

**MEMPHIS SYMPHONY ORCHESTRA, INC.**

**FINANCIAL STATEMENTS**

June 30, 2022 and 2021



## TABLE OF CONTENTS

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	Page
<b>ROSTER OF OFFICIALS</b>	1
<b>INDEPENDENT AUDITOR'S REPORT</b>	2
<b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position	5
Statement of Activities – For the Year Ended June 30, 2022	6
Statement of Activities – For the Year Ended June 30, 2021	7
Statement of Functional Expenses – For the Year Ended June 30, 2022	8
Statement of Functional Expenses – For the Year Ended June 30, 2021	9
Statements of Cash Flows	10
Notes to Financial Statements	11
<b>SUPPLEMENTARY INFORMATION</b>	
Schedule of Expenditures of Federal and State Awards	21
Notes to the Schedule of Expenditures of Federal and State Awards	22
<b>INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS</b>	23
<b>INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE</b>	25
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b>	28
<b>SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS</b>	29

**MEMPHIS SYMPHONY ORCHESTRA, INC.**

**ROSTER OF OFFICIALS**

For the Year Ended June 30, 2022

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**Management Officials**

Peter Abell, President  
Leslie Bouldin, CFO  
Brandon Knisley, VP of Patron Engagement

**Board of Directors**

Ashley Moore Remmers, Chair  
Stephen Agar  
Louise Barden, Past Chair  
Dr. Paul Brezina  
Mark Crosby  
Dr. Andre Dyanchenko  
Jason Farmer  
Katherine Godoy  
Dr. Suzanne Gronemeyer  
Pam Guinn  
Scott Heppel  
Dr. Carol Johnson-Dean  
Dr. Udo Lange  
Michelle Robinson McKissack  
Montgomery Martin  
Ramon A. Marus, Jr., Treasurer  
Dr. Lisa Lucks Mendel  
Irma W. Merrill, Secretary  
Robert Moody  
Sonya Porter  
Nick Sarraf  
Luke Yancy

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Memphis Symphony Orchestra, Inc.

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of Memphis Symphony Orchestra, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, 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 our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Memphis Symphony Orchestra, Inc. as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Memphis Symphony Orchestra, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *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 Memphis Symphony Orchestra, Inc.'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***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government 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 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 and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Memphis Symphony Orchestra, Inc.'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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Memphis Symphony Orchestra, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

The roster of officials has not been subjected to auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2022, on our consideration of Memphis Symphony Orchestra, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Memphis Symphony Orchestra, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Memphis Symphony Orchestra, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Watkins Mikusall, PLLC". The signature is written in a cursive, flowing style.

Memphis, Tennessee  
November 3, 2022

MEMPHIS SYMPHONY ORCHESTRA, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2022 and 2021

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	<u>Assets</u>	
	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 3,022,564	\$ 2,221,817
Accounts receivable	28,448	322,374
Promises to give, net of allowance	50,440	75,950
Prepaid expenses	14,750	13,066
Beneficial interest in assets held by others	2,717,827	2,594,985
Property and equipment, net	424,257	417,132
Other assets	16,511	18,294
	<u>          </u>	<u>          </u>
Total assets	<u>\$ 6,274,797</u>	<u>\$ 5,663,618</u>
	<u>Liabilities and Net Assets</u>	
Liabilities		
Accounts payable	\$ 18,153	\$ 14,303
Accrued compensation	22,584	3,846
Deferred revenue	262,740	189,027
Paycheck Protection Program loan	-	546,377
Total liabilities	<u>303,477</u>	<u>753,553</u>
Net Assets		
Without donor restrictions	3,155,100	2,204,598
With donor restrictions	2,816,220	2,705,467
Total net assets	<u>5,971,320</u>	<u>4,910,065</u>
	<u>          </u>	<u>          </u>
Total liabilities and net assets	<u>\$ 6,274,797</u>	<u>\$ 5,663,618</u>

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

**MEMPHIS SYMPHONY ORCHESTRA, INC.**

**STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue, Support, and Gains</b>			
Contributions and sponsorships	\$ 914,025	\$ 73,010	\$ 987,035
Grants	1,425,341	-	1,425,341
Endowment distributions from CFGM	850,173	-	850,173
Concert tickets and subscription sales	582,891	-	582,891
In-kind contributions	28,065	-	28,065
Other fundraising income	1,719	-	1,719
Paycheck Protection Program loan forgiveness	546,377	-	546,377
Employee retention tax credit	168,506	-	168,506
Other income	20,355	-	20,355
Net assets released from restrictions	220,457	(220,457)	-
Total revenue, support, and gains	4,757,909	(147,447)	4,610,462
<b>Expenses</b>			
<b>Program Services</b>			
Artistic engagement	2,786,104	-	2,786,104
Marketing	411,566	-	411,566
Total program services	3,197,670	-	3,197,670
<b>Support Services</b>			
General and administrative	170,589	-	170,589
Fundraising	428,790	-	428,790
Total support services	599,379	-	599,379
Total expenses	3,797,049	-	3,797,049
Change in net assets from operations	960,860	(147,447)	813,413
Change in value of beneficial interest in assets held by others	(10,358)	258,200	247,842
Change in net assets	950,502	110,753	1,061,255
Net assets, beginning of year	2,204,598	2,705,467	4,910,065
Net assets, end of year	\$ 3,155,100	\$ 2,816,220	\$ 5,971,320

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



**MEMPHIS SYMPHONY ORCHESTRA, INC.**

**STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Contributions and sponsorships	\$ 822,377	\$ 125,050	\$ 947,427
Grants	459,383	-	459,383
Endowment distributions from CFGM	796,477	-	796,477
Concert tickets and subscription sales	135,102	-	135,102
In-kind contributions	63,344	-	63,344
Other fundraising income	3,252	-	3,252
Paycheck Protection Program loan forgiveness	546,377	-	546,377
Employee retention tax credit	516,902	-	516,902
Other income	3,033	-	3,033
Net assets released from restrictions	<u>139,703</u>	<u>(139,703)</u>	<u>-</u>
Total revenue, support, and gains	<u>3,485,950</u>	<u>(14,653)</u>	<u>3,471,297</u>
Expenses			
Program Services			
Artistic engagement	1,975,335	-	1,975,335
Marketing	<u>166,762</u>	<u>-</u>	<u>166,762</u>
Total program services	<u>2,142,097</u>	<u>-</u>	<u>2,142,097</u>
Support Services			
General and administrative	220,001	-	220,001
Fundraising	<u>355,933</u>	<u>-</u>	<u>355,933</u>
Total support services	<u>575,934</u>	<u>-</u>	<u>575,934</u>
Total expenses	<u>2,718,031</u>	<u>-</u>	<u>2,718,031</u>
Change in net assets from operations	767,919	(14,653)	753,266
Change in value of beneficial interest in assets held by others	<u>4,441</u>	<u>1,229,952</u>	<u>1,234,393</u>
Change in net assets	772,360	1,215,299	1,987,659
Net assets, beginning of year	<u>1,432,238</u>	<u>1,490,168</u>	<u>2,922,406</u>
Net assets, end of year	<u>\$ 2,204,598</u>	<u>\$ 2,705,467</u>	<u>\$ 4,910,065</u>

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

**MEMPHIS SYMPHONY ORCHESTRA, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended June 30, 2022

	Program Services			General and Administrative	Fundraising	Total Expenses
	Artistic Engagement	Marketing	Total Program Services			
Salaries and wages	\$ 1,983,965	\$ 186,992	\$ 2,170,957	\$ 48,776	\$ 233,671	\$ 2,453,404
Employee benefits	310,482	10,802	321,284	1,883	13,419	336,586
Taxes	139,143	13,935	153,078	3,723	17,662	174,463
Production costs	183,856	-	183,856	-	-	183,856
Professional fees	3,579	34,010	37,589	96,579	78,763	212,931
Artist fees	93,620	-	93,620	-	-	93,620
Advertising and promotion	-	59,678	59,678	-	-	59,678
Office costs	563	28,091	28,654	719	5,249	34,622
Occupancy	13,830	13,830	27,660	13,830	13,830	55,320
Travel and meetings	8,472	557	9,029	615	533	10,177
Merchant fees	-	16,871	16,871	-	-	16,871
Information technology	15,799	28,518	44,317	-	13,669	57,986
Donor relations	-	-	-	-	35,390	35,390
Insurance	19,405	-	19,405	-	-	19,405
Miscellaneous	4,338	8,174	12,512	3,855	9,174	25,541
Utilities	946	568	1,514	-	378	1,892
Special events	-	-	-	-	2,595	2,595
Depreciation	1,519	911	2,430	-	608	3,038
Telephone	4,381	2,628	7,009	-	1,752	8,761
Repairs and maintenance	2,120	1,272	3,392	-	848	4,240
Postage and shipping	86	4,729	4,815	-	1,249	6,064
Bank fees	-	-	-	609	-	609
	<u>\$ 2,786,104</u>	<u>\$ 411,566</u>	<u>\$ 3,197,670</u>	<u>\$ 170,589</u>	<u>\$ 428,790</u>	<u>\$ 3,797,049</u>

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

**MEMPHIS SYMPHONY ORCHESTRA, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended June 30, 2021

	Program Services			General and Administrative	Fundraising	Total Expenses
	Artistic Engagement	Marketing	Total Program Services			
Salaries and wages	\$ 1,349,718	\$ 79,362	\$ 1,429,080	\$ 70,185	\$ 200,423	\$ 1,699,688
Employee benefits	296,673	8,580	305,253	3,688	13,087	322,028
Taxes	102,016	5,948	107,964	4,912	15,013	127,889
Production costs	126,577	-	126,577	-	-	126,577
Professional fees	8,937	1,532	10,469	74,010	72,162	156,641
Artist fees	15,363	-	15,363	-	-	15,363
Advertising and promotion	-	11,000	11,000	-	-	11,000
Office costs	1,575	10,002	11,577	-	5,096	16,673
Occupancy	15,674	15,674	31,348	15,674	15,675	62,697
Travel and meetings	1,693	411	2,104	212	441	2,757
Merchant fees	-	8,519	8,519	-	-	8,519
Information technology	15,150	15,660	30,810	-	8,101	38,911
Bad debt	-	-	-	49,248	-	49,248
Donor relations	-	-	-	-	11,235	11,235
Insurance	21,343	-	21,343	-	-	21,343
Miscellaneous	531	978	1,509	1,236	1,697	4,442
Utilities	6,359	2,498	8,857	-	2,498	11,355
Special events	-	-	-	-	4,386	4,386
Depreciation	3,094	1,195	4,289	-	1,195	5,484
Telephone	7,681	3,017	10,698	-	3,017	13,715
Repairs and maintenance	2,847	1,119	3,966	-	1,119	5,085
Postage and shipping	104	1,267	1,371	-	788	2,159
Bank fees	-	-	-	836	-	836
	<u>\$ 1,975,335</u>	<u>\$ 166,762</u>	<u>\$ 2,142,097</u>	<u>\$ 220,001</u>	<u>\$ 355,933</u>	<u>\$ 2,718,031</u>

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

**MEMPHIS SYMPHONY ORCHESTRA, INC.**

**STATEMENTS OF CASH FLOWS**

For the Years Ended June 30, 2022 and 2021

	2022	2021
Cash Flows From Operating Activities:		
Change in net assets	\$ 1,061,255	\$ 1,987,659
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used For) Operating Activities:		
Depreciation	3,038	5,484
Change in value of beneficial interest in assets held by others	(247,842)	(1,234,393)
Bad debt	-	49,248
Paycheck Protection Program loan forgiveness	(546,377)	(546,377)
Change in Operating Assets and Liabilities:		
Promises to give	25,510	(55,014)
Accounts receivable	293,926	(312,374)
Prepaid expenses	(1,684)	(13,066)
Distributions from beneficial interest in assets held by others	125,000	50,000
Other assets	1,783	32
Accounts payable	3,850	(1,863)
Accrued compensation	18,738	(52,645)
Deferred revenue	73,713	19,777
Net cash provided by (used for) operating activities	810,910	(103,532)
Cash Flows From Investing Activities:		
Transfer to beneficial interest in assets held by others	-	(53,025)
Purchases of property and equipment	(10,163)	(2,197)
Net cash used for investing activities	(10,163)	(55,222)
Cash Flows From Financing Activities:		
Proceeds from Paycheck Protection Program loan	-	546,377
Net increase in cash and cash equivalents	800,747	387,623
Cash and cash equivalents, beginning of year	2,221,817	1,834,194
Cash and cash equivalents, end of year	\$ 3,022,564	\$ 2,221,817

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

# MEMPHIS SYMPHONY ORCHESTRA, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Organization and Nature of Operations

Memphis Symphony Orchestra, Inc. (the "Symphony") is a non-profit Tennessee corporation organized as a 501(c)(3) under the Internal Revenue Code in March 1953. The Symphony is dedicated to the promotion of musical education and culture and the promotion of musical concerts throughout Memphis and the surrounding area. The Symphony is supported primarily by contributions from individuals, corporations, and foundations.

#### Basis of Accounting

The accompanying financial statements of the Symphony have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP") and include the activities of Memphis Symphony Orchestra, Inc. and the Memphis Symphony Chorus. The Memphis Symphony Chorus is a performing organization which functions as an auxiliary of the Symphony.

#### Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### Revenue Recognition and Contributed Support

The Symphony receives revenue from a variety of sources including contributions and concert ticket and subscription sales. Contributions are recognized when cash, other assets, or an unconditional promise to give 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 met. Certain government grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Revenues from such grants are recognized when qualifying expenditures are incurred. Any payments received in advance of such expenditures are deferred. Consequently, at June 30, 2022 and 2021, conditional contributions approximating \$2,320,000 and \$0, respectively, consisted of government grants awarded for which no qualifying expenditures had been incurred and therefore have not been recognized in the financial statements.

Ticket sales and fees are recognized when the show or event takes place, which is when the performance obligation is deemed to have been met. Income collected in advance for individual shows and season subscriptions related to the next season are reported as deferred revenue in the statement of financial position. All productions for each season are conducted within the Symphony's fiscal year.

#### Concentrations and Credit Risks

The Symphony's credit risks primarily relate to cash and cash equivalents and support and revenue. The Symphony maintains cash balances at various financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC") up to an aggregate of \$250,000 for each commercial bank.

For the year ended June 30, 2022, approximately 52% of total contributions and sponsorships and grant revenues was received from one grantor. For the year June 30, 2021, approximately 13% of total contributions and sponsorships and grant revenues was received from one donor. At June 30, 2021, approximately 85% of unconditional promises to give was due from two donors.

### In-Kind Contributions

Donated goods and services are recorded as contributions at their estimated fair values at the date of donation. The corresponding expense is allocated to the appropriate program or supporting service. The Symphony receives a significant amount of donated services from unpaid volunteers who assist in Symphony operations and special projects. Donated services are recognized in the financial statements if the services either create or enhance a nonfinancial asset or require specialized skills, are provided by entities or persons possessing those skills, and would need to be purchased if they were not donated.

In-kind contributions are comprised of the following for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Office rent	\$ 10,450	\$ 62,697
Artist lodging	7,881	647
Legal expenses	5,000	-
Catering	4,734	-
	<u>\$ 28,065</u>	<u>\$ 63,344</u>

The estimated fair value of each of the donated services is provided by the service provider or vendor, who estimates the fair value using standard market rates in like circumstances. Other in-kind goods received are typically valued at the purchase price of the item less any amount paid by the Symphony to the vendor.

### Cash and Cash Equivalents

For purposes of the statement of cash flows, the Symphony considers all highly liquid debt instruments purchased with original maturities of three months or less to be cash equivalents.

### Accounts Receivable

Accounts receivable primarily consists of fees from program services and are non-interest bearing. At June 30, 2022, and 2021, management believes no allowance for doubtful accounts is necessary. Included in accounts receivable at June 30, 2021 is \$315,702 due from the IRS related to the employee retention tax credit.

### Promises to Give

Unconditional promises to give are recorded at net realizable value as they are substantially all due within one year. An allowance for doubtful accounts is recorded based upon management's analysis of specific balances and a general reserve based upon the total outstanding balances. Promises to give are written off when deemed uncollectable.

## Property and Equipment

Property and equipment are reported at cost at the date of acquisition or fair value at the date of donation in the case of donated property. Property and equipment purchases in excess of \$1,000 and a useful life of more than one year are capitalized. Depreciation is provided over the estimated useful service lives of 3 to 15 years using the straight-line method. Music collections are capitalized and not depreciated. Repairs and maintenance costs are expensed as incurred; major renewals and leasehold improvements are capitalized.

## Net Assets

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.

*Net Assets With Donor Restrictions* – Net assets subject to donor-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 resources be maintained in perpetuity. There were no donor-imposed restrictions of a perpetual nature at June 30, 2022 and 2021. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that, is when a 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, depending on the nature of the 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.

## Functional Allocation of Expenses

The cost of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Expenses that are identified with a specific program or support service are charged directly to the appropriate function. Other shared costs have been allocated among the programs and supporting services benefited based on management's estimate of the relative effort expended for the related functions.

## Income Taxes

The Symphony is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and similarly exempt from state income taxes. Accordingly, no provision for income taxes is included in the financial statements. The Symphony files an exempt organization return in the U.S. federal jurisdiction.

Income from program advertisements, which is not directly related to the Symphony's exempt purpose, is subject to taxation as unrelated business income.

## Advertising Costs

Advertising and promotional costs are expensed as incurred and totaled \$59,678 and \$11,000 for the years ended June 30, 2022 and 2021, respectively.

### Adoption of Accounting Pronouncement

In fiscal year 2022, the Symphony adopted Accounting Standards Update (ASU) No. 2020-07 – *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including a disaggregation of the various types of contributed nonfinancial assets and whether those assets were monetized or utilized. Adoption of the standard did not have a significant impact on the financial statements, with the exception of increased disclosure.

### Recent Accounting Pronouncements

In February 2016, the Financial Accounting and Standards Board (“FASB”) amended the Leases topic of the Accounting Standards Codification to revise certain aspects of recognition, measurement, presentation, and disclosure of leasing transactions. The amendments will be effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Symphony is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

### Date of Management’s Review

The Symphony evaluated its June 30, 2022, financial statements for subsequent events through November 3, 2022, the date the financial statements were available to be issued. The Symphony is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

## **NOTE 2 – LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 3,022,564	\$ 2,221,817
Accounts receivable	28,448	322,374
Promises to give due within one year, net	50,440	72,710
	<u>\$ 3,101,452</u>	<u>\$ 2,616,901</u>

The Symphony’s goal is to maintain reserved financial assets to meet 90 – 180 days of operating expenses (currently \$1,000,000 - \$2,000,000). As part of its liquidity plan, excess cash is held in cash or short-term investments, including money markets accounts.



### NOTE 3 – PROMISES TO GIVE

Promises to give are estimated to be collected as follows at June 30:

	<u>2022</u>	<u>2021</u>
Due within one year	\$ 54,700	\$ 72,710
Due within one to five years	-	10,000
Less allowance for doubtful accounts	<u>(4,260)</u>	<u>(6,760)</u>
	<u>\$ 50,440</u>	<u>\$ 75,950</u>

### NOTE 4 – BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

In 2019, the Symphony entered into an agreement with the University of Memphis Foundation (“UMF”) for donors to establish an endowment fund for the benefit and use of the Symphony. These funds will be administered by UMF; therefore, the Symphony will have neither possession nor control over the assets of the funds. Upon notification of the Symphony’s beneficial interest in these funds, a contribution with donor restrictions was recorded in the statement of activities. The agreement provides for annual distributions to the Symphony of approximately 5% of the aggregate fund balances and unlimited spending of fund earnings and/or fund principal at any time, but only after approval of both the President/CEO of the Symphony and the President of the University of Memphis is given. Additional contributions can be made by donors to the funds any time thereafter. The beneficial interest in these assets is reported at the fair value of the funds’ assets in the statement of financial position. Fund distributions and changes in fair value are recognized in the statement of activities. UMF fund distributions to the Symphony totaled \$125,000 and \$50,000, for the years ended June 30, 2022 and 2021, respectively. At June 30, 2022 and 2021, the balance of the UMF fund was \$2,670,718 and \$2,537,520, respectively.

In 2019, the Symphony entered into an agreement with Community Foundation of Greater Memphis (“CFGM”) for donors to establish an endowment fund for which the Symphony will receive annual distributions of approximately 5% of the aggregate fund balance in perpetuity. The agreement allows for donors to make additional contributions to the fund. At June 30, 2022 and 2021, the balance of this endowment fund was \$6,982,183 and \$7,961,715, respectively. In 2020, another endowment fund was established at CFGM with an initial gift of \$10,000,000, for which the Symphony will receive annual distributions of approximately 5% of the aggregate fund balance in perpetuity. Since CFGM maintains variance power over both funds, which allows CFGM to redirect the benefits to another charitable organization if, in the sole judgment of CFGM, the funds’ purpose becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community, the Symphony has not recorded an asset for its beneficial interest in either of these funds as they are revocable. Annual distributions from the funds are reported in the statement of activities and totaled \$850,173 and \$796,477 for the years ended June 30, 2022 and 2021, respectively.

On December 2, 2020, the Symphony established an endowment fund at Christian Community Fund (“CCF”) for the benefit and use of the Symphony by transferring \$53,025. On December 8, 2020, a donor contributed \$646,975 directly to the fund at the CCF to bring the total endowment contributions to \$700,000. Since CCF maintains variance power over this fund, which allows CCF to redirect the benefits to another charitable organization if, in the sole judgment of CCF, the fund’s purpose becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community, the Symphony has recorded an asset for its beneficial interest in this fund only to the extent of the initial amount transferred. Changes in the value of the beneficial interest will be reported in the statement of activities on a pro-rata basis based on the Symphony’s initial investment in the fund as a percentage of the entire fund balance.

## NOTE 5 – FAIR VALUE MEASUREMENTS

The Symphony reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the most advantageous market at the measurement date. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the Symphony. Unobservable inputs are inputs that reflect the Symphony's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities the Symphony has the ability to access.
- Level 2 – Inputs (other than quoted prices within level 1) such as quoted prices for similar assets or liabilities, quoted prices in inactive markets, or other inputs that can be corroborated by observable market data.
- Level 3 – Inputs which are unobservable for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

The fair value of the beneficial interest in assets held by others is based on the fair value of fund investments as reported by UMF and CCF. These assets are categorized as Level 3 measurements since the Symphony does not have access to the holdings and no observable inputs.

The following table presents assets measured at fair value on a recurring basis at fair value as of June 30:

	Level 3 Measurements	
	2022	2021
Beneficial Interest in Assets Held by Others		
University of Memphis Foundation	\$ 2,670,718	\$ 2,537,520
Christian Community Foundation	47,109	57,465
Total	<u>\$ 2,717,827</u>	<u>\$ 2,594,985</u>

## NOTE 6 – PROPERTY AND EQUIPMENT

A summary of property and equipment at June 30 is as follows:

	<u>2022</u>	<u>2021</u>
Office furniture and equipment	\$ 153,312	\$ 148,756
Vehicles	24,000	24,000
Concert equipment	221,731	221,731
Musical instruments	181,405	181,405
Music library	413,033	407,426
Leasehold improvements	10,884	10,884
	<u>1,004,365</u>	<u>994,202</u>
Less: accumulated depreciation	(580,108)	(577,070)
	<u>\$ 424,257</u>	<u>\$ 417,132</u>

## NOTE 7 – PAYCHECK PROTECTION PROGRAM LOANS

In April 2020, the Symphony qualified for and received a loan pursuant to the Paycheck Protection Program (“PPP”), a program implemented by the U.S. Small Business Administration (“SBA”) under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender, in the amount of \$546,377. In April 2021, the PPP loan was fully forgiven by the SBA and reported as a gain in the statement of activities.

In February 2021, the Symphony received a second draw PPP loan of \$546,377 which bears interest at a fixed rate of 1.0% per annum, with the first ten months of principal and interest deferred, is payable over five years beginning in December 2021, and is unsecured and guaranteed by the SBA. The second draw PPP loan is also forgivable to the extent the proceeds are used for qualifying expenditures such as payroll costs, covered rent and mortgage obligations, and covered utility payments. In October 2021, the second draw PPP loan was fully forgiven by the SBA and reported as a gain in the statement of activities.

## NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted as follows at June 30:

	<u>2022</u>	<u>2021</u>
Time-Restricted for Future Periods:		
Beneficial interest in assets held by others	\$ 2,670,719	\$ 2,537,518
Promises to give	10,000	20,000
Sponsorships for upcoming concert season	100,000	147,949
Fellowship program	35,501	-
	<u>\$ 2,816,220</u>	<u>\$ 2,705,467</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors as follows for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Expiration of Time Restrictions:		
Promises to give	\$ 10,000	\$ 89,703
Beneficial interest in assets held by others	125,000	50,000
Satisfaction of Purpose Restrictions:		
Sponsorships for upcoming concert season	65,000	-
Fellowship program	20,457	-
	<u>\$ 220,457</u>	<u>\$ 139,703</u>

#### **NOTE 9 – MULTI-EMPLOYER PENSION PLAN**

The Symphony is a participating employer in a multi-employer defined benefit pension plan (the “Plan”) for its unionized musicians who participate in a collective bargaining agreement. The Plan generally provides retirement benefits to employees based on years of service to the Symphony. The Plan is managed by a board of trustees including contributing employers. The Symphony does not have a representative on the board of trustees. Pension contributions were \$49,137 and \$38,758 for the years ended June 30, 2022 and 2021, respectively. The Symphony's contributions to the Plan represented less than 5% of total contributions to the plan. Effective April 15, 2010, the Plan is operating under an amended rehabilitation plan.

The risk of participating in a multi-employer defined benefit plan is different from single employer plans as: (a) assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers, (b) if a participating employer stops contributing to the plan, the unfunded obligations of the Plan may be required to be borne by the remaining participating employers, and (c) if the Symphony chooses to stop participating in the Plan, a withdrawal liability to the Plan may result.

In connection with ongoing renegotiation of its collective bargaining agreement, the Symphony may discuss and negotiate for the complete or partial withdrawal from the Plan. Depending on the number of employees withdrawn in any future period and the financial condition of the multi-employer plan at the time of withdrawal, the associated withdrawal liabilities could be material to the Symphony's financial position in the period of the withdrawal. The Symphony has no current plans to withdraw from its multi-employer pension plan.

The following presents information about the Symphony's multi-employer pension plan as of March 31, 2022 and 2021, and for the plan years then ended:

Name of pension fund	American Federation of Musicians and Employer's Pension Fund	
Employer Identification Number	51-6120204	
Plan number	001	
Rehabilitation Plan status	Implemented	
Expiration of collective bargaining agreement	June 30, 2022	
	<u>2022</u>	<u>2021</u>
Actuarial value of assets	\$ 1,734,587,318	\$ 1,749,404,022
Actuarial value of liabilities	\$ 3,478,404,517	\$ 3,262,641,066
Percentage funded at end of plan year	49.90%	53.60%
Required employer contributions based on qualified employee gross wages	3.597%	3.597%

#### NOTE 10 – LEASE COMMITMENTS

The Symphony leases office space and equipment under various operating lease agreements. Rental expense was \$49,110 and \$5,675 for the years ended June 30, 2022 and 2021, respectively.

Future minimum lease payments for the years ending June 30 are as follows:

2023	\$ 55,190
2024	56,846
2025	58,301
2026	60,258
2027	10,100
	<u>\$ 240,695</u>

**SUPPLEMENTAL INFORMATION**

**MEMPHIS SYMPHONY ORCHESTRA, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**

For the Year Ended June 30, 2022

Grantor / Pass-Through Agency / Program	Assistance Listing Number	Award Number	Amount Expended
<u>Federal Awards</u>			
U.S. Department of the Treasury			
Tennessee Arts Commission / COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP5534	\$ 1,180,000
Tennessee Arts Commission / Promotion of the Arts Grants to Organizations (ARP Funding)	45.024	1863309-61-20	7,000
Tennessee Arts Commission / Promotion of the Arts Partnership Agreements	45.025	1886859-61-21	16,000
Total - U.S. Department of the Treasury			<u>1,203,000</u>
National Endowment for the Humanities			
Humanities Tennessee / Promotion of the Humanities	45.129	N/A	<u>11,936</u>
Total federal expenditures			1,214,936
<u>State Awards</u>			
State of Tennessee			
Tennessee Arts Commission / Promotion of the Arts Partnership Agreements	N/A	31625-12327	<u>51,500</u>
Total federal and state expenditures			<u>\$ 1,266,436</u>

See independent auditor's report and accompanying notes to the schedule.

**MEMPHIS SYMPHONY ORCHESTRA, INC.**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**

For the Year Ended June 30, 2022

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**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal and State Awards (the “Schedule”) includes the federal and state grant activity of Memphis Symphony Orchestra, Inc. under programs of the federal and state government for the year ended June 30, 2022. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations Memphis Symphony Orchestra, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Memphis Symphony Orchestra, Inc.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE C – INDIRECT COST RATE**

Memphis Symphony Orchestra, Inc. has elected not to use the 10% de minimis indirect cost rate as allowed in the Uniform Guidance.

**NOTE D – SUBRECIPIENTS**

There were no federal awards passed through to subrecipients. Pass-through entity identifying numbers are presented where available.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Memphis Symphony Orchestra, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Memphis Symphony Orchestra, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 3, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Memphis Symphony Orchestra, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Memphis Symphony Orchestra, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Memphis Symphony Orchestra, Inc.'s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Memphis Symphony Orchestra, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Watkins Mikusall, PLLC". The signature is written in a cursive, flowing style.

Memphis, Tennessee  
November 3, 2022

## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
Memphis Symphony Orchestra, Inc.

### **Report on Compliance for Major Federal Program**

#### ***Opinion on Major Federal Program***

We have audited Memphis Symphony Orchestra, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on Memphis Symphony Orchestra, Inc.'s major federal program for the year ended June 30, 2022. Memphis Symphony Orchestra, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Memphis Symphony Orchestra, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

#### ***Basis for Opinion on Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Memphis Symphony Orchestra, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Memphis Symphony Orchestra, Inc.'s compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Memphis Symphony Orchestra, Inc.'s federal programs.

## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Memphis Symphony Orchestra, Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Memphis Symphony Orchestra, Inc.'s compliance with the requirements of its major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Memphis Symphony Orchestra, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Memphis Symphony Orchestra, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Memphis Symphony Orchestra, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies

in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Watkins Wilkerson, PLLC*

Memphis, Tennessee  
November 3, 2022

**MEMPHIS SYMPHONY ORCHESTRA, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended June 30, 2022

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**A. SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Memphis Symphony Orchestra, Inc. were prepared in accordance with GAAP.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Memphis Symphony Orchestra, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award program are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award program for Memphis Symphony Orchestra, Inc. expresses an unmodified opinion.
6. There were no audit findings required to be reported in accordance with 2 CFR section 200.516(a).
7. The program tested as a major program was:
  - U.S. Department of the Treasury – Coronavirus State and Local Fiscal Recovery Funds, Assistance Listing No. 21.027.
8. The threshold used for distinguishing Type A and B programs was \$750,000.
9. Memphis Symphony Orchestra, Inc. was determined not to be a low-risk auditee.

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

None

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None

**MEMPHIS SYMPHONY ORCHESTRA, INC.**

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**

For the Year Ended June 30, 2022

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**FINANCIAL STATEMENT AUDIT**

None

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

N/A – no single audit was performed