

THE ACADEMY OF VOCAL ARTS
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEARS ENDED JUNE 30, 2020 AND 2019



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**THE ACADEMY OF VOCAL ARTS
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YEARS ENDED JUNE 30, 2020 AND 2019**

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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, 2020 and 2019, 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, 2020 and 2019, 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 Principles

As discussed in Note 1 to the financial statements, management has adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* and ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to these matters.

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 supplementary 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 9, 2020

THE ACADEMY OF VOCAL ARTS
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2020 AND 2019

	2020	2019
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Payroll Withholdings and Benefits Payable	\$ 14,460	\$ 15,484
Accrued Expenses	13,618	34,604
PPP Loan Payable, Mid Penn Bank	388,000	-
Deferred Income	19,776	38,534
Current Portion of Capital Lease Obligations	15,603	14,440
Current Portion of Gift Annuities Payable	390	390
Current Portion of Mortgage Payable	179,688	168,456
Total Current Liabilities	631,535	271,908
LONG-TERM LIABILITIES		
Capital Lease Obligations, Net of Current Portion	39,763	55,366
Gift Annuities Payable, Net of Current Portion	2,780	3,170
Mortgage Payable, Net	2,872,326	3,048,008
Total Long-Term Liabilities	2,914,869	3,106,544
Total Liabilities	3,546,404	3,378,452
NET ASSETS		
Without Donor Restrictions:		
Board Designated - School Endowment	7,510,936	7,556,085
Board Designated - Ruth Rudolph Scholarship	256,753	253,381
Board Designated - Adele Hebb Guest Conductor/Director Fund	110,759	106,187
Board Designated - Building Reserve	48,210	48,210
Board Designated - South Jersey Opera Fellowship	44,518	42,680
Board Designated - Gigi Capobianco Fund	62,494	59,914
Total Board Designated	8,033,670	8,066,457
Undesignated	7,332,558	7,696,460
Total Net Assets Without Donor Restrictions	15,366,228	15,762,917
Total Net Assets With Donor Restrictions	23,942,586	23,594,164
Total Net Assets	39,308,814	39,357,081
Total Liabilities and Net Assets	\$ 42,855,218	\$ 42,735,533

See accompanying Notes to Financial Statements.

**THE ACADEMY OF VOCAL ARTS
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2020 AND 2019**

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT						
Operating Activities:						
Contributions and Grants	\$ 2,182,851	\$ 265,000	\$ 2,447,851	\$ 2,298,198	\$ 70,000	\$ 2,368,198
Investment Income	1,400,000	-	1,400,000	1,428,000	-	1,428,000
Theatre/School Related Revenue	237,766	-	237,766	319,829	-	319,829
Total Operating Activities	3,820,617	265,000	4,085,617	4,046,027	70,000	4,116,027
Other Activities:						
Contributions	-	170,206	170,206	-	210,728	210,728
Change in Value of Beneficial Interests in Trusts	-	(12,872)	(12,872)	-	116,347	116,347
Unrealized and Realized Gains (Losses) on Investments, Net	(137,985)	(16,337)	(154,322)	75,380	237,564	312,944
Other Investment Income	469	-	469	687	-	687
Total Other Activities	(137,516)	140,997	3,481	76,067	564,639	640,706
Subtotal	3,683,101	405,997	4,089,098	4,122,094	634,639	4,756,733
NET ASSETS RELEASED FROM RESTRICTIONS	57,575	(57,575)	-	161,939	(161,939)	-
Total Revenues, Gains, and Other Support	3,740,676	348,422	4,089,098	4,284,033	472,700	4,756,733
EXPENSES						
Operating Activities	3,863,281	-	3,863,281	4,156,629	-	4,156,629
Depreciation	274,084	-	274,084	278,045	-	278,045
Total Expenses	4,137,365	-	4,137,365	4,434,674	-	4,434,674
CHANGE IN NET ASSETS	(396,689)	348,422	(48,267)	(150,641)	472,700	322,059
Net Assets - Beginning of Year	15,762,917	23,594,164	39,357,081	15,913,558	23,121,464	39,035,022
NET ASSETS - END OF YEAR	\$ 15,366,228	\$ 23,942,586	\$ 39,308,814	\$ 15,762,917	\$ 23,594,164	\$ 39,357,081

See accompanying Notes to Financial Statements.

**THE ACADEMY OF VOCAL ARTS
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (48,267)	\$ 322,059
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	274,084	278,045
Amortization of Debt Issuance Costs	4,005	4,005
Donation of Artwork	-	(1,600)
Unrealized and Realized (Gains) Losses on Investments, Net	154,322	(312,944)
Change in Value of Beneficial Interests in Trusts	12,872	(116,347)
Contributions for Endowment with Donor Restrictions	(170,206)	(210,728)
(Increase) Decrease in Assets:		
Grants Receivable	5,000	(65,500)
Pledges Receivable	(181,367)	104,851
Other Receivables	(156)	9,731
Prepaid Expenses and Deposits	(66,526)	1,523
Increase (Decrease) in Liabilities:		
Payroll Withholdings and Benefits Payable	(1,024)	(2,653)
Accrued Expenses	(20,986)	13,689
Deferred Income	(18,758)	(5,630)
Net Cash Provided (Used) by Operating Activities	(57,007)	18,501
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(3,362,765)	(1,550,426)
Proceeds from Sale of Investments	3,355,465	1,486,818
Purchase of Property and Equipment	(26,998)	(1,397)
Net Cash Used by Investing Activities	(34,298)	(65,005)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from PPP Loan	388,000	-
Payments for Equipment through Capital Lease Obligations	(14,440)	(11,169)
Payments of Gift Annuities	(390)	(25,328)
Repayments of Mortgage	(168,455)	(171,902)
Contributions for Endowment with Donor Restrictions	170,206	210,728
Net Cash Provided by Financing Activities	374,921	2,329
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	283,616	(44,175)
Cash and Cash Equivalents - Beginning of Year	246,679	290,854
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 530,295	\$ 246,679

See accompanying Notes to Financial Statements.

**THE ACADEMY OF VOCAL ARTS
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2020 AND 2019**

	2020	2019
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid During the Year	\$ 121,567	\$ 116,204
 SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
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, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Academy of Vocal Arts (AVA), located in Philadelphia, Pennsylvania, is a nonprofit organization devoting its resources to the training of exceptionally talented opera singers. AVA'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

AVA 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. AVA 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. Contributions with donor-imposed restrictions received and released in the same year are reported as increases in net assets without donor restrictions. All other 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.

**THE ACADEMY OF VOCAL ARTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Theatre/School Related Revenue

Theatre/School related revenue consists of ticket sales for opera performances, concerts, and recitals along with other school related fees and events. Ticket sales may be reflected as deferred revenue if a performance is cancelled or not attended and a patron prefers to keep the credit available for a future performance. Subscription ticket sales at the end of a fiscal year for the subsequent fiscal year are recorded as deferred revenue when sold and recognized as revenue in the subsequent year when the performances occur.

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.

Receivables

Other receivables represent amounts to be reimbursed to AVA. Grants and pledges receivable represent unconditional promises to contribute funds to AVA. 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, 2020 and 2019, 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 AVA 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.

**THE ACADEMY OF VOCAL ARTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

AVA 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 AVA 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.

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 8.

Beneficial Interests in Trusts

AVA has been named as the beneficiary in two 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 these three charitable remainder trusts 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 AVA 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.

**THE ACADEMY OF VOCAL ARTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

AVA is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. AVA follows the income tax standard for uncertain tax positions. This application of the standard has no effect on AVA's financial statements. AVA'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 AVA continues to qualify for exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Change in Accounting Principles

As of July 1, 2019, AVA adopted the accounting guidance in FASB ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The core principle of Topic 606 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply the following steps: (1) identify the contract(s) with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the entity satisfies a performance obligation.

As of July 1, 2019, AVA adopted the accounting guidance in FASB ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The new guidance is intended to clarify and improve accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional.

The financial statements reflect the application of these principles for the fiscal year ended June 30, 2020. No cumulative-effect adjustment to net assets was recorded because the adoption did not significantly impact AVA's previously reported revenue.

Risks and Uncertainties

The Coronavirus Disease 2019 (COVID-19) has recently affected global markets, supply chains, employees, and communities. Specific to AVA, COVID-19 may impact its fiscal year 2021 operations and financial results including contributions, grants, investments, special events, and box office. Management believes AVA is taking appropriate actions to mitigate any negative impact; however, the full impact of COVID-19 is unknown and not reasonably estimated as of June 30, 2020.

Subsequent Events

In preparing these financial statements, AVA has evaluated events and transactions for potential recognition or disclosure through September 9, 2020, the date the financial statements were available to be issued.

**THE ACADEMY OF VOCAL ARTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 2 AVAILABLE RESOURCES AND LIQUIDITY

AVA 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, AVA 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, AVA operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

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

	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	\$ 430,295	\$ 146,649
Grants and Pledges Receivable	277,000	65,633
Distributions from Beneficial Interest in Trust for Use Over Next Year	394,000	385,000
Distributions from Endowment for Use Over Next Year	1,153,000	1,398,000
Investments Not Encumbered by Donor nor Board Restrictions	<u>5,696,415</u>	<u>5,960,518</u>
Total	<u>\$ 7,950,710</u>	<u>\$ 7,955,800</u>

NOTE 3 CONCENTRATION OF CREDIT RISK

Cash and cash equivalents potentially subject AVA 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.

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

	<u>2020</u>	<u>2019</u>
Total Grants and Pledges Receivable	<u>\$ 277,000</u>	<u>\$ 100,633</u>

Grants and pledges receivable at June 30, 2020 are expected to be collected in future years as follows:

Less than One Year	<u>\$ 277,000</u>
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**THE ACADEMY OF VOCAL ARTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 5 INVESTMENTS

Investments are composed of the following at June 30:

	2020	
	Cost	Fair Value
Investments:		
Equity Mutual Funds	\$ 13,409,969	\$ 20,249,218
Fixed Income Mutual Funds	8,532,611	8,967,843
Total	\$ 21,942,580	\$ 29,217,061
	2019	
	Cost	Fair Value
Investments:		
Equity Mutual Funds	\$ 13,415,151	\$ 20,668,458
Fixed Income Mutual Funds	8,669,209	8,695,625
Total	\$ 22,084,360	\$ 29,364,083

The investments of AVA 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 investment objective for the endowment is to preserve the long-term, real (inflation-adjusted) purchasing power of assets while providing a relatively predictable and growing stream of annual distributions in support of the current operations of AVA.

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

AVA has been named as the beneficiary in two types of trusts. As long as it is in existence, AVA 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, 2020 and 2019, fair value of this trust is \$7,970,914 and \$7,979,133, respectively.

The second type of beneficial interest is in three charitable remainder trusts whereby upon the death of the beneficiary, AVA 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 amounts to \$69,371 and \$74,024 at June 30, 2020 and 2019, respectively.

**THE ACADEMY OF VOCAL ARTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 6 BENEFICIAL INTERESTS IN TRUSTS (CONTINUED)

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 Interests 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

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

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

	2020			Total
	Level 1	Level 2	Level 3	
Investments:				
Equity Mutual Funds	\$ 20,249,218	\$ -	\$ -	\$ 20,249,218
Fixed Income Mutual Funds	8,967,843	-	-	8,967,843
Beneficial Interests in Trusts *	7,970,914	-	69,371	8,040,285
Total	<u>\$ 37,187,975</u>	<u>\$ -</u>	<u>\$ 69,371</u>	<u>\$ 37,257,346</u>
	2019			
	Level 1	Level 2	Level 3	Total
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>

* See description of composition of assets in Note 6.

**THE ACADEMY OF VOCAL ARTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 7 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table provides a summary of changes in fair value of AVA's Level 3 financial assets (see Note 1, Fair Value Measurements) for the years ended June 30, 2020 and 2019:

	<u>2020</u>
	Beneficial Interests in Trusts
Balance - July 1, 2019	\$ 74,024
Change in Value of Trusts	(4,653)
Balance - June 30, 2020	<u>\$ 69,371</u>
	<u>2019</u>
	Beneficial Interests in Trusts
Balance - July 1, 2018	\$ 69,716
Change in Value of Trusts	4,308
Balance - June 30, 2019	<u>\$ 74,024</u>

NOTE 8 ENDOWMENT NET ASSETS

AVA'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 AVA'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 investment objective for the endowment is to preserve the long-term, real (inflation-adjusted) purchasing power of assets while providing a relatively predictable and growing stream of annual distributions in support of the current operations of AVA. AVA 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, AVA 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 AVA 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 AVA's investments with donor restrictions.

**THE ACADEMY OF VOCAL ARTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 8 ENDOWMENT NET ASSETS (CONTINUED)

Distributions were made in accordance with the spending policy. For the year ended June 30, 2020, the board of directors approved a spending rate of 5.0% and AVA received approximately 5.0% and 5.25%, based on the past three-year average of the investments, during the years ended June 30, 2020 and 2019, respectively.

In June 2012, AVA entered into an investment advisory agreement. Advisory fees amounted to \$33,863 and \$33,664 for the years ended June 30, 2020 and 2019, respectively.

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, 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	13,978,765	15,385,318	29,364,083
Investment Return:			
Investment Income	331,476	361,373	692,849
Realized and Unrealized Gains, Net of Expenses	<u>258,013</u>	<u>297,116</u>	<u>555,129</u>
Total Investment Return	589,489	658,489	1,247,978
Fellowship and Giargiari Prize Contributions	34,250	170,206	204,456
Fellowship Disbursements	(39,200)	(222,800)	(262,000)
Music Director Chair, Vice President, and Giargiari Prize Disbursements	(30,000)	(130,500)	(160,500)
Net Other Disbursements	(161,956)	-	(161,956)
Distributions of Endowment Income	<u>(693,474)</u>	<u>(321,526)</u>	<u>(1,015,000)</u>
Endowment Net Assets - June 30, 2020	<u>\$ 13,677,874</u>	<u>\$ 15,539,187</u>	<u>\$ 29,217,061</u>

**THE ACADEMY OF VOCAL ARTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 9 GIFT ANNUITIES PAYABLE

AVA 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. AVA 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 AVA and the third participant receiving a distribution for her remaining interest.

NOTE 10 PAYCHECK PROTECTION PROGRAM LOAN

On April 13, 2020, AVA received loan proceeds in the amount of \$388,000 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), provides for loans to qualifying businesses for amounts up to two and a half times the average monthly payroll expense of the qualifying business. The loan is forgivable if the borrower uses the loan proceeds for eligible expenses, including payroll, benefits, mortgage interest, rent, and utilities, and maintains its payroll levels.

AVA used the proceeds for purposes consistent with the PPP and believes its use of the loan proceeds will meet the conditions for forgiveness of the loan. Any portion of the loan which may not be forgiven would be payable over two years at an interest rate of 1%, with a deferral of payments for the first six months.

NOTE 11 MORTGAGE PAYABLE

On December 4, 2013, AVA 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, 2020 and 2019, and is included as a component of mortgage interest expense. Interest expense on this mortgage, including amortization, was \$115,927 and \$121,286 for the years ended June 30, 2020 and 2019, respectively.

A summary of the mortgage payable consists of the following:

	<u>2020</u>	<u>2019</u>
Mortgage Payable	\$ 3,055,686	\$ 3,224,141
Less: Unamortized Debt Issuance Costs	<u>3,672</u>	<u>7,677</u>
Total Mortgage Payable, Net of Unamortized Debt Issuance Costs	3,052,014	3,216,464
Less: Current Portion	<u>179,688</u>	<u>168,456</u>
Total Mortgage Payable, Net of Current Portion	<u><u>\$ 2,872,326</u></u>	<u><u>\$ 3,048,008</u></u>

**THE ACADEMY OF VOCAL ARTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 11 MORTGAGE PAYABLE (CONTINUED)

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 179,688
2022	2,875,998
Mortgage Payable	<u>\$ 3,055,686</u>

NOTE 12 EMPLOYEE BENEFIT PLAN

AVA 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 now defined as employees who normally work 20 hours or more per week. Eligible employees who participate in the plan are entitled to 100% of any employer matching up to 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 one year of service and increasing in 20% increments until a participant is fully vested after five years of service. AVA's contributions to the plan amounted to \$65,656 and \$58,942 for the years ended June 30, 2020 and 2019, respectively.

NOTE 13 OPERATING LEASE

AVA rents storage space under an operating lease agreement for \$2,264 per month. The rent for the storage space is subject to 2.5% annual increases through the lease term. As of June 30, 2020, future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 27,762
2022	28,427
2023	29,108
2024	29,806
2025	30,521
Thereafter	2,548
Total	<u>\$ 148,172</u>

Rental expense was approximately \$29,500 and \$28,400 for the years ended June 30, 2020 and 2019, respectively.

**THE ACADEMY OF VOCAL ARTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 14 CAPITAL LEASES

During March 2019, AVA 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, AVA 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 following is an analysis of the leased equipment under capital leases included in equipment on the statements of financial position at June 30:

	2020	2019
Printers/Copiers and Related Equipment Costs	\$ 75,715	\$ 75,715
Less: Accumulated Depreciation	30,795	16,251
Total Equipment Under Capital Leases	<u>\$ 44,920</u>	<u>\$ 59,464</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, 2020:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 25,008
2022	24,591
2023	20,004
2024	15,003
Total Minimum Lease Payments	<u>84,606</u>
Less: Executory Costs	21,645
Net Minimum Lease Payments	<u>62,961</u>
Less: Imputed Interest	7,595
Present Value of Net Minimum Lease Payments	<u>\$ 55,366</u>

Depreciation expense related to the assets under capital leases is included in the statements of activities for 2020 and 2019 and amounts to \$14,544 and \$12,173, respectively.

NOTE 15 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, 2020 AND 2019**

NOTE 15 FUNCTIONAL EXPENSES (CONTINUED)

The schedules below present expenses by both their nature and function as follows for the years ended June 30, 2020 and 2019, respectively:

	Program	Management and General	Fund- Raising	Supporting Subtotal	2020 Total
Payroll and Benefits	\$ 1,505,710	\$ 439,042	\$ 324,537	\$ 763,579	\$ 2,269,289
Office	46,584	133,008	26,170	159,178	205,762
Academy	59,349	-	-	-	59,349
Building	279,576	-	-	-	279,576
Marketing/Recruitment	124,559	-	-	-	124,559
Production Expenses	489,140	-	-	-	489,140
Other	286,807	-	148,799	148,799	435,606
Depreciation	274,084	-	-	-	274,084
2020 Total Expenses by Function	<u>\$ 3,065,809</u>	<u>\$ 572,050</u>	<u>\$ 499,506</u>	<u>\$ 1,071,556</u>	<u>\$ 4,137,365</u>
	Program	Management and General	Fund- Raising	Supporting Subtotal	2019 Total
Payroll and Benefits	\$ 1,241,776	\$ 475,482	\$ 338,134	\$ 813,616	\$ 2,055,392
Office	58,246	180,993	31,172	212,165	270,411
Academy	59,383	-	-	-	59,383
Building	267,957	-	-	-	267,957
Marketing/Recruitment	143,321	-	-	-	143,321
Production Expenses	769,274	-	-	-	769,274
Other	310,131	-	280,760	280,760	590,891
Depreciation	278,045	-	-	-	278,045
2019 Total Expenses by Function	<u>\$ 3,128,133</u>	<u>\$ 656,475</u>	<u>\$ 650,066</u>	<u>\$ 1,306,541</u>	<u>\$ 4,434,674</u>

NOTE 16 NET ASSETS WITH DONOR RESTRICTIONS

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

	2020	2019
Subject to Expenditure for Specified Purpose:		
Student Aid Fund	\$ 2,856	\$ 5,366
Elizabeth M. Strine Fund for Piano Excellence	8,595	14,210
Bryan Hymel Special Project Fund	40,000	40,000
Total Net Assets with Donor Restrictions - Expenditure for Specified Purpose	51,451	59,576
Subject to the Passage of Time:		
Operations	6,900	6,900
Campaign Giving and Pledges	-	13,500
Bequest	200,000	-
Foundation Pledges	100,000	70,000
Charitable Remainder Trusts	69,371	74,024
Annual Fellowships	4,763	5,713
Total Net Assets with Donor Restrictions - Passage of Time	381,034	170,137

**THE ACADEMY OF VOCAL ARTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 16 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

	2020	2019
Subject to the Spending Policy and Appropriation:		
School Endowment Fund	\$ 5,978,915	\$ 6,014,855
Adele Warden Paxson Fellowship	119,025	118,617
Alumni Challenge	11,489	11,015
Ann B. Ritt Fellowship	118,747	118,350
Anne P. Addicks Comprehensive Scholarship/Fellowship	473,937	474,634
Anne P. Addicks German Study	108,194	102,259
Ariel G. Loewy Fellowship	119,557	119,127
Bill Schuman Voice Chair	79,751	74,304
Bryan Hymel Comprehensive Scholarship/Fellowship	378,530	378,957
Bryan Hymel Travel Fund	113,823	109,125
Bucks County Opera Association Fellowship	127,733	127,308
Cecile K. Dalton Memorial Fund	66,435	65,651
Celia Mones Rudolph Fellowship	119,564	119,134
Charlotte Watts Fellowship	119,626	119,193
Christel Nyheim Fellowship	142,091	141,808
Claire Boasi Fellowship	102,153	-
Cornell MacNeil Fellowship	300,513	300,326
David A. and Helen P. Horn Fellowship	127,885	127,601
David Poleri Fellowship	300,514	300,351
Edward Costa Dolbey Fellowship	134,024	133,682
Isenberg Family Foundation Fellowship	124,294	123,962
Eve Nyheim Fellowship	141,954	141,677
Franca Warden Fellowship	64,175	60,694
Francis J. Palamara Fellowship	121,554	121,237
Gordon K. Greenfield Fellowship	143,801	143,447
James Morris Fellowship	124,284	124,002
James Pease Fellowship	300,514	300,346
Jeannine B. Cowles Fellowship	356,338	355,683
Jeannine B. Cowles Music Director Chair	2,711,925	2,722,400
Jeffrey Kneebone Fellowship	300,514	300,351
John Nyheim Fellowship	142,022	141,742
Kenneth and Diane Ahl Italian Study	52,899	20,516
Leonard Warren Fellowship	300,516	300,255
Main Line Opera Association Fellowship	69,762	44,533
Parkinson Memorial Fund	69,932	69,004
Peggy MacLaren Ulrich Comprehensive Scholarship/Fellowship	409,100	409,765
Placido Domingo Fellowship	125,980	125,628
Robert Merrill Fellowship	126,858	126,518
Robert Weede Fellowship	300,520	300,484
Ruth Ann Swenson Fellowship	122,281	121,934
Sally Paxson Davis Fellowship	123,544	123,292
Susan Schwartz Myers Fellowship	158,267	146,152
William A. Loeb Fellowship	105,647	105,399
Warden Trust	7,970,914	7,979,133
Total Net Assets with Donor Restrictions - Spending Policy and Appropriation	23,510,101	23,364,451
Total Net Assets with Donor Restrictions	\$ 23,942,586	\$ 23,594,164

THE ACADEMY OF VOCAL ARTS
SCHEDULES OF ACTIVITIES—OPERATING (UNAUDITED)
YEARS ENDED JUNE 30, 2020 AND 2019
(SEE INDEPENDENT AUDITORS' REPORT)

	2020	2019
SCHEDULE OF OPERATING SUPPORT AND REVENUE		
Contributions, General	\$ 866,868	\$ 729,526
Corporate and Foundation Grants	298,326	218,093
Net Assets (Gifts Received in Prior Years)		
Released from Restrictions for Operations	44,075	134,689
Government Grants	40,745	40,323
Bequests	158,250	203,431
Fellowships	261,050	275,450
Jeannine B Cowles Music Director Chair	125,000	125,000
Vice President, Global and Artistic Outreach Distribution	30,000	112,800
Investment Income:		
Warden Trust	385,000	398,000
Endowment	890,000	905,000
Mortgage Proceeds	125,000	125,000
Other Investment Income	469	687
Box Office Receipts	166,208	227,836
Gala Receipts	279,078	419,627
Bucks County Opera Association	30,370	36,895
Main Line Opera Association	22,915	35,979
Worldwide Ambassadors Council	7,290	14,950
Opening Night Celebration	58,325	54,326
Audition Fees	17,588	17,483
Concert Bureau	34,345	44,630
Special Events	19,625	29,880
Miscellaneous	4,634	31,798
Total Operating Support and Revenue	3,865,161	4,181,403
SCHEDULE OF OPERATING EXPENSES		
Payroll and Benefits:		
Administrative Salaries	365,334	372,990
Educational Salaries	496,183	483,572
Production Salaries	644,417	480,083
Fundraising Salaries	277,391	284,298
Marketing Salaries	71,615	64,365
Payroll Taxes	142,149	128,568
Health Insurance	206,544	182,574
Retirement Plan	65,656	58,942
Total Payroll and Benefits	2,269,289	2,055,392
Office:		
Supplies and Expenses	18,102	15,291
Entertainment and Board Meetings	30,083	22,813
Staff Development	1,972	1,288
Directors and Officers Insurance	7,347	7,347
Audit/Professional Fees	43,971	100,508
Interest on Capital Leases	4,796	2,880
Computer Services	59,976	80,620
Tessitura Services	28,690	28,550
Telephone	10,825	11,114
Total Office Expenses	205,762	270,411
Academy:		
Faculty and Coaches Fees	38,448	42,322
Supplies and Expenses	1,001	974
Library	563	1,948
Piano Tuning and Repairs	9,535	5,145
Recruitment and Auditions	1,225	282
Accreditation and Memberships	3,187	2,987
Work Study Disbursements	5,390	5,725
Total Academy Expenses	59,349	59,383

THE ACADEMY OF VOCAL ARTS
SCHEDULES OF ACTIVITIES—OPERATING (UNAUDITED) (CONTINUED)
YEARS ENDED JUNE 30, 2020 AND 2019
(SEE INDEPENDENT AUDITORS' REPORT)

	2020	2019
Building:		
Insurance	\$ 38,189	\$ 36,049
Mortgage Interest - 1916 Spruce Street	115,927	121,286
Local Taxes and Assessments	730	1,605
Custodial Fees	45,000	45,000
Repairs and Maintenance	40,690	21,381
Utilities	35,547	38,102
Household Supplies and Expenses	3,493	4,534
Total Building Expenses	279,576	267,957
Marketing/Recruitment:		
Website	980	919
Publicity	14,091	13,311
Printing, Postage, and Promotion	86,443	109,641
Broadcasts	12,650	19,450
Branding Video	10,395	-
Total Marketing/Recruitment	124,559	143,321
Production Expenses:		
Contracted Fees	85,060	148,225
Stage Director Expenses	1,541	5,930
Costumes	24,268	42,649
Set Design, Construction, Transportation, and Storage	55,435	91,416
Lighting Design and Expenses	8,420	25,522
Props, Make-Up, and Wigs	7,477	14,967
Orchestra	211,677	308,001
Stage Hands	613	3,289
Theater Rentals and Opera Expenses	32,093	56,800
Music and Instrument Rentals	9,318	9,036
Box Office Fees and Expenses	18,593	17,459
Concert Bureau	34,645	45,980
Total Production Expenses	489,140	769,274
Other:		
Student Fellowships	262,000	278,975
Student Grants	2,510	-
Gala Expenses	64,056	162,115
Bucks County Opera Association	13,970	20,742
Main Line Opera Association	9,017	17,294
Worldwide Ambassadors Council	500	11,706
Opening Night Celebration	27,838	26,619
Friends of AVA Expenses	13,974	9,703
Special Events	8,323	21,453
Fund Raising Expenses	33,418	42,284
Total Other Expenses	435,606	590,891
Total Operating Expenses	3,863,281	4,156,629
Excess of Operating Support and Revenue Over Operating Expenses	\$ 1,880	\$ 24,774

THE ACADEMY OF VOCAL ARTS
SCHEDULES OF BENEFICIAL INTEREST IN PERPETUAL TRUST ASSETS AND NET ASSETS
JUNE 30, 2020 AND 2019
(SEE INDEPENDENT AUDITORS' REPORT)

	2020	2019
ASSETS		
Cash	\$ 3,042	\$ 5,330
Investments:		
Equity Mutual Funds	5,723,627	5,622,296
Fixed Income Mutual Funds	2,244,245	2,351,507
Total Assets	\$ 7,970,914	\$ 7,979,133
NET ASSETS WITH DONOR RESTRICTIONS - WARDEN TRUST	\$ 7,970,914	\$ 7,979,133

THE ACADEMY OF VOCAL ARTS
SCHEDULES OF BENEFICIAL INTEREST IN PERPETUAL TRUST ACTIVITIES
YEARS ENDED JUNE 30, 2020 AND 2019
(SEE INDEPENDENT AUDITORS' REPORT)

	<u>2020</u>	<u>2019</u>
Investment Income	\$ 192,647	\$ 196,488
Unrealized and Realized Gains on Investments	<u>197,648</u>	<u>326,729</u>
Total Revenue	390,295	523,217
Trust Expenses	13,514	13,178
Distributions to The Academy of Vocal Arts	<u>385,000</u>	<u>398,000</u>
Total Expenses	<u>398,514</u>	<u>411,178</u>
Change in Net Assets	(8,219)	112,039
Net Assets With Donor Restrictions - Warden Trust - Beginning of Year	<u>7,979,133</u>	<u>7,867,094</u>
Net Assets With Donor Restrictions - Warden Trust - End of Year	<u>\$ 7,970,914</u>	<u>\$ 7,979,133</u>

