TUCSON SYMPHONY SOCIETY

AUDITED FINANCIAL STATEMENTS
Years ended June 30, 2025 and 2024

JENNIFER J. PHILLIPS, CPA, PLLC
CERTIFIED PUBLIC ACCOUNTANT

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JENNIFER J. PHILLIPS, CPA, PLLC
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Tucson Symphony Society
Tucson, Arizona

Opinion

I have audited the accompanying financial statements of Tucson Symphony Society (an Arizona nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tucson Symphony Society as of June 30, 2025 and 2024, 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

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Tucson Symphony Society and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Tucson Symphony Society's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's responsibilities for the audit of the financial statements

My 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 auditor's report that includes my 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, I:

- 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 Tucson Symphony Society's 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Tucson Symphony Society's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Jennifer J Phillips, CPA, PLLC

JENNIFER J. PHILLIPS, CPA, PLLC
Tucson, Arizona

November 10, 2025

TUCSON SYMPHONY SOCIETY
STATEMENT OF FINANCIAL POSITION
June 30, 2025

	Without donor restrictions	With donor restrictions	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 1,357,534	$ 341,391	$ 1,698,925
Accounts receivable - admissions	18,842	-	18,842
Government grants receivable	102,255	-	102,255
Contributions receivable, current portion - Note 4	26,322	290,520	316,842
Certificates of deposit	275,390	-	275,390
Prepaid expenses and deposits	150,996	-	150,996
Bequests receivable	20,000	1,281,830	1,301,830
Total current assets	1,951,339	1,913,741	3,865,080
Contributions receivable, non-current portion, net - Notes 4 and 11	-	938,240	938,240
Investments - Note 11	2,513,751	13,103,619	15,617,370
Beneficial interests in remainder trusts - Notes 5 and 11	-	200,367	200,367
Operating lease right of use asset - Note 14	27,925	-	27,925
Property and equipment - Note 6	773,433	-	773,433
Other assets	4,012	5,960	9,972
Total assets	$ 5,270,460	$ 16,161,927	$ 21,432,387
LIABILITIES AND NET ASSETS			
Current liabilities:			
Accounts payable and accrued expenses	$ 250,219	$ -	$ 250,219
Deferred revenue	982,382	-	982,382
Operating lease liability, current portion - Note 14	21,295	-	21,295
Notes payable, current portion - Note 8	59,030	-	59,030
Total current liabilities	1,312,926	-	1,312,926
Operating lease liability, non-current portion - Note 14	6,630	-	6,630
Notes payable, non-current portion - Note 8	335,661	-	335,661
Total liabilities	1,655,217	-	1,655,217
Net assets:			
Without donor restrictions - Note 3	3,615,243	-	3,615,243
With donor restrictions - Notes 9 and 10	-	16,161,927	16,161,927
Total net assets	3,615,243	16,161,927	19,777,170
Total liabilities and net assets	$ 5,270,460	$ 16,161,927	$ 21,432,387

See Accompanying Notes.

TUCSON SYMPHONY SOCIETY
STATEMENT OF FINANCIAL POSITION
June 30, 2024

	Without donor restrictions	With donor restrictions	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 839,782	$ 318,073	$ 1,157,855
Accounts receivable - admissions	15,654	-	15,654
Government grants receivable	15,422	38,500	53,922
Contributions receivable, current portion - Note 4	84,900	502,750	587,650
Certificates of deposit	1,249,048	-	1,249,048
Prepaid expenses and deposits	215,111	-	215,111
Bequests receivable	103,782	9,142,775	9,246,557
Total current assets	2,523,699	10,002,098	12,525,797
Contributions receivable, non-current portion, net - Notes 4 and 11	-	328,540	328,540
Investments - Note 11	2,268,854	3,802,463	6,071,317
Beneficial interests in remainder trusts - Notes 5 and 11	-	189,563	189,563
Operating lease right of use asset - Note 14	49,986	-	49,986
Property and equipment - Note 6	816,412	-	816,412
Other assets	26,607	3,546	30,153
Total assets	$ 5,685,558	$ 14,326,210	$ 20,011,768
LIABILITIES AND NET ASSETS			
Current liabilities:			
Accounts payable and accrued expenses	$ 198,071	$ -	$ 198,071
Deferred revenue	1,023,133	-	1,023,133
Operating lease liability, current portion - Note 14	21,491	-	21,491
Notes payable, current portion - Note 8	45,720	-	45,720
Total current liabilities	1,288,415	-	1,288,415
Operating lease liability, non-current portion - Note 14	28,494	-	28,494
Notes payable, non-current portion - Note 8	354,834	-	354,834
Total liabilities	1,671,743	-	1,671,743
Net assets:			
Without donor restrictions - Note 3	4,013,815	-	4,013,815
With donor restrictions - Notes 9 and 10	-	14,326,210	14,326,210
Total net assets	4,013,815	14,326,210	18,340,025
Total liabilities and net assets	$ 5,685,558	$ 14,326,210	$ 20,011,768

See Accompanying Notes.

TUCSON SYMPHONY SOCIETY
STATEMENT OF ACTIVITIES
Year ended June 30, 2025

	Without donor restrictions			With donor restrictions			
	Operating	Board designated	Total	Time and purpose	Permanent	Total	Grand total
Public support and revenues:							
Public support:							
Government grants	$ 55,500	$ -	$ 55,500	$ -	$ -	$ -	$ 55,500
Contributions and donations	1,880,024	197,000	2,077,024	795,406	926,901	1,722,307	3,799,331
Fundraising events, net of direct donor benefit costs of $145,664	211,729	-	211,729	21,770	-	21,770	233,499
Total public support	2,147,253	197,000	2,344,253	817,176	926,901	1,744,077	4,088,330
Revenue:							
Admissions	2,054,711	-	2,054,711	-	-	-	2,054,711
Contract income	93,276	-	93,276	-	-	-	93,276
Net investment return	80,559	294,884	375,443	1,065,751	-	1,065,751	1,441,194
Change in value of trust - Note 5	-	-	-	-	10,804	10,804	10,804
Gain on disposal of assets	-	-	-	-	-	-	-
Other income	18,494	-	18,494	-	-	-	18,494
Total revenue	2,247,040	294,884	2,541,924	1,065,751	10,804	1,076,555	3,618,479
Net assets released from restrictions	1,647,441	(662,526)	984,915	(984,915)	-	(984,915)	-
Total public support and revenues	6,041,734	(170,642)	5,871,092	898,012	937,705	1,835,717	7,706,809
Expenses:							
Program services	5,012,827	-	5,012,827	-	-	-	5,012,827
General and administrative	711,922	-	711,922	-	-	-	711,922
Fundraising	544,915	-	544,915	-	-	-	544,915
Total expenses	6,269,664	-	6,269,664	-	-	-	6,269,664
Change in net assets	(227,930)	(170,642)	(398,572)	898,012	937,705	1,835,717	1,437,145
Net assets, beginning of year	463,457	3,550,358	4,013,815	1,373,299	12,952,911	14,326,210	18,340,025
Net assets, end of year	$ 235,527	$ 3,379,716	$ 3,615,243	$ 2,271,311	$ 13,890,616	$ 16,161,927	$ 19,777,170

See Accompanying Notes.

TUCSON SYMPHONY SOCIETY
STATEMENT OF ACTIVITIES
Year ended June 30, 2024

	Without donor restrictions			With donor restrictions			
	Operating	Board designated	Total	Time and purpose	Permanent	Total	Grand total
Public support and revenues:							
Public support:							
Government grants	$ 86,199	$ -	$ 86,199	$ 38,500	$ -	$ 38,500	$ 124,699
Contributions and donations	1,681,732	933,782	2,615,514	793,628	2,500	796,128	3,411,642
Fundraising events, net of direct donor benefit costs of $148,212	171,613	-	171,613	39,000	-	39,000	210,613
Total public support	1,939,544	933,782	2,873,326	871,128	2,500	873,628	3,746,954
Revenue:							
Admissions	2,133,919	-	2,133,919	-	-	-	2,133,919
Contract income	272,863	-	272,863	-	-	-	272,863
Net investment return	162,354	271,299	433,653	419,327	-	419,327	852,980
Change in value of trust - Note 5	-	-	-	-	2,688,065	2,688,065	2,688,065
Gain on disposal of assets	129,618	-	129,618	-	-	-	129,618
Other income	8,043	-	8,043	-	-	-	8,043
Total revenue	2,706,797	271,299	2,978,096	419,327	2,688,065	3,107,392	6,085,488
Net assets released from restrictions	948,171	(383,873)	564,298	(564,298)	-	(564,298)	-
Total public support and revenues	5,594,512	821,208	6,415,720	726,157	2,690,565	3,416,722	9,832,442
Expenses:							
Program services	4,759,529	-	4,759,529	-	-	-	4,759,529
General and administrative	684,225	-	684,225	-	-	-	684,225
Fundraising	478,213	-	478,213	-	-	-	478,213
Total expenses	5,921,967	-	5,921,967	-	-	-	5,921,967
Change in net assets	(327,455)	821,208	493,753	726,157	2,690,565	3,416,722	3,910,475
Net assets, beginning of year	790,912	2,729,150	3,520,062	647,142	10,262,346	10,909,488	14,429,550
Net assets, end of year	$ 463,457	$ 3,550,358	$ 4,013,815	$ 1,373,299	$ 12,952,911	$ 14,326,210	$ 18,340,025

See Accompanying Notes.

TUCSON SYMPHONY SOCIETY
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2025

	Program services	General and administrative	Fundraising	Total
Salaries, wages, and fringe benefits	$ 2,901,843	$ 527,047	$ 423,188	$ 3,852,078
Contracted services	1,090,027	41,540	23,423	1,154,990
Marketing	227,482	-	20,169	247,651
Depreciation	73,421	33,946	8,830	116,197
Occupancy	266,044	28,936	7,526	302,506
Professional services	-	17,506	-	17,506
Licenses, fees and dues	146,566	25,055	14,208	185,829
Bad debt expense	-	-	1,202	1,202
Equipment	197,152	10,496	8,871	216,519
Interest	-	18,724	-	18,724
Other	62,666	7,687	36,184	106,537
Insurance	47,626	985	1,314	49,925
Total expenses, per Statement of Activities	5,012,827	711,922	544,915	6,269,664
Direct donor benefit, netted against fundraising event revenue	-	-	145,664	145,664
Total functional expenses	$ 5,012,827	$ 711,922	$ 690,579	$ 6,415,328

See Accompanying Notes.

TUCSON SYMPHONY SOCIETY
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2024

	Program services	General and administrative	Fundraising	Total
Salaries, wages, and fringe benefits	$ 2,795,379	$ 510,073	$ 351,666	$ 3,657,118
Contracted services	983,640	37,144	21,815	1,042,599
Marketing	232,466	-	21,094	253,560
Depreciation	68,021	31,450	8,181	107,652
Occupancy	246,478	29,902	15,516	291,896
Professional services	-	20,666	-	20,666
Licenses, fees and dues	147,430	23,420	16,367	187,217
Bad debt expense	-	-	6,698	6,698
Equipment	210,822	4,937	3,605	219,364
Interest	-	9,045	-	9,045
Other	29,380	16,750	32,434	78,564
Insurance	45,913	838	837	47,588
Total expenses, per Statement of Activities	4,759,529	684,225	478,213	5,921,967
Direct donor benefit, netted against fundraising event revenue	-	-	148,212	148,212
Total functional expenses	$ 4,759,529	$ 684,225	$ 626,425	$ 6,070,179

See Accompanying Notes.

TUCSON SYMPHONY SOCIETY
STATEMENT OF CASH FLOWS
Year ended June 30, 2025

	Without donor restrictions	With donor restrictions	Total
Cash flows from operating activities:			
Change in net assets	$ (398,572)	$ 1,835,717	$ 1,437,145
Adjustment to reconcile change in net assets to net cash provided by operating activities:			
Write-off of uncollectible contribution receivable	-	33,800	33,800
Discount on unconditional promises to give	-	32,500	32,500
Contributions restricted to endowment	-	(926,901)	(926,901)
Endowment net investment (return)	(294,884)	(1,065,751)	(1,360,635)
Change in value of interest in remainder trust	-	(10,804)	(10,804)
Depreciation expense	116,197	-	116,197
Loss on disposal of property and equipment	-	-	-
Changes in operating assets and liabilities:			
Accounts receivable - admissions	(3,188)	-	(3,188)
Government grants receivable	(86,833)	38,500	(48,333)
Contributions receivable	58,578	(463,770)	(405,192)
Prepaid expenses and deposits	64,115	-	64,115
Bequests receivable	83,782	7,860,945	7,944,727
Other assets	22,595	(2,414)	20,181
Accounts payable and accrued expenses	52,149	-	52,149
Deferred revenue	(40,751)	-	(40,751)
Net cash provided by (used in) operating activities	(426,812)	7,331,822	6,905,010
Cash flows from investing activities:			
Purchase of property and equipment	(73,218)	-	(73,218)
Purchases of certificates of deposit/ reinvested interest	(354,963)	-	(354,963)
Proceeds from the sale/redemption of other investments	1,328,621	-	1,328,621
(Addition to)/withdrawal from endowment	49,987	(8,235,405)	(8,185,418)
Net cash provided by (used in) investing activities	950,427	(8,235,405)	(7,284,978)
Cash flows from financing activities:			
Collection of contributions - endowment	-	926,901	926,901
Principal payments on notes payable	(5,863)	-	(5,863)
Net cash provided by (used in) financing activities	(5,863)	926,901	921,038
Net change in cash and cash equivalents	517,752	23,318	541,070
Cash and cash equivalents, beginning of year	839,782	318,073	1,157,855
Cash and cash equivalents, end of year	$ 1,357,534	$ 341,391	$ 1,698,925

Supplemental cash flow information - Note 13

See Accompanying Notes.

TUCSON SYMPHONY SOCIETY
STATEMENT OF CASH FLOWS
Year ended June 30, 2024

	Without donor restrictions	With donor restrictions	Total
Cash flows from operating activities:			
Change in net assets	$ 493,753	$ 3,416,722	$ 3,910,475
Adjustment to reconcile change in net assets to net cash provided by operating activities:			
Write-off of uncollectible contribution receivable	-	6,250	6,250
Discount on unconditional promises to give	-	4,122	4,122
Contributions restricted to endowment	-	(2,500)	(2,500)
Endowment net investment (return)	(271,299)	(419,327)	(690,626)
Change in value of interest in remainder trust	-	(2,688,065)	(2,688,065)
Depreciation expense	107,652	-	107,652
Loss on disposal of property and equipment	13,300	-	13,300
Changes in operating assets and liabilities:			
Accounts receivable - admissions	11,702	-	11,702
Government grants receivable	209,899	(38,500)	171,399
Contributions receivable	(59,095)	(347,250)	(406,345)
Prepaid expenses and deposits	(86,227)	-	(86,227)
Bequests receivable	(33,782)	-	(33,782)
Other assets	(12,999)	(3,546)	(16,545)
Accounts payable and accrued expenses	(36,610)	-	(36,610)
Deferred revenue	(40,403)	-	(40,403)
Net cash provided by (used in) operating activities	295,891	(72,094)	223,797
Cash flows from investing activities:			
Purchase of property and equipment	(79,896)	-	(79,896)
Purchases of certificates of deposit/ reinvested interest	(2,079,711)	-	(2,079,711)
Proceeds from the sale/redemption of other investments	1,330,663	-	1,330,663
(Addition to)/withdrawal from endowment	143,994	49,270	193,264
Net cash provided by (used in) investing activities	(684,950)	49,270	(635,680)
Cash flows from financing activities:			
Collection of contributions - endowment	-	2,500	2,500
Principal payments on notes payable	(43,888)	-	(43,888)
Net cash provided by (used in) financing activities	(43,888)	2,500	(41,388)
Net change in cash and cash equivalents	(432,947)	(20,324)	(453,271)
Cash and cash equivalents, beginning of year	1,272,729	338,397	1,611,126
Cash and cash equivalents, end of year	$ 839,782	$ 318,073	$ 1,157,855

Supplemental cash flow information - Note 13

See Accompanying Notes.

NOTE 1 – Organization

Tucson Symphony Society (Society) is a nonprofit organization that supports and manages a professional symphony orchestra and produces symphonic concerts, educational programs and other musical performances in Tucson, Arizona and surrounding communities. The majority of the Society's support is obtained through ticket sales and contributions.

NOTE 2 – Summary of significant accounting policies

Cash and cash equivalents

The Society considers cash and highly liquid investments with a maturity of three months or less to be cash equivalents. Cash and cash equivalents include short-term certificates of deposit and money market accounts which are stated at market value, which approximates cost.

Accounts and grants receivable

Accounts receivable consist of amounts due for scheduled community events and scheduled performances. Grants receivable consist of governmental grants awarded to the Society but not yet received. Management believes all amounts are collectible and, therefore, has not established an allowance for uncollectible amounts. There are no amounts greater than 90 days past due as of either June 30, 2025 or 2024.

Promises to give

The Society records unconditional promises to give (contributions receivable) that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. The Society determines the allowance for uncollectable promises to give based on an analysis of specific donors, taking into consideration the age of past due amounts and an assessment of the donor’s ability to pay. Promises to give are written off when deemed uncollectable.

Bequests receivable

Bequests are recognized as contribution revenue when the Society has an irrevocable right to the gift as determined by applicable court declarations, and the amount can be reasonably estimated. The revenue and related receivable are recorded at the present value of the amount which management estimates it will collect. Bequests receivable that are expected to be collected within one year are recorded at their net realizable value and classified as current. Bequests receivable that are expected to be collected in future years are recorded at the estimated net realizable value and classified as noncurrent.

Investments

Investments in marketable securities with readily determinable fair values are stated at their fair values in the statements of financial position. Net investment income/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Certificates of deposit (CDs) are other investments that are not a debt security. CDs with original maturities greater than one year with remaining maturities less than one year are classified as current. Certificates of deposit with remaining maturities greater than one year are classified as non-current.

NOTE 2 – Summary of significant accounting policies – continued

Property and equipment

Purchased property and equipment in excess of $5,000 is capitalized at cost. Donated property and equipment is recorded at fair value at the date of the donation. The cost of repairs and maintenance is charged to expense in the year incurred. Depreciation is computed using the straight-line method over the following estimated useful lives of the assets:

Building and improvements	5-30 years
Concert equipment	5-10 years
Computer equipment and software	3-5 years
Office furniture and equipment	5-10 years
Musical instruments	5-10 years
Music library	5-25 years

The Society reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. The Society has determined that there were no indicators of asset impairment as of either June 30, 2025 or 2024.

Fund accounting and net asset classifications

To ensure observance of limitations and restrictions placed on the use of resources available to the Society, the financial records of the Society are maintained on the accrual basis of accounting utilizing "fund accounting" and by applying the provisions of the State of Arizona's Management of Charitable Funds Act to endowment funds. Fund accounting is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with specific activities and objectives. Separate accounts are maintained for each fund.

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor restrictions. The Board of Trustees has designated, from net assets without donor restrictions, net assets for a board-designated quasi-endowment and a board-designated operating reserve.

Net assets with donor restrictions – Net assets subject to donor (or grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that the resources be maintained in perpetuity.

The Society reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

NOTE 2 – Summary of significant accounting policies – continued

Endowments

The Society's endowment consists of eleven donor-restricted funds established for a variety of purposes, and one quasi-endowment of net assets without donor restrictions, designated by the Board of Trustees. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The State of Arizona adopted the Management of Charitable Funds Act (the Act). The Board of Trustees of the Society adheres to the Act as implemented by the State of Arizona, and the Society's Investment Policy Statement (IPS), in managing the endowment fund and in making decisions to appropriate or accumulate donor-restricted endowment funds.

The accumulated investment earnings on donor-restricted funds are classified as net assets with donor restrictions, subject to spending policy or appropriation, until those amounts are appropriated for expenditure by the Society in a manner consistent with the IPS and the standards of prudence prescribed by the Act and other applicable laws.

Accordingly, the Society considers the following factors in making a determination to appropriate or accumulate endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the Society and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Society
(7) The investment policies of the Society

Revenue and revenue recognition

Season ticket revenue is recognized during the related concert season. Season ticket revenue collected prior to year-end and applicable to the following season is recorded as deferred revenue. Payments received prior to year-end for future community contract engagements are recorded as deferred revenue, and the related contract income is recognized as the contract engagements are performed.

Fundraising events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Society recognizes fundraising events revenue equal to the fair value of direct benefits to donors when the special event takes place. The Society recognizes the contribution element of fundraising event revenue immediately, unless there is a right of return if the special event does not take place.

All goods and services are transferred at a point in time.

The Society recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Consequently, at June 30, 2025 and 2024, conditional grants totaling $0 and $200,000, respectively, have not been recognized as revenue in the accompanying financial statements.

NOTE 2 – Summary of significant accounting policies – continued

In-kind contributions

Contributed nonfinancial assets include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the goods or services received. The Society does not sell donated gifts-in-kind. Contributed goods are recorded at fair value at the date of donation. Any contributions of such goods or services received during the years ended June 30, 2025 and 2024 were not material to the financial statements taken as a whole.

Donated services are recognized in the financial statements at their fair market value if the following criteria are met:

- The services require specialized skills and the services are provided by individuals possessing those skills.
- The services would typically need to be purchased if not donated.

Although the Society's volunteers contribute significant amounts of time to program services, administration and fundraising activities, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles.

Functional allocation of expenses

The Society allocates its expenses on a functional basis among its programs and supporting services. Expenses that can be identified to a specific functional area are allocated directly according to their natural classification. Certain other expenses are allocated among the program services and supporting services benefited. Allocation methodologies include a time study for certain employee wages split between program and support services, allocations by square footage occupied for shared building and depreciation expenses, full-time equivalent (FTE) allocation of services, equipment and supplies used, and a headcount allocation of insurance expenses. Wages and contracted expenses for accounting, payroll, human resources, and professional services remain in the General and Administrative functional area and are not allocated to programs.

Advertising

The Society does not participate in direct-response advertising which requires the capitalization and amortization of related costs. For the years ended June 30, 2025 and 2024 advertising costs totaled $221,314 and $185,822, respectively, included in marketing expense in the accompanying statements of functional expenses.

Operating leases

The Society leases certain office equipment at various terms under long-term non-cancelable operating lease agreements. The leases expire at various dates through 2028. In addition, the equipment operating lease agreement requires the Society to pay usage fees.

The weighted-average discount rate is based on the discount rate implicit in the lease. The Society has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The Society has applied the risk-free rate option to the office equipment class of assets.

NOTE 2 – Summary of significant accounting policies – continued

The Society has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. In addition, immaterial assets and liabilities are not recognized for long-term leases. Lease payments for these leases are recognized on straight-line basis.

The Society has elected the practical expedient to not separate lease and non-lease components for equipment leases.

Income tax status

The Society is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Society's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Society qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(VI) and has been classified as an organization other than a private Society under Section 509(a)(2).

Management of the Society considers the likelihood of changes by taxing authorities in its filed tax returns and recognizes a liability for or discloses potential significant changes if management believes it is more likely than not for a change to occur, including changes to the organization's status as a not-for-profit entity. Management believes that the Society met the requirements to maintain its tax-exempt status and has no income subject to unrelated business income tax, therefore, no provision for income taxes has been provided in these financial statements. Accordingly, the Society has not filed an *Exempt Organization Business Income Tax Return* (Form 990-T) with the Internal Revenue Service (IRS) for either of the years ended June 30, 2025 or 2024, except to apply for the direct pay solar tax credit as described in Note 15.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Fair value measurements

Fair value measurements are determined based on the assumptions—referred to as inputs—that market participants would use in pricing the asset or liability. A fair value hierarchy distinguishes between market participant assumptions and the Society's own assumptions about market participant assumptions. Observable inputs are assumptions based on market data obtained from independent sources, while unobservable inputs are the Society's own assumptions about what market participants would assume based on the best information available in the circumstances.

Level 1 inputs. A quoted price in an active market for an identical asset or liability is considered to be the most reliable evidence of fair value.

Level 2 inputs. These are observable inputs, either directly or indirectly, other than quoted prices included within Level 1. They include quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or inputs (interest rates, currency exchange rates, commodity rates or yield curves) that are observable or corroborated by observable market data for substantially the full term of the assets or liabilities.

NOTE 2 – Summary of significant accounting policies – continued

Level 3 inputs. These inputs are unobservable and are used to measure fair value only when observable inputs are not available. These inputs reflect management's judgment about the assumptions that market participants would use in pricing the asset or liability.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

Financial instruments and credit risk

The Society maintains cash in bank deposit accounts with financial institutions believed to be creditworthy. The Federal Deposit Insurance Corporation (FDIC) insures cash accounts at banks up to $250,000 per institution. At times, amounts on deposit may exceed federally insured limits. As of June 30, 2025, there was no uninsured cash. To date, the Society has not experienced losses in any of these accounts.

Cash and investments held by other institutions are covered up to $500,000 under insurance provided by the Securities Investor Protection Corporation (SIPC). However, the SIPC does not protect against losses in market value. Investments are made by diversified investment managers whose performance is monitored by management and the Board of Trustees. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Board of Trustees believes that the investment policies and guidelines are prudent for the long-term welfare of the organization. Investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that such changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

Credit risk associated with receivables is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Trustees and others supportive of the Society's mission; however, there is a potential credit risk and accounting loss that could occur if all parties to the receivables fail to perform their obligations for the stated amounts.

NOTE 3 – Liquidity, availability and sustainability

Trustee-designated amounts consist of funds designated by the Board as a quasi-endowment and an operating reserve. Although the Society intends to hold the board-designated endowment in perpetuity (other than amounts appropriated for expenditure as part of the Board's annual budget - See Note 10), the Board has the discretion to make these funds available for operations, if necessary, as the quasi-endowment is made up of unrestricted financial resources. The designated operating reserve is subject to internal purpose restrictions and is also made up of unrestricted financial resources.

Endowments with donor restrictions on the use of earnings are not available for general expenditure. Earnings on endowments not restricted by donors are available for expenditure in accordance with the spending policy of the Society.

NOTE 3 – Liquidity, availability and sustainability – continued

The Society maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Society maintains a line of credit in the amount of $500,000 that can be drawn upon as needed to manage cash flow.

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, follow on June 30:

	2025	2024
Cash and cash equivalents	$ 1,357,534	$ 839,782
Accounts and grants receivable	121,097	31,076
Contributions receivable, current	26,322	84,900
Certificates of deposit	275,390	1,249,048
Bequests receivable	20,000	103,782
Investments	2,513,751	2,268,854
	4,314,094	4,577,442
Less: Trustee-designated net assets:		
Operating reserves	(151,100)	(819,884)
Maestro's Vision	(447,000)	(400,000)
Capital reserves	(132,000)	-
Cotillion ball	(100,000)	-
Quasi-endowment	(2,549,614)	(2,330,474)
	(3,379,714)	(3,550,358)
	$ 934,380	$ 1,027,084

NOTE 4 – Contributions receivable

The Society has an ongoing campaign to help raise funds for current and future symphony seasons. The balances due related to this campaign are as follows at June 30, 2025:

	Without donor restrictions	With donor restrictions: Time & purpose restrictions	With donor restrictions: Endowment	Total
Year ended June 30, 2026	$ 26,322	$ 290,520	$ -	$ 316,842
2027	-	324,000	-	324,000
2028	-	305,000	-	305,000
2029	-	47,000	-	47,000
2030	-	25,000	-	25,000
Thereafter	-	90,000	250,000	340,000
	26,322	1,081,520	250,000	1,357,842
Interest at 4.99%	-	(37,610)	(13,100)	(50,710)
Allowance for uncollectible amounts	-	(39,550)	(12,500)	(52,050)
	26,322	1,004,360	224,400	1,255,082
Less: current portion	(26,322)	(290,520)	-	(316,842)
Non-current portion, net	$ -	$ 713,840	$ 224,400	$ 938,240

NOTE 4 – Contributions receivable – continued

Contributions receivable are scheduled to be paid in future years as follows at June 30, 2024:

	Without donor restrictions	With donor restrictions: Time & purpose restrictions	With donor restrictions: Endowment	Total
Year ended June 30, 2025	$ 84,900	$ 502,750	$ -	$ 587,650
2026	-	125,000	-	125,000
2027	-	120,000	-	120,000
2028	-	120,000	-	120,000
	84,900	867,750	-	952,650
Interest at 4.99%	-	(18,210)	-	(18,210)
Allowance for uncollectible amounts	-	(18,250)	-	(18,250)
	84,900	831,290	-	916,190
Less: current portion	(84,900)	(502,750)	-	(587,650)
Non-current portion, net	$ -	$ 328,540	$ -	$ 328,540

See Note 11 for fair value measurements.

NOTE 5 – Beneficial interests in remainder trusts

The Society is the named beneficiary of a charitable remainder unitrust established in 2005. The donor has indicated that the assets of the trust are to be added to the Society's endowment fund. Changes in the fair value of the Society's interest in the trust assets are reflected as gains or losses in the statement of activities in the period they occur. The assets of the trust as of June 30, 2025 and 2024 consist of investments in the amount of $200,367 and $189,563, respectively.

During the year ended June 30, 2020, the Society was listed as a beneficiary in an irrevocable trust. According to the trust documents, the primary beneficiary (an individual unrelated to the Society) received regular distributions from the income generated by the trust assets throughout the duration of her life. The distributions from the charitable remainder trust to the primary beneficiary in any one year are limited to the lesser of 5% of the fair value of the trust assets at the previous year end, or the income generated by the trust assets in the previous year. The primary beneficiary was not entitled to any of the principal of the assets held in the trust. After such obligations are fulfilled, the remaining assets held in the trust will be distributed in equal shares to the eight charitable organizations named in the agreement, to be held by each organization as a permanent endowment.

The amount recognized was the estimated fair value of its beneficial interest based on the Society's share of the present value of the assets held in the trusts, using an estimated 2.6% interest rate, as of the date it became irrevocable and utilizing Internal Revenue Service guidelines and factor tables for calculating the present value of a remainder. Changes in the fair value of the Society's interest in the trust assets are reflected as gains or losses in the statement of activities in the period they occur.

During the year ended June 30, 2024, the primary beneficiary deceased and a bequest receivable was recognized by the Society in the amount of $9,097,775. Of this amount, $1,272,646 remained in bequests receivable at June 30, 2025.

NOTE 6 – Property and equipment

Property and equipment at June 30, 2025 and 2024 consisted of the following:

	2025	2024
Building and improvements	$ 1,805,274	$ 1,780,875
Concert equipment	279,188	272,551
Computer equipment and software	89,449	159,121
Office furniture and equipment	10,280	11,626
Musical instruments	460,327	427,987
Music library	178,546	178,546
	2,823,064	2,830,706
Less: accumulated depreciation	(2,049,631)	(2,014,294)
	$ 773,433	$ 816,412

NOTE 7 – Line of credit

During the year ended June 30, 2024, the Society entered into a revolving line of credit with a maximum borrowing amount of $500,000. The line of credit has no stated maturity date and is secured by the Society's real property. Interest will be payable at a variable rate of 1.5% above the prime rate. The balance on the line of credit was $0 as of both June 30, 2025 and 2024.

NOTE 8 – Notes payable

The Society has a note payable to a bank collateralized by the Society's building. In January 2022, the variable interest rate was modified to a fixed interest rate of 3.99% per annum. Payments are due in monthly installments of $4,411. Final payment is due in July 2028. The outstanding balance at June 30, 2025 and 2024 was $153,328 and $199,048, respectively.

During the year ended June 30, 2025, the Society entered into a note payable to a financing company in the amount of $250,459 for the purchase of a solar energy system. Payments are due in monthly installments of $1,937 for a term of 10 years beginning on the earlier of the installation date of the system or 18 months from the first funding distributions to the solar installer, including interest at 4.99% per annum. A balloon payment in the amount of $77,500 is due within two years, upon the receipt of a direct-pay tax credit. The outstanding balance at June 30, 2025 and 2024 was $241,363 and $201,506, respectively.

Required principal payments on the notes payable are as follows:

Year ending June 30, 2026	$ 59,030
2027	139,897
2028	68,228
2029	22,019
Thereafter	105,517
	394,691
Less: current portion	(59,030)
Non-current portion	$ 335,661

NOTE 9 – Net assets with donor restrictions

Net assets with donor restrictions were as follows for the year ended June 30, 2025:

	Beginning balance	Contributions	Net investment income	Releases/ Reclassifications	Ending balance
Specified purpose:					
Concert sponsorship	$ 88,750	$ 50,000	$ -	$ (88,750)	$ 50,000
Cotillion Ball	19,000	21,770	-	(19,000)	21,770
Capital repairs	5,469	-	-	(5,469)	-
Education	150,000	-	-	(150,000)	-
Other	20,000	-	-	(5,000)	15,000
	283,219	71,770	-	(268,219)	86,770
Timing -					
Future symphony seasons	812,541	745,406	-	(494,001)	1,063,946
Endowments:					
Subject to appropriation and expenditure (purpose):					
Accumulated earnings on endowment gifts	277,539	-	1,065,751	(222,695)	1,120,595
Not subject to spending policy and appropriation:					
Gifts - investments	12,763,348	926,901	-	-	13,690,249
Gifts - beneficial interest In trusts	189,563	-	10,804	-	200,367
	12,952,911	926,901	10,804	-	13,890,616
Total endowments	13,230,450	926,901	1,076,555	(222,695)	15,011,211
	$ 14,326,210	$ 1,744,077	$ 1,076,555	$ (984,915)	$ 16,161,927

NOTE 9 – Net assets with donor restrictions – continued

Net assets with donor restrictions were as follows for the year ended June 30, 2024:

	Beginning balance	Contributions	Net investment income	Releases/ Reclassifications	Ending balance
Specified purpose:					
Concert sponsorship	$ 25,000	$ 88,750	$ -	$ (25,000)	$ 88,750
Cotillion Ball	30,000	19,000	-	(30,000)	19,000
Capital repairs	6,000	-	-	(531)	5,469
Education	-	150,000	-	-	150,000
Other	1,999	20,000	-	(1,999)	20,000
	62,999	277,750	-	(57,530)	283,219
Timing -					
Future symphony seasons	598,613	593,378	-	(379,450)	812,541
Endowments:					
Subject to appropriation and expenditure (purpose):					
Accumulated earnings on endowment gifts	(14,470)	-	419,327	(127,318)	277,539
Not subject to spending policy and appropriation:					
Gifts - investments	3,663,073	2,500	-	9,097,775	12,763,348
Gifts - beneficial interest In trusts	6,599,273	-	2,688,065	(9,097,775)	189,563
	10,262,346	2,500	2,688,065	-	12,952,911
Total endowments	10,247,876	2,500	3,107,392	(127,318)	13,230,450
	$ 10,909,488	$ 873,628	$ 3,107,392	$ (564,298)	$ 14,326,210

NOTE 10 – Endowments

Funds with deficiencies

The Act permits spending from underwater endowments in accordance with prudent measures required under law. Deficiencies of $0 were reported in net assets with donor restrictions as of both June 30, 2025 and 2024.

Investment return objectives, risk parameters and strategies

The Society has an Investment Committee that is responsible for the broad design, oversight, and implementation of the endowment funds' investment activities. The Investment Committee selects, engages, and monitors a qualified Outsourced Chief Investment Officer (OCIO). As a fiduciary, the discretionary OCIO is hired to select the institutional investments of the Society. The OCIO may select individual investments or investment funds directly or hire investment managers to perform the work.

The Society has adopted investment and spending policies for endowment assets with the objective of providing a predictable stream of funding to operations while also maintaining the purchasing power of the endowment funds over the long-term.

Endowment assets are invested in a well-diversified mix of asset classes including a target of 65% equities, 30% fixed income, and 5% diversifying, that is intended to result in a consistent inflation-

NOTE 10 – Endowments – continued

protected rate of return that has sufficient liquidity to make an annual distribution, while growing the funds if possible.

The Society's primary objective is for its endowment assets, over time, to produce an average rate of return of at least the return of the Society's spending policy, net of fees and above inflation on a 5-year rolling average. Actual returns in any given year may vary from this amount. The secondary objective is to attain an average annual return, net of fees, and on a rolling 3-year basis, equal or greater to the appropriate benchmark based on asset allocation. Thoughtful diversification is the primary means by which the Investment Committee expects the funds to attain the stated return objectives and avoid undue risk of losses over long periods of time. The OCIO will manage risk through careful application of asset allocation, diversification, and rebalancing in accordance with prudent fiduciary practices.

Spending policies

The Society has a policy that appropriations for distributions from the donor-restricted endowment funds taken each fiscal year may not ordinarily exceed 5% of the average account balance of the ending market values for the prior 12 quarters. The Finance Committee, in communication with the OCIO, may determine the timing of distributions from the endowment, unless otherwise directed by the Board. The Board may approve distributions that exceed this formula if, in its judgement such distributions are prudent, consistent with the Act, and necessary to support operations of the Society. In the case of donor-endowed accounts with specified spending guidance, withdrawals will be in accordance with donor guidelines. In establishing this policy, the Society considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds and the possible effects of inflation. The Board has complete discretion over distributions of the unrestricted quasi-endowments; however, the spending policy for the unrestricted quasi-endowments will generally be the same as the donor-restricted endowments.

Changes in endowment net assets consisted of the following for the year ended June 30, 2025:

	Without donor restrictions	With donor restrictions	Total
Balance, beginning of year	$ 2,330,474	$ 13,230,450	$ 15,560,924
Contributions	-	926,901	926,901
Investment return, net	294,884	1,065,751	1,360,635
Change in value of trust	-	10,804	10,804
Appropriations/releases	(75,744)	(222,695)	(298,439)
Balance, end of year	$ 2,549,614	$ 15,011,211	$ 17,560,825

Changes in endowment net assets consisted of the following for the year ended June 30, 2024:

	Without donor restrictions	With donor restrictions	Total
Balance, beginning of year	$ 2,141,549	$ 10,247,876	$ 12,389,425
Contributions	-	2,500	2,500
Investment return, net	271,299	419,327	690,626
Change in value of trust	-	2,688,065	2,688,065
Appropriations/releases	(82,374)	(127,318)	(209,692)
Balance, end of year	$ 2,330,474	$ 13,230,450	$ 15,560,924

NOTE 10 – Endowments – continued

Endowment fund assets consisted of the following at June 30, 2025 and 2024:

	2025	2024
Cash and cash equivalents	$ 236,858	$ 157,269
Contributions receivable	224,400	-
Bequests receivable	1,281,830	9,142,775
Investments	15,617,370	6,071,317
Beneficial interest in trusts	200,367	189,563
	$ 17,560,825	$ 15,560,924

NOTE 11 – Fair value measurements

The following table presents the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2025:

	Level 1	Level 3	Total
Equities	$ 10,780,550	$ -	$ 10,780,550
Fixed income	4,633,429	-	4,633,429
Private equity	203,391	-	203,391
Beneficial interest in trusts	-	200,367	200,367
	$ 15,617,370	$ 200,367	$ 15,817,737

The fair value of assets measured on a recurring basis at June 30, 2024 are the following:

	Level 1	Level 3	Total
Equities	$ 4,191,591	$ -	$ 4,191,591
Fixed income	1,879,726	-	1,879,726
Private equity	-	-	-
Beneficial interest in trusts	-	189,563	189,563
	$ 6,071,317	$ 189,563	$ 6,260,880

Activity measured on a recurring basis for Level 3 investments consisted of the following for the years ended June 30, 2025 and 2024:

	2025	2024
Balance, beginning of year	$ 189,563	$ 6,599,273
Conversion to bequest receivable	-	(9,097,775)
Change in value of trust	10,804	2,688,065
Balance, end of year	$ 200,367	$ 189,563

NOTE 11 – Fair value measurements – continued

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a non-recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2025 and 2024:

	Level 3	
	2025	2024
Assets:		
Contributions receivable	$ 1,255,082	$ 916,190

Valuation

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies used at June 30, 2025 and 2024.

The following is a description of the valuation methodologies used for assets measured at fair value.

- *Equities, fixed income and private equity:* Valued at fair value based on national trade listing.
- *Beneficial interests in remainder trusts:* Valued at the fair value of the underlying investments as reported by the third party.
- *Contribution*s *receivable*: Initially valued using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Society believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 12 – Retirement plans

The Society has a qualified 403(b) retirement savings plan covering substantially all employees. Under the Plan, employees may elect to contribute a specified percentage or a fixed dollar amount of their salary to the plan. The Plan also allows the Society to make a discretionary matching contribution. During the years ended June 30, 2025 and 2024, the Society contributed $21,359 and $15,980, respectively, to the Plan.

NOTE 13 – Supplemental cash flow information

Cash paid for interest was $18,724 and $9,045 during the years ended June 30, 2025 and 2024, respectively. No cash was paid for income taxes during either of the years ended June 30, 2025 or 2024.

Non-cash transactions

Reinvested dividends were $232,221 and $142,241 during the years ended June 30, 2025 and 2024, respectively. During the year ended June 30, 2024, the primary beneficiary of a charitable remainder

NOTE 13 – Supplemental cash flow information – continued

trust deceased and a bequest receivable was recognized by the Society in the amount of $9,097,775. During the year ended June 30, 2024, the Society began installing a solar energy system, which was financed by a financing company. Total payments by the financing company to the solar company were $201,506 as of June 30, 2024.

NOTE 14 – Operating leases

Total operating lease costs for office equipment were $24,588 and $28,869 for the years ended June 30, 2025 and 2024, respectively. The weighted-average remaining lease term was 1.5 years at June 30, 2025. The weighted-average discount rate was 3.8% at June 30, 2025. The future minimum lease payments under non-cancelable operating leases with terms greater than one year are as follows:

Year ending June 30, 2026	$ 24,588
2027	4,651
2028	3,489
Total lease payments	32,728
Less interest	(4,803)
	$ 27,925

NOTE 15 – Direct pay solar tax credit

The Society qualified for a direct pay solar tax credit during the year ended June 30, 2025. The direct pay credit is a refundable tax credit against the cost of a clean energy project and was established by the Inflation Reduction Act of 2022 as an elective option for tax-exempt entities in lieu of a nonrefundable tax credit. The Society has elected to account for the direct pay credit as a reduction in the cost of the related asset.

During the year ended June 30, 2025, the Society recorded a receivable of $101,877 for the direct pay solar tax credit. A corresponding amount was credited to the cost of the solar energy system, reducing the net book value of the asset. The Society's receivable related to the direct pay solar tax credit was $101,877 at June 30, 2025. The Society’s Form 990-T was accepted by the IRS on July 30, 2025.

NOTE 16 – Subsequent events

Subsequent events have been evaluated through November 10, 2025 which is the date the financial statements were available to be issued.