

**BRYAN SYMPHONY ORCHESTRA ASSOCIATION  
AT TENNESSEE TECH, INC.  
JUNE 30, 2005**

**TAMARA L. BECKMAN  
CERTIFIED PUBLIC ACCOUNTANT**

**BRYAN SYMPHONY ORCHESTRA ASSOCIATION  
AT TENNESSEE TECH, INC.**

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**TAMARA L. BECKMAN**  
CERTIFIED PUBLIC ACCOUNTANT

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To the Board of Directors of  
Bryan Symphony Orchestra at  
Tennessee Tech, Inc.  
Cookeville, Tennessee

**ACCOUNTANTS' COMPILATION REPORT**

I have compiled the accompanying statement of financial position of Bryan Symphony Orchestra at Tennessee Tech, Inc. (a non-profit organization) as of June 30, 2005, and the related statements of activities and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or any other form of assurance on them.

*Tamara L Beckman CPA*

November 21, 2005  
Cookeville, Tennessee

**BRYAN SYMPHONY ORCHESTRA AT TENNESSEE TECH, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2005**

ASSETS

Current Assets:

Cash	\$ 30,778.03
Certificates of Deposit	<u>250,791.12</u>

<u>Total Assets</u>	<u>\$ 281,569.15</u>
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LIABILITIES

Deferred Revenue	\$ 24,029.00
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NET ASSETS

Unrestricted	\$ 227,195.15
Temporarily Restricted	9,500.00
Permanently Restricted	<u>20,845.00</u>

Total Net Assets	<u>257,540.15</u>
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<u>Total Liabilities and Net Assets</u>	<u>\$ 281,569.15</u>
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The accompanying notes are an integral part of the financial statements.

**BRYAN SYMPHONY ORCHESTRA AT TENNESSEE TECH, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2005**

**CHANGES IN UNRESTRICTED NET ASSETS:**

**Revenues, gains and other support:**

Memberships & Dues	\$ 1,835.00	
Outdoor Concert	5,975.00	
Contributions	54,951.66	
Ticket Sales	41,329.00	
Sponsors	20,700.00	
GALA Fundraiser	12,220.00	
Grant Income	4,980.00	
Luncheons & Socials	4,875.00	
Advertising	2,390.00	
Reimbursements	2,356.33	
Interest Income	1,624.46	
Miscellaneous	334.70	
	<hr/>	
<b>Total revenues, gains &amp; other support</b>		<b>\$ 153,571.15</b>

**Less: Expenses, transfers and losses:**

Advertising	3,279.30
Accounting	2,000.00
Contract labor - admin	2,159.00
Contract management fee	19,876.64
Musicians' cartage & drivers	3,066.00
Printing	837.24
Luncheons & Socials	5,176.45
Credit card & bank fee	1,216.99
Dues & Subscriptions	838.32
Educational Activities	1,600.00
GALA Fundraiser	7,135.83
Wages	10,500.00
Payroll tax	803.44
Supplies	4,472.44
Board expense	295.80
Postage	848.92
Orchestra personnel & guest artists	54,100.00
Programs	4,751.11

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

Refunds	180.00	
Instrument Storage & Rental	1,811.49	
Scholarships	1,350.00	
Travel	2,242.41	
Miscellaneous	<u>702.09</u>	
<b>Total expenses, transfers and losses</b>		<u>129,243.47</u>
 <b>Increase in unrestricted net assets</b>		 24,327.68
 <u><b>CHANGES IN TEMPORARILY RESTRICTED NET ASSETS</b></u>		
Contributions	9,000.00	
Grant income	<u>500.00</u>	
 <b>Increase in temporarily restricted net assets</b>		 <u>9,500.00</u>
 Total increase in total net assets		 33,827.68
Net assets, beginning of year		209,998.39
Prior Period Adjustment, Unrestricted		<u>13,714.08</u>
 Net Assets, End of Year		 <u><u>\$ 257,540.15</u></u>

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

BRYAN SYMPHONY ORCHESTRA AT TENNESSEE TECH, INC.

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDING JUNE 30, 2005

Cash Flows From Operating Activities

Cash received for operating	\$ 185,475.69
Cash paid for operating	<u>(151,343.16)</u>

Total Cash Flows From Operating Activities \$ 34,132.53

Cash Flows From Investing Activities

Interest Received	1,624.46
Transfer to CDs	<u>(57,444.09)</u>

Total Cash Flows from Investing Activities (55,819.63)

Net Decrease in Cash Flows (21,687.10)

Cash and Cash equivalents at 6-30-04 52,465.13

Cash and Cash equivalents at 6-30-05 \$ 30,778.03

Reconciliation of Net Decrease in Net Assets  
to Net Cash Used by Operating Activities

Net Increase in Net Assets	\$ 33,827.68
Less: Interest Income	(1,624.46)
Increase in Deferred Revenue	4,224.00
Decrease in payroll tax payable	<u>(2,294.69)</u>

Net Adjustment \$ 34,132.53

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

**BRYAN SYMPHONY ORCHESTRA AT TENNESSEE TECH, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2005**

Note 1 – Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

The purpose of this organization shall be to promote and support the Bryan Symphony Orchestra. The mission of the Bryan Symphony Orchestra Association is to provide an orchestra of the highest artistic standards, to perform regularly a broad range of repertoire for a wide and diverse audience, to provide quality educational experiences for all ages, and to serve as a leader and a continuing force in the Upper Cumberland region.

Basis of Presentation

The financial statements of the association have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Financial Accounting Standards Board.

Basis of Accounting

The financial statements of the association have been prepared on the accrual basis. Under this method, revenues are recorded when earned and expenditures at the time liabilities are incurred.

Estimates

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

Financial Statement Presentation

The Organization presents its Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted assets, and permanently restricted assets. In addition, the Organization is required to present a statement of cash flows.

Contributions

The Organization uses SFAS No. 116, "Accounting for Contributions Received and Contributions Made." In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily unrestricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Net Assets

Unrestricted net assets consist of those funds over which the association retains full control for use in achieving any of its authorized institutional purposes. Restricted net assets are externally restricted and may be used only in accordance with the purposes established by their source.



### Deposits

At June 30, 2005, the carrying amount of the foundation's deposits in bank was \$ 281,569.15. The bank balances in Category 1 were entirely insured by FDIC. The balances in Category 3 were uninsured. The balances are as follows:

<u>Account</u>	<u>Location</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Total</u>
Checking	BPC	\$ 210.55	\$ --	\$ --	\$ 210.55
Money Mkt	BPC	1,706.73	--	--	1,706.73
Checking	Comm Bank	23,577.42	--	--	23,577.42
GALA	Comm Bank	5,283.33	--	--	5,283.33
CD's	BPC	15,000.00	--	--	15,000.00
CD's	Comm Bank	71,139.25	--	78,443.49	149,582.74
CD	1 <sup>st</sup> Nat'l Bank	36,208.38	--	--	36,208.38
CD	1 <sup>st</sup> TN Bank	<u>50,000.00</u>	<u>--</u>	<u>--</u>	<u>50,000.00</u>
Total		<u>\$203,125.66</u>	<u>\$ --</u>	<u>\$ 78,443.49</u>	<u>\$281,569.15</u>

### Income Taxes

The association is a Not-for-Profit Organization that is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code.

### Cash and Cash Equivalents

For purpose of the statements of cash flows, the association considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

### Note 2 – Deferred Revenue

Deferred revenue at June 30, 2005 consisted of the following:

Advance ticket sales	\$16,245.00
Contributions for next year	3,579.00
Designated Contributions	900.00
Prepaid Sponsorships	3,000.00
Deferred Dues/Memberships	<u>305.00</u>
	<u>\$24,029.00</u>

### Note 3 – Restricted Fund Balance

Restricted fund balances at June 30, 2005 consisted of the following:

#### Temporarily Restricted

Outdoor Concert Contribution	\$ 9,000.00
Grant Income	<u>500.00</u>
	<u>\$ 9,500.00</u>

#### Permanently Restricted

Restricted by Donor	<u>\$20,845.00</u>
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Note 4 – Prior Period Adjustment

A prior period adjustment was made to CD's in the amount of \$16,008.77 which was understated in the prior year. A prior period adjustment was made to payroll tax payable in the amount of \$2,294.69 which was understated in the prior year.

**BRYAN SYMPHONY ORCHESTRA AT TENNESSEE TECH, INC.  
COMMUNICATION AND RECOMMENDATIONS  
JUNE 30, 2005**

In completing the compilation of the Organization, the following issues were noted for communication:

**Item 05-01**

During the year, the Organization's cash in bank balances exceeded the Federally insured limits. At June 30, 2005, the Organization's uninsured cash balances totaled \$ 78,443.49.

**Recommendation**

The Organization should acquire collateralization from the appropriate banks or move some of the funds to a different banking institution so that none of the funds in each bank exceed the \$100,000.00 insurance limits.