

**PACIFIC CHORALE**  
**(A Nonprofit California Corporation)**

**Financial Statements with**  
**With Independent Auditor's Report**

**As of and for the Year Ended**

**June 30, 2016**

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Pacific Chorale  
Costa Mesa, California

We have audited the accompanying financial statements Pacific Chorale, a nonprofit corporation (the "Organization"), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2016, 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.



Nicolas A. Pulecio, CPA, CGMA  
Irvine, California  
March 12, 2018

**PACIFIC CHORALE**  
**Statement of Financial Position**  
**As of June 30, 2016**

**ASSETS**

**Current Assets:**

Cash and equivalents	\$ 45,730
Prepaid expenses	148,262
Accounts receivable	74,962
Inventory	17,468
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Total current assets	286,422
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**Other Assets:**

Long-term investments	1,568,052
Property and equipment, net	46,798
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<b>TOTAL ASSETS</b>	<b>\$ 1,901,272</b>
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**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

Accounts payable	\$ 127,186
Accrued expenses	6,853
Refundable deposits	4,625
Advance tour revenue	70,303
Deferred revenue	82,450
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Total current liabilities	291,417

<b>TOTAL LIABILITIES</b>	<b>291,417</b>
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<b>NET ASSETS</b> — Unrestricted	(360,676)
— Temporarily Restricted	308,443
— Permanently Restricted	1,662,088
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Total net assets	1,609,855

<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,901,272</b>
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The accompanying notes are an integral part of these financial statements

**PACIFIC CHORALE**  
**Statement of Activities**  
**For the Year Ended June 30, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
<b>REVENUES:</b>				
Concert ticket sales	\$ 285,005			\$ 285,005
Outside fee concert revenue	154,152			154,152
Tour revenue	-			-
Education program revenue	24,259			24,259
Concert underwriting donations	205,630			205,630
Contributions from individuals, foundations & corporations	420,552	103,285		523,837
Contributions for educational programs	177,997	45,364		223,361
Governmental grants-general				-
-Educational programs	-	-		-
Fundraising events	\$ 235,406			
	<u>78,643</u>			156,763
Donated assets & services	531,055			531,055
Interest & dividends earned		-	39,165	39,165
Net realized and unrealized gains (losses) on investments		-	(47,326)	(47,326)
CD & tape sales	\$ 1,786			
Less: Cost of goods	<u>908</u>	878		878
Other revenues		5,240		5,240
Net assets released from restrictions				
Satisfaction of purpose restrictions		84,176	(84,176)	-
		<u>84,176</u>		<u>-</u>
	\$ 2,045,707	\$ 148,649	\$ (92,337)	\$ 2,102,019
<b>TOTAL REVENUES</b>				
<b>EXPENSES:</b>				
Program services:				
Concerts	\$ 1,613,383			\$ 1,613,383
Educational	187,820			187,820
Total program services		1,801,203	-	1,801,203
Supporting services:				
Fundraising	219,670			219,670
Management and general	204,968			204,968
Total supporting services		424,638	-	424,638
<b>TOTAL EXPENSES</b>		<u>2,225,841</u>		<u>2,225,841</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	\$ (180,134)	\$ 148,649	\$ (92,337)	\$ (123,822)
<b>NET ASSETS:</b>				
Beginning of year	\$ (180,542)	\$ 159,794	\$ 1,754,425	\$ 1,733,677
End of year	<u>\$ (360,676)</u>	<u>\$ 308,443</u>	<u>\$ 1,662,088</u>	<u>\$ 1,609,855</u>

The accompanying notes are an integral part of these financial statements

**PACIFIC CHORALE**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2016**

	<b>Program Services</b>					<b>Supporting Services</b>			<b>Totals</b>
	<b>Concerts</b>			<b>Total Educational</b>	<b>Total Program Services</b>	<b>Fundraising Costs</b>	<b>Management &amp; General</b>	<b>Total Supporting Services</b>	
	<b>Self Produced</b>	<b>Outside Fee Concerts</b>	<b>Total Concerts</b>						
Orchestra	\$ 140,480	\$ -	\$ 140,480	\$ -	\$ 140,480	\$ -	\$ -	\$ -	\$ 140,480
Concert hall and related costs	115,338	-	115,338	-	115,338	-	-	-	115,338
Other production costs	37,550	30,824	68,374	5,029	73,403	-	-	-	73,403
Artists:									
Paid	317,400	101,893	419,293	26,810	446,103	-	-	-	446,103
Volunteers	268,550	240,380	508,930	22,125	531,055	-	-	-	531,055
Salaries, payroll and related costs	258,461	-	258,461	114,307	372,768	163,980	117,839	281,819	654,587
Marketing									
Advertising	-	-	-	-	-	-	-	-	-
Print materials	21,536	-	21,536	-	21,536	-	-	-	21,536
Mailing costs	7,754	-	7,754	691	8,445	-	-	-	8,445
Other costs	27,313	-	27,313	1,476	28,789	-	-	-	28,789
Events:									
Tour	-	-	-	-	-	20,000	-	20,000	20,000
Festival	-	-	-	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-	-	-	-
Other costs	-	-	-	-	-	-	-	-	-
Depreciation	9,598	-	9,598	22	9,620	140	1,733	1,873	11,493
Rent	1,050	17,644	18,694	12,493	31,187	7,257	12,190	19,447	50,634
Office related costs	-	-	-	634	634	1,702	-	1,702	2,336
Insurance	-	1,084	1,084	279	1,363	446	2,764	3,210	4,573
Professional fees	-	-	-	-	-	-	7,950	7,950	7,950
Bank and ticket processing fees	-	-	-	-	-	-	14,616	14,616	14,616
Postage	-	-	-	-	-	133	2,476	2,609	2,609
Donor cultivation	-	-	-	-	-	11,657	-	11,657	11,657
Donor and patron appreciation	-	2,456	2,456	-	2,456	5,309	26,403	31,712	34,168
Professional development	-	-	-	-	-	-	3,603	3,603	3,603
Professional dues	-	-	-	-	-	-	2,228	2,228	2,228
Bad debts	-	-	-	-	-	-	6,869	6,869	6,869
Other costs	14,072	-	14,072	3,954	18,026	9,046	6,297	15,343	33,369
<b>Totals</b>	<b>\$ 1,219,102</b>	<b>\$ 394,281</b>	<b>\$ 1,613,383</b>	<b>\$ 187,820</b>	<b>\$ 1,801,203</b>	<b>\$ 219,670</b>	<b>\$ 204,968</b>	<b>\$ 424,638</b>	<b>\$ 2,225,841</b>

The accompanying notes are an integral part of these financial statements

**PACIFIC CHORALE**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2016**

**Operating Activities:**

Increase in net assets	\$	(123,822)
Reconciliation to net cash provided (used) by operating activities:		
Depreciation		11,493
Net realized unrealized (gain) loss		47,326
Changes in:		
Prepaid expenses		8,136
Accounts receivable		(8,950)
Inventory		(3,810)
Distributions from investment account		(84,176)
Accounts payable		(70,874)
Refundable deposits		75
Advance tour revenue		17,961
Accrued expenses		359
Deferred revenue		3,830
		(202,452)

**Investing Activities:**

Purchase of property and equipment		(23,943)
Purchases of investments		(363,237)
Proceeds from sale of investments		498,208
		111,028

**Net Decrease in Cash and Equivalents** (91,424)

Cash and Equivalents:

Beginning of year		137,154
End of year	\$	45,730

The accompanying notes are an integral part of these financial statements

**PACIFIC CHORALE**  
**Notes to Financial Statements**  
**June 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Nature of Activities**

Pacific Chorale (the "Organization") is a nonprofit, tax-exempt organization originally incorporated in California on June 19, 1969 under the name Orange County Chorale. The Organization 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.

The Organization is internationally recognized for exceptional artistic expression, stimulating American-focused programming, and influential education programs. Under the inspired guidance of Artistic Director John Alexander, the Organization has infused and 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 the Organization were prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**Basis of Presentation**

The financial statements of the Organization were prepared according to the accounting principles applicable to nonprofit organizations.

**Cash and Cash Equivalents**

the Organization 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 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 restricted net assets at that time.

**PACIFIC CHORALE**  
**Notes to Financial Statements**  
**June 30, 2016**

**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 regarding 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 cost 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**

The Organization carries investments in marketable securities with readily determinable fair value 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.

**Investments 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 period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

**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.



PACIFIC CHORALE  
Notes to Financial Statements  
June 30, 2016

**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 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**

The Organization'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, 2016, 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 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 singers' costs:

Self-produced concerts	\$	268,550
Contracted concerts		240,380
Education		<u>22,125</u>
Total Donated Services	\$	<u><u>531,055</u></u>

**PACIFIC CHORALE**  
**Notes to Financial Statements**  
**June 30, 2016**

**NOTE 3: PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

Children's Music Library	\$	19,206
Choral Music Library		244,960
Leasehold Improvements		23,270
Office Equipment		21,847
Office Furniture		25,610
Orchestra Music Library		29,173
Other Office Equipment		13,487
Rehearsal Equipment		3,887
Software		7,327
Yamaha Grand Piano		<u>20,768</u>
 Total		 409,534
Less accumulated depreciation		<u>(362,736)</u>
 Property and equipment, net	 \$	 <u><u>46,798</u></u>

**NOTE 4: CASH AND INVESTMENTS**

Cash consists of the following as of June 30:

Demand deposits	\$	<u><u>45,730</u></u>
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See Note 7 regarding credit risk.

Investments consist of the following as of June 30:

	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain (Loss)</u>
Money market mutual funds	\$ 104,829	\$ 104,829	\$ -
Other	72,270	79,873	7,604
Common stock	862,900	878,723	15,823
Mutual funds	<u>534,277</u>	<u>504,627</u>	<u>(29,650)</u>
 Totals	 <u>\$ 1,574,276</u>	 <u>\$ 1,568,052</u>	 <u>\$ (6,224)</u>

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

Realized gains (losses)	\$	61,044
Unrealized gains (losses)		<u>(108,370)</u>
Realized and unrealized gain (loss)	\$	<u><u>(47,326)</u></u>

**PACIFIC CHORALE**  
**Notes to Financial Statements**  
**June 30, 2016**

**NOTE 5: DEFERRED REVENUE**

Deferred revenue consists of the following:

Advance season ticket revenues	45,728
PC Festival fees	22,000
Camp fees	2,785
Unearned contributions	-
Other revenues	5,000
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	<u>\$ 75,513</u>

**NOTE 6: OPERATING LEASE OBLIGATIONS**

The Organization entered into a new lease regarding new office facilities under an operating lease on June 10, 2015, which began on July 1, 2016 and will expire on June 30, 2022. 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, 2016 are as follows:

		<u>Future minimum rental payments</u>
Year ending June 30,	2017	\$ 35,509
	2018	34,861
	2019	33,260
	2020	34,590
	2021	35,974
Thereafter		<hr/> 41,413
	<b>Total</b>	<b><u>\$ 215,607</u></b>

**NOTE 7: CONCENTRATION OF CREDIT RISK**

The Organization 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 related to cash.

**NOTE 8: REFUNDABLE DEPOSITS**

Deposits of current members are for music and remain with The Organization until the member terminates participation with The Organization, 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 The Organization after one year. Refundable deposits were \$ 4,625 at June 30, 2016.

**PACIFIC CHORALE**  
**Notes to Financial Statements**  
**June 30, 2016**

**NOTE 9: TAX-DEFERRED ANNUITY PLAN**

During the year ended June 30, 2016, The Organization 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. The Organization does not contribute to this plan, plan value and other normal items associated with a pension plan is not disclosed. 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 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, 2016, 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, 2016.

**NOTE 11: NET ASSETS RELEASED FROM RESTRICTION**

Temporarily restricted net assets are available for the following purpose:

Individual corporate & foundation donations	\$ 292,989
Alexander Memorial Fund Scholarships	<u>15,454</u>
Total temporarily restricted net assets	<u>\$ 308,443</u>

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

Purpose restriction accomplished:

Additional funds released (net):

Temporary	\$ -
Permanently	<u>84,176</u>
Total Restricted Funds released	<u>\$ 84,176</u>

PACIFIC CHORALE  
Notes to Financial Statements  
June 30, 2016

Permanently restricted net assets:

Broadcast Outreach Endowment Fund	\$	22,534
Education Fund		104,768
Endowment Fund		<u>1,534,786</u>
Total permanently restricted net assets	\$	<u>1,662,088</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 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 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 Organization 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.

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 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 Organization 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, 2016.

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.

**PACIFIC CHORALE**  
**Notes to Financial Statements**  
**June 30, 2016**

The following table sets forth by level, within the fair value hierarchy, the Organization's assets and liabilities at fair value as of June 30, 2016:

	Balance June 30, 2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Cash equivalents	\$ 45,730	\$ 45,730	\$ -	\$ -
Money market mutual funds	104,829	104,829	-	-
Mutual funds	504,627	504,627	-	-
Equity securities	878,723	878,723	-	-
Other	79,873	79,873	-	-
Total	<u>\$ 1,613,782</u>	<u>\$ 1,613,782</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTE 13: SUBSEQUENT EVENTS**

On February 9, 2017, a primary donor donated a sum of \$200,000 to pay off the endowment loan balance of \$200,000.

There are no other material subsequent events that need to be recorded in the financial statements.

**PACIFIC CHORALE**  
**(A Nonprofit California Corporation)**

**Supplementary Information**

**For the Year Ended**

**June 30, 2016**

See accountant's report

**PACIFIC CHORALE**  
**Statement of Financial Position**  
**Detail Statement Per Fund**  
**For the Year Ended June 30, 2016**

	Operating Fund	Recording Fund	Alexander Memorial Fund	Endowment Funds			Total All Funds
				Endowment Fund	Broadcast Fund	Education Fund	
<b>ASSETS</b>							
Current Assets:							
Cash and equivalents	\$ 45,114	\$ 564	\$ 52	\$ -	\$ -	\$ -	\$ 45,730
Prepaid asset	148,262	-	-	-	-	-	148,262
Accounts receivable	74,962	-	-	-	-	-	74,962
Due from operating fund	-	-	25,000	-	-	-	25,000
Due from recording fund	7,900	-	-	-	-	-	7,900
Due from alexander fund	1,251	-	-	-	-	-	1,251
Due from tour fund	-	-	-	-	-	-	-
Inventory	-	17,468	-	-	-	-	17,468
<b>Total current assets</b>	<b>277,489</b>	<b>18,032</b>	<b>25,052</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>320,573</b>
<b>Other Assets:</b>							
Long-term investments	-	-	-	1,440,750	22,534	104,768	1,568,052
Loan to operating fund	-	-	-	200,000	-	-	200,000
Property and equipment net	46,798	-	-	-	-	-	46,798
<b>TOTAL ASSETS</b>	<b>\$ 324,287</b>	<b>\$ 18,032</b>	<b>\$ 25,052</b>	<b>\$ 1,640,750</b>	<b>\$ 22,534</b>	<b>\$ 104,768</b>	<b>\$ 2,135,423</b>
<b>LIABILITIES AND NET ASSETS</b>							
<b>Current Liabilities:</b>							
Accounts payable	\$ 127,186	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 127,186
Accrued expenses	6,853	-	-	-	-	-	6,853
Refundable deposits	4,625	-	-	-	-	-	4,625
Advance tour revenue	70,303	-	-	-	-	-	70,303
Deferred revenue	82,450	-	-	-	-	-	82,450
<b>Total current liabilities</b>	<b>291,417</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>291,417</b>
Due to endowment fund	200,000	-	-	-	-	-	200,000
Due to recording fund	3,300	-	-	-	-	-	3,300
Due to alexander fund	16,953	-	-	-	-	-	16,953
Due to operating fund	13,898	-	-	-	-	-	13,898
<b>TOTAL LIABILITIES</b>	<b>525,568</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>525,568</b>
<b>NET ASSETS</b>							
Unrestricted	(484,672)	18,032	-	105,964	-	-	(360,676)
Temporarily Restricted	283,391	-	25,052	-	-	-	308,443
Permanently Restricted	-	-	-	1,534,786	22,534	104,768	1,662,088
<b>Total net assets</b>	<b>(201,281)</b>	<b>18,032</b>	<b>25,052</b>	<b>1,640,750</b>	<b>22,534</b>	<b>104,768</b>	<b>1,609,855</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 324,287</b>	<b>\$ 18,032</b>	<b>\$ 25,052</b>	<b>\$ 1,640,750</b>	<b>\$ 22,534</b>	<b>\$ 104,768</b>	<b>\$ 2,135,423</b>

The accompanying notes are an integral part of these financial statements