

PACIFIC CHORALE

AUDITED FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT

For the Year Ended June 30, 2014



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INDEPENDENT AUDITOR'S AUDIT REPORT

Board of Directors
Pacific Chorale
Santa Ana, California

I have audited the accompanying statement of financial position of Pacific Chorale, a nonprofit corporation as of June 30, 2014, and the related statements of activities, functional expenses, and cash flows for the year then ended.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pacific Chorale as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Supplemental

The supplementary statement of financial position — detail statement per fund as of June 30, 2014 is presented for purposes of additional analysis and is not required part of the basic financial statements. Such information has been subject to auditing procedures applied in the audit of the basic statements and, in my opinion, is stated fairly in all material aspects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Jeffrey Kolsin CPA". The signature is written in a cursive, flowing style.

Jeffrey Kolsin CPA, Inc.
May 11, 2015

**Pacific Chorale
Statement of Financial Position
June 30, 2014**

ASSETS

Current Assets:

Cash and equivalents	59,643.00
Prepaid expenses	88,958.00
Accounts receivable	107,914.00
Inventory	9,527.00
	<u> </u>

Total current assets	266,042.00
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Other Assets:

Long-term investments	1,768,470.00
Property and equipment, net	33,594.00
	<u> </u>

TOTAL ASSETS	<u><u>\$ 2,068,106.00</u></u>
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LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$ 128,413.00
Accrued expenses	16,556.00
Refundable deposits	4,550.00
Advance tour revenue	5,000.00
Deferred revenue	50,856.00
	<u> </u>
Total current liabilities	205,375.00

TOTAL LIABILITIES	<u>205,375.00</u>
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NET ASSETS – Unrestricted	(127,577.00)
– Temporarily Restricted	139,909.00
– Permanently Restricted	1,850,399.00
	<u> </u>
Total net assets	1,862,731.00

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,068,106.00</u></u>
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The accompanying notes are an integral part of these financial statements.

Pacific Chorale
Statement of Activities
Year Ended June 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
REVENUES:				
Concert ticket sales	\$ 267,121.00			\$ 267,121.00
Outside fee concert revenue	156,265.00			156,265.00
Tour revenue	-			-
Education program revenue	29,830.00			29,830.00
Concert underwriting donations	275,189.00			275,189.00
Contributions from individuals, foundations & corporations	297,517.00	23,063.00	-	320,580.00
Contributions for educational programs	138,920.00	5,000.00		143,920.00
Governmental Grants-General	43,000.00	-		43,000.00
-Educational programs	-	-		-
Fundraising events	\$ 226,905.00			
	<u>60,213.00</u>			
	166,692.00			166,692.00
Donated Assets / Services	465,930.00			465,930.00
Interest & dividends earned		-	43,830.00	43,830.00
Net realized and unrealized gains (losses) on investments	100.00	-	182,780.00	182,880.00
CD & Tape Sales	\$ 5,070.00			
Less: Cost of Goods	<u>2,779.00</u>			
	2,291.00			2,291.00
Other revenues	3,375.00			3,375.00
Net assets released from restrictions				
Satisfaction of purpose restrictions	269,271.00	(185,934.00)	(83,337.00)	-
	<u>\$ 2,115,501.00</u>	<u>\$ (157,871.00)</u>	<u>\$ 143,273.00</u>	<u>\$ 2,100,903.00</u>
TOTAL REVENUES				
EXPENSES:				
Program services:				
Concerts	\$ 1,688,979.00			\$ 1,688,979.00
Educational	189,879.00			189,879.00
Total program services	1,878,858.00	-	-	1,878,858.00
Supporting services:				
Fundraising	200,518.00			200,518.00
Management and general	179,747.00			179,747.00
Total supporting services	380,265.00	-	-	380,265.00
TOTAL EXPENSES	<u>2,259,123.00</u>	<u>-</u>		<u>2,259,123.00</u>
INCREASE (DECREASE) IN NET ASSETS	\$ (143,622.00)	\$ (157,871.00)	\$ 143,273.00	\$ (158,220.00)
NET ASSETS:				
Beginning of year	\$ 16,045.00	\$ 297,780.00	\$ 1,707,126.00	\$ 2,020,951.00
End of year	<u>\$ (127,577.00)</u>	<u>\$ 139,909.00</u>	<u>\$ 1,850,399.00</u>	<u>\$ 1,862,731.00</u>

The accompanying notes are an integral part of these financial statements

**Pacific Chorale
Statement of Functional Expenses
Year Ended June 30, 2014**

	Program Services				Supporting Services				Totals
	Concerts		Total		Total		Supporting Services	Totals	
	Self	Outside Fee	Total	Total	Program	Fundraising			
	Produced	Concerts	Concerts	Educational	Services	Costs	& General		
Orchestra	\$ 166,902.00		\$ 166,902.00		\$ 166,902.00			\$ -	\$ 166,902.00
Concert hall and related costs	125,195.00		\$ 125,195.00	12,501.00	\$ 137,696.00			\$ -	\$ 137,696.00
Other production costs	148,455.00	8,000.00	\$ 156,455.00	16,057.00	\$ 172,512.00			\$ -	\$ 172,512.00
Artists:									
Paid	367,094.00	93,055.00	\$ 460,149.00	26,324.00	\$ 486,473.00			\$ -	\$ 486,473.00
Volunteers	238,848.00	204,208.00	\$ 443,056.00	22,875.00	\$ 465,931.00			\$ -	\$ 465,931.00
Salaries, payroll and related costs	234,437.00	22,790.00	\$ 257,227.00	102,825.00	\$ 360,052.00	143,420.00	93,855.00	\$ 237,275.00	\$ 597,327.00
Marketing									
Advertising	11,145.00		\$ 11,145.00		\$ 11,145.00			\$ -	\$ 11,145.00
Print materials	13,213.00		\$ 13,213.00		\$ 13,213.00			\$ -	\$ 13,213.00
Mailing costs	7,500.00		\$ 7,500.00		\$ 7,500.00			\$ -	\$ 7,500.00
Other costs	9,619.00		\$ 9,619.00	721.00	\$ 10,340.00			\$ -	\$ 10,340.00
Events:									
Tour	-		\$ -		\$ -			\$ -	\$ -
Festival			\$ -		\$ -			\$ -	\$ -
Fundraising			\$ -		\$ -			\$ -	\$ -
Other costs			\$ -	-	\$ -			\$ -	\$ -
Depreciation	11,881.00		\$ 11,881.00	200.00	\$ 12,081.00	382.00	643.00	\$ 1,025.00	\$ 13,106.00
Rent	19,877.00		\$ 19,877.00	5,131.00	\$ 25,008.00	8,175.00	17,837.00	\$ 26,012.00	\$ 51,020.00
Office related costs	2,945.00		\$ 2,945.00	760.00	\$ 3,705.00	6,107.00	10,069.00	\$ 16,176.00	\$ 19,881.00
Insurance	1,024.00		\$ 1,024.00	264.00	\$ 1,288.00	421.00	2,694.00	\$ 3,115.00	\$ 4,403.00
Professional fees			\$ -		\$ -	-	14,011.00	\$ 14,011.00	\$ 14,011.00
Bank and ticket processing fees			\$ -		\$ -		19,335.00	\$ 19,335.00	\$ 19,335.00
Postage			\$ -		\$ -	1,036.00	2,992.00	\$ 4,028.00	\$ 4,028.00
Donor cultivation			\$ -		\$ -	8,372.00		\$ 8,372.00	\$ 8,372.00
Donor and patron appreciation			\$ -		\$ -	9,482.00		\$ 9,482.00	\$ 9,482.00
Professional development			\$ -		\$ -		14,330.00	\$ 14,330.00	\$ 14,330.00
Professional dues			\$ -		\$ -		925.00	\$ 925.00	\$ 925.00
Bad debts			\$ -		\$ -		144.00	\$ 144.00	\$ 144.00
Other Costs	2,791.00		\$ 2,791.00	2,221.00	\$ 5,012.00	23,123.00	2,912.00	\$ 26,035.00	\$ 31,047.00
Totals	\$ 1,360,926.00	\$ 328,053.00	\$ 1,688,979.00	\$ 189,879.00	\$ 1,878,858.00	\$ 200,518.00	\$ 179,747.00	\$ 380,265.00	\$ 2,259,123.00

The accompanying notes are an integral part of these financial statements

**Pacific Chorale
Statement of Cash Flows
Year Ended June 30, 2014**

Operating Activities:

Increase in net assets	\$	(158,220.00)
Reconciliation to net cash provided (used) by operating activities:		
Depreciation		13,106.00
Net realized and unrealized (gain)loss		(182,880.00)
Changes in:		
Prepaid expenses		77,724.00
Accounts receivable		174,408.00
Inventory		(606.00)
Distributions from investment account		(83,337.00)
Accounts payable		(77,207.00)
Refundable deposits		(10,100.00)
Advance tour revenue		-
Accrued expenses		(3,191.00)
Deferred revenue		(29,346.00)
		(279,649.00)
Net cash used in operating activities		(279,649.00)

Investing Activities:

Purchase of property and equipment		(7,131.00)
Purchases of investments		(420,555.00)
Proceeds from sale of investments		621,880.00
		194,194.00
Net cash used by investing activities		194,194.00

Financing Activities:

		-
		-
Net cash used by financing activities		-

Net Increase in Cash and Equivalents (85,455.00)

Cash and Equivalents:

Beginning of year		145,098.00
		145,098.00
End of year	\$	59,643.00

The accompanying notes are an integral part of these financial statements.

Pacific Chorale
Notes to Financial Statements
June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

Pacific Chorale is a nonprofit, tax-exempt organization originally incorporated in California on June 19, 1969 under the name Orange County Choral Association. The name of the corporation was changed again in 1996 to Pacific Chorale. Pacific Chorale mission is committed to the highest quality performance and recording of choral masterworks of the past, and creating masterworks of the future. They want to enrich and educate their current audience as well as singers and audiences of the future.

Pacific Chorale is internationally recognized for exceptional artistic expression, stimulating American-focused programming, and influential education programs. Under the inspired guidance of Artistic Director John Alexander, Pacific Chorale has infused an Old World art form with California's hallmark innovation and cultural independence.

The organization is a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

Basis of Accounting

The financial statements of Pacific Chorale have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The financial statements of Pacific Chorale been prepared according to the accounting principles applicable to nonprofit organizations.

Cash and Cash Equivalents

The Pacific Chorale considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents.

Deferred Revenue

Amounts received for special events and subscriptions for future concerts are classified as deferred revenue until the related events take place.

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in

Pacific Chorale
Notes to Financial Statements
June 30, 2014

unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Donated Services

Donated services are recognized as contributions in accordance with Financial Accounting Board Standards in the United States, Accounting for Contributions Received and Contributions Made, if the services meet certain criteria. See Note 2 in regards to volunteer professional singers recorded as donated services.

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 at the date of the financial statements and the reported amounts of support and revenue and expenses during the reporting period. Actual results could differ from those estimates.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Investments

Pacific Chorale carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

Investment Income and Gains

Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Pacific Chorale
Notes to Financial Statements
June 30, 2014

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method over estimated useful lives of 3 to 7 years.

Public Support and Revenue Recognition

The organization recognizes revenue in various categories by how the contributions were solicited. Amounts received for special events and subscriptions for future concerts are classified as deferred revenue until the related events take place.

Restricted Support

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Accrued Vacation

Pacific Chorale's policy is to record accumulated vacation when earned. No more than five days in excess of one year's vacation may be accumulated. As of June 30, 2013, there was no accrued vacation liability.

Net Asset Categories

A description of the organization's net asset categories is as follows:

Unrestricted Net Assets — Unrestricted net assets are those that bear no external restrictions as to use or purpose.

Temporarily Restricted Net Assets — Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose.

Permanently Restricted Net Assets — Permanently restricted net assets consist of contributions subject to donor-imposed stipulations that they be maintained permanently

Pacific Chorale
Notes to Financial Statements
June 30, 2014

by the organization. Generally, the donors permit the use of all or part of the income earned on such assets.

NOTE 2: DONATED SERVICES

Contributed professional services consist primarily of singers donating their services to the organization. The costs for these services are based upon the rates paid to professional singers. It consists of rehearsal, recording and performing time. Costs are recorded on calls not actual time which is based upon industry standard. The following is the donated professional singer's costs:

Self-produced concerts	\$ 238,848.00
Contracted concerts	204,208.00
Education	<u>22,875.00</u>
Total Donated services	<u>\$ 465,931.00</u>

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Chorale Music Library	\$236,233.00
Children's Chorus Music Library	19,206.00
Orchestra Music Library	29,853.00
Office Equipment	33,231.00
Office Furniture	24,190.00
Software	7,144.00
Rehearsal Equipment	3,887.00
Yamaha Grand Piano	<u>20,768.00</u>
Total	374,512.00
Less accumulated depreciation	<u>340,918.00</u>
Property and equipment, net	<u>\$ 33,593.00</u>

NOTE 4: CASH AND INVESTMENTS

Cash consists of the following as of June 30:

Demand deposits	<u>\$ 59,643.00</u>
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See Note 7 regarding credit risk.

Pacific Chorale
Notes to Financial Statements
June 30, 2014

Investments consist of the following as of June 30:

	Cost	Market Value	Unrealized Gain (Loss)
Money market mutual funds	\$ 86,622	\$ 86,622	\$
Other	8,253	11,067	2,814
Common Stock	224,097	316,101	92,004
Mutual Funds	<u>1,268,439</u>	<u>1,354,680</u>	<u>86,241</u>
Totals	<u>\$ 1,587,411</u>	<u>\$ 1,768,470</u>	<u>\$ 181,059</u>

Net realized and unrealized gains (loss) on sold investments:

Realized gains (losses)	\$ 28,346
Unrealized gains (losses)	<u>154,534</u>
	<u>\$ 182,880</u>

NOTE 5: DEFERRED REVENUE

Deferred revenue consists of the following:

Advance season ticket revenues	\$ 30,548
PC Festival fees	17,800
Camp fees	2,108
Wardrobe fees	0
Other revenues	<u>400</u>
	<u>\$ 50,856</u>

NOTE 6: OPERATING LEASE OBLIGATIONS

Pacific Chorale continued leasing office facilities under an operating lease on July 14, 2009. The lease extension will start December 1, 2009 and will expire sixty-six months on May 31, 2015. In addition, the organization has three operating leases which include an office copy machine, postal meter and telephone system. Future minimum rental payments under these operating leases as of June 30, 2014 are as follows:

	<u>Future minimum rental payments</u>
Year ended June 30, 2015	47,041
2016	1,764
2017	1,470
2018	0
2019	0
Thereafter	<u>0</u>
Totals	<u>\$ 50,275</u>

Pacific Chorale
Notes to Financial Statements
June 30, 2014

NOTE 7: CONCENTRATION OF CREDIT RISK

Pacific Chorale maintains cash in demand deposit accounts that are in bank deposit accounts which, at times, may exceed federally insured limits. The organization has not experienced any losses in such accounts. Management believes the organization is not exposed to any significant credit risk related to cash.

NOTE 8: REFUNDABLE DEPOSITS

Deposits of current members are for music and remain with Pacific Chorale until the member terminates participation with Pacific Chorale, returns the music and requests repayment of the deposit. Repayment requests must be received within one year of the member's termination. Any deposit not requested will become a donation to Pacific Chorale after one year. Refundable deposits were \$ 4,550 at June 30, 2014.

NOTE 9: TAX-DEFERRED ANNUITY PLAN

During the year ended June 30, 2014, Pacific Chorale had a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. The plan covers full-time employees of the Organization. Pacific Chorale does not contribute to this plan. Employees do make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code if they wish.

NOTE 10: ENDOWMENT FUND LOAN

In 1995, the board of directors transferred \$725,000 to start the endowment fund. Instead of borrowing from outside sources, the board decided to borrow from the endowment fund with the provision of repayment and interest to be paid. The board of directors adopted a clarification on the policy regarding borrowing. It was decided that the borrowing limit be \$200,000 including any amounts transferred and not repaid at the time of the adoption of the resolution. All such borrowed funds shall be repaid to the Endowment Fund as expeditiously as possible. Upon repayment of any borrowed funds, interest shall be paid on the repaid amount in an amount equal to the aggregate percentage increase in the market value of the Endowment Fund, if any, over the period of the loan. Notwithstanding an aggregate decline in the market value of the Endowment Fund over the period of the loan, in no event shall the amount of interest be less than zero. As of June 30, 2014, the amount of the loan that the operating fund owed the endowment fund was \$200,000. There was no interest paid during the fiscal year ended June 30, 2014.

Pacific Chorale
Notes to Financial Statements
June 30, 2014

NOTE 11: NET ASSETS RELEASED FROM RESTRICTION

Temporarily restricted net assets are available for the following purposes:

Individual corporate & foundation donations	\$ 123,954
Alexander Memorial Fund Scholarships	<u>15,955</u>
Total temporarily restricted net assets	<u>\$ 139,909</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose specified by donors as follows:

Purpose restriction accomplished:

Additional funds released (net):	
Temporary	185,934
Permanently	<u>83,337</u>
Total Restricted Funds released	<u>\$ 269,271</u>

Permanently restricted net assets:

Broadcast Outreach Endowment Fund	\$ 25,414
Education	118,159
Endowment Fund	<u>1,706,608</u>
Total permanently restricted net assets	<u>\$ 1,707,126</u>

NOTE 12: FAIR VALUE MEASUREMENTS

Guidance provided by the FASB defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring a fair value, a fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices for identical assets or liabilities in active markets that the Agency has the ability to access at the measurement date. The type of investments included in Level 1 includes listed equities and listed derivatives.

Level 2: Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly.

Pacific Chorale
Notes to Financial Statements
June 30, 2014

Level 3: Inputs that are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability.

The asset's 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. The valuation methods used may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, although the Agency 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. There have been no changes in the methodologies used at June 30, 2014.

U.S. government securities, corporate bonds, equities and collateralized mortgage obligations are all valued at the closing price reported on the active or observable market on which the individual securities are traded.

The following table sets forth by level, within the fair value hierarchy, the Agency's assets and liabilities at fair value as of June 30, 2014:

	Balance as of June 30, 2014	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Cash equivalents	\$ 59,643.00	\$ 59,643.00		
Money market mutual funds	\$ 86,622.00	\$ 86,622.00		
Mutual funds	\$ 1,354,680.00	\$ 1,354,680.00		
Equity securities	\$ 316,101.00	\$ 316,101.00		
Other	11,067.00	11,067.00		
Total	\$ 1,828,113.00	\$ 1,828,113.00	\$ -	\$ -

Pacific Chorale

“SUPPLEMENTARY INFORMATION”

For the Year Ended June 30, 2014

See accountant's report

Pacific Chorale
Statement of Financial Position
Detail Statement Per Fund
June 30, 2014

	Operating Fund	Recording Fund	Alexander Memorial Fund	Endowment Funds			Total All Funds
				Endowment Fund	Broadcast Fund	Education Fund	
ASSETS							
Current Assets:							
Cash and equivalents	\$ 33,125.00	\$ 10,563.00	\$ 15,955.00	\$ -	\$ -	\$ -	\$ 59,643.00
Prepaid expenses	23,329.00	65,629.00	-	-	-	-	88,958.00
Accounts receivable	107,914.00	-	-	-	-	-	107,914.00
Due from operating fund	-	18,218.00	-	-	-	-	18,218.00
Due from recording fund	6,135.00	-	-	-	-	-	6,135.00
Due from alexander fund	-	-	-	-	-	-	-
Inventory	-	9,527.00	-	-	-	-	9,527.00
Total current assets	170,503.00	103,937.00	15,955.00	-	-	-	290,395.00
Other Assets:							
Long-term investments	-	-	-	1,624,897.00	25,414.00	118,159.00	1,768,470.00
Loan to operating fund	-	-	-	200,000.00	-	-	200,000.00
Property and equipment, net	33,594.00	-	-	-	-	-	33,594.00
TOTAL ASSETS	\$ 204,097.00	\$ 103,937.00	\$ 15,955.00	\$ 1,824,897.00	\$ 25,414.00	\$ 118,159.00	\$ 2,292,459.00
LIABILITIES AND NET ASSETS							
Current Liabilities:							
Accounts payable	\$ 128,413.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128,413.00
Accrued expenses	16,556.00	-	-	-	-	-	16,556.00
Refundable deposits	4,550.00	-	-	-	-	-	4,550.00
Advance tour revenue	5,000.00	-	-	-	-	-	5,000.00
Deferred revenue	50,856.00	-	-	-	-	-	50,856.00
Total current liabilities	205,375.00	-	-	-	-	-	205,375.00
Due to Endowment Fund	200,000.00	-	-	-	-	-	200,000.00
Due to Recording Fund	18,218.00	-	-	-	-	-	18,218.00
Due to Alexander Fund	-	-	-	-	-	-	-
Due to Operation Fund	-	6,135.00	-	-	-	-	6,135.00
TOTAL LIABILITIES	423,593.00	6,135.00	-	-	-	-	429,728.00
NET ASSETS – Unrestricted	(343,450.00)	97,802.00	-	118,071.00	-	-	(127,577.00)
– Temporarily Restricted	123,954.00	-	15,955.00	-	-	-	139,909.00
– Permanently Restricted	-	-	-	1,706,826.00	25,414.00	118,159.00	1,850,399.00
Total net assets	(219,496.00)	97,802.00	15,955.00	1,824,897.00	25,414.00	118,159.00	1,862,731.00
TOTAL LIABILITIES AND NET ASSETS	\$ 204,097.00	\$ 103,937.00	\$ 15,955.00	\$ 1,824,897.00	\$ 25,414.00	\$ 118,159.00	\$ 2,292,459.00

The accompanying notes are an integral part of these financial statements.