

NASHVILLE SYMPHONY ASSOCIATION

FINANCIAL STATEMENTS

July 31, 2005 and 2004

NASHVILLE SYMPHONY ASSOCIATION
Nashville, Tennessee

FINANCIAL STATEMENTS
July 31, 2005 and 2004

CONTENTS

REPORT OF INDEPENDENT AUDITORS	1
AUDITED FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	2
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS.....	3
STATEMENTS OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS.....	6
SUPPLEMENTARY INFORMATION	
REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY INFORMATION	16
COMBINING STATEMENT OF FINANCIAL POSITION.....	17
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS.....	18
SCHEDULES OF OPERATING EXPENSES.....	19
SCHEDULES OF FUNDRAISING EXPENSES.....	20
SCHEDULES OF CONCERT HALL EXPENSES	21



Crowe Chizek and Company LLC
Member Horwath International

REPORT OF INDEPENDENT AUDITORS

Board of Directors
Nashville Symphony Association
Nashville, Tennessee

We have audited the accompanying statements of financial position of the Nashville Symphony Association (a nonprofit organization), as of July 31, 2005 and 2004, and the related statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Nashville Symphony Association as of July 31, 2005 and 2004, and the change in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Crowe Chizek and Company LLC

Crowe Chizek and Company LLC

Brentwood, Tennessee
September 23, 2005

NASHVILLE SYMPHONY ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
July 31, 2005 and 2004

ASSETS	<u>2005</u>	<u>2004</u>
Current assets		
Cash and cash equivalents	\$ 1,591,077	\$ 747,751
Restricted cash	-	1,621,963
Accounts receivable	187,668	139,624
Prepaid expenses	1,553,119	1,552,360
Contributions and grants receivable, net	<u>6,312,064</u>	<u>8,381,701</u>
Total current assets	<u>9,643,928</u>	<u>12,443,399</u>
Noncurrent assets		
Restricted cash	53,669,114	76,751,990
Contributions receivable, net	27,340,071	31,874,194
Investments	58,594,595	45,540,452
Property and equipment, net	77,344,515	32,733,527
Deferred bond issuance costs, net	<u>1,384,678</u>	<u>1,435,961</u>
Total noncurrent assets	<u>218,332,973</u>	<u>188,336,124</u>
Total assets	<u>\$ 227,976,901</u>	<u>\$ 200,779,523</u>
 LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 4,526,162	\$ 1,762,299
Line of credit	-	700,000
Notes payable	-	191,636
Fair value of derivative instrument	1,129,326	-
Deferred revenues	<u>1,359,523</u>	<u>1,163,985</u>
Total current liabilities	<u>7,015,011</u>	<u>3,817,920</u>
Long-term liabilities		
Bonds payable	102,000,000	102,000,000
Notes payable	<u>15,000,000</u>	<u>-</u>
Total long-term liabilities	<u>117,000,000</u>	<u>102,000,000</u>
Total liabilities	<u>124,015,011</u>	<u>105,817,920</u>
Net assets		
Unrestricted	51,156,445	40,503,711
Temporarily restricted	41,969,773	43,666,427
Permanently restricted	<u>10,835,672</u>	<u>10,791,465</u>
Total net assets	<u>103,961,890</u>	<u>94,961,603</u>
Total liabilities and net assets	<u>\$ 227,976,901</u>	<u>\$ 200,779,523</u>

See accompanying notes to financial statements.

NASHVILLE SYMPHONY ASSOCIATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Year ended July 31, 2005

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2005 Total</u>	<u>2004 Total</u>
Operating revenues					
Program revenues					
Ticket sales	\$ 2,212,593	\$ -	\$ -	\$ 2,212,593	\$ 2,077,398
Concert sponsorships	570,880	-	-	570,880	674,350
Orchestra contract fees	350,894	-	-	350,894	299,996
Other income	44,407	-	-	44,407	42,866
Distribution from CFMT	<u>1,058,398</u>	<u>-</u>	<u>-</u>	<u>1,058,398</u>	<u>-</u>
Total program revenues	4,237,172	-	-	4,237,172	3,094,610
Operating expenses					
Concert production	7,191,905	-	-	7,191,905	6,884,270
Education	210,051	-	-	210,051	166,346
Marketing	1,745,721	-	-	1,745,721	1,529,733
Administration and support	1,355,342	-	-	1,355,342	1,141,672
Change in fair value of derivative instruments	1,129,326	-	-	1,129,326	-
In-kind expenses	<u>182,638</u>	<u>-</u>	<u>-</u>	<u>182,638</u>	<u>122,745</u>
Total operating expenses	<u>11,814,983</u>	<u>-</u>	<u>-</u>	<u>11,814,983</u>	<u>9,844,766</u>
(Deficiency) income from operations	(7,577,811)	-	-	(7,577,811)	(6,750,156)
Support					
Contributions	4,513,806	8,354,646	48,865	12,917,317	33,783,461
Grants	531,109	-	-	531,109	595,000
Fund-raising events	462,963	-	-	462,963	388,218
In-kind contributions	<u>182,638</u>	<u>-</u>	<u>-</u>	<u>182,638</u>	<u>122,745</u>
Total support	5,690,516	8,354,646	48,865	14,094,027	34,889,424
Fund-raising expenses	794,944	-	-	794,944	533,721
Net assets released from restrictions	<u>10,051,300</u>	<u>(10,051,300)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income from operations and fund-raising	7,369,061	(1,696,654)	48,865	5,721,272	27,605,547
Concert hall expenses					
Construction related expenses	<u>1,487,286</u>	<u>-</u>	<u>-</u>	<u>1,487,286</u>	<u>2,183,076</u>
Net concert hall expenses	1,487,286	-	-	1,487,286	2,183,076
(Deficiency) income from operations, fund-raising and concert hall	5,881,775	(1,696,654)	48,865	4,233,986	25,422,471
Endowment and ATFG activity					
Net ATFG activity	4,440,834	-	-	4,440,834	1,213,857
Net endowment activity	868,055	-	-	868,055	630,675
Total endowment expenses	<u>(537,930)</u>	<u>-</u>	<u>(4,658)</u>	<u>(542,588)</u>	<u>(445,119)</u>
Net endowment and ATFG activity	<u>4,770,959</u>	<u>-</u>	<u>(4,658)</u>	<u>4,766,301</u>	<u>1,399,413</u>
Increase (decrease) in net assets	10,652,734	(1,696,654)	44,207	9,000,287	26,821,884
Net assets at beginning of year	<u>40,503,711</u>	<u>43,666,427</u>	<u>10,791,465</u>	<u>94,961,603</u>	<u>68,139,719</u>
Net assets at end of year	<u>\$ 51,156,445</u>	<u>\$ 41,969,773</u>	<u>\$ 10,835,672</u>	<u>\$ 103,961,890</u>	<u>\$ 94,961,603</u>

See accompanying notes to financial statements.

NASHVILLE SYMPHONY ASSOCIATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Year ended July 31, 2004

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2004 Total</u>
Operating revenues				
Program revenues				
Ticket sales	\$ 2,077,398	\$ -	\$ -	\$ 2,077,398
Concert sponsorships	594,350	80,000	-	674,350
Orchestra contract fees	299,996	-	-	299,996
Other income	<u>42,866</u>	<u>-</u>	<u>-</u>	<u>42,866</u>
Total program revenues	3,014,610	80,000	-	3,094,610
Operating expenses				
Concert production	6,884,270	-	-	6,884,270
Education	166,346	-	-	166,346
Marketing	1,529,733	-	-	1,529,733
Administration and support	1,141,672	-	-	1,141,672
In-kind expenses	<u>122,745</u>	<u>-</u>	<u>-</u>	<u>122,745</u>
Total operating expenses	<u>9,844,766</u>	<u>-</u>	<u>-</u>	<u>9,844,766</u>
(Deficiency) income from operations	(6,830,156)	80,000	-	(6,750,156)
Support				
Contributions	11,115,900	22,629,367	38,194	33,783,461
Grants	595,000	-	-	595,000
Fund-raising events	388,218	-	-	388,218
In-kind contributions	<u>122,745</u>	<u>-</u>	<u>-</u>	<u>122,745</u>
Total support	12,221,863	22,629,367	38,194	34,889,424
Fund-raising expenses	533,721	-	-	533,721
Net assets released from restrictions	<u>11,620,616</u>	<u>(11,620,616)</u>	<u>-</u>	<u>-</u>
Income from operations and fund-raising	16,478,602	11,088,751	38,194	27,605,547
Concert hall expenses				
Construction related expenses	<u>2,183,076</u>	<u>-</u>	<u>-</u>	<u>2,183,076</u>
Net concert hall expenses	2,183,076	-	-	2,183,076
(Deficiency) income from operations, fund- raising and concert hall	14,295,526	11,088,751	38,194	25,422,471
Endowment and ATFG activity				
Net ATFG activity	1,213,857	-	-	1,213,857
Net endowment activity	630,674	-	-	630,675
Total endowment expenses	<u>(443,657)</u>	<u>-</u>	<u>(1,462)</u>	<u>(445,119)</u>
Net endowment and ATFG activity	<u>1,400,874</u>	<u>-</u>	<u>(1,462)</u>	<u>1,399,413</u>
Increase (decrease) in net assets	15,696,401	11,088,751	36,732	26,821,884
Net assets at beginning of year	<u>24,807,310</u>	<u>32,577,676</u>	<u>10,754,733</u>	<u>68,139,719</u>
Net assets at end of year	<u>\$ 40,503,711</u>	<u>\$ 43,666,427</u>	<u>\$ 10,791,465</u>	<u>\$ 94,961,603</u>

See accompanying notes to financial statements.

NASHVILLE SYMPHONY ASSOCIATION
STATEMENTS OF CASH FLOWS
Years Ended July 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities		
Increase in net assets	\$ 9,000,287	\$ 26,821,884
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	199,513	129,549
Non-expendable endowment gifts	(44,207)	(36,734)
Loss (gain) on sale of investments	(1,513,314)	(70,291)
Unrealized gain on investments	(2,537,640)	(458,087)
Net change in assets and liabilities:		
Decrease (increase) in accounts, contributions and grants receivable	6,555,716	(7,087,436)
Increase in prepaid expenses	(760)	(1,174,936)
Increase in accounts payable and accrued liabilities	2,763,863	688,243
Increase in deferred revenues	<u>195,538</u>	<u>94,577</u>
Net cash from operating activities	14,618,996	18,906,769
Cash flows from investing activities		
Capital expenditures, net	(44,759,217)	(20,629,462)
Purchases of investments, net	<u>(9,003,189)</u>	<u>(10,933,336)</u>
Net cash used in investing activities	(53,762,406)	(31,562,798)
Cash flows from financing activities		
Checks written in excess of bank balance	-	(703,957)
Net borrowings (payment) on line of credit	(700,000)	700,000
Net borrowings (payment) on long-term debt	14,808,364	(134,965)
Bond issuance costs	-	(1,232,488)
Fair market value of derivative instrument	1,129,326	-
Proceeds from bond issuance, net of issuance costs	-	85,500,000
Proceeds from contributions permanently restricted by donors	<u>44,207</u>	<u>36,734</u>
Net cash from financing activities	<u>15,281,897</u>	<u>84,165,324</u>
Net change in cash	(23,861,513)	71,509,295
Cash and cash equivalents at beginning of year	<u>79,121,704</u>	<u>7,612,409</u>
Cash and cash equivalents at end of year	<u>\$ 55,260,191</u>	<u>\$ 79,121,704</u>
Represented by:		
Cash and cash equivalents	1,591,077	2,369,714
Restricted cash	<u>53,669,114</u>	<u>76,751,990</u>
	<u>\$ 55,260,191</u>	<u>\$ 79,121,704</u>
Supplemental disclosures of cash flow information		
Cash paid during the year for interest	<u>\$ 12,302</u>	<u>\$ 17,537</u>

See accompanying notes to financial statements.

NASHVILLE SYMPHONY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
July 31, 2005 and 2004

NOTE 1 - NATURE OF ORGANIZATION

The Nashville Symphony Association (the "Association") is dedicated to enhancing the quality of life in Nashville and the surrounding region by providing opportunities for all citizens to enjoy the highest quality live performances of symphonic music in its various forms. Funding for operations comes from ticket sales, concert sponsorships, and contributions. Contributions are received from corporations, individuals, guilds, foundations, and other donating bodies.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents: The Association considers all highly liquid investments with a maturity of three months or less to be cash equivalents for the Statement of Cash Flows.

Investments: The Association uses Bank of America, SunTrust, and AmSouth as their trustees and investment advisors. Each advisor independently manages the funds it holds in trust and reports directly to the Association.

Investments in marketable securities are valued at fair market as determined by the investment advisors, and are based on quoted prices in an active market. Unrealized gains and losses in market value are recognized as changes in net assets in the period such gains and losses occur.

Investment income is recorded on the accrual basis and considered unrestricted unless specifically restricted by the donor. Realized gains and losses on investment transactions are recorded as the difference between proceeds received and cost, net of any commissions or related management expenses.

Property and Equipment: Property and equipment are stated at cost. Donated property is recorded at fair value. Depreciation is computed on a straight-line basis over the estimated useful lives of assets, ranging from three to fifteen years.

The Association owns a viola and cello to be used in its performances. The Association has the ability and intent to maintain the value of the instruments. In accordance with Statement of Financial Accounting Standard No. 93, "Recognition of Depreciation by Non-Profit Organization," the instruments are recorded at cost and are not depreciated.

Bond Issue Costs: Bond issue costs of \$1,471,828, net of accumulated amortization of \$87,150, are being amortized over the life of the bonds, which is 30 years. Amortization expense for the years ended July 31, 2005 and 2004 amounted to \$51,284 and \$35,866, respectively. See Note 12 for bonds payable disclosure. Future annual bond amortization expense under current terms and amounts will be \$51,284 per year.

NASHVILLE SYMPHONY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
July 31, 2005 and 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising: At July 31, 2005 and 2004, prepaid expenses included \$287,817 and \$315,419, respectively, of capitalized direct response advertising costs. The costs are related to the annual season ticket drive, which incorporates brochure and telemarketing solicitation of potential season ticket holders. The capitalized direct response advertising costs are amortized over the following year's symphony season. Outside of the annual season ticket drive, all other advertising costs are expensed as incurred. Total promotional, marketing, telemarketing and advertising expense was \$1,745,721 and \$1,529,733 in 2005 and in 2004, respectively.

Unrestricted Net Assets: Unrestricted net assets consist of funds that are used to fund current operations or that are available for use in current operations including investment income from board designated endowments.

Temporarily Restricted Net Assets: Temporarily restricted net assets include certain grants and other contributions with donor imposed restrictions. These restrictions may be purpose-restricted or time-restricted. Unconditional promises to give are recognized when such promises are received. Contributions to support future symphony seasons received prior to year-end are recognized as temporarily restricted income. If a restriction has been met in the same year that it was imposed, then the revenues are reflected in unrestricted net assets. During 2005 and 2004, the Association released \$10,051,300 and \$11,620,616, respectively, of temporarily restricted assets to fund current operations of the Nashville Symphony Orchestra after meeting stipulated time restrictions.

Temporarily restricted net assets are available for the following purposes:

	<u>2005</u>	<u>2004</u>
Unrestricted Endowment Fund	\$ 32,604,843	\$ 38,398,934
Symphony 2000 Bridge Fund	1,177,171	237,493
Construction Fund	<u>8,187,759</u>	<u>5,030,000</u>
	<u>\$ 41,969,773</u>	<u>\$ 43,666,427</u>

Permanently Restricted Net Assets: Contributions received in which donors have stipulated that the principal be maintained in perpetuity are classified as permanently restricted net assets. Investment income generated from permanently restricted net assets is unrestricted and is to be used to fund current operations of the Association or to be reinvested.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

(Continued)

NASHVILLE SYMPHONY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
July 31, 2005 and 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Financial Instruments: Fair values of financial instruments are estimated using relevant market information and other assumptions. The Company's carrying amount for its accounts receivable, accounts payable, short-term debt and long-term debt approximates fair value. The fair value of interest rate swaps is based on market prices or dealer quotes. Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular items. Changes in assumptions or in market conditions could significantly affect the estimates.

Revenue Recognition: Concert sponsorships, contributions, and grants are recognized as support upon receipt of the pledge from donor or grant approval for the donating entity. Season ticket sales and other support attributable to or designated from the current concert season are recorded as revenue and recognized over the course of the season. Season ticket sales for the next concert season are recorded as deferred revenue in the current year.

Donated Services: Donated services from volunteers for fund-raising are not recorded in the accounts of the Association as a clear, measurable basis, for the monetary value of such services does not exist and the Association does not exercise control over these activities.

Contributions and Grants Receivable: Donations to be received within the next 12 months or with restrictions that have been met at year-end are classified as current assets. Contributions designated by the donor to be received more than 12 months after year-end have been classified as non-current assets. The Association does not require collateral or other security to support the receivables or accrue interest on any of its receivables. The allowance for doubtful accounts is determined by management based on the historical collection of pledges, specific donor circumstances, and general economic conditions. Periodically, management reviews contributions and accounts receivable and records an allowance for specific donors based on current circumstances. Receivables are charged off against the allowance when all attempts to collect the receivable have failed. Management has not recorded an allowance for uncollectible pledges at July 31, 2005, as it believes that the entire balance is collectible.

In-Kind Contributions and Expenses: The Association receives donated services such as advertising, professional services and guest artist services that are recognized as in-kind contributions. The Association also incurs expenses related to the use of such services, which are reflected in operating expenses. In-kind contributions were \$182,638 and \$122,745 in 2005 and 2004, respectively.

Concentrations of Credit Risk: Financial instruments that potentially subject the Association to concentrations of credit risk consist principally of cash on deposit, accounts, contributions and grants receivable, and investments. The Association's cash deposits are primarily in financial institutions in Tennessee and may at times exceed federally insured amounts. Concentrations of credit risk with respect to accounts, contributions and grants receivable are limited to individuals, corporations, ticket subscribers, patrons and associations and are not collateralized. Investments consist primarily of publicly-traded securities in an open market. Management does not believe the Association has any significant credit risk related to its financial instruments.

(Continued)

NASHVILLE SYMPHONY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
July 31, 2005 and 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Federal Income Taxes: The Association is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE 3 - CONTRIBUTIONS RECEIVABLE

Contributions receivable at July 31, 2005 and 2004 consist of both unconditional and conditional promises to give based on commitments made by individual donors, including board members. Unconditional promises to give that will be met in the future include donations to the endowment and to the annual campaign. Conditional promises to give include contributions to fund specific programs that will occur in the future. Collection of contributions receivable is anticipated over the following maturity schedules:

Year Ending <u>July 31,</u>	"A Time For <u>Greatness"</u>	<u>Other</u>	2005 <u>Total</u>	2004 <u>Total</u>
2006	\$ 5,691,636	\$ 620,428	\$ 6,312,064	\$ 8,381,701
2007	10,064,666	-	10,064,666	7,368,844
2008	6,722,000	-	6,722,000	10,176,007
2009	3,725,178	-	3,725,178	6,371,231
2010	3,282,675	-	3,282,675	3,397,472
Thereafter	<u>9,324,702</u>	<u>-</u>	<u>9,324,702</u>	<u>12,097,145</u>
Total	38,810,857	620,428	39,431,285	47,792,400
Less imputed interest	<u>5,779,150</u>	<u>-</u>	<u>5,779,150</u>	<u>7,536,505</u>
Net present value of receivables	33,031,707	620,428	33,652,135	40,255,895
Current maturities	<u>5,691,636</u>	<u>620,428</u>	<u>6,312,064</u>	<u>8,381,701</u>
	<u>\$ 27,340,071</u>	<u>\$ -</u>	<u>\$ 27,340,071</u>	<u>\$ 31,874,194</u>

The Association is continuing an intensive fund raising campaign, "A Time For Greatness," to insure the orchestra's future and to endow its expanded operations in the new Schermerhorn Symphony Center. Support for the years ended July 31, 2005 and 2004 totaled \$51,981,447 and \$54,252,587 including receipts of \$11,558,000 and \$8,327,760 and pledges receivable of \$40,423,447 and \$45,924,827 at July 31, 2005 and 2004, respectively.

In 2005 and 2004, long-term contribution receivables have been discounted using the Association's anticipated risk free rate of return of 4.3% and 4.5%, respectively.

(Continued)

NASHVILLE SYMPHONY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
July 31, 2005 and 2004

NOTE 4 - CONCERT HALL

The Association is constructing a new world class concert hall known as Schermerhorn Symphony Center. The Association estimates that it will need approximately \$135 million to construct the new facility. In conjunction with the project, the Association issued bonds totaling \$102 million to finance the construction of the new concert hall. The bonds were issued in January 2004.

Construction expenses related to the new concert hall total \$41,539,296 and \$14,592,677 for the years ended July 31, 2005 and 2004, and are reflected in property and equipment as construction in progress. In addition to the capitalized costs previously disclosed, the Association capitalized bond interest net of interest earned on tax-exempt funds amounting to \$5,528,985 and \$1,631,059 in 2005 and 2004, respectively. Construction of the concert hall began in 2004 and is expected to be completed in 2006.

During the year ended July 31, 2005, the Association made a transfer from its unrestricted endowment fund to its unrestricted operating fund in the amount of \$2,407,266, or approximately 5% of the ending market value of the unrestricted endowment fund. Also, during the year ended July 31, 2005, the Association made an additional transfer from its unrestricted endowment fund to the Schermerhorn Symphony Center project in the amount of \$518,199. These transfers were made in accordance with the Association's long-range financial plans and its bank covenants. As these transfers occurred within the unrestricted activity of the Association, they have no effect on the Statement of Activities and Changes in Net Assets for the year ended July 31, 2005. These transfers are reported in the Supplemental Combining Statement of Activities and Changes in Net Assets.

NOTE 5 - INVESTMENTS

Investments consist of the following:

	2005			2004		
	<u>Cost</u>	<u>Market</u>	<u>Unrealized Gain (Loss)</u>	<u>Cost</u>	<u>Market</u>	<u>Unrealized Gain (Loss)</u>
Investments in bank						
Managed trust funds:						
Money markets	\$ 4,663,181	\$ 4,663,181	\$ -	\$ 2,513,758	\$ 2,513,758	\$ -
Equities	31,882,950	35,034,098	3,151,148	30,269,014	31,137,531	868,517
Corporate bonds	378,672	339,798	(38,874)	7,304,747	7,470,135	165,388
U.S. Government securities	18,139,420	18,557,518	418,098	4,272,701	4,231,528	(41,173)
Note	-	-	-	187,500	187,500	-
	<u>\$ 5 5,064,223</u>	<u>\$ 5 8,594,595</u>	<u>\$ 3,530,372</u>	<u>\$ 4 4,547,720</u>	<u>\$ 4 5,540,452</u>	<u>\$ 992,732</u>
Change in unrealized gains on investments			<u>\$ 2,537,640</u>			<u>\$ 458,087</u>

(Continued)

NASHVILLE SYMPHONY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
July 31, 2005 and 2004

NOTE 5 - INVESTMENTS (Continued)

Investment income, net of related fees and expenses, consists of the following:

	<u>2005</u>	<u>2004</u>
Interest	\$ 471,220	\$ 255,086
Dividends	1,035,710	1,238,754
Realized gains, net	1,513,314	70,291
Unrealized gains, net	2,537,640	458,087
Trustee, management and professional fees	<u>(791,583)</u>	<u>(622,805)</u>
	<u>\$ 4,766,301</u>	<u>\$ 1,399,413</u>

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2005</u>	<u>2004</u>
Construction in progress	\$ 70,168,986	\$ 25,849,763
Land	4,648,938	4,648,938
Musical instruments	2,189,774	2,189,774
Furniture and equipment	587,216	496,806
Leasehold improvements	460,641	433,196
Art and décor	224,695	-
Sculptures	<u>97,444</u>	<u>-</u>
	78,377,694	33,618,477
Less accumulated depreciation	<u>(1,033,179)</u>	<u>(884,950)</u>
	<u>\$ 77,344,515</u>	<u>\$ 32,733,527</u>

Depreciation expense was \$148,229 and \$93,683 for the years ending July 31, 2005 and 2004, respectively.

NOTE 7 - GUILD CONTRIBUTIONS

The Nashville Symphony Guild (the "Guild") is a nonprofit organization whose sole purpose is to provide volunteers and to raise funds in support of the Association. The Guild made general support contributions of \$50,000 and \$30,000 in the years ended July 31, 2005 and 2004, respectively.

(Continued)

NASHVILLE SYMPHONY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
July 31, 2005 and 2004

NOTE 8 - COMMITMENTS AND CONTINGENCIES

The Association has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, management believes any required reimbursements would not be material to the financial statements of the Association.

The Association is subject to a collective bargaining agreement whereby certain requirements and restrictions are placed upon the Association in return for qualified union musicians. The agreement establishes various requirements including compensation, pension funding and other terms of employment, and places certain other restrictions upon the Association.

NOTE 9 - COMMUNITY FOUNDATION OF MIDDLE TENNESSEE

The Community Foundation of Middle Tennessee (the "Foundation"), an unrelated entity, had investments with a market value of approximately \$35,892,340 and \$33,898,011 at July 31, 2005 and 2004, respectively, in which the Association has been designated the primary income beneficiary. Management believes these funds will be advised for the Association. Investment income is recorded as a contribution when received from the Foundation and totaled \$1,742,016 and \$654,540 for the years ended July 31, 2005 and 2004, respectively. As the Association has no claim to the investments, the principal has not been reflected in the financial statements.

NOTE 10 - LEASE COMMITMENTS

The Association has operating leases for office space and equipment with terms expiring through fiscal year 2008. At July 31, 2005, scheduled minimum lease payments were as follows:

<u>July 31,</u>	
2006	\$ 229,813
2007	162,371
2008	<u>4,263</u>
Total	<u>\$ 396,447</u>

Rent expense for these operating leases was \$220,524 and \$192,201 for fiscal years ending July 31, 2005 and 2004, respectively.

NASHVILLE SYMPHONY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
July 31, 2005 and 2004

NOTE 11 - BENEFIT PLANS

The Association has a defined contribution pension plan, which covers all full-time non-orchestra employees of the Association with one year of credited service. The plan is designed to conform to Internal Revenue Code Section 403(b) and to the requirements of the Employee Retirement Income Security Act of 1974 (ERISA). The Association's contributions to the plan are based upon a percentage of the participant's salary and are entirely discretionary. The Association's contributions to the plan were \$134,744 and \$65,914 in 2005 and 2004, respectively.

The Association also has a voluntary tax-sheltered annuity plan, which covers all full-time employees of the Association. The plan is designed to conform to Internal Revenue Code Section 403(b) and to the requirements of ERISA. It is a contributory plan whereby contributions are made entirely by plan participants.

In addition, the Association participates in a defined benefit plan administered by a national trust, known as the American Federation of Musicians and Employers Pension Fund, which covers all union musician employees of the Association. This plan is also designed to conform with the requirements of ERISA. Contributions to the plan are based upon a percentage of the participant's salary, as determined by the terms of the Collective Bargaining Agreement between the Association and American Federation of Musicians Local 257. It is a non-contributory plan. The Association contributed \$247,628 and \$194,920 to the plan in 2005 and 2004, respectively.

NOTE 12 - NOTES PAYABLE AND LINE OF CREDIT

The Association has an unsecured note payable to a third-party bank, bearing interest at 9.1%. Principal and interest are due monthly through June 2005. The note was entered into on behalf of an employee who used the proceeds to purchase a musical instrument. The Association has an offsetting amount due from the employee included in accounts receivable. The balances due on the note and due from the employee at July 31, 2004 was \$4,136. The note and receivable was paid in full during fiscal year ending July 31, 2005.

On April 26, 2001, the Association entered into a note agreement with The Nashville Symphony Endowment Trust administered by Bank of America (the "Trustee"). Under this agreement, payments and interest are due and payable upon payment of pledges of the Association by the "Symphony 2000 Bridge Fund". The note bears interest at a variable rate, which was 5% as of July 31, 2004. The note is secured by the maker of the "Symphony 2000 Bridge Fund" and had outstanding balances of \$187,500 as of July 31, 2004. The note is due on December 31, 2004, and was paid in full on December 31, 2004. Because of the nature of this note and its collateral, the obligation is classified as current. There are no covenants related to this loan.

The Association entered into a subordinated loan agreement with the Community Foundation of Middle Tennessee on June 15, 2005. The note bears interest at 7.5% and matures December 1, 2031. The balance due on the note at July 31, 2005 was \$15,000,000.

(Continued)

NASHVILLE SYMPHONY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
July 31, 2005 and 2004

NOTE 12 - NOTES PAYABLE AND LINE OF CREDIT (Continued)

The Association maintains an unsecured \$1,200,000 line of credit with a third-party bank, bearing interest at libor, which was 3.69% as of July 31, 2005. The line of credit had an outstanding balance of \$0 and \$700,000 at July 31, 2005 and 2004, and it matures on January 31, 2006. There were no covenants or commitment fees related to this line of credit.

The Association has a note payable to Regions Bank, Trustee, related to financing obtained through the issuance of \$102,000,000 in variable rate revenue bonds by the Industrial Development Board of The Metropolitan Government of Nashville and Davidson County, Tennessee for the acquisition, construction and equipping of a symphony hall facility located in Nashville, Tennessee. Currently, the bonds bear interest at a variable rate (2.2% and .91% at July 31, 2005 and 2004) not to exceed 12% and are due December 1, 2031. The note is secured by an irrevocable, direct-pay Letter of Credit issued by Bank of America, N.A. with an initial stated expiration date of January 8, 2009. Should the credit institution decide not to extend the termination date, the bonds will become due and payable on January 8, 2009.

Under the Regions Bank financing agreement, the Association has agreed to maintain certain levels of net assets and financial ratios related to debt and cash flows. At July 31, 2005 and 2004, the Association was in compliance with all covenants contained in the loan agreement.

The trust agreement requires the establishment of certain reserve accounts consisting of but not limited to a construction account. This account totaled \$5,000,000 at July 31, 2004 and is classified as temporarily restricted cash in the financial statements.

The Association also has restricted cash in the amount of \$53,669,114 and \$71,751,990 which represents the unused funds available for construction of the hall at July 31, 2005 and 2004.

NOTE 13 - DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

During 2004, the Association adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities". Under FASB 133, all derivatives are recognized on the balance sheet at their fair value. The Association engages in derivatives classified as cash-flow hedges as identified by management.

The Association formally documents all relations between derivative instruments and the hedged items, as well as its risk-management objectives and strategies for undertaking various hedge transactions. The Association formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of the hedged items. In evaluating the fair value of financial instruments, including derivatives, the Association generally uses third-party market quotes.

(Continued)

NASHVILLE SYMPHONY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
July 31, 2005 and 2004

NOTE 13 - DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES (Continued)

The Association's cash-flow hedges contain credit risk to the extent that its bank counterparties may be unable to meet the terms of the agreements. The Association minimizes such risk by limiting its counterparties to major financial institutions. Management does not expect any material losses as a result of defaults by other parties.

The Association has entered into certain interest rate swaps to receive market rate interest and pay fixed rate interest to various major financial institutions that lock in the Association's interest rate paid on certain variable rate bonds payable.

The following table presents a summary of the notional amounts and fair values of the Association's derivative contract at July 31, 2005.

	<u>Maturity Date</u>	<u>Notional Amounts</u>	<u>Fair Value</u>	<u>Rate</u>
Cash flow hedges:				
Interest rate swaps	12/01/2031	\$ 12,750,000	\$ (282,485)	3.06%
Interest rate swaps	12/01/2031	<u>38,250,000</u>	<u>(846,841)</u>	3.06%
Total		<u>\$ 51,000,000</u>	<u>\$ (1,129,326)</u>	

The fixed rate on the bonds increases to 3.5% beginning March 2007.

The variable interest on the bonds is hedged by forward starting interest rate swaps. Net interest payments will be effectively fixed at the rates indicated, during the period. The Association intends to hold these forward starting interest rate swaps until maturity. Changes in the fair value of these derivatives are reported as a change in net assets.

SUPPLEMENTARY INFORMATION



Crowe Chizek and Company LLC
Member Horwath International

REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY INFORMATION

Board of Directors
Nashville Symphony Association
Nashville, Tennessee

Our report on our audits of the basic financial statements of the Nashville Symphony Association for 2005 and 2004 appear on page 1. The audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information, consisting of combining statements of financial position, activities and changes in fund balance and schedules of operating expenses, fundraising expenses, and concert hall expenses, contained on the following pages is presented for purposes of additional analysis, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Crowe Chizek and Company LLC

Crowe Chizek and Company LLC

Brentwood, Tennessee
September 23, 2005

Nashville Symphony Association
Combining Statement of Financial Position
July 31, 2005 and 2004

	2005										
	Unrestricted				Temporarily Restricted				Permanently Restricted	2005 Total	2004 Total
	Nashville Symphony Orchestra	Schermerhorn Symphony Center	Endowments	Total Unrestricted	Nashville Symphony Orchestra	Schermerhorn Symphony Center	Endowments	Total Temporarily Restricted			
Current assets											
Cash and cash equivalents	\$ 589,483	\$ 25,907	\$ 975,687	\$ 1,591,077	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,591,077	\$ 747,751
Restricted cash	-	-	-	-	-	-	-	-	-	-	1,621,963
Accounts receivable	187,668	-	-	187,668	-	-	-	-	-	187,668	139,624
Contributions and grants receivable, net	306,981	-	426,864	733,845	255,660	-	5,264,772	5,520,432	57,787	6,312,064	8,381,701
Prepaid expenses	353,386	1,199,733	-	1,553,119	-	-	-	-	-	1,553,119	1,552,360
Total current assets	1,437,518	1,225,640	1,402,551	4,065,709	255,660	-	5,264,772	5,520,432	57,787	9,643,928	12,443,399
Noncurrent assets											
Restricted Cash	-	50,753,407	-	50,753,407	-	2,915,707	-	2,915,707	-	53,669,114	76,751,990
Contributions receivable, net	-	-	-	-	-	-	27,340,071	27,340,071	-	27,340,071	31,874,194
Investments	-	-	49,791,710	49,791,710	-	-	-	-	8,802,885	58,594,595	45,540,452
Due from/(to) funds	(931,969)	5,686	(25,228)	(951,511)	921,511	30,000	-	951,511	-	-	-
Property and equipment, net	229,452	69,898,011	-	70,127,463	-	5,242,052	-	5,242,052	1,975,000	77,344,515	32,733,527
Deferred bond issuance costs, net	-	1,384,678	-	1,384,678	-	-	-	-	-	1,384,678	1,435,961
Total noncurrent assets	(702,517)	122,041,782	49,766,482	171,105,747	921,511	8,187,759	27,340,071	36,449,341	10,777,885	218,332,973	188,336,124
Total assets	\$ 735,001	\$ 123,267,422	\$ 51,169,033	175,171,456	\$ 1,177,171	\$ 8,187,759	\$ 32,604,843	41,969,773	\$ 10,835,672	\$ 227,976,901	\$ 200,779,523
Current Liabilities											
Accounts payable and accrued liabilities	170,892	4,355,222	48	4,526,162	-	-	-	-	-	4,526,162	1,762,299
Line of credit	-	-	-	-	-	-	-	-	-	-	700,000
Notes payable	-	-	-	-	-	-	-	-	-	-	191,636
Fair value of derivatives instruments	-	1,129,326	-	1,129,326	-	-	-	-	-	1,129,326	-
Deferred revenues	1,359,523	-	-	1,359,523	-	-	-	-	-	1,359,523	1,163,985
Total current liabilities	1,530,415	5,484,548	48	7,015,011	-	-	-	-	-	7,015,011	3,817,920
Long-term liabilities											
Bonds payable	-	102,000,000	-	102,000,000	-	-	-	-	-	102,000,000	102,000,000
Notes payable	-	15,000,000	-	15,000,000	-	-	-	-	-	15,000,000	-
Total long term liabilities	-	117,000,000	-	117,000,000	-	-	-	-	-	117,000,000	102,000,000
Total liabilities	1,530,415	122,484,548	48	124,015,011	-	-	-	-	-	124,015,011	105,817,920
Net Assets (Deficit)											
Unrestricted	(795,414)	782,874	51,168,985	51,156,445	-	-	-	-	-	51,156,445	40,503,711
Temporarily restricted	-	-	-	-	1,177,171	8,187,759	32,604,843	41,969,773	-	41,969,773	43,666,427
Permanently restricted	-	-	-	-	-	-	-	-	10,835,672	10,835,672	10,791,465
Total net assets	(795,414)	782,874	51,168,985	51,156,445	1,177,171	8,187,759	32,604,843	41,969,773	10,835,672	103,961,890	94,961,603
Total liabilities and net assets	735,001	123,267,422	51,169,033	175,171,456	1,177,171	8,187,759	32,604,843	41,969,773	10,835,672	227,976,901	200,779,523

See report of independent auditors on supplementary information.

Nashville Symphony Association
Combining Statement of Activities and Changes in Net Assets
For the Years Ended July 31, 2005 and 2004

	2005										2004 Total
	Unrestricted				Temporarily Restricted				Permanently Restricted	2005 Total	
	Nashville Symphony Orchestra	Schermerhorn Symphony Center	Endowments	Total Unrestricted	Nashville Symphony Orchestra	Schermerhorn Symphony Center	Endowments	Total Temporarily Restricted			
Operating Revenues											
Program revenues											
Ticket sales	\$2,212,593	-	-	2,212,593	-	-	-	-	-	2,212,593	\$2,077,398
Concert sponsorships	570,880	-	-	570,880	-	-	-	-	-	570,880	674,350
Orchestra contract fees	350,894	-	-	350,894	-	-	-	-	-	350,894	299,996
Other income	44,407	-	-	44,407	-	-	-	-	-	44,407	42,866
Total program revenues	3,178,774	-	-	3,178,774	-	-	-	-	-	3,178,774	3,094,610
Distribution from CFMT	1,058,398			1,058,398				-		1,058,398	
Transfers from endowments	2,407,266	518,199	(2,925,465)	-	-	-	-	-	-	-	-
Total Operating revenues	6,644,438	518,199	(2,925,465)	4,237,172	-	-	-	-	-	4,237,172	3,094,610
Operating Expenses											
Concert production	7,191,905	-	-	7,191,905	-	-	-	-	-	7,191,905	6,884,270
Education	210,051	-	-	210,051	-	-	-	-	-	210,051	166,346
Marketing	1,745,721	-	-	1,745,721	-	-	-	-	-	1,745,721	1,529,733
Administration and support	1,355,342	-	-	1,355,342	-	-	-	-	-	1,355,342	1,141,672
Change in fair value of deriviative instruments	-	1,129,326	-	1,129,326	-	-	-	-	-	1,129,326	-
In-Kind Expenses	182,638	-	-	182,638	-	-	-	-	-	182,638	122,745
Total operating expenses	10,685,657	1,129,326	-	11,814,983	-	-	-	-	-	11,814,983	9,844,766
(Deficiency) income from operations	(4,041,219)	(611,127)	(2,925,465)	(7,577,811)	-	-	-	-	-	(7,577,811)	(6,750,156)
Support											
Contributions	3,500,588	204	1,013,014	4,513,806	1,119,938	3,157,759	4,076,949	8,354,646	48,865	12,917,317	33,783,461
Grants	531,109	-	-	531,109	-	-	-	-	-	531,109	595,000
Fund-raising events	462,963	-	-	462,963	-	-	-	-	-	462,963	388,218
In-kind contributions	182,638	-	-	182,638	-	-	-	-	-	182,638	122,745
Total support	4,677,298	204	1,013,014	5,690,516	1,119,938	3,157,759	4,076,949	8,354,646	48,865	14,094,027	34,889,424
Fund-raising Expenses	794,944	-	-	794,944	-	-	-	-	-	794,944	533,721
Net Assets Released from Restrictions	180,260	-	9,871,040	10,051,300	(180,260)	-	(9,871,040)	(10,051,300)	-	-	-
(Deficiency) income from operations and fund-raising	21,395	(610,923)	7,958,589	7,369,061	939,678	3,157,759	(5,794,091)	(1,696,654)	48,865	5,721,272	27,605,547
Concert Hall Expenses											
Construction related expenses	-	1,487,286	-	1,487,286	-	-	-	-	-	1,487,286	2,183,076
(Deficiency) income from operations, fund-raising and concert hall	21,395	(2,098,209)	7,958,589	5,881,775	939,678	3,157,759	(5,794,091)	(1,696,654)	48,865	4,233,986	25,422,471
Endowment and ATFG Activity											
Net ATFG Activity	-	-	4,440,834	4,440,834	-	-	-	-	-	4,440,834	1,213,857
Net Endowment Activity	-	-	868,055	868,055	-	-	-	-	-	868,055	630,675
Total Endowment Expenses	-	-	(537,930)	(537,930)	-	-	-	-	(4,658)	(542,588)	(445,119)
Net endowment and ATFG Activity	-	-	4,770,959	4,770,959	-	-	-	-	(4,658)	4,766,301	1,399,413
Increase (Decrease) in Net Assets	21,395	(2,098,209)	12,729,548	10,652,734	939,678	3,157,759	(5,794,091)	(1,696,654)	44,207	9,000,287	26,821,884
Net Assets at Beginning of Year	(816,809)	2,881,083	38,439,437	40,503,711	237,493	5,030,000	38,398,934	43,666,427	10,791,465	94,961,603	68,139,719
Net Assets at End of Year	(795,414)	782,874	51,168,985	51,156,445	1,177,171	8,187,759	32,604,843	41,969,773	10,835,672	103,961,890	94,961,603

See report of independent auditors on supplementary information.

NASHVILLE SYMPHONY ASSOCIATION
SCHEDULES OF OPERATING EXPENSES
Years Ended July 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Concert production expenses		
Conductor, orchestra salaries and benefits	\$ 5,603,552	\$ 5,064,034
Assisting artists' fees and guest conductor	774,252	941,697
Hall rental	187,018	166,017
Music purchase, rental, royalties and commissions	79,635	68,585
Stagehands' salaries and benefits	127,570	119,361
Travel	50,269	36,866
Depreciation - instruments	14,549	16,313
Instrument rental and repair	139,424	269,280
Insurance - instruments	32,020	32,958
Concert production	155,968	141,397
Printing	856	1,579
Postage	5,564	6,460
Truck rental	<u>21,228</u>	<u>19,723</u>
Total concert production expenses	<u>\$ 7,191,905</u>	<u>\$ 6,884,270</u>
Education expenses		
Salaries and benefits	\$ 97,025	\$ 75,659
Travel / entertainment	1,364	1,615
Printing	3,646	1,175
Miscellaneous	<u>108,016</u>	<u>87,897</u>
Total education expenses	<u>\$ 210,051</u>	<u>\$ 166,346</u>
Marketing expenses		
Marketing, salaries and benefits	\$ 468,513	\$ 388,626
Advertising	353,519	354,905
Telemarketing	344,536	338,816
Printing	186,040	150,601
Postage	67,301	56,362
Miscellaneous marketing	<u>325,812</u>	<u>240,423</u>
Total marketing expenses	<u>\$ 1,745,721</u>	<u>\$ 1,529,733</u>
Administrative and support expenses		
Salaries and benefits	\$ 481,229	\$ 401,712
Insurance	56,825	29,162
Office rent	175,908	146,156
Depreciation and amortization	133,680	77,370
Professional fees	66,348	102,143
Office supplies and maintenance	88,927	78,743
Dues and subscriptions	21,677	19,049
Meals and entertainment	47,615	47,639
Bank charges	56,225	49,352
Telephone	35,761	33,463
Printing	16,524	12,874
Miscellaneous	156,221	102,172
Interest	<u>18,402</u>	<u>41,837</u>
Total overhead and administrative expenses	<u>\$ 1,355,342</u>	<u>\$ 1,141,672</u>

NASHVILLE SYMPHONY ASSOCIATION
SCHEDULES OF FUNDRAISING EXPENSES
Years Ended July 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Fundraising expenses		
Salaries, benefits and professional fees	\$ 334,556	\$ 228,073
Telefunding	236,351	211,994
Printing	19,997	23,823
Postage	19,519	22,812
Travel	4,993	7,441
Bad debt expense	113,769	-
Miscellaneous	<u>65,759</u>	<u>39,578</u>
 Total fund-raising expenses	 <u><u>\$ 794,944</u></u>	 <u><u>\$ 533,721</u></u>

NASHVILLE SYMPHONY ASSOCIATION
SCHEDULE OF CONCERT HALL EXPENSES
Years Ended July 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Concert hall expenses		
Symphony owner's rep	\$ 161,319	\$ 157,322
PR / community events	156,491	152,946
Planning consultants	56,409	72,171
Symphony hall management	286,134	274,550
Team reimbursables	23,829	484,376
Miscellaneous soft costs	467,241	320,066
Development expenses	<u>335,863</u>	<u>721,645</u>
 Total concert hall expenses	 <u>\$ 1,487,286</u>	 <u>\$ 2,183,076</u>