u>(649,651)</u>
Net Cash Provided from (Used in) Operating Activities:	<u>336,150</u>	<u>30,512</u>
Cash Flows From Investing Activities:		
(Increase) / Decrease in:		
Investments	(675)	(4,695)
Purchase of Fixed Assets	(3,790)	0
Net Cash Provided from (Used in) Investing Activities:	<u>(4,465)</u>	<u>(4,695)</u>
Net Increase in Cash:	331,685	25,817
Cash, Beginning of Year:	467,683	441,866
Cash, End of Year:	<u>\$ 799,368</u>	<u>\$ 467,683</u>
Reconciliation of Changes in Net Assets to Net Cash Provided from Operating Activities:		
Increase / (Decrease) in Net Assets:	\$ 364,813	\$ 22,753
Adjustment to reconcile change in net assets to net cash used		
by operating activities:		
Depreciation	6,112	6,329
Accounts Receivable	10,581	0
Prepaid Expenses	1,747	0
Increase / (Decrease) in:		
Accounts Payable	55	(3,399)
Prepaid Registration and Tuition	20,343	(5,210)
PPP Loan Payable	(67,501)	10,039
Net Cash Provided from Operating Activities:	<u>\$ 336,150</u>	<u>\$ 30,512</u>

Metropolitan Youth Symphony

Notes to the Financial Statements

For the years ended June 30, 2022 and 2021

Note 1 – Nature of the Organization and Operations:

The Metropolitan Youth Symphony (MYS) was formed on January 23, 1975 in the State of Oregon as a not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code.

MYS was formed for the purpose of developing, educating, and promoting young musicians. This is accomplished through regular rehearsals and concerts held during the year, as well as instruction relating to theory and practice.

Support for MYS comes primarily through fees charged for tuition and auditions, as well as individual donations and grants received.

Note 2 – Summary of Significant Accounting Policies:

Basis of Presentation

The financial statements of MYS have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require MYS to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of MYS's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of MYS or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Measure of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to MYS's ongoing music program services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Cash and Cash Equivalents

MYS's cash and cash equivalents consists of cash and money market deposits with banks. Certificates of deposit with maturity dates of three months or longer are included as Investments.

Concentrations of Credit Risk

Financial instruments that potentially subject MYS to concentrations of credit risk consist principally of cash and cash equivalents and investments. MYS maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. MYS's cash and cash equivalent accounts have been placed with high credit quality financial institutions and MYS has not experienced, nor does it anticipate, any losses with respect to such accounts

Metropolitan Youth Symphony

Notes to the Financial Statements

For the years ended June 30, 2022 and 2021

Note 2 – Summary of Significant Accounting Policies (continued):

Fixed Assets and Depreciation

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the lease term. The useful lives range from three to seven years. MYS's policy is to capitalize renewals and betterments acquired for greater than \$500 and expense normal repairs and maintenance as incurred. Management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered.

Investments

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as investment return in the statements of activities. Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statements of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). MYS groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

- Level 1 Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.
- Level 2 Other observable inputs, either directly or indirectly, including:
 - Quoted prices for similar assets/liabilities in active markets;
 - Quoted prices for identical or similar assets in non-active markets;
 - Inputs other than quoted prices that are observable for the asset/liability; and,
 - Inputs that are derived principally from or corroborated by other observable market data.
- Level 3 Unobservable inputs that cannot be corroborated by observable market data.

Revenue Recognition

MYS's revenue consists of tuition charges and ticket sales revenue. For tuition, charges are made based on a published schedule and can vary based on location, number of family members and type of class being taken. Tuition charges are non-refundable and are booked as revenue when received. For students who pay tuition in advance for future classes, their tuition is recorded as prepaid revenue until the season begins.

Ticket sales occur through annual performances held during the year. The price of the ticket depends on the location of the seat, and revenue is recorded once the concert is held.

Metropolitan Youth Symphony

Notes to the Financial Statements

For the years ended June 30, 2022 and 2021

Note 2 – Summary of Significant Accounting Policies (continued):

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among music services and supporting services benefited. Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and Benefits	Time and Effort
Occupancy	Square Footage
Depreciation	Square Footage
Other	Time and Effort

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Income Taxes

MYS is exempt from income taxes on income earned in relation to its exempt purpose as it is recognized as a not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code. Income earned that is unrelated to its exempt purpose is subject to income taxes, unless that income is otherwise excluded by the Internal Revenue Code. MYS has processes in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. Management has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Metropolitan Youth Symphony

Notes to the Financial Statements

For the years ended June 30, 2022 and 2021

Note 2 – Summary of Significant Accounting Policies (continued):

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Metropolitan Youth Symphony

Notes to the Financial Statements

For the years ended June 30, 2022 and 2021

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Metropolitan Youth Symphony

Notes to the Financial Statements

For the years ended June 30, 2022 and 2021

Note 8 – Net Assets with Donor Imposed Restrictions (continued):

	<u>06/30/2022</u>	<u>06/30/2021</u>
Portland Summer Ensembles		
Beginning Balance	12,371	12,371
Income Received	0	0
Qualified Expenses	<u>0</u>	<u>0</u>
Ending Balance:	<u>12,371</u>	<u>12,371</u>
Sheet Music		
Beginning Balance	0	0
Income Received	0	0
Qualified Expenses	<u>0</u>	<u>0</u>
Ending Balance:	<u>0</u>	<u>0</u>
Total Music Program Restrictions:	<u>\$ 46,406</u>	<u>\$ 12,371</u>
 General OS:		
Endowment Fund Earnings		
Beginning Balance	16,208	14,877
Income Received	1,633	1,331
Qualified Expenses	<u>0</u>	<u>0</u>
Ending Balance:	<u>17,841</u>	<u>16,208</u>
Building Project		
Beginning Balance	0	0
Income Received	50,000	0
Qualified Expenses	<u>0</u>	<u>0</u>
Ending Balance:	<u>50,000</u>	<u>0</u>
Marketing Project		
Beginning Balance	16,200	30,200
Income Received	30,000	31,000
Qualified Expenses	<u>30,000</u>	<u>45,000</u>
Ending Balance:	<u>16,200</u>	<u>16,200</u>
Payroll		
Beginning Balance	0	0
Income Received	269,209	57,462
Qualified Expenses	<u>269,209</u>	<u>57,462</u>
Ending Balance:	<u>0</u>	<u>0</u>
Total General OS Restrictions:	<u>\$ 84,041</u>	<u>\$ 32,408</u>
 TOTAL TEMPORARILY RESTRICTED:		
Total Beginning Balance	\$ 44,779	\$ 62,448
Total Income Received	528,901	147,393
Total Qualified Expenses	<u>443,233</u>	<u>165,062</u>
Total Ending Balance:	<u>\$ 130,447</u>	<u>\$ 44,779</u>

Metropolitan Youth Symphony
Notes to the Financial Statements
For the years ended June 30, 2022 and 2021

Note 8 – Net Assets with Donor Imposed Restrictions (continued):

PERMANENTLY RESTRICTED:

Endowment Fund	<u>\$ 100,000</u>	<u>\$ 100,000</u>
TOTAL NET ASSETS WITH DONOR IMPOSED RESTRICTIONS:	 <u>\$ 230,447</u>	 <u>\$ 144,779</u>

Permanently Restricted Net Assets are the result of an endowment fund contribution made in a prior year. Terms of the gift require that earnings on the principal of the investment be used for scholarships. Accordingly, any unused earnings are categorized as Temporarily Restricted Net Assets until used in accordance with the original award.

Note 9 – Subsequent Events:

Management has evaluated events and transactions for potential recognition and/or disclosure in the financial statements that occurred after the statement of financial position date through October 31, 2022, the date on which the financial statements were available to be issued.

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