

THE ACADEMY OF VOCAL ARTS
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEARS ENDED JUNE 30, 2024 AND 2023



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**THE ACADEMY OF VOCAL ARTS
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INDEPENDENT AUDITORS' REPORT

Board of Directors
The Academy of Vocal Arts
Philadelphia, Pennsylvania

Report on the Audit of the Financial Statements

Opinion

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, 2024 and 2023, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2024 and 2023, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of The Academy of Vocal Arts and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Academy of Vocal Arts' ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Academy of Vocal Arts' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Academy of Vocal Arts' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary 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 was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the 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 GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Board of Directors
The Academy of Vocal Arts

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

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
September 4, 2024

**THE ACADEMY OF VOCAL ARTS
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023**

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 176,431	\$ 290,589
Grant Receivable	-	35,000
Pledges Receivable	183,578	142,587
Other Receivables	4,279	2,277
Prepaid Expenses and Deposits	19,012	33,148
Total Current Assets	383,300	503,601
INVESTMENTS	36,698,643	33,366,468
BENEFICIAL INTERESTS IN TRUSTS	9,228,289	8,452,291
RIGHT-OF-USE ASSETS	34,314	63,576
PROPERTY AND EQUIPMENT		
Land	448,000	448,000
Buildings	2,533,690	2,533,690
Buildings Improvements	4,813,912	4,814,038
Leasehold Improvements	14,679	14,679
Equipment	698,209	721,775
Furniture and Fixtures	118,901	118,901
Total Property and Equipment	8,627,391	8,651,083
Less: Accumulated Depreciation	(4,762,400)	(4,583,296)
Net Property and Equipment	3,864,991	4,067,787
Total Assets	\$ 50,209,537	\$ 46,453,723

See accompanying Notes to Financial Statements.

**THE ACADEMY OF VOCAL ARTS
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2024 AND 2023**

	2024	2023
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Payroll Withholdings and Benefits Payable	\$ 331	\$ 176
Accrued Expenses	21,772	29,529
Deferred Income	7,629	51,326
Current Portion of Operating Lease Liability	29,263	28,203
Current Portion of Finance Lease Liability	13,342	12,318
Current Portion of Gift Annuities Payable	390	390
Current Portion of Mortgage Payable	174,983	168,215
Total Current Liabilities	247,710	290,157
LONG-TERM LIABILITIES		
Operating Lease Liability, Net of Current Portion	5,051	35,373
Finance Lease Liability, Net of Current Portion	31,787	45,129
Gift Annuities Payable, Net of Current Portion	890	1,610
Mortgage Payable, Net of Current Portion	2,234,073	2,409,056
Total Long-Term Liabilities	2,271,801	2,491,168
Total Liabilities	2,519,511	2,781,325
NET ASSETS		
Without Donor Restrictions	18,615,662	17,119,235
With Donor Restrictions	29,074,364	26,553,163
Total Net Assets	47,690,026	43,672,398
Total Liabilities and Net Assets	\$ 50,209,537	\$ 46,453,723

See accompanying Notes to Financial Statements.

**THE ACADEMY OF VOCAL ARTS
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2024 AND 2023**

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT						
Operating Activities:						
Contributions and Grants	\$ 2,397,733	\$ 86,947	\$ 2,484,680	\$ 2,572,650	\$ 59,372	\$ 2,632,022
Investment Income	1,510,000	-	1,510,000	1,678,000	-	1,678,000
Theatre/School Related Revenue	328,637	-	328,637	294,957	-	294,957
Total Operating Activities	<u>4,236,370</u>	<u>86,947</u>	<u>4,323,317</u>	<u>4,545,607</u>	<u>59,372</u>	<u>4,604,979</u>
Other Activities:						
Contributions	-	198,900	198,900	-	111,908	111,908
Change in Value of Beneficial Interests in Trusts	-	775,998	775,998	-	450,060	450,060
Unrealized and Realized Gains on						
Investments, Net	1,592,233	1,638,366	3,230,599	812,432	1,026,935	1,839,367
Gain on Sale of Equipment	22,000	-	22,000	-	-	-
Other Investment Income	3,636	-	3,636	1,405	-	1,405
Total Other Activities	<u>1,617,869</u>	<u>2,613,264</u>	<u>4,231,133</u>	<u>813,837</u>	<u>1,588,903</u>	<u>2,402,740</u>
Subtotal	5,854,239	2,700,211	8,554,450	5,359,444	1,648,275	7,007,719
NET ASSETS RELEASED FROM RESTRICTIONS	<u>179,010</u>	<u>(179,010)</u>	<u>-</u>	<u>95,010</u>	<u>(95,010)</u>	<u>-</u>
Total Revenues, Gains, and Other Support	6,033,249	2,521,201	8,554,450	5,454,454	1,553,265	7,007,719
EXPENSES						
Operating Activities	4,291,443	-	4,291,443	4,607,741	-	4,607,741
Depreciation	245,379	-	245,379	245,479	-	245,479
Total Expenses	<u>4,536,822</u>	<u>-</u>	<u>4,536,822</u>	<u>4,853,220</u>	<u>-</u>	<u>4,853,220</u>
CHANGE IN NET ASSETS	1,496,427	2,521,201	4,017,628	601,234	1,553,265	2,154,499
Net Assets - Beginning of Year	<u>17,119,235</u>	<u>26,553,163</u>	<u>43,672,398</u>	<u>16,518,001</u>	<u>24,999,898</u>	<u>41,517,899</u>
NET ASSETS - END OF YEAR	<u>\$ 18,615,662</u>	<u>\$ 29,074,364</u>	<u>\$ 47,690,026</u>	<u>\$ 17,119,235</u>	<u>\$ 26,553,163</u>	<u>\$ 43,672,398</u>

See accompanying Notes to Financial Statements.

**THE ACADEMY OF VOCAL ARTS
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 4,017,628	\$ 2,154,499
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	245,379	245,479
Gain on Disposal of Finance Lease	-	(5,027)
Donation of Furniture and Fixtures	(25,000)	-
Gain on Sale of Equipment	(22,000)	-
Loss on Disposal of Equipment	4,750	-
Unrealized and Realized Gains on Investments, Net	(3,230,599)	(1,839,367)
Change in Value of Beneficial Interests in Trusts	(1,205,998)	(916,060)
Contributions for Endowment with Donor Restrictions	(86,947)	(59,372)
(Increase) Decrease in Assets:		
Grant Receivable	35,000	35,000
Pledges Receivable	(40,991)	(14,055)
Other Receivables	(2,002)	1,759
Prepaid Expenses and Deposits	14,136	(6,047)
Increase (Decrease) in Liabilities:		
Payroll Withholdings and Benefits Payable	155	(242)
Accrued Expenses	(7,757)	7,824
Deferred Income	(43,697)	(2,430)
Net Cash Used by Operating Activities	(347,943)	(398,039)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(3,401,000)	(1,791,919)
Proceeds from Sale of Investments	3,299,424	1,630,544
Distributions from Trusts	430,000	466,000
Purchase of Property and Equipment	(22,333)	(42,443)
Proceeds from Sale of Equipment	22,000	-
Net Cash Provided by Investing Activities	328,091	262,182
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments for Equipment through Finance Leases	(12,318)	(13,965)
Payments of Gift Annuities	(720)	(390)
Repayments of Mortgage	(168,215)	(162,200)
Contributions for Endowment with Donor Restrictions	86,947	59,372
Net Cash Used by Financing Activities	(94,306)	(117,183)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(114,158)	(253,040)
Cash and Cash Equivalents - Beginning of Year	290,589	543,629
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 176,431	\$ 290,589

See accompanying Notes to Financial Statements.

**THE ACADEMY OF VOCAL ARTS
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid During the Year	\$ 99,776	\$ 103,535
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Purchase of Equipment through Finance Lease	\$ -	\$ 47,822
Less: Disposal of Right-Of-Use Asset through Finance Lease	-	(15,873)
Financing through Finance Lease Liability	-	(47,822)
Less: Disposal of Finance Lease Liability	-	15,873
Total	\$ -	\$ -
Operating Lease Right-of-Use Asset and Operating Lease Liability Recorded Upon Adoption of ASC 842	\$ -	\$ 89,852

See accompanying Notes to Financial Statements.

**THE ACADEMY OF VOCAL ARTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

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 reader's 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, 2024 AND 2023**

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 credit losses is provided based on management's judgment using historical information, current conditions, and reasonable and supportable forecasts. When all collection efforts have been exhausted, the accounts are written off. At June 30, 2024 and 2023, 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, 2024 AND 2023**

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 26. 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, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

AVA leases certain buildings and equipment. The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed. In addition, AVA elected not to apply ASC Topic 842 to arrangements with lease terms of 12 months or less.

Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and other long-term liabilities in our statements of financial position. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities in our statements of financial position.

ROU assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. AVA uses the implicit rate when it is readily determinable. Since most of AVA's leases do not provide an implicit rate, to determine the present value of lease payments, management uses AVA's incremental borrowing rate based on the information available at lease commencement. Operating lease ROU assets also includes any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized when paid. AVA's lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise the option.

Income Taxes

AVA is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). 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 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 IRC.

Reclassifications

Certain reclassifications have been made to the prior year amounts in order to conform to the current year presentation.

Subsequent Events

In preparing these financial statements, AVA has evaluated events and transactions for potential recognition or disclosure through September 4, 2024, the date the financial statements were available to be issued.

**THE ACADEMY OF VOCAL ARTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

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>2024</u>	<u>2023</u>
Cash and Cash Equivalents	\$ 76,431	\$ 190,589
Grants and Pledges Receivable	183,578	177,587
Distributions from Beneficial Interest in Trust for Use Over Next Year	424,000	430,000
Distributions from Endowment for Use Over Next Year	<u>1,274,000</u>	<u>1,300,000</u>
Total	<u>\$ 1,958,009</u>	<u>\$ 2,098,176</u>

AVA's board of directors has designated a portion of its resources to function as endowment and for other purposes (Note 15). These funds are invested for long-term appreciation and current income, but remain available and may be spent at the discretion of the board.

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>2024</u>	<u>2023</u>
Total Grants and Pledges Receivable	<u>\$ 183,578</u>	<u>\$ 177,587</u>

Grants and pledges receivable at June 30, 2024 are expected to be collected in future years as follows:

Less than One Year	<u>\$ 183,578</u>
Total Grants and Pledges Receivable	<u>\$ 183,578</u>

**THE ACADEMY OF VOCAL ARTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 5 INVESTMENTS

Investments are composed of the following at June 30:

	2024	
	Cost	Fair Value
Investments:		
Equity Mutual Funds	\$ 12,679,664	\$ 25,854,674
Fixed Income Mutual Funds	12,225,777	10,843,969
Total	\$ 24,905,441	\$ 36,698,643
	2023	
	Cost	Fair Value
Investments:		
Equity Mutual Funds	\$ 13,362,279	\$ 24,588,547
Fixed Income Mutual Funds	10,156,185	8,777,921
Total	\$ 23,518,464	\$ 33,366,468

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 and losses, both unrealized and realized, from investments with and without donor restrictions, are allocated pro rata 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 Fund, the beneficial interest has been recorded on the statements of financial position at the fair value of the Trust Fund's assets and classified as net assets with donor restrictions. The fluctuation in the fair value of the Trust Fund 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, 2024 and 2023, fair value of this trust is \$9,180,389 and \$8,408,837 respectively.

Distributions were made in accordance with the spending policy. For the year ended June 30, 2024 and 2023, the board of directors approved a spending rate of 5.00% and 5.25%, respectively, and AVA received approximately 5.00% and 5.25%, respectively, based on the past three-year average of the investments, during each of the years ended June 30, 2024 and 2023.

**THE ACADEMY OF VOCAL ARTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 6 BENEFICIAL INTERESTS IN TRUSTS (CONTINUED)

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 \$47,900 and \$43,454 at June 30, 2024 and 2023, 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 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:

	2024			
	Level 1	Level 2	Level 3	Total
Investments:				
Equity Mutual Funds	\$ 25,854,674	\$ -	\$ -	\$ 25,854,674
Fixed Income Mutual Funds	10,843,969	-	-	10,843,969
Beneficial Interests in Trusts *	9,180,389	-	47,900	9,228,289
Total	<u>\$ 45,879,032</u>	<u>\$ -</u>	<u>\$ 47,900</u>	<u>\$ 45,926,932</u>
	2023			
	Level 1	Level 2	Level 3	Total
Investments:				
Equity Mutual Funds	\$ 24,588,547	\$ -	\$ -	\$ 24,588,547
Fixed Income Mutual Funds	8,777,921	-	-	8,777,921
Beneficial Interests in Trusts *	8,408,837	-	43,454	8,452,291
Total	<u>\$ 41,775,305</u>	<u>\$ -</u>	<u>\$ 43,454</u>	<u>\$ 41,818,759</u>

* See description of composition of assets in Note 6.

The following table provides quantitative information about AVA's Level 3 fair value measurements for the years ended June 30:

	Fair Value		Principal Valuation Technique	Significant Unobservable Inputs
	2024	2023		
Beneficial Interests in Trusts	<u>\$ 47,900</u>	<u>\$ 43,454</u>	Fair Value of Trust Assets	Time Period of Trust

**THE ACADEMY OF VOCAL ARTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

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.

Distributions were made in accordance with the spending policy. For the year ended June 30, 2024, the board of directors approved a spending rate of 5.00% and AVA received approximately 4.50% and 5.25%, based on the past three-year average of the investments, during the years ended June 30, 2024 and 2023, respectively.

In June 2012, AVA entered into an investment advisory agreement. Advisory fees amounted to \$71,640 and \$68,544 for the years ended June 30, 2024 and 2023, respectively.

**THE ACADEMY OF VOCAL ARTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

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, 2022	\$ 14,621,237	\$ 16,744,489	\$ 31,365,726
Investment Return:			
Investment Income	371,489	388,989	760,478
Realized and Unrealized Gains, Net of Expenses	<u>1,359,930</u>	<u>1,442,334</u>	<u>2,802,264</u>
Total Investment Return	1,731,419	1,831,323	3,562,742
Fellowship and Giargiari Prize Contributions	41,500	87,455	128,955
Fellowship Disbursements	(48,050)	(251,375)	(299,425)
Music Director Chair and Giargiari Prize Disbursements	-	(156,000)	(156,000)
Board-Designated Disbursement	(100,000)	-	(100,000)
Net Other Contributions	52,017	24,453	76,470
Distributions of Endowment Income	<u>(814,988)</u>	<u>(397,012)</u>	<u>(1,212,000)</u>
Endowment Net Assets - June 30, 2023	15,483,135	17,883,333	33,366,468
Investment Return:			
Investment Income	437,329	447,202	884,531
Realized and Unrealized Gains, Net of Expenses	<u>1,898,568</u>	<u>1,939,075</u>	<u>3,837,643</u>
Total Investment Return	2,335,897	2,386,277	4,722,174
Fellowship and Giargiari Prize Contributions	39,250	86,947	126,197
Fellowship Disbursements	(43,250)	(281,575)	(324,825)
Music Director Chair and Giargiari Prize Disbursements	-	(126,000)	(126,000)
Net Other Contributions	14,629	-	14,629
Distributions of Endowment Income	<u>(739,664)</u>	<u>(340,336)</u>	<u>(1,080,000)</u>
Endowment Net Assets - June 30, 2024	<u>\$ 17,089,997</u>	<u>\$ 19,608,646</u>	<u>\$ 36,698,643</u>

**THE ACADEMY OF VOCAL ARTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

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 3.4% to 5.2% and are payable per agreements.

NOTE 10 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. On October 6, 2020, AVA signed a change in terms agreement for the remaining balance of the commercial mortgage in the amount of \$3,011,576 with a fixed interest rate of 3.75% for a term of 7½ years over a 15-year amortization period. At the expiration of the initial fixed interest rate period, April 4, 2028, AVA may renegotiate a new fixed rate of interest for the next ninety month period. In the event AVA is not able to agree on a new fixed rate with the lender or does not pay the remaining mortgage balance in full, the interest rate shall be changed to prime plus 1.0% (with a minimum of 4.0%) throughout the remaining term of the mortgage. Interest expense on this mortgage was \$94,868 and \$100,902 for the years ended June 30, 2024 and 2023, respectively.

A summary of the mortgage payable consists of the following:

	<u>2024</u>	<u>2023</u>
Mortgage Payable	\$ 2,409,056	\$ 2,577,271
Less: Current Portion	174,983	168,215
Total Mortgage Payable, Net of Current Portion	<u>\$ 2,234,073</u>	<u>\$ 2,409,056</u>

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 174,983
2026	181,753
2027	188,785
2028	195,271
2029	200,381
Thereafter	1,467,883
Mortgage Payable	<u>\$ 2,409,056</u>

**THE ACADEMY OF VOCAL ARTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 11 EMPLOYEE BENEFIT PLAN

AVA maintains a qualified contribution plan under Section 403(b) of the IRC. 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. 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. Eligible employees who participated in the plan for the years ended June 20, 2024 and 2023 received an employer match up to the first 5% of employee contributions for each of those years. AVA's contributions to the plan amounted to \$64,580 and \$63,206 for the years ended June 30, 2024 and 2023, respectively.

NOTE 12 OPERATING LEASES

On August 1, 2020, AVA entered into a lease agreement for a storage facility. The term of the lease is for a five-year period from August 2021 to August 2025 starting with a monthly base rent of \$2,374. The rent for the storage space is subject to 2.5% annual increases through the lease term. AVA has an option to renew the lease for an additional five years beyond the primary term. AVA typically excludes options to extend the lease in a lease term unless it is reasonably certain that AVA will exercise the option.

The following table summarizes the line items in the statement of net positions which include amounts for operating leases as of June 30:

	2024	2023
Operating Lease Right-of-Use Cost	<u>\$ 29,656</u>	<u>\$ 15,099</u>
Operating Lease Liabilities are Summarized Below:		
Operating Lease, Current Portion	\$ 29,263	\$ 28,203
Operating Lease, Long Term Portion	<u>5,051</u>	<u>35,373</u>
Total Lease Liability	<u>\$ 34,314</u>	<u>\$ 63,576</u>
Other Information:		
Operating Cash Flows from Operating Leases	<u>\$ 29,496</u>	<u>\$ 29,302</u>
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ -	\$ 89,852
Weighted-Average Remaining Lease Term	1.2 Years	2 Years
Weighted-Average Discount Rate	3.88%	3.88%

**THE ACADEMY OF VOCAL ARTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 12 OPERATING LEASES (CONTINUED)

The maturities of operating lease liabilities as of June 30, 2024 were as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 30,079
2026	5,051
Total	<u>35,130</u>
Less: Imputed Interest	(816)
Total Present Value of Lease Liability	<u><u>\$ 34,314</u></u>

During the years ended June 30, 2024 and 2023, lease expense of approximately \$29,500 and \$29,300, respectively, was included in program expenses.

NOTE 13 FINANCE LEASES

During March 2023, AVA ended the previous finance lease equipment at a monthly rate of \$1,186 and entered into a new finance lease agreement for copiers at a monthly rate of \$1,000. The term for the lease agreement is 60 months and the assets are being depreciated over the lives of the leases.

The following table summarizes the line items in the statements of net position which include amounts for financing leases as of June 30:

	<u>2024</u>	<u>2023</u>
Equipment	\$ 73,302	\$ 73,302
Less: Accumulated Depreciation	31,518	18,116
Total Equipment Under Finance Leases	<u><u>\$ 41,784</u></u>	<u><u>\$ 55,186</u></u>

Financing lease liabilities are summarized below as of June 30:

Finance Lease, Current Portion	\$ 13,342	\$ 12,318
Finance Lease, Long-Term Portion	31,787	45,129
Total Lease Liability - Finance Lease	<u><u>\$ 45,129</u></u>	<u><u>\$ 57,447</u></u>

Other Information:

Amortization of Lease Assets Included in Depreciation Expense	\$ 13,402	\$ 13,849
Interest on Lease Liabilities Included in Interest Expense	4,434	3,089
Total Finance Lease Costs	<u><u>\$ 17,836</u></u>	<u><u>\$ 16,938</u></u>

Financing Cash Flows from Finance Leases	<u><u>\$ 12,318</u></u>	<u><u>\$ 13,965</u></u>
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Right-of-Use Assets Obtained in Exchange for New Finance Lease Liabilities	\$ -	\$ 47,822
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Weighted-Average Remaining Lease Term	3.3 Years	4.27 Years
Weighted-Average Discount Rate	8.69%	8.49%

**THE ACADEMY OF VOCAL ARTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 13 FINANCE LEASES (CONTINUED)

The following is a schedule by years of future minimum lease payments under finance leases together with the present value of the net minimum lease payments as of June 30, 2024:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 22,380
2026	21,057
2027	16,776
2028	<u>11,184</u>
Total Minimum Lease Payments	71,397
Less: Executory Costs	<u>19,015</u>
Net Minimum Lease Payments	52,382
Less: Imputed Interest	<u>7,253</u>
Present Value of Net Minimum Lease Payments	<u><u>\$ 45,129</u></u>

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 schedules below present expenses by both their nature and function as follows for the years ended June 30, 2024 and 2023, respectively:

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Supporting Subtotal</u>	<u>2024 Total</u>
Payroll and Benefits	\$ 1,728,307	\$ 487,383	\$ 291,938	\$ 779,321	\$ 2,507,628
Institutional Support	46,687	172,387	27,723	200,110	246,797
Academic Support	57,096	-	-	-	57,096
Facility Costs	287,110	-	-	-	287,110
Marketing/Recruitment	118,715	-	-	-	118,715
Production Expenses	496,610	-	-	-	496,610
Student Fellowship Awards	325,235	-	-	-	325,235
Special Events	65,453	-	186,799	186,799	252,252
Depreciation	<u>178,695</u>	<u>37,725</u>	<u>28,959</u>	<u>66,684</u>	<u>245,379</u>
Total Expenses by Function	<u><u>\$ 3,303,908</u></u>	<u><u>\$ 697,495</u></u>	<u><u>\$ 535,419</u></u>	<u><u>\$ 1,232,914</u></u>	<u><u>\$ 4,536,822</u></u>

**THE ACADEMY OF VOCAL ARTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 14 FUNCTIONAL EXPENSES (CONTINUED)

	Program	Management and General	Fundraising	Supporting Subtotal	2023 Total
Payroll and Benefits	\$ 1,852,146	\$ 504,291	\$ 198,861	\$ 703,152	\$ 2,555,298
Institutional Support	57,772	145,791	24,841	170,632	228,404
Academic Support	69,908	-	-	-	69,908
Facility Costs	285,618	-	-	-	285,618
Marketing/Recruitment	97,193	-	-	-	97,193
Production Expenses	472,154	-	-	-	472,154
Student Fellowship Awards	299,425	-	-	-	299,425
Special Events	24,965	-	228,432	228,432	253,397
Executive Retirement Benefit	-	346,344	-	346,344	346,344
Depreciation	181,986	37,448	26,045	63,493	245,479
Total Expenses by Function	<u>\$ 3,341,167</u>	<u>\$ 1,033,874</u>	<u>\$ 478,179</u>	<u>\$ 1,512,053</u>	<u>\$ 4,853,220</u>

NOTE 15 NET ASSETS WITH DONOR RESTRICTIONS

Net assets without donor restrictions as of June 30 consisted of the following:

	2024	2023
Board-Designated - School Endowment	\$ 8,422,215	\$ 7,710,930
Board-Designated - Ruth Rudolph Scholarship	286,659	262,278
Board-Designated - Adele Hebb Guest Conductor/Director Fund	146,969	129,529
Board-Designated - Building Reserve	63,971	56,380
Board-Designated - South Jersey Opera Fellowship	59,072	52,062
Board-Designated - Gigi Capobianco Fund	82,924	73,084
Other Funds Functioning as Endowment	8,028,187	7,198,872
Undesignated	1,525,665	1,636,100
Total Net Assets Without Donor Restrictions	<u>\$ 18,615,662</u>	<u>\$ 17,119,235</u>

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

	2024	2023
Subject to Expenditure for Specified Purpose:		
Student Aid Fund	\$ 5,677	\$ 1,688
Elizabeth M. Strine Fund for Piano Excellence	11,089	4,689
Bryan Hymel Special Project Fund	34,000	34,000
Total Net Assets with Donor Restrictions - Expenditure for Specified Purpose	<u>50,766</u>	<u>40,377</u>
Subject to the Passage of Time:		
Individuals	164,500	-
Bequest	-	100,000
Foundation Pledges	20,000	75,000
Charitable Remainder Trusts	47,900	43,454
Annual Fellowships	2,163	2,163
Total Net Assets with Donor Restrictions - Passage of Time	<u>234,563</u>	<u>220,617</u>

**THE ACADEMY OF VOCAL ARTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 15 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

	2024	2023
Subject to the Spending Policy and Appropriation:		
School Endowment Fund	\$ 7,949,509	\$ 7,278,147
Adele Warden Paxson Fellowship	132,944	122,342
Alumni Challenge	15,244	13,435
Ann B. Ritt Fellowship	132,663	122,094
Anne P. Addicks Comprehensive Scholarship/Fellowship	532,243	489,284
Anne P. Addicks German Study	125,746	115,528
Ariel G. Loewy Fellowship	133,378	122,724
Bill Schuman Voice Chair	156,888	138,271
Bryan Hymel Comprehensive Scholarship/Fellowship	426,155	390,874
Bryan Hymel Travel Fund	144,452	122,936
Bucks County Opera Association Fellowship	142,774	131,476
Cecile K. Dalton Memorial Fund	76,899	70,125
Celia Mones Rudolph Fellowship	133,417	122,759
Charlotte Watts Fellowship	133,589	122,910
Christel Nyheim Fellowship	158,811	146,080
Claire Boasi Fellowship	114,708	105,329
Cornell MacNeil Fellowship	334,787	308,229
David A. and Helen P. Horn Fellowship	142,568	131,106
David Poleri Fellowship	334,788	308,230
Edward Costa Dolbey Fellowship	149,463	137,371
Isenberg Family Foundation Fellowship	138,864	127,559
Eve Nyheim Fellowship	158,628	145,919
Franca Warden Fellowship	112,500	82,503
Francis J. Palamara Fellowship	135,468	124,565
Gordon K. Greenfield Fellowship	161,080	148,080
James Morris Fellowship	138,851	127,548
James Pease Fellowship	334,789	308,230
Jeannine B. Cowles Fellowship	396,717	365,161
Jeannine B. Cowles Music Director Chair	2,996,201	2,753,536
Jeffrey Kneebone Fellowship	334,789	308,230
John Nyheim Fellowship	158,719	145,999
Kenneth and Diane Ahl Italian Study	225,775	177,583
Leonard Warren Fellowship	334,791	308,232
Lucinda S. Landreth Comprehensive Scholarship/Fellowship	477,397	438,727
Lyon Family Fellowship	34,856	30,720
Main Line Opera Association Fellowship	208,139	156,631
Parkinson Memorial Fund	82,718	75,254
Peggy MacLaren Ulrich Comprehensive Scholarship/Fellowship	460,466	423,068
Placido Domingo Fellowship	140,448	129,426
Robert Merrill Fellowship	141,439	130,299
Robert Weede Fellowship	334,796	308,237
Ruth Ann Swenson Fellowship	136,432	125,416
Sally Paxson Davis Fellowship	138,108	126,893
Susan Schwartz Myers Fellowship	236,662	207,167
William A. Loeb Fellowship	118,987	109,099
Warden Trust	9,180,389	8,408,837
Total Net Assets with Donor Restrictions - Spending Policy and Appropriation	28,789,035	26,292,169
Total Net Assets with Donor Restrictions	\$ 29,074,364	\$ 26,553,163

THE ACADEMY OF VOCAL ARTS
SCHEDULES OF ACTIVITIES—OPERATING (UNAUDITED)
YEARS ENDED JUNE 30, 2024 AND 2023
(SEE INDEPENDENT AUDITORS' REPORT)

	2024	2023
SCHEDULE OF OPERATING SUPPORT AND REVENUE		
Contributions, General	\$ 1,190,796	\$ 1,183,479
Corporate and Foundation Grants	186,822	302,755
Net Assets (Gifts Received in Prior Years)		
Released from Restrictions for Operations	179,010	95,010
Government Grants	11,560	5,000
Bequests	10,576	92,226
Fellowships	324,825	296,875
Jeannine B Cowles Music Director Chair	120,000	150,000
Board Designated Distribution	-	100,000
Investment Income:		
Warden Trust	430,000	466,000
Endowment	960,000	1,092,000
Mortgage Proceeds	120,000	120,000
Other Investment Income (Loss)	3,636	1,405
Box Office Receipts	193,013	201,617
Gala Receipts	410,163	280,986
Bucks County Opera Association	36,764	24,785
Main Line Opera Association	38,899	49,614
Worldwide Ambassadors Council	-	12,725
Opening Night Celebration	58,450	71,150
Concert Bureau	57,843	62,991
Special Events	77,781	30,350
Miscellaneous	30,878	3,054
Total Operating Support and Revenue	4,441,016	4,642,022
SCHEDULE OF OPERATING EXPENSES		
Payroll and Benefits:		
Administrative	411,557	419,575
Educational	402,016	477,063
Production	694,123	697,883
Fundraising	245,271	172,899
Marketing and PR	87,315	68,262
Orchestra	265,033	270,896
Payroll Taxes	164,663	163,165
Health Insurance	144,599	193,038
Retirement Plans	93,051	92,517
Total Payroll and Benefits	2,507,628	2,555,298
Office:		
Supplies and Expenses	20,060	10,895
Entertainment and Board Meetings	47,643	37,255
Staff Development	2,309	1,660
Directors and Officers Insurance	9,965	8,416
Audit/Professional Fees	61,927	55,347
Interest on Capital Leases	4,435	3,089
Computer Services	51,103	68,910
Tessitura Services	40,341	32,493
Telephone	9,014	10,339
Total Office Expenses	246,797	228,404
Academy:		
Faculty and Coaches Fees	20,932	46,260
Supplies and Expenses	5,078	6,040
Library	172	368
Piano Tuning and Repairs	20,562	6,747
Recruitment and Auditions	4,484	2,766
Accreditation and Memberships	3,930	3,832
Work Study Disbursements	1,938	3,895
Total Academy Expenses	57,096	69,908

THE ACADEMY OF VOCAL ARTS
SCHEDULES OF ACTIVITIES—OPERATING (UNAUDITED) (CONTINUED)
YEARS ENDED JUNE 30, 2024 AND 2023
(SEE INDEPENDENT AUDITORS' REPORT)

SCHEDULE OF OPERATING EXPENSES (CONTINUED)	2024	2023
Building:		
Insurance	\$ 56,198	\$ 54,534
Mortgage Interest - 1916 Spruce Street	94,867	100,902
Local Taxes and Assessments	704	971
Custodial Fees	44,014	45,000
Repairs and Maintenance	50,581	40,568
Utilities	38,404	40,174
Household Supplies and Expenses	2,342	3,469
Total Building Expenses	287,110	285,618
Marketing/Recruitment:		
Website	969	972
Publicity	6,542	14,069
Printing, Postage, and Promotion	97,804	72,702
Broadcasts	13,400	9,450
Total Marketing/Recruitment	118,715	97,193
Production Expenses:		
Contracted Fees	159,238	147,924
Stage Director Expenses	9,049	2,597
Costumes	36,907	37,437
Set Design, Construction, Transportation, and Storage	103,498	98,737
Lighting Design and Expenses	21,416	17,398
Props, Make-Up, and Wigs	13,490	19,037
Stage Hands	1,339	1,507
Theater Rentals and Opera Expenses	59,299	61,055
Music and Instrument Rentals	11,977	3,460
Box Office Fees and Expenses	20,754	19,111
Concert Bureau	59,643	63,891
Total Production Expenses	496,610	472,154
Other:		
Student Fellowships	325,235	299,425
Gala Expenses	82,126	96,175
Bucks County Opera Association	9,691	8,301
Main Line Opera Association	27,781	22,318
Worldwide Ambassadors Council	-	10,085
Opening Night Celebration	31,870	32,744
Special Events	65,453	24,965
Fundraising Expenses	35,331	58,809
Board Designated Expense	-	346,344
Total Other Expenses	577,487	899,166
Total Operating Expenses	4,291,443	4,607,741
Excess of Operating Support and Revenue Over Operating Expenses	\$ 149,573	\$ 34,281

THE ACADEMY OF VOCAL ARTS
SCHEDULES OF BENEFICIAL INTEREST IN PERPETUAL TRUST ASSETS AND NET ASSETS
JUNE 30, 2024 AND 2023
(SEE INDEPENDENT AUDITORS' REPORT)

	2024	2023
ASSETS		
Cash	\$ 31,734	\$ 3,271
Investments:		
Equity Mutual Funds	6,876,807	6,278,477
Fixed Income Mutual Funds	2,271,848	2,127,089
Total Assets	\$ 9,180,389	\$ 8,408,837
NET ASSETS WITH DONOR RESTRICTIONS - WARDEN TRUST	\$ 9,180,389	\$ 8,408,837

THE ACADEMY OF VOCAL ARTS
SCHEDULES OF BENEFICIAL INTEREST IN PERPETUAL TRUST ACTIVITIES
YEARS ENDED JUNE 30, 2024 AND 2023
(SEE INDEPENDENT AUDITORS' REPORT)

	<u>2024</u>	<u>2023</u>
Investment Income	\$ 198,065	\$ 190,228
Unrealized and Realized Gains on Investments	<u>1,016,094</u>	<u>734,876</u>
Total Revenue	1,214,159	925,104
Trust Expenses	12,607	10,270
Distributions to The Academy of Vocal Arts	<u>430,000</u>	<u>466,000</u>
Total Expenses	<u>442,607</u>	<u>476,270</u>
Change in Net Assets	771,552	448,834
Net Assets With Donor Restrictions - Warden Trust - Beginning of Year	<u>8,408,837</u>	<u>7,960,003</u>
Net Assets With Donor Restrictions - Warden Trust - End of Year	<u><u>\$ 9,180,389</u></u>	<u><u>\$ 8,408,837</u></u>



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