

COMMUNITY ARTS MUSIC ASSOCIATION OF SANTA BARBARA, INC.

Financial Statements and
Independent Auditor's Report

For the Year Ended
May 31, 2020

GARY A. SMITH
CERTIFIED PUBLIC ACCOUNTANT
350 SOUTH HOPE AVENUE, SUITE A-205
SANTA BARBARA, CALIFORNIA 93105
(805) 563-4800
gary@garysmithaccounting.com

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
Community Arts Music Association of Santa Barbara, Inc.
Santa Barbara, California

I have audited the accompanying financial statements of the Community Arts Music Association of Santa Barbara, Inc. which comprise the statement of financial position as of May 31, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion the financial statements referred to above present fairly, in all material respects, the financial position of the Community Arts Music Association of Santa Barbara, Inc. as of May 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on summarized Comparative Information

I have previously audited the 2019 financial statements of the Community Arts Music Association, and I expressed an unmodified audit opinion on those audited financial statements in my report dated September 10, 2019. In my opinion, the summarized comparative information presented herein as of and for the year May 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Gary A. Smith

September 14, 2020

COMMUNITY ARTS MUSIC ASSOCIATION OF SANTA BARBARA, INC.
Statement of Financial Position
May 31, 2020
(With comparative totals for 2019)

ASSETS:

	<u>2020</u>	<u>2019</u>
Current assets:		
Cash and cash equivalents	\$ 183,626	\$ 284,147
Short-term investments (Note 3)	30,942	30,831
Receivables	19,000	37,500
Pledges receivable (Note 4)	18,000	406,000
Prepaid expenses	<u>7,626</u>	<u>16,175</u>
Total current assets	<u>259,194</u>	<u>774,653</u>
Investments (Note 5)	7,431,075	7,662,823
Pledges receivable, net of current position (Note 4)	235,698	225,654
Property and equipment:		
Furniture and equipment	101,799	100,169
Leasehold improvements	<u>12,083</u>	<u>12,083</u>
	113,882	112,252
Less: accumulated depreciation	<u>106,833</u>	<u>104,278</u>
Property and equipment, net	<u>7,049</u>	<u>7,974</u>
Total assets	<u>\$7,933,016</u>	<u>\$8,671,104</u>

LIABILITIES AND NET ASSETS:

Current liabilities:		
Accounts payable and accrued expenses	\$ 3,688	\$ 41,242
Advances received	24,799	
Deferred income - ticket sales	<u>249,820</u>	<u>249,820</u>
Total current liabilities	<u>28,487</u>	<u>291,062</u>
Net assets:		
Without donor restrictions (Note 6)	2,332,255	2,242,217
With donor restrictions (Note 6)	<u>5,572,274</u>	<u>6,137,825</u>
Total net assets	<u>7,904,529</u>	<u>8,380,042</u>
Total liabilities and net assets	<u>\$7,933,016</u>	<u>\$8,671,104</u>

See notes to financial statements.

COMMUNITY ARTS MUSIC ASSOCIATION OF SANTA BARBARA, INC.

Statement of Activities

Year ended May 31, 2020

(With comparative totals for 2019)

	<u>2020</u>	<u>2019</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Revenue, gains and other support:		
Ticket sales	\$ 439,525	\$ 618,631
Contributions	271,091	636,370
Government grant	56,893	
Bequests		30,483
Event income	99,452	161,237
Investment income (loss) (Note 5)	11,503	(26,181)
Acknowledgements	61,456	37,157
Net assets released from restrictions (Note 7)	<u>861,731</u>	<u>774,744</u>
Total revenue gains and other support	<u>1,801,651</u>	<u>2,232,441</u>
Direct expenses:		
Artists' fees	329,000	738,462
Season brochures	37,980	44,559
Advertising	83,037	111,166
Event expenses	210,109	409,364
Box office fees	5,641	14,384
Publications expense	55,583	101,255
Graphics and website	23,908	28,390
Concert expenses	29,774	51,482
Ticketing network service	10,550	13,145
Season promotion	7,096	26,342
Rent expense	18,417	38,424
Stage crew and ushers	19,932	61,051
Facility fees	14,956	14,465
Consulting expenses	117,950	105,735
Other expenses	6	932
Subtotal	<u>963,939</u>	<u>1,759,156</u>
General operating and other expenses:		
Accounting	48,200	45,129
Credit card fees	13,572	16,874
Depreciation expense	2,555	2,581
Development expense	252	572
Insurance	11,462	6,787
Office expense	27,385	28,396
Postage and mailing expense	1,974	7,095
Printing and reproduction	12,707	27,315
Centennial book		47,170
Payroll expenses	542,315	586,916
Rent expense	77,059	74,846
Telephone and internet services	7,711	7,486
Small equipment	314	1,696
Other expenses	<u>2,168</u>	<u>580</u>
Subtotal	<u>747,674</u>	<u>853,443</u>
Total expenses	<u>1,711,613</u>	<u>2,612,599</u>
Change in net assets without donor restrictions	<u>\$ 90,038</u>	<u>\$ (380,158)</u>

See notes to financial statements.

COMMUNITY ARTS MUSIC ASSOCIATION OF SANTA BARBARA, INC.
Statement of Activities
Year ended May 31, 2020
(With comparative totals for 2019)

	<u>2020</u>	<u>2019</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTONS:		
Contributions:		
Restricted by time	\$ 10,221	\$ 240,422
Restricted by purpose	166,062	135,355
Permanently restricted	<u>12,997</u>	<u>103,500</u>
	189,280	479,277
Investment income (loss) (Note 5)	106,900	(203,490)
Net assets released from restrictions (Note 7)	<u>(861,731)</u>	<u>(774,744)</u>
Change in net assets with donor restrictions	<u>(565,551)</u>	<u>(498,957)</u>
CHANGE IN TOTAL NET ASSETS	(475,513)	(879,115)
NET ASSETS, BEGINNING OF YEAR	<u>8,380,042</u>	<u>9,259,157</u>
NET ASSETS, END OF YEAR	<u>\$7,904,529</u>	<u>\$8,380,042</u>

See notes to financial statements.

COMMUNITY ARTS MUSIC ASSOCIATION OF SANTA BARBARA, INC.
Statement of Cash Flows
Year ended May 31, 2020
(With comparative totals for 2019)

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (475,513)	\$ (879,115)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,555	2,581
Contributions restricted for long-term purposes	(4,953)	(103,500)
Realized and unrealized (gain) loss on investments	73,613	434,003
(Increase) decrease in operating assets:		
Receivables	18,500	(30,000)
Pledges receivable	377,956	(4,422)
Prepaid expenses	8,549	24,394
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(37,554)	(18,267)
Advances received	24,799	
Deferred revenue	<u>(249,820)</u>	<u>(44,145)</u>
Net cash provided by operating activities	<u>(261,868)</u>	<u>(618,471)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Property and equipment acquired	(1,630)	(3,602)
Purchase of investments	(1,854,374)	(6,595,574)
Sale of investments	<u>2,012,398</u>	<u>6,856,818</u>
Net cash provided by investing activities	<u>156,394</u>	<u>257,642</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Collection of contributions restricted for long-term purposes:		
Endowment fund	<u>4,953</u>	<u>103,500</u>
Net cash provided by financing activities	<u>4,953</u>	<u>103,500</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(100,521)	(257,329)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>284,147</u>	<u>541,476</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 183,626</u>	<u>\$ 284,147</u>

See notes to financial statements.

COMMUNITY ARTS MUSIC ASSOCIATION OF SANTA BARBARA, INC.
Notes to Financial Statements
Year Ended May 31, 2020

Note 1 Nature of organization

The Community Arts Music Association of Santa Barbara, Inc. (CAMA) is a non-profit corporation organized to bring high quality classical musicians from around the globe to the Santa Barbara area to perform orchestral, vocal, solo instrumental, and chamber concerts. The financial statements include the accounts of the CAMA Women's Board, an auxiliary group that promotes a public response and appreciation of concerts presented by CAMA.

Note 2 Summary of significant accounting policies

Basis of presentation

The financial statements of CAMA have been prepared in accordance with U.S. generally accepted principles (GAAP). GAAP requires that resources be classified for reporting purposes based on the existence or absence of donor-imposed restrictions.

Accordingly, net assets and changes in net assets are categorized 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. Donor-imposed restrictions may be 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 may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Revenue recognition

Revenue from an exchange transaction is recognized when earned. Ticket sales from concerts or events received in advance are recorded as deferred revenue and recognized in the period in which the related concert or event is performed. Contributions are recognized when cash, securities, or unconditional promise to give is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Cash and equivalents

For financial statement purpose, CAMA considers all investments with a maturity at purchase of three months or less to be cash equivalents.

Investments

Investments are stated at market value. These investments are exposed to various risks, such as interest rate, market and credit risks. It is at least reasonably possible that changes within the next year could materially affect the reported amounts.

Equipment

Equipment and leasehold improvements are stated at cost and depreciated using the straight-line method over estimated useful lives of 3 to 5 years.

In-kind activities

CAMA has received non-cash goods and services in exchange for acknowledgements in CAMA's concert program. The goods and services include lodging for artists, promotion, and flowers for concerts. The fair value of these goods and services has been measured on a non-recurring basis using quoted prices for the same or similar assets (level 2 inputs).

Advertising

Advertising costs are expensed when incurred and are included in functional expenses.

Income Taxes

CAMA is exempt from Federal and California income taxes. Management believes that the tax positions taken are more likely than not to be sustained upon examination. CAMA's returns are subject to examination by federal and state taxing authorities, generally for three and four years, respectively, after they are filed.

Functional expenses

The costs of providing CAMA's various programs and supporting services have been summarized on a functional basis in Note 12. Certain costs, based upon estimates by management, have been allocated among the programs and supporting services benefited. The estimates by management take into consideration personnel and space utilization.

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 certain 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. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Recent accounting pronouncement

During 2019, CAMA adopted ASU No. 2018-08 – *Not for Profit Entities* (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This standard provides guidance in determining (1) whether a grant or similar contract is to be treated as an exchange transaction or a contribution, and (2) determining whether a contribution is conditional or unconditional. The adoption of this standard does not change any previously recorded amounts.

Reclassifications

Certain reclassifications have been made to the 2019 financial statements to conform to the 2020 presentation.

Concentration of credit risk

Financial instruments which potentially subject CAMA to concentrations of credit risk consist of cash, money market funds, and receivables. CAMA places its cash and money market funds with high credit quality financial institutions. Cash and money market funds

may, at times, exceed federal insurance limits. CAMA has not experienced any losses on such accounts. With respect to receivables, CAMA performs ongoing credit evaluations and writes off uncollectible amounts as they become known.

Note 3 Short-term investments

Short-term investments consist of a certificate of deposit.

Note 4 Pledges receivable

Unconditional promises to give are expected to be realized in the following periods:

	<u>2020</u>	<u>2019</u>
In one year or less	\$ 18,000	\$ 406,000
One to five years		
More than five years	323,000	321,000
Discount on pledges	<u>(87,302)</u>	<u>(95,346)</u>
Total pledges receivable	253,698	631,654
Less: current portion	<u>18,000</u>	<u>406,000</u>
Pledges receivable, net of current portion	<u>\$ 235,698</u>	<u>\$ 225,654</u>

Amounts expected to be collected in future years are recorded at the present value of estimated future cash flows discounted at rates ranging from 3% to 4%.

Note 5 Investments

Investments consist of the following:

	<u>2020</u>	<u>2019</u>
Money market funds	\$ 105,268	\$ 102,691
Mutual funds	<u>7,325,807</u>	<u>7,560,132</u>
	<u>\$7,431,075</u>	<u>\$7,662,823</u>

Investment income consists of the following:

	<u>2020</u>			<u>2019</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Interest and dividends	\$ 33,095	\$206,941	\$240,036	\$ 37,414	\$ 196,570	\$ 233,984
Net realized and unrealized gain (loss)	(15,000)	(58,613)	(73,613)	(58,968)	(375,035)	(434,003)
Less investment expenses	<u>(6,592)</u>	<u>(41,428)</u>	<u>(48,020)</u>	<u>(4,627)</u>	<u>(25,025)</u>	<u>(29,652)</u>
Investment income (loss), net	<u>\$ 11,503</u>	<u>\$106,900</u>	<u>\$118,403</u>	<u>\$ (26,181)</u>	<u>\$ (203,490)</u>	<u>\$ (229,671)</u>

Note 6 Net assets
Net assets consist of the following:

	<u>2020</u>	<u>2019</u>
Without donor restrictions:		
Board designated for:		
Endowment	\$1,272,361	\$1,272,361
Performances	150,000	200,000
Operating reserve	688,161	681,593
Undesignated	<u>221,733</u>	<u>88,263</u>
Sub-total	2,332,255	2,242,217
With donor restrictions:		
For programs	139,154	139,914
Held in perpetuity	4,999,817	4,986,820
Subject to appropriation and spending policy	415,303	607,091
Subject to passage of time	<u>18,000</u>	<u>404,000</u>
Sub-total	<u>5,572,274</u>	<u>6,137,825</u>
Total	<u>\$7,904,529</u>	<u>\$8,380,042</u>

Note 7 Net assets released from restrictions
Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows:

	<u>2020</u>	<u>2019</u>
Satisfaction of time restrictions	\$ 395,000	\$ 236,000
Satisfaction of program restrictions	168,043	222,695
Endowment earnings expended:		
For programs	<u>298,688</u>	<u>316,049</u>
	<u>\$ 861,731</u>	<u>\$ 774,744</u>

Note 8 Endowment

CAMA's endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of original gift as of the gift date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At May 31, 2020, there were no such donor stipulations. As a result of this interpretation, CAMA retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by CAMA in a manner consistent with the standard of prudence prescribed by UPMIFA. CAMA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the organization
- (7) The investment policies of the organization

Return objectives and risk parameters

CAMA has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity as well as board-designated funds. Under this policy, the endowment assets are invested in a manner that is intended to produce results that are appropriate for a moderate level of investment risk.

Strategies employed for achieving objectives

To satisfy its long-term rate-of-return objectives, CAMA relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). CAMA targets a diversified asset allocation to achieve its long-term return objectives.

Spending policy

CAMA's spending policy is to withdraw in any given year no more than 6% of the fair market value of the assets of the fund valued as of the first day of each fiscal year. Current Board policy on the spending rate is 4.75% per annum, based on a five-year rolling average.

Endowment net asset composition by type of fund as of May 31, 2020:

	Without Donor Restrictions	<u>With Donor Restrictions</u>		
		Investment Appreciation	Held in Perpetuity	Total
Board designated endowment funds	\$1,272,361	\$ -	\$ -	\$1,272,361
Donor restricted endowment funds		415,303	4,999,817	5,415,120
	<u>\$1,272,361</u>	<u>\$ 415,303</u>	<u>\$4,999,817</u>	<u>\$6,687,481</u>

Change in endowment net assets for the year ended May 31, 2020:

	Without Donor Restrictions	<u>With Donor Restrictions</u>		
		Investment Appreciation	Held in Perpetuity	Total
Endowment net assets, beginning of year	\$1,272,361	\$ 607,091	\$4,986,820	\$6,866,272
Investment return:				
Interest and dividends		206,941		206,941
Realized and unrealized gains (losses)		(58,613)		(58,613)
Less: investment expenses		(41,428)		(41,428)
Total investment return		106,900		106,900
Contributions			12,997	12,997
Appropriation for expenditures		(298,688)		(298,688)
Endowment net assets, end of year	<u>\$1,272,361</u>	<u>\$ 415,303</u>	<u>\$4,999,817</u>	<u>\$6,687,481</u>

Funds with deficiencies

From time to time, the fair value associated with donor-restricted endowment funds may fall below the level required to be maintained by the donor or by law (underwater endowments). There were no deficiencies of this nature at May 31, 2020.

Note 9 Fair value measurements

CAMA measures the fair value of financial instruments in accordance with ASC 820 *Fair Value Measures*. The standard establishes a fair value hierarchy that prioritizes the inputs used to measure fair value as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Quoted prices in active or inactive markets for the same or similar assets.

Level 3: Inputs that are unobservable, with valuations based on cash flow models and similar techniques, and not based on market activity.

Level 2 measurements were used in recording in-kind acknowledgements in amount of \$31,250. Level 3 measurements were not utilized in 2020.

Assets measured at fair value as of May 31, 2020 are as follows:

Measured on a recurring basis:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 105,268	\$ -	\$ -	\$ 105,268
Mutual funds				
Equity funds	4,649,507			4,649,507
Fixed income funds	1,939,253			1,939,253
Real estate funds	444,367			444,367
Commodity funds	292,680	-	-	292,680
	<u>7,325,807</u>	<u>-</u>	<u>-</u>	<u>7,325,807</u>
	<u>\$7,431,075</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$7,431,075</u>

Note 10 Retirement plan

CAMA maintains a retirement savings plan for eligible employees. Each participant may elect to contribute a percentage of their annual compensation to the plan. CAMA's matching contribution to the plan was \$10,046 for the year ended May 31, 2020.

Note 11 Commitments and contingencies

At May 31, 2020, CAMA has contractual obligations with orchestras and artists for the 2020-2021 fiscal year totaling \$421,500.

CAMA leases office space under a lease agreement that expires in July 2023. This lease is subject to annual increases for inflation. CAMA leases equipment under an operating lease that expires in June 2023.

At May 31, 2020, future minimum lease payments under these agreements were as follows:

<u>Year ending May 31</u>	<u>Facilities</u>	<u>Equipment</u>	<u>Total</u>
2021	\$ 67,586	5,538	\$ 73,124
2022	67,586	5,538	73,124
2023	67,586	5,538	73,124
2024	11,264	462	11,726
	<u>\$ 214,022</u>	<u>\$ 17,076</u>	<u>\$ 231,098</u>

CAMA is presently involved in litigation related to an incident that occurred at a public event. Management believes, based upon consultation with legal counsel, that this matter will not have a material adverse effect on the financial statements.

Note 12 Functional expenses
Functional classification of expenses is as follows:

	Program <u>Services</u>	Management <u>and General</u>	Fund <u>Raising</u>	2020 <u>Total</u>
Salaries and benefits	\$ 223,705	\$ 185,684	\$ 132,926	\$ 542,315
Artists fees	329,000			329,000
Advertising	83,037			83,037
Publications expense	55,583			55,583
Theatre rental	53,305			53,305
Consultants	117,950			117,950
Other production costs	114,955			114,955
Special events			210,109	210,109
Facilities	28,822	27,974	27,974	84,770
Supplies and services	29,828	72,457	15,749	118,034
Depreciation	869	843	843	2,555
Total expenses	<u>\$1,037,054</u>	<u>\$ 286,958</u>	<u>\$ 387,601</u>	<u>\$1,711,613</u>

Note 13 Related party transactions
In 2019 CAMA paid consulting fees in amount of \$30,000 and \$3,600 respectively to two Board members. In addition, a Board member holds a position of responsibility with the bank that manages a majority of CAMA's investments. Investment fees paid in 2020 were \$48,020 in amount.

Note 14. Financial assets and liquid resources
Financial assets and liquid resources that are available within one year of May 31, 2020 to fund general expenditures and other obligations as they become due are as follows:

Financial assets:	
Cash and cash equivalents	\$ 179,472
Short-term investments	30,942
Grants and pledges receivable	
due within one year	18,000
Other receivables	19,000
Board designations:	
Subsequent year's endowment	
payout	290,073
Operating reserve transfer	<u>230,000</u>
Total financial assets available	
within one year	<u>\$ 767,487</u>

CAMA may experience budgetary short-falls due to the unpredictability and timing of the receipt of grants and donations. To manage liquidity CAMA maintains an operating reserve in the amount of \$688,161. Although CAMA does not intend to spend from its board

designated funds other than the annual appropriations, these funds, totaling \$2,110,522, could be made available if necessary. Also see Note 15 below.

Note 15 Uncertainties

The United States and the world are currently experiencing a health pandemic known as COVID-19. Cures for this virus have not yet been established. Business and governmental entities are operating at a reduced capacity. As a result there is social and economic havoc, and uncertainty as to when it will end. The impact on CAMA's financial position while not currently determinable, is expected to be significant, including the canceling of concerts scheduled for the 2020-2021 season.

Note 16 Subsequent events

Subsequent events have been evaluated through September 14, 2020, which is the date the financial statements were available to be issued.