

**THE ACADEMY OF VOCAL ARTS**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**YEARS ENDED JUNE 30, 2019 AND 2018**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
The Academy of Vocal Arts  
Philadelphia, Pennsylvania

### **Report on the Financial Statements**

We have audited the accompanying financial statements of The Academy of Vocal Arts (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Academy of Vocal Arts as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Change in Accounting Principle**

As discussed in Note 1 to the financial statements, management has adopted Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.


**Report on Supplementary Information**

*Other Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of beneficial interest in perpetual trust assets and net assets and the schedules of beneficial interest in perpetual trust activities are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and 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 audits 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.

**Disclaimer of Opinion on Supplementary Schedules of Activities – Operating Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental fair value information presented in schedules of activities – operating, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



**CliftonLarsonAllen LLP**

Plymouth Meeting, Pennsylvania  
September 12, 2019

**THE ACADEMY OF VOCAL ARTS  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2019 AND 2018**

	2019	2018
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 246,679	\$ 290,854
Grants Receivable	35,000	4,500
Pledges Receivable	30,633	135,484
Other Receivables	2,148	11,879
Prepaid Expenses and Deposits	13,422	14,945
Total Current Assets	327,882	457,662
 <b>GRANT RECEIVABLE</b>	 35,000	 -
 <b>INVESTMENTS</b>	 29,364,083	 28,987,531
 <b>BENEFICIAL INTERESTS IN TRUSTS</b>	 8,053,157	 7,936,810
 <b>PROPERTY AND EQUIPMENT</b>		
Land	448,000	448,000
Buildings	2,533,690	2,533,690
Buildings Improvements	4,771,760	4,771,760
Leasehold Improvements	14,679	14,679
Equipment	909,977	894,273
Furniture and Fixtures	209,501	207,901
Total Property and Equipment	8,887,607	8,870,303
Less: Accumulated Depreciation	(3,932,196)	(3,677,346)
Net Property and Equipment	4,955,411	5,192,957
 Total Assets	 \$ 42,735,533	 \$ 42,574,960

See accompanying Notes to Financial Statements.

**THE ACADEMY OF VOCAL ARTS  
STATEMENTS OF FINANCIAL POSITION (CONTINUED)  
JUNE 30, 2019 AND 2018**

	2019	2018
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Payroll Withholdings and Benefits Payable	\$ 15,484	\$ 18,137
Accrued Expenses	34,604	20,915
Deferred Income	38,534	44,164
Current Portion of Capital Lease Obligations	14,440	13,780
Current Portion of Due to Beneficiaries	390	3,283
Current Portion of Mortgage Payable	168,456	167,412
Total Current Liabilities	271,908	267,691
<b>LONG-TERM LIABILITIES</b>		
Capital Lease Obligations, Net of Current Portion	55,366	29,693
Due to Beneficiaries, Net of Current Portion	3,170	25,605
Mortgage Payable, Net	3,048,008	3,216,949
Total Long-Term Liabilities	3,106,544	3,272,247
Total Liabilities	3,378,452	3,539,938
<b>NET ASSETS</b>		
Without Donor Restrictions:		
Board Designated - School Endowment	7,556,085	7,458,051
Board Designated - Ruth Rudolph Scholarship	253,381	-
Board Designated - Adele Hebb Guest Conductor/Director Fund	106,187	-
Board Designated - Building Reserve	48,210	48,210
Board Designated - South Jersey Opera Fellowship	42,680	40,193
Board Designated - Gigi Capobianco Fund	59,914	56,423
Total Board Designated	8,066,457	7,602,877
Undesignated	7,696,460	8,310,681
Total Net Assets Without Donor Restrictions	15,762,917	15,913,558
With Donor Restrictions	23,594,164	23,121,464
Total Net Assets	39,357,081	39,035,022
Total Liabilities and Net Assets	\$ 42,735,533	\$ 42,574,960

See accompanying Notes to Financial Statements.

**THE ACADEMY OF VOCAL ARTS  
STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2019 AND 2018**

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>						
Operating Activities:						
Contributions and Grants	\$ 2,298,198	\$ 70,000	\$ 2,368,198	\$ 2,013,190	\$ 11,500	\$ 2,024,690
Investment Income	1,428,000	-	1,428,000	1,448,000	-	1,448,000
Theatre/School Related Revenue	319,829	-	319,829	315,858	-	315,858
Total Operating Activities	<u>4,046,027</u>	<u>70,000</u>	<u>4,116,027</u>	<u>3,777,048</u>	<u>11,500</u>	<u>3,788,548</u>
Other Activities:						
Contributions	-	210,728	210,728	-	76,535	76,535
Change in Value of Beneficial Interests in Trusts	-	116,347	116,347	-	203,644	203,644
Unrealized and Realized Gains on Investments, Net	75,380	237,564	312,944	417,172	470,323	887,495
Other Investment Income (Loss)	687	-	687	(1,095)	-	(1,095)
Total Other Activities	<u>76,067</u>	<u>564,639</u>	<u>640,706</u>	<u>416,077</u>	<u>750,502</u>	<u>1,166,579</u>
Subtotal	4,122,094	634,639	4,756,733	4,193,125	762,002	4,955,127
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>161,939</u>	<u>(161,939)</u>	<u>-</u>	<u>477,040</u>	<u>(477,040)</u>	<u>-</u>
Total Revenues, Gains, and Other Support	4,284,033	472,700	4,756,733	4,670,165	284,962	4,955,127
<b>EXPENSES</b>						
Operating Activities	4,156,629	-	4,156,629	3,782,126	-	3,782,126
Depreciation	278,045	-	278,045	285,693	-	285,693
Total Expenses	<u>4,434,674</u>	<u>-</u>	<u>4,434,674</u>	<u>4,067,819</u>	<u>-</u>	<u>4,067,819</u>
<b>CHANGE IN NET ASSETS</b>	(150,641)	472,700	322,059	602,346	284,962	887,308
Net Assets - Beginning of Year	<u>15,913,558</u>	<u>23,121,464</u>	<u>39,035,022</u>	<u>15,311,212</u>	<u>22,836,502</u>	<u>38,147,714</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 15,762,917</u>	<u>\$ 23,594,164</u>	<u>\$ 39,357,081</u>	<u>\$ 15,913,558</u>	<u>\$ 23,121,464</u>	<u>\$ 39,035,022</u>

See accompanying Notes to Financial Statements.

**THE ACADEMY OF VOCAL ARTS  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2019 AND 2018**

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 322,059	\$ 887,308
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	278,045	285,693
Amortization of Debt Issuance Costs	4,005	4,005
Donation of Artwork	(1,600)	-
Unrealized and Realized Gains on Investments, Net	(312,944)	(887,495)
Change in Value of Beneficial Interests in Trusts	(116,347)	(203,644)
Contributions for Endowment with Donor Restrictions	(210,728)	(76,132)
(Increase) Decrease in Assets:		
Grants Receivable	(65,500)	30,500
Pledges Receivable	104,851	533,521
Other Receivables	9,731	2,981
Prepaid Expenses and Deposits	1,523	(10)
Increase (Decrease) in Liabilities:		
Payroll Withholdings and Benefits Payable	(2,653)	998
Accrued Expenses	13,689	(5,227)
Deferred Income	(5,630)	9,537
Net Cash Provided by Operating Activities	18,501	582,035
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	(1,550,426)	(1,532,735)
Proceeds from Sale of Investments	1,486,818	1,195,949
Purchase of Property and Equipment	(1,397)	(6,032)
Net Cash Used by Investing Activities	(65,005)	(342,818)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments for Equipment through Capital Lease Obligations	(11,169)	(12,628)
Payments to Beneficiaries	(25,328)	(2,819)
Repayments of Mortgage	(171,902)	(161,583)
Contributions for Endowment with Donor Restrictions	210,728	76,132
Net Cash Provided (Used) by Financing Activities	2,329	(100,898)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(44,175)	138,319
Cash and Cash Equivalents - Beginning of Year	290,854	152,535
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 246,679	\$ 290,854

See accompanying Notes to Financial Statements.



**THE ACADEMY OF VOCAL ARTS  
STATEMENTS OF CASH FLOWS (CONTINUED)  
YEARS ENDED JUNE 30, 2019 AND 2018**

	2019	2018
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Interest Paid During the Year	\$ 116,204	\$ 128,079
 <b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
In-Kind Artwork Contribution	\$ 1,600	\$ -
Purchase of Equipment through Capital Lease Obligations	\$ 50,063	\$ -
Less: Value of Like-Kind Exchange for Capital Lease Purchases	(12,561)	-
Financing through Capital Lease Obligations	(57,020)	-
Less: Trade-In Value of Prior Capital Lease Obligations	19,518	-
Total	\$ -	\$ -

See accompanying Notes to Financial Statements.

**THE ACADEMY OF VOCAL ARTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

The Academy of Vocal Arts (The Academy), located in Philadelphia, Pennsylvania, is a nonprofit organization devoting its resources to the training of exceptionally talented opera singers. The Academy's revenue comes primarily from contributions and grants, investment income, and receipts from performances.

**Use of 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.

**Financial Statement Presentation**

The Academy is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The Academy also reports its financial position on a classified basis to enhance the readers understanding of current and noncurrent assets and obligations.

Net assets without donor restrictions are net assets not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors. Net assets with donor restrictions are those contributions which have been limited by donors to a specific time period or purpose or have been restricted by donors to be maintained in perpetuity.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor-imposed stipulation or by law. Expirations of donor-imposed restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed), are reported as net assets released from restrictions and reclassified to net assets without donor restrictions. Revenue with donor-imposed restrictions received and released in the same year is reported as an increase in net assets without donor restrictions.

**Contributions**

Contributions, including unconditional promises to give, are recognized as revenue in the period received. All contributions with donor-imposed restrictions are reported as increases in net assets with donor restrictions. If a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

**Cash and Cash Equivalents**

Cash and cash equivalents includes all monies in banks and highly liquid investments with maturity dates of less than three months.

**THE ACADEMY OF VOCAL ARTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Receivables**

Other receivables represent amounts to be reimbursed to The Academy. Pledges and Grants receivable represent unconditional promises to contribute funds to The Academy. If determined necessary, an allowance for uncollectible receivables is provided based on management's judgment using historical information. When all collection efforts have been exhausted, the accounts are written off. At June 30, 2019 and 2018, no allowance against receivables was deemed necessary.

**Investments**

Investments are stated at fair value. Investments in stocks and mutual funds are valued using dealer or exchange quoted market prices. Shares of mutual funds are valued at the net asset value of shares held by The Academy at year-end. Short-term investments in money market funds and temporarily invested cash equivalents categorized within investments are valued at cost, which approximates fair value.

Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities could occur in the near-term and such changes could materially affect the amounts reported in the statements of financial position. Realized and unrealized investment gains and losses are determined by comparison of the average cost to proceeds at the time of disposal or fair value at the financial statement date. Realized and unrealized gains and losses and other investment income are reflected in the statements of activities.

**Fair Value Measurements**

The Academy measures fair value using a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

*Level 1* – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that The Academy has the ability to access.

*Level 2* – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

**THE ACADEMY OF VOCAL ARTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair Value Measurements (Continued)**

*Level 3* – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

**Uniform Prudent Management of Institutional Funds Act**

The Uniform Prudent Management of Institutional Funds Act (UPMIFA) provides guidance on the classification of endowment fund net assets for states that have enacted versions of the UPMIFA, and enhances disclosures for endowment funds. Because UPMIFA has not become law in the Commonwealth of Pennsylvania, possible reclassifications of net assets are not required to be made. Disclosure of prevailing law in the Commonwealth of Pennsylvania has been included in Note 7.

**Beneficial Interests in Trusts**

The Academy has been named as the beneficiary in two different types of trusts. One of the trusts is entitled the "Trust Created Under Agreement by The Academy of Vocal Arts" (Warden Trust). Supplementary information on this trust accompanies these financial statements beginning on page 24. The second type of trust is a charitable remainder trust. The beneficial interest in trust is reported at fair value, with the change in fair value reported as an increase or decrease in net assets with donor restrictions.

**Property and Equipment and Depreciation**

Property and equipment are carried at cost. The policy of The Academy is to capitalize any asset in excess of \$1,000 with a useful life that extends beyond one year. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. Maintenance and repairs are charged to expense as incurred and major renewals and betterments are capitalized.

**Income Taxes**

The Academy is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Academy follows the income tax standard for uncertain tax positions. This application of the standard has no effect on The Academy's financial statements. The Academy's Form 990 return for the year ended June 30, 2014 was audited by the Internal Revenue Service (IRS). The result of the audit was the IRS accepted the return as filed and The Academy continues to qualify for exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

**Change in Accounting Principle**

During August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The Academy was required to adopt ASU No. 2016-14 in fiscal year 2019, and has applied the changes retrospectively to all periods presented except for the disclosure relating to the analysis by nature and function.

**THE ACADEMY OF VOCAL ARTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Change in Accounting Principle (Continued)**

The new standard changes the following aspects of the Academy's financial statements:

- The unrestricted net asset class has been renamed net assets without donor restrictions;
- The temporarily and permanently restricted net asset classes have been renamed net assets with donor restrictions;
- The financial statements include a disclosure about liquidity and availability of resources (Note 2);
- The financial statements include a disclosure which presents expenses by both their natural classification and functional classification (Note 14).

**Subsequent Events**

In preparing these financial statements, The Academy has evaluated events and transactions for potential recognition or disclosure through September 12, 2019, the date the financial statements were available to be issued.

**NOTE 2 AVAILABLE RESOURCES AND LIQUIDITY**

The Academy regularly monitors liquidity required to meet its operating needs and commitments, while also striving to maximize the investment of available funds. For purposes of analyzing resources available to meet general expenditures over the next year, the Academy considers all expenditures related to its ongoing activities of teaching, coaching, and performing operas. In addition to financial assets available to meet general expenditures over the next year, The Academy operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

As of June 30, 2019, the following financial assets could readily be made available within one year of the statement of financial position date to meet general expenditures:

Cash and Cash Equivalents	\$ 146,679
Grants and Pledges Receivable	65,633
Distributions from Beneficial Interest in Trust for Use Over Next Year	385,000
Distributions from Endowment for Use Over Next Year	1,398,000
Investments not Encumbered by Donor nor Board Restrictions	5,960,518
Total	<u>\$ 7,955,830</u>

**THE ACADEMY OF VOCAL ARTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 3 CONCENTRATION OF CREDIT RISK**

Cash and cash equivalents potentially subject The Academy to a concentration of credit risk. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At times, cash in bank deposit accounts may exceed FDIC insurable limits.

**NOTE 4 GRANTS AND PLEDGES RECEIVABLE**

Grants and pledges that are expected to be collected within one year are recorded at their net realizable value. The Academy's long-term promises to give are discounted at a rate of 3%.

As of June 30, grants and pledges receivable consisted of:

	<u>2019</u>	<u>2018</u>
Total Grants and Pledges Receivable	<u>\$ 100,633</u>	<u>\$ 139,984</u>

Grants and pledges receivable at June 30, 2019 are expected to be collected in future years as follows:

Less than One Year	\$ 65,633
One to Five Years	35,000
Total Grants and Pledges Receivable	<u>\$ 100,633</u>

**NOTE 5 INVESTMENTS**

Investments are composed of the following at June 30:

	<u>2019</u>	
	<u>Cost</u>	<u>Fair Value</u>
Investments:		
Equity Mutual Funds	\$ 13,415,151	\$ 20,668,458
Fixed Income Mutual Funds	8,669,209	8,695,625
Total	<u>\$ 22,084,360</u>	<u>\$ 29,364,083</u>
	<u>2018</u>	
	<u>Cost</u>	<u>Fair Value</u>
Investments:		
Equity Mutual Funds	\$ 13,703,879	\$ 20,834,830
Fixed Income Mutual Funds	8,523,614	8,152,701
Total	<u>\$ 22,227,493</u>	<u>\$ 28,987,531</u>

**THE ACADEMY OF VOCAL ARTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 5 INVESTMENTS (CONTINUED)**

The investments of The Academy are subject to a formal investment policy which is monitored for compliance by the investment committee and managed by external investment managers and compared to certain relevant indices. The primary objective of the investment management of the endowment is to preserve or increase its real (inflation adjusted) purchasing power over time while providing a relatively stable and constant (in real terms) stream of cash distributions for use in the operations.

All net capital gains, both unrealized and realized, earned from investments with and without donor restrictions, are allocated prorata among the individual funds within the net asset balances.

**NOTE 6 BENEFICIAL INTERESTS IN TRUSTS**

The Academy has been named as the beneficiary in two different types of trusts. As long as it is in existence, The Academy is the sole income beneficiary under a Trust Fund created for its benefit in 1949. Given the nature of the promises, as well as the inability to compute the present value of the perpetual income stream from the Trust, the beneficial interest has been recorded on the statements of financial position at the fair value of the Trust's assets and classified as net assets with donor restrictions. The fluctuation in the fair value of the Trust from year-to-year is included in the statements of activities for the net assets with donor restrictions. The Trust Fund consists entirely of marketable equity mutual funds, fixed income mutual funds, and temporary cash investments. At June 30, 2019 and 2018, the fair value of this trust is \$7,979,133 and \$7,867,094, respectively.

The second type of beneficial interest is in three charitable remainder trusts whereby upon the death of the beneficiary, The Academy will receive a principal distribution without donor restrictions. The value amount of this beneficial interest is calculated based on the present value of projected principal at the anticipated date of distribution and amounted to \$74,024 and \$69,716 at June 30, 2019 and 2018, respectively.

Due to the level of risk associated with the underlying investments included in the Trusts, it is at least reasonably possible that changes in the value of the Beneficial Interest in Trusts could occur in the near-term and could affect the amounts reported in the statements of financial position. The underlying investments in these trusts are comprised of marketable equity securities, mutual funds, and temporary cash investments.

**NOTE 7 FAIR VALUE MEASUREMENTS**

The Academy uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. For additional information on how The Academy values all other assets refer to Note 1 – Summary of Significant Accounting Policies.

**THE ACADEMY OF VOCAL ARTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 7 FAIR VALUE MEASUREMENTS (CONTINUED)**

Assets measured at fair value on a recurring basis as of June 30 are:

	2019			Total
	Level 1	Level 2	Level 3	
Investments:				
Equity Mutual Funds	\$ 20,668,458	\$ -	\$ -	\$ 20,668,458
Fixed Income Mutual Funds	8,695,625	-	-	8,695,625
Beneficial Interests in Trusts *	7,979,133	-	74,024	8,053,157
Total	<u>\$ 37,343,216</u>	<u>\$ -</u>	<u>\$ 74,024</u>	<u>\$ 37,417,240</u>
	2018			Total
	Level 1	Level 2	Level 3	
Investments:				
Equity Mutual Funds	\$ 20,834,830	\$ -	\$ -	\$ 20,834,830
Fixed Income Mutual Funds	8,152,701	-	-	8,152,701
Beneficial Interests in Trusts *	7,867,094	-	69,716	7,936,810
Total	<u>\$ 36,854,625</u>	<u>\$ -</u>	<u>\$ 69,716</u>	<u>\$ 36,924,341</u>

\* See description of composition of assets in Note 6.

The following table provides a summary of changes in fair value of The Academy's Level 3 financial assets (see Note 1, Fair Value Measurements) for the years ended June 30, 2019 and 2018:

	2019
	Beneficial Interests in Trusts
Balance - July 1, 2018	\$ 69,716
Change in Value of Trust	4,308
Balance - June 30, 2019	<u>\$ 74,024</u>
	2018
	Beneficial Interests in Trusts
Balance - July 1, 2017	\$ 69,693
Change in Value of Trust	23
Balance - June 30, 2018	<u>\$ 69,716</u>



**THE ACADEMY OF VOCAL ARTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 8 ENDOWMENT NET ASSETS**

The Academy's board has responsibility for all endowment funds, and administers them through the president, chief financial officer, and treasurer, with advice and oversight by the Investment Committee. The investment objectives, policies, and guidelines are intended to govern the overall management of The Academy's endowment and related assets. The Investment Committee will review them at least annually for continued appropriateness and will report any changes to the board.

The primary objective of the investment management of the endowment is to preserve or increase its real purchasing power over time while providing a relatively stable and constant stream of cash distributions for use in the current operations of The Academy. The Academy uses "the total return" concept (i.e., current income plus appreciation, whether realized or unrealized) and current market value, in tracking its investment performance, evaluating its managers, and calculating its spending formula. Distributions from the endowment funds shall be limited to the amount permitted under the spending rule policy for the endowment funds established by the board of directors. In addition, The Academy is guided in its total return policy by Commonwealth of Pennsylvania Act 141, which dictates the amount of allowable distributions to be made from a donor restricted endowment. Under Pennsylvania statute, the board of directors of The Academy has the opportunity in each fiscal year to elect to include as income without donor restrictions between 2% and 7% return of the three-year average of the fair market value of The Academy's investments with donor restrictions.

Distributions were made in accordance with the spending policy. For the year ended June 30, 2019, the board of directors approved a spending rate of 5.25% and The Academy received approximately 5.25% and 5.5%, based on the past three-year average of the investments, during the years ended June 30, 2019 and 2018, respectively.

In June 2012, The Academy entered into an investment advisory agreement. Advisory fees amounted to \$33,664 and \$33,949 for the years ended June 30, 2019 and 2018, respectively.

**THE ACADEMY OF VOCAL ARTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 8 ENDOWMENT NET ASSETS (CONTINUED)**

A summary of the endowment activity by net asset class for the years ended June 30 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Net Assets - June 30, 2017	\$ 13,399,456	\$ 14,290,277	\$ 27,689,733
Investment Return:			
Investment Income	337,392	334,805	672,197
Realized and Unrealized Gains, Net of Expenses	<u>805,173</u>	<u>792,562</u>	<u>1,597,735</u>
Total Investment Return	1,142,565	1,127,367	2,269,932
Fellowship and Giargiari Prize Contributions	42,750	101,300	144,050
Fellowship Disbursements	(41,250)	(217,650)	(258,900)
Music Director Chair and Giargiari Prize Disbursements	-	(130,500)	(130,500)
Net Contributions	233,986	-	233,986
Distributions of Endowment Income	<u>(725,393)</u>	<u>(311,607)</u>	<u>(1,037,000)</u>
Endowment Net Assets - June 30, 2018	14,052,114	14,859,187	28,911,301
Investment Return:			
Investment Income	355,015	358,469	713,484
Realized and Unrealized Gains, Net of Expenses	<u>548,537</u>	<u>558,561</u>	<u>1,107,098</u>
Total Investment Return	903,552	917,030	1,820,582
Fellowship and Giargiari Prize Contributions	38,125	197,904	236,029
Fellowship Disbursements	(46,150)	(232,825)	(278,975)
Music Director Chair, Vice President, and Giargiari Prize Disbursements	(112,800)	(130,500)	(243,300)
Net Contributions/Other Disbursements	(139,378)	87,824	(51,554)
Distributions of Endowment Income	<u>(716,698)</u>	<u>(313,302)</u>	<u>(1,030,000)</u>
Endowment Net Assets - June 30, 2019	<u>\$ 13,978,765</u>	<u>\$ 15,385,318</u>	<u>\$ 29,364,083</u>

**THE ACADEMY OF VOCAL ARTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 9 DUE TO BENEFICIARIES**

The Academy has received several gifts from individuals under charitable gift annuity programs, resulting in obligations to various beneficiaries under the contracts. The gift annuity contracts use IRS life expectancy tables and discount rates ranging from 1.8% to 5.6% and are payable per agreements. The Academy had a Pooled Income Fund which returned the earned income to a donor over the donor's remaining life. This fund was dissolved during the year with two of the three remaining participants agreeing to contribute their remaining interests to The Academy and the third participant receiving a distribution for her remaining interest.

**NOTE 10 MORTGAGE PAYABLE**

On December 4, 2013, The Academy secured a commercial mortgage in the amount of \$4,080,000 with a fixed interest rate of 3.5% for a term of 7½ years over a 20-year amortization period. Loan costs of \$30,041 associated with this mortgage are being amortized on a straight-line basis over 7½ years. Amortization of debt issuance costs was \$4,005 for each of the years ended June 30, 2019 and 2018 and is included as a component of mortgage interest expense. Interest expense on this mortgage, including amortization, was \$121,286 and \$127,225 for the years ended June 30, 2019 and 2018, respectively.

A summary of the mortgage payable consists of the following:

	<u>2019</u>	<u>2018</u>
Mortgage Payable	\$ 3,224,141	\$ 3,396,044
Less: Unamortized Debt Issuance Costs	7,677	11,683
Total Mortgage Payable, Net of Unamortized Debt Issuance Costs	3,216,464	3,384,361
Less: Current Portion	168,456	167,412
Total Mortgage Payable, Net of Current Portion	<u>\$ 3,048,008</u>	<u>\$ 3,216,949</u>

Scheduled principal payments on long-term mortgage payable are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 168,456
2021	3,055,685
Mortgage Payable	<u>\$ 3,224,141</u>

**THE ACADEMY OF VOCAL ARTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 11 EMPLOYEE BENEFIT PLAN**

The Academy maintains a qualified contribution plan under Section 403(b) of the Internal Revenue Code. The plan provides for a salary reduction election, discretionary employer matching, and a discretionary contribution for eligible participants. Effective July 1, 2014, the vesting provisions and provisions for classes of employees were amended. Eligible employees are defined now as employees who normally work 20 hours or more per week. Eligible employees who participate in the plan are entitled to any employer matching of 100% of the first 5% of employee contributions. Participants in the plan prior to the July 1, 2014 amendment remain 100% vested in the matching contributions. New participants after June 30, 2014 become vested in the matching contributions based on years of service starting with 20% for 1 year of service and increasing in 20% increments until a participant is fully vested after 5 years of service. The Academy's contributions to the plan amounted to \$58,942 and \$56,302 for the years ended June 30, 2019 and 2018, respectively.

**NOTE 12 OPERATING LEASE**

The Academy rents storage space under an operating lease agreement for \$2,211 per month. The rent for the storage space is subject to 2.5% annual increases through the lease term. As of June 30, 2019, future minimum lease payments are as follows:

<u>Year Ending June 30.</u>	<u>Amount</u>
2020	\$ 27,114
2021	27,762
2022	28,427
2023	29,108
2024	29,806
Thereafter	33,070
Total	<u>\$ 175,287</u>

Rental expense was approximately \$28,400 and \$27,500 for the years ended June 30, 2019 and 2018, respectively.

**NOTE 13 CAPITAL LEASES**

During March 2019, The Academy traded in previous capital lease equipment at a monthly rate of \$1,598 and entered into a new capital lease agreement for copiers and printers at a monthly rate of \$1,667, with the first three months free. During May 2017, The Academy traded in previous capital lease equipment at a monthly rate of \$349 and entered into a new capital lease agreement for a printer copier at a monthly rate of \$417. The term for both lease agreements is 60 months and the assets are being depreciated over the lives of the leases.

**THE ACADEMY OF VOCAL ARTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 13 CAPITAL LEASES (CONTINUED)**

The following is an analysis of the leased equipment under capital leases included in equipment on the statements of financial position at June 30:

	<u>2019</u>	<u>2018</u>
Printers/Copiers and Related Equipment Costs	\$ 75,715	\$ 61,408
Less: Accumulated Depreciation	16,251	27,273
Total Equipment Under Capital Leases	<u>\$ 59,464</u>	<u>\$ 34,135</u>

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 2019:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 25,008
2021	25,008
2022	24,591
2023	20,004
2024	15,003
Total Minimum Lease Payments	109,614
Less: Executory Costs	27,417
Net Minimum Lease Payments	82,197
Less: Imputed Interest	12,391
Present Value of Net Minimum Lease Payments	<u>\$ 69,806</u>

Depreciation expense related to the assets under capital leases is included in the statements of activities for 2019 and 2018 and amounts to \$12,173 and \$11,832, respectively.

**NOTE 14 FUNCTIONAL EXPENSES**

Certain costs have been allocated using management's estimates among the program and supporting activities benefited. Payroll and benefits are allocated based on estimates of time and effort. Office expense includes allocated costs based on users of computer services. Other expense includes specific fundraising events and development expenses which are directly allocated to fundraising.

**THE ACADEMY OF VOCAL ARTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 14 FUNCTIONAL EXPENSES (CONTINUED)**

The schedule below presents expenses by both their nature and function as follows:

	Program	Management and General	Fund- Raising	Supporting Subtotal	2019 Total	2018 Total
Payroll and Benefits	\$ 1,241,776	\$ 475,482	\$ 338,134	\$ 813,616	\$ 2,055,392	\$ 1,880,917
Office	58,246	180,993	31,172	212,165	270,411	212,672
Academy	59,383	-	-	-	59,383	75,090
Building	267,957	-	-	-	267,957	276,668
Marketing/Recruitment	143,321	-	-	-	143,321	125,351
Production Expenses	769,274	-	-	-	769,274	706,920
Other	310,131	-	280,760	280,760	590,891	504,508
Depreciation	278,045	-	-	-	278,045	285,693
<b>2019 Total Expenses by Function</b>	<b><u>\$ 3,128,133</u></b>	<b><u>\$ 656,475</u></b>	<b><u>\$ 650,066</u></b>	<b><u>\$ 1,306,541</u></b>	<b><u>\$ 4,434,674</u></b>	
<b>2018 Total Expenses by Function</b>	<b><u>\$ 2,867,170</u></b>	<b><u>\$ 619,857</u></b>	<b><u>\$ 580,792</u></b>	<b><u>\$ 1,200,649</u></b>		<b><u>\$ 4,067,819</u></b>

**NOTE 15 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of June 30 are restricted for the following purposes:

	2019	2018
Subject to Expenditure for Specified Purpose:		
Pooled Income Fund	\$ -	\$ 76,230
Student Aid Fund	5,366	5,366
Elizabeth M. Strine Fund for Piano Excellence	14,210	16,490
Bryan Hymel Special Project Fund	40,000	40,000
Total Net Assets with Donor Restrictions - Expenditure for Specified Purpose	<u>59,576</u>	<u>138,086</u>
Subject to the Passage of Time:		
Operations	6,900	6,900
Campaign Giving and Pledges	13,500	40,750
Foundation Pledges	70,000	12,000
Gift Annuity	-	43,493
Charitable Remainder Trusts	74,024	69,716
Annual Fellowships	5,713	9,238
Total Net Assets with Donor Restrictions - Passage of Time	<u>170,137</u>	<u>182,097</u>

**THE ACADEMY OF VOCAL ARTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 15 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

	2019	2018
Subject to the Spending Policy and Appropriation:		
School Endowment Fund	\$ 5,633,203	\$ 5,560,117
Campaign Endowments	381,652	376,700
Adele Warden Paxson Fellowship	118,617	116,559
Alumni Challenge	11,015	10,373
Ann B. Ritt Fellowship	118,350	115,871
Anne P. Addicks Comprehensive Scholarship/Fellowship	474,634	378,527
Anne P. Addicks German Study	102,259	102,611
Ariel G. Loewy Fellowship	119,127	116,991
Bill Schuman Voice Chair	74,304	-
Bryan Hymel Comprehensive Scholarship/Fellowship	378,957	373,423
Bryan Hymel Travel Fund	109,125	102,766
Bucks County Opera Association Fellowship	127,308	125,131
Cecile K. Dalton Memorial Fund	65,651	64,253
Celia Mones Rudolph Fellowship	119,134	116,561
Charlotte Watts Fellowship	119,193	116,616
Christel Nyheim Fellowship	141,808	138,787
Cornell MacNeil Fellowship	300,326	293,772
David A. and Helen P. Horn Fellowship	127,601	125,263
David Poleri Fellowship	300,351	293,772
Edward Costa Dolbey Fellowship	133,682	130,844
Isenberg Family Foundation Fellowship	123,962	121,981
Eve Nyheim Fellowship	141,677	139,586
Franca Warden Fellowship	60,694	56,041
Francis J. Palamara Fellowship	121,237	118,541
Gordon K. Greenfield Fellowship	143,447	141,496
James Morris Fellowship	124,002	122,602
James Pease Fellowship	300,346	294,010
Jeannine B. Cowles Fellowship	355,683	349,059
Jeannine B. Cowles Music Director Chair	2,722,400	2,685,122
Jeffrey Kneebone Fellowship	300,351	293,772
John Nyheim Fellowship	141,742	139,162
Kenneth and Diane Ahl Italian Study	20,516	-
Leonard Warren Fellowship	300,255	293,584
Main Line Opera Association Fellowship	44,533	28,802
Parkinson Memorial Fund	69,004	67,897
Peggy MacLaren Ulrich Comprehensive Scholarship/Fellowship	409,765	402,668
Placido Domingo Fellowship	125,628	124,618
Robert Merrill Fellowship	126,518	124,388
Robert Weede Fellowship	300,484	294,140
Ruth Ann Swenson Fellowship	121,934	119,198
Sally Paxson Davis Fellowship	123,292	121,350
Susan Schwartz Myers Fellowship	146,152	133,607
William A. Loeb Fellowship	105,399	103,626
Warden Trust	7,979,133	7,867,094
Total Net Assets with Donor Restrictions - Spending Policy and Appropriation	23,364,451	22,801,281
Total Net Assets with Donor Restrictions	\$ 23,594,164	\$ 23,121,464

**THE ACADEMY OF VOCAL ARTS**  
**SCHEDULES OF ACTIVITIES—OPERATING (UNAUDITED)**  
**YEARS ENDED JUNE 30, 2019 AND 2018**  
(SEE INDEPENDENT AUDITORS' REPORT)

	2019	2018
<b>SCHEDULE OF OPERATING SUPPORT AND REVENUE</b>		
Contributions, General	\$ 729,526	\$ 821,230
Corporate and Foundation Grants	218,093	199,925
Net Assets (Gifts Received in Prior Years)		
Released from Restrictions for Operations	134,689	374,635
Government Grants	40,323	39,600
Bequests	203,431	97,719
Fellowships and Student Grants	275,450	258,900
Jeannine B Cowles Music Director Chair	125,000	125,000
Vice President, Global and Artistic Outreach Distribution	112,800	-
Investment Income:		
Warden Trust	398,000	411,000
Endowment	905,000	912,000
Mortgage Proceeds	125,000	125,000
Other Investment Gain (Loss)	687	(1,095)
Box Office Receipts	227,836	240,053
Gala Receipts	419,627	326,677
Bucks County Opera Association	36,895	45,665
Main Line Opera Association	35,979	54,265
Worldwide Ambassadors Council	14,950	4,023
Opening Night Celebration	54,326	35,000
Audition Fees	17,483	19,600
Concert Bureau	44,630	32,405
Special Events	29,880	23,800
Miscellaneous	31,798	5,186
Total Operating Support and Revenue	4,181,403	4,150,588
<b>SCHEDULE OF OPERATING EXPENSES</b>		
Payroll and Benefits:		
Administrative Salaries	372,990	340,902
Educational Salaries	483,572	351,511
Production Salaries	480,083	471,084
Fundraising Salaries	284,298	282,334
Marketing Salaries	64,365	69,663
Payroll Taxes	128,568	138,234
Health Insurance	182,574	170,887
Retirement Plan	58,942	56,302
Total Payroll and Benefits	2,055,392	1,880,917
Office:		
Supplies and Expenses	15,291	22,305
Entertainment and Board Meetings	22,813	25,334
Staff Development	1,288	2,302
Directors and Officers Insurance	7,347	7,347
Audit/Professional Fees	100,508	47,404
Interest on Capital Leases	2,880	4,436
Computer Services	80,620	67,509
Tessitura Services	28,550	25,359
Telephone	11,114	10,676
Total Office Expenses	270,411	212,672
Academy:		
Faculty and Coaches Fees	42,322	58,014
Supplies and Expenses	974	959
Library	1,948	3,635
Piano Tuning and Repairs	5,145	5,193
Recruitment and Auditions	282	473
Accreditation and Memberships	2,987	2,968
Work Study Disbursements	5,725	3,848
Total Academy Expenses	59,383	75,090



**THE ACADEMY OF VOCAL ARTS**  
**SCHEDULES OF ACTIVITIES—OPERATING (UNAUDITED) (CONTINUED)**  
**YEARS ENDED JUNE 30, 2019 AND 2018**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	<u>2019</u>	<u>2018</u>
Building:		
Insurance	\$ 36,049	\$ 34,531
Mortgage Interest - 1916 Spruce Street	121,286	127,225
Local Taxes and Assessments	1,605	500
Custodial Fees	45,000	45,000
Repairs and Maintenance	21,381	27,070
Utilities	38,102	36,534
Household Supplies and Expenses	4,534	5,808
Total Building Expenses	<u>267,957</u>	<u>276,668</u>
Marketing/Recruitment:		
Website	919	1,311
Publicity	13,311	16,030
Printing, Postage, and Promotion	109,641	90,560
Broadcasts	19,450	17,450
Total Marketing/Recruitment	<u>143,321</u>	<u>125,351</u>
Production Expenses:		
Contracted Fees	148,225	167,425
Stage Director Expenses	5,930	3,556
Costumes	42,649	43,418
Set Design, Construction, Transportation, and Storage	91,416	77,628
Lighting Design and Expenses	25,522	20,147
Props, Make-Up, and Wigs	14,967	14,547
Orchestra	308,001	269,896
Stage Hands	3,289	908
Theater Rentals and Opera Expenses	56,800	50,488
Music and Instrument Rentals	9,036	9,218
Box Office Fees and Expenses	17,459	16,684
Concert Bureau	45,980	33,005
Total Production Expenses	<u>769,274</u>	<u>706,920</u>
Other:		
Student Fellowships	278,975	258,900
Student Grants	-	2,500
Gala Expenses	162,115	99,225
Bucks County Opera Association	20,742	21,907
Main Line Opera Association	17,294	29,755
Worldwide Ambassadors Council	11,706	6,924
Opening Night Celebration	26,619	22,804
Friends of AVA Expenses	9,703	13,436
Special Events	21,453	11,930
Fund Raising Expenses	42,284	37,127
Total Other Expenses	<u>590,891</u>	<u>504,508</u>
Total Operating Expenses	<u>4,156,629</u>	<u>3,782,126</u>
Excess of Operating Support and Revenue Over Operating Expenses	<u>\$ 24,774</u>	<u>\$ 368,462</u>

**THE ACADEMY OF VOCAL ARTS**  
**SCHEDULES OF BENEFICIAL INTEREST IN PERPETUAL TRUST ASSETS AND NET ASSETS**  
**JUNE 30, 2019 AND 2018**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	2019	2018
<b>ASSETS</b>		
Cash	\$ 5,330	\$ 6,900
Investments:		
Equity Mutual Funds	5,622,296	5,477,155
Fixed Income Mutual Funds	2,351,507	2,383,039
Total Assets	\$ 7,979,133	\$ 7,867,094
<b>NET ASSETS WITH DONOR RESTRICTIONS - WARDEN TRUST</b>	<b>\$ 7,979,133</b>	<b>\$ 7,867,094</b>

**THE ACADEMY OF VOCAL ARTS**  
**SCHEDULES OF BENEFICIAL INTEREST IN PERPETUAL TRUST ACTIVITIES**  
**YEARS ENDED JUNE 30, 2019 AND 2018**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	<u>2019</u>	<u>2018</u>
Investment Income	\$ 196,488	\$ 184,555
Unrealized and Realized Gains on Investments	<u>326,729</u>	<u>443,602</u>
Total Revenue	523,217	628,157
Trust Expenses	13,178	13,536
Distributions to The Academy of Vocal Arts	<u>398,000</u>	<u>411,000</u>
Total Expenses	<u>411,178</u>	<u>424,536</u>
Change in Net Assets	112,039	203,621
Net Assets With Donor Restrictions - Warden Trust - Beginning of Year	<u>7,867,094</u>	<u>7,663,473</u>
Net Assets With Donor Restrictions - Warden Trust - End of Year	<u>\$ 7,979,133</u>	<u>\$ 7,867,094</u>

