

**Milroy, Shannon**

**From:** noreply@civicplus.com  
**Sent:** Monday, March 31, 2025 11:34 AM  
**To:** ATax Communications  
**Subject:** Online Form Submittal: Accommodations Tax Grant Application

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## Accommodations Tax Grant Application

### TOWN OF BLUFFTON ACCOMMODATIONS TAX GRANT APPLICATION

## TOWN OF BLUFFTON ACCOMMODATIONS TAX GRANT APPLICATION

|   |   |
|---|---|
| Accommodations Tax Grant Application Instructions | <a href="#">Accommodations Tax Grant Application Instructions</a> |
|---|---|

|   |  |
|---|--|
| Accommodations Tax Grant Application Instructions | I have read and acknowledged the Town of Bluffton, SC Accommodations Tax Grant Application Instructions. |
|---|--|

(Section Break)

|                  |           |
|------------------|-----------|
| Application Date | 3/31/2025 |
|------------------|-----------|

|              |   |
|--------------|---|
| Project Name | Hilton Head Symphony Orchestra 2025 Bluffton Concerts |
|--------------|---|

|                        |  |
|------------------------|--|
| Project/Event Location | Martin Family Park; St. Gregory the Great Catholic Church Parish Life Center |
|------------------------|--|

|                                 |    |
|---------------------------------|----|
| Is this a new project or event? | No |
|---------------------------------|----|

|                           |          |
|---------------------------|----------|
| Project/Event Start Date: | 9/1/2025 |
|---------------------------|----------|

|                        |            |
|------------------------|------------|
| Project/Event End Date | 12/15/2025 |
|------------------------|------------|

|                           |    |
|---------------------------|----|
| Multi-Year Project/Event? | No |
|---------------------------|----|

|  |                                      |
|--|--------------------------------------|
| Total Project Costs  | \$98,427                             |
| Total ATAX Funds Requested   | \$48,781                             |
| Percent of Total Budget  | 49.56%                               |
| Date the funds are needed:   | 12/31/2025                           |
| Full Legal Organization Name   | Hilton Head Symphony Orchestra, Inc. |
| Address  | 7 Lagoon Road, Suite 100             |
| Street Address Line 2  | <i>Field not completed.</i>          |
| City   | Hilton Head Island                   |
| State  | SC                                   |
| Zip Code   | 29928                                |
| Applicant must be designated as a non-profit entity to receive ATAX funds. Is your entity a non-profit organization? | Yes                                  |

### **TOWN OF BLUFFTON ACCOMMODATIONS TAX GRANT APPLICATION**

#### Organization Primary Point of Contact

|                |  |
|----------------|--|
| First Name     | Alan   |
| Last Name      | Jordan   |
| Title          | President and CEO                                      |
| Phone Number   | (843) 842-2055   |
| E-mail Address | <a href="mailto:ajordan@hhso.org">ajordan@hhso.org</a> |

(Section Break)

#### Organization Secondary Point of Contact

|            |                             |
|------------|-----------------------------|
| First Name | <i>Field not completed.</i> |
|------------|-----------------------------|

|                |                             |
|----------------|-----------------------------|
| Last Name      | <i>Field not completed.</i> |
| Title          | <i>Field not completed.</i> |
| Phone Number   | <i>Field not completed.</i> |
| E-mail Address | <i>Field not completed.</i> |

### **TOWN OF BLUFFTON ACCOMMODATIONS TAX GRANT APPLICATION**

**Project Description:** The Hilton Head Symphony Orchestra will present two concerts in Bluffton during 2025 as part of its 2025-2026 concert season. On Thursday, October 16, 2025, the HHSO will produce a free outdoor pops concert at Martin Family Park as the opening event of the final weekend of the Historic Bluffton Arts and Seafood Festival—the fifth such annual partnership. On Saturday, November 29, 2025, the HHSO will perform a Holiday Pops Concert at the St. Gregory the Great Catholic Church Parish Life Center with reasonably-priced tickets to appeal to families visiting during the holidays. Both concerts will be conducted by Music Director John Morris Russell. Vocal soloists will be engaged for the concerts and the Hilton Head Symphony Orchestra Chorus will be featured during the Holiday Pops Concert.

**List any required permits, if applicable. If none, type “N/A”:** (required permits will be secured by Historic Bluffton Arts and Seafood Festival for the October 16, 2025 concert)

**Describe all planned advertising and marketing for this project/event:** The two concerts will be promoted widely, through print and broadcast media (in coordination with Historic Bluffton Arts and Seafood Festival marketing for the October concert) and through an aggressive social media campaign. Specifically, our marketing plan includes:

- Full-page advertisements in the September, October, and November issues of Local Life magazine, with monthly out-of-market readership of 12,038
- Half-page advertisements in three Bluffton and Hilton Head Sun issues in October and November
- Television advertisements on WSAV and WTOG
- Television advertisements and interviews on WHHI
- Underwriting spots on South Carolina ETV (SC Public Radio)
- 2,000 season brochures including the two concerts distributed at the Savannah/Hilton Head International Airport and at all South Carolina interstate welcome centers and rest areas
- 1,000 monthly rack cards including the concerts in October and November liberally distributed in area hotels, vacation rental offices, restaurants, retail spaces, and at the Savannah/Hilton

Head International Airport and at all South Carolina interstate welcome centers and rest areas

- At least four dedicated e-mail blasts and social media posts for each of the two concerts
- Events listings on the HHSO's and Historic Bluffton Arts and Seafood Festival's websites as well as calendars including the Hilton Head Island Bluffton Chamber of Commerce, Hilton Head Island Town website and Office of Cultural Affairs, and Local Life ("The Scene").

Please list all media outlets you intend to utilize for your project/event (i.e. names of magazines, TV and radio stations, etc.):

Local Life magazine  
Bluffton and Hilton Head Sun  
WSAV-TV  
WTOG-TV  
WHHI-TV  
South Carolina ETV (SC Public Radio)

**All advertising/marketing paid for with Town of Bluffton Accommodations Tax dollars must incorporate the branding shown here: **Town of Bluffton Brand Standards**. The use of the Town's logo must meet the design standards outlined at the aforementioned link and be approved by the Town. Designs may be submitted electronically using this [link](#). Please allow five (5) business days for approval.**

Impact on or Benefit to Tourism:

The Historic Bluffton Arts and Seafood Festival is a traditional mainstay of the region's cultural calendar, drawing 25,000 visitors to downtown Bluffton during the 9-day festival. The free outdoor pops concert is primarily designed to enhance the visitor experience, and it is anticipated to draw approximately 1,100 people, with 20% of them identified as tourists. Out-of-town patrons regularly attend HHSO presentations, both in Bluffton and on Hilton Head Island. As has been done previously, residency data will be collected at this free outdoor performance through an online contest with winners receiving prizes (i.e., restaurant and retail store gift certificates). Attendees will be encouraged to complete a brief and fun contest on their mobile devices. Demographic data will be drawn from these contest submissions, analyzed, and reported. The HHSO has presented Holiday Pops concerts at St. Gregory the Great in 2019, 2021, 2022, 2023, and 2024, to capacity crowds that drew tourists, visitors, and residents during the Thanksgiving holiday weekend. 421 audience members attended the 2024 presentation, with 8.08% of these identified as tourists. [A significant number of the tickets purchased by residents were for large groups—several of five or six—suggesting that out-of-town visitors (some of whom may have

stayed in Bluffton hotels) were holiday guests of these local ticket-buyers.] Residency data was, and will be, collected at the time of ticket purchase.

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**“Tourist” means a person who does not reside within the corporate limits of the Town or within a Town zip code that takes a trip into the corporate limits of the Town for any purpose, except daily commuting to and from work.**

**“Travel” and “Tourism” mean the action and activities of people taking trips outside their home communities for any purpose, except daily commuting to and from work.**

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**Additional Comments:**

The HHSO continues to work on the long-range goal of regular, annual concerts presented in Bluffton, complementing its traditional performances on Hilton Head Island, in an effort to broaden its reach throughout Beaufort County, especially “South of the Broad.” Bluffton also represents a closer and more convenient destination for visitors from Savannah, Beaufort, and beyond. Of course, the HHSO also is working to build its legion of fans who consider Bluffton home. With the experiences of the first four years of Outdoor Pops concerts in October, 2021, 2022, 2023, and 2024, and our developing collaboration with the Historic Bluffton Arts and Seafood Festival, the HHSO and the Festival are both in better positions to improve promotion and logistical partnerships to increase concert participation and support.

We are requesting support in the amount of \$48,781 to pay for the following expenses:

- venue rental of \$950;
- port-o-lets rental of \$1,422;
- tent, stage, and HVAC rentals of \$23,079;
- sound and lighting equipment rental of \$5,310;
- media advertising of \$16,026; and
- print materials and program inserts of \$1,995 (that will also extend the promotion beyond the live performance).

(Please note that rounding of some financial information results in \$1 variances in totals.)

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**TOWN OF BLUFFTON ACCOMMODATIONS TAX GRANT APPLICATION**

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**FINANCIAL INFORMATION**

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To download the Town's required Line-Item Budget Form, click here:  
<https://www.townofbluffton.sc.gov/DocumentCenter/View/4295/ATAX-Grant-Application-Line-Item-Budget-Form>

Download and save the form and hit "Back" in your web browser to return to the application. Once the form is completed, attach it on the following line.

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|  |   |
|--|---|
| Town's required Line-Item Budget Form: | <a href="#">ATAX Grant Application Line-Item Budget submitted.pdf</a> |
|--|---|

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|  |   |
|--|---|
| Most Recent Fiscal Year Balance Sheet and Profit and Loss Accounting Statement | <a href="#">Audit 2024-06-30 HHSO.pdf</a> |
|--|---|

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|                     |   |
|---------------------|---|
| Financial Guarantee | <a href="#">HHSO Board Minutes 2025-03-27 DRAFT.pdf</a> |
|---------------------|---|

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*Applicant must provide a copy of official minutes wherein the sponsoring organization approves the project and commits the organization to financial responsibility for carrying it out to the stage of completion.*

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|  |  |
|--|--|
| Please attach Budget vs. Actual statements for prior two years events. | <a href="#">Bluffton Concerts FY25 Report 2025-02-13.pdf</a> |
|--|--|

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|  |   |
|--|---|
| Please attach Budget vs. Actual statements for prior two years events. | <a href="#">2023 Bluffton Concerts Budget vs. Actuals.pdf</a> |
|--|---|

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(Section Break)

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|   |    |
|---|----|
| Have you requested, received, or been awarded ATAX funding from other state or local entities for this project/event? | No |
|---|----|

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|  |     |
|--|-----|
| Have you received or been awarded ATAX funding from other state or local entities for any other project/event? | Yes |
|--|-----|

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|                 |                             |
|-----------------|-----------------------------|
| Awarding Agency | Hilton Head Island          |
| Amount          | \$350,000                   |
| Project/Event   | HHSO Season Operating Grant |
| Year of Award   | 2025                        |
| Awarding Agency | <i>Field not completed.</i> |
| Amount          | <i>Field not completed.</i> |
| Project/Event   | <i>Field not completed.</i> |
| Year of Award   | <i>Field not completed.</i> |

### **TOWN OF BLUFFTON ACCOMMODATIONS TAX GRANT APPLICATION**

#### **PRIOR RECIPIENT'S REPORT**

If your organization has received ATAX funding from the Town of Bluffton in previous years, you must complete the below information.

If you have not received ATAX funding from the Town of Bluffton, please answer "No" and skip this section, and sign and submit your application.

|   |  |
|---|--|
| Has your organization previously received ATAX funds from the Town of Bluffton? | Yes  |
| Project/Event Name  | Hilton Head Symphony Orchestra 2024 Concerts |
| Year Awarded  | 2024   |
| Amount Awarded  | 48628  |
| Was a final report submitted?   | Yes  |
| What was the total number of tourists?  | 94   |
| What was the percentage of tourists?  | 10.79%                                       |

(Section Break)

Please attach a copy of your organization's IRS Designation Letter showing your non-profit status . [501C-3 letter 2007-02-08.pdf](#)

Please upload a copy of your current Town of Bluffton Business License, which is required of all applicants. [Bluffton Business License exp. 2025-04-30.pdf](#)

Additional Application Documents *Field not completed.*

Additional Application Documents *Field not completed.*

Additional Application Documents *Field not completed.*

Additional Application Documents *Field not completed.*

Additional Comments *Field not completed.*

## **TOWN OF BLUFFTON ACCOMMODATIONS TAX GRANT APPLICATION**

**All applicants will be required to come before the Accommodations Tax Advisory Committee (ATAC) and answer any and all questions when scheduled to do so.**

**Any organization awarded funds for advertising/marketing must incorporate the Bluffton Heart of the Lowcountry brand logo in all promotional materials and advertising.**

**The South Carolina Freedom of Information Act (FOIA) defines a “public body” as any organization or corporation supported in whole or in part by public funds or expending public funds. If awarded, your organization's acceptance of public funds from the Town of Bluffton may cause your organization to come within the meaning of “public body” as defined by the Freedom of Information Act. S.C. Code Ann. §30-4-10, et seq. (Supp. 2002). Accordingly, this is to advise that by accepting public funds, your organization may be subject to the South Carolina Freedom of Information Act.**

**By submitting this application, the organization certifies that it has read and understands the paragraphs above. The organization additionally certifies that**



it does not discriminate in any manner on the basis of race, color, national origin, age, sex, disability, religion, or language and that all funds that may be received by the applicant organization from the Town of Bluffton, South Carolina will be solely used for the purposes set forth in this application and will comply with all laws and statutes, including the South Carolina Code of Laws regarding Allocations of Accommodations Tax Revenues.

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**By typing your name below, you are signing this application electronically. You agree that your electronic signature is the legal equivalent of your manual signature on this application.**

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Signature

Alan Jordan

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Signatory's Title or  
Position

President and CEO

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Email not displaying correctly? [View it in your browser.](#)

Internal Revenue Service  
P.O. Box 2508  
Cincinnati, OH 45201

Department of the Treasury

Date: FEB 08 2007

**Person to Contact:**

Jo Ann Cunningham  
ID# 31-07757

**Toll Free Telephone Number:**

877-829-5500

**Employer Identification Number:**

57-0761297

HILTON HEAD SYMPHONY ORCHESTRA INC  
32 OFFICE PARK ROAD STE 214  
HILTON HEAD ISLAND, SC 29928

Dear Sir or Madam:

This is in response to your request of January 23, 2007, regarding your name and address change. We have updated our records to change your name from Hilton Head Orchestra Inc to Hilton Head Symphony Orchestra Inc.

Our records indicate that a determination letter was issued in December 1984 that recognized you as exempt from Federal income tax, and reflect that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records also indicate you are not a private foundation within the meaning of section 509(a) of the Code because you are described in sections 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,



Cindy Westcott  
Manager, Exempt Organizations  
Determinations

# TOWN OF BLUFFTON

## TOWN OF BLUFFTON -

**Expires:04/30/2025**

**License No.** 24-08-4340

**Business Name:** Hilton Head Symphony  
Orchestra, Inc.

**Date Issued:** 08/16/2024

**NAICS Title:** Musical Groups and Artists

**Business DBA  
Name:** Hilton Head Symphony  
Orchestra

**Business Type:**

Musical Performances, Education and Community  
Outreach

**Physical Address:**

7 Lagoon RD  
Hilton Head Island, SC  
29928

**NON-TRANSFERABLE | TO BE PLACED IN A CONSPICUOUS PLACE**

**Section 6-21 Purpose and Duration of Business License**

ALL BUSINESSES LOCATED IN THE TOWN OF BLUFFTON MUST POST THE BUSINESS LICENSE IN A VISIBLE LOCATION WITHIN THE BUSINESS LOCATION AS REFERENCED ABOVE AND IS VALID FOR THIS LOCATION ONLY. ALL BUSINESSES LOCATED OUTSIDE THE TOWN OF BLUFFTON MUST KEEP A CURRENT COPY WHILE CONDUCTING BUSINESS INSIDE THE TOWN OF BLUFFTON. CHANGE IN LOCATION OR OWNERSHIP REQUIRES A NEW LICENSE. IF THE BUSINESS IS CLOSED, CONTACT OUR OFFICE AT 843-706-4501 TO UPDATE ACCOUNT.

Alan Jordan  
Hilton Head Symphony Orchestra, Inc.  
PO Box 5757  
Hilton Head Island, SC 29938

|              |    |       |
|--------------|----|-------|
| Sponsorships | \$ | 18000 |
|--------------|----|-------|

|           |    |       |
|-----------|----|-------|
| Donations | \$ | 10000 |
|-----------|----|-------|

|  |    |   |
|--|----|---|
| ATAX Grants/Funding from Other Entities* | \$ | 0 |
|--|----|---|

Other Grants (please name): \$

Vendor Fees \$

|                   |    |
|-------------------|----|
| Registration Fees | \$ |
|-------------------|----|

|                           |    |
|---------------------------|----|
| Other Fees (please name): | \$ |
|---------------------------|----|

|                           |    |
|---------------------------|----|
| Other Fees (please name): | \$ |
|---------------------------|----|

Merchandise Sales      \$

|   |    |       |
|---|----|-------|
| Other Sales (please name): Table/Ticket Sales | \$ | 16675 |
|---|----|-------|

|                            |    |
|----------------------------|----|
| Other Sales (please name): | \$ |
|----------------------------|----|

|   |    |      |
|---|----|------|
| Other Revenue (please name): Applicant Cash | \$ | 4970 |
|---|----|------|

|                              |    |
|------------------------------|----|
| Other Revenue (please name): | \$ |
|------------------------------|----|

Volunteer Hours      \$

|               |    |
|---------------|----|
| Donated Items | \$ |
|---------------|----|

|                  |    |
|------------------|----|
| Donated Services | \$ |
|------------------|----|

Other (please name): \_\_\_\_\_ \$ \_\_\_\_\_

|                      |    |
|----------------------|----|
| Other (please name): | \$ |
|----------------------|----|

|                      |    |
|----------------------|----|
| Other (please name): | \$ |
|----------------------|----|

**Total All Revenue Sources:**     \$                      49645

**TOWN OF BLUFFTON**  
**ACCOMODATIONS TAX GRANT APPLICATION BUDGET**

**EXPENSES**

*Eligible Tourism-Related Expense Categories (per SC Code of Laws)*

**Amount**

**Advertising & Promotion of Tourism or Arts and Cultural Events**

|   |         |
|---|---------|
| Local Newspaper/Digital Advertising   | \$ 1257 |
| Regional Newspaper/Digital Advertising  | \$      |
| National Newspaper/Digital Advertising  | \$      |
| Local Magazine/Digital Advertising  | \$ 5130 |
| Regional Magazine/Digital Advertising   | \$      |
| National Magazine/Digital Advertising   | \$      |
| Local Radio Advertising   | \$      |
| Regional Radio Advertising  | \$      |
| National Radio Advertising  | \$      |
| Local Television Advertising  | \$ 800  |
| Regional Television Advertising   | \$ 3400 |
| National Television Advertising   | \$      |
| Billboards  | \$      |
| Social Media Advertising  | \$      |
| E-mail and/or Text Blasts   | \$      |
| Postcards/Mailers   | \$      |
| Posters/Banners/Signage   | \$      |
| Graphic Design of Marketing/Writing or Press Releases   | \$ 1019 |
| Web Hosting for <b>Event</b> (not organization)   | \$      |
| Other (please name): Design Coordination/Placement; Social Media and E-mail Blasts Design/Execution | \$ 3675 |
| Other (please name): Printed Program (pro-rated)  | \$ 1615 |
| Other (please name): Rack Cards   | \$ 433  |
| Other (please name): Brochure Printing (pro-rated)  | \$ 692  |
| Other (please name):  | \$      |

**Facilities for Civic and Cultural Events**

|  |          |
|--|----------|
| Rentals: Tables, Chairs, Stages, Tents | \$ 23079 |
| Rental: Sound, Audio Equipment         | \$ 5310  |
| Construction                           | \$       |
| Repairs to Facilities                  | \$       |
| Maintenance of Facilities              | \$       |
| Other (please name): Venue Rental      | \$ 950   |
| Other (please name):                   | \$       |
| Other (please name):                   | \$       |

**TOWN OF BLUFFTON**  
**ACCOMODATIONS TAX GRANT APPLICATION BUDGET**  
**EXPENSES**

*Eligible Tourism-Related Expense Categories (per SC Code of Laws)*

**Amount**

**Tourist Transportation**

|               |    |
|---------------|----|
| Company Name: | \$ |
| Company Name: | \$ |

**Public Facilities**

|                      |                              |    |      |
|----------------------|------------------------------|----|------|
|                      | Temporary/Portable Restrooms | \$ | 1422 |
|                      | Permanent Restrooms          | \$ |      |
|                      | Parks                        | \$ |      |
|                      | Parking Lots                 | \$ |      |
| Other (please name): |                              | \$ |      |
| Other (please name): |                              | \$ |      |

**Municipality and County Services**

|   |  |    |       |
|---|--|----|-------|
|   | Dumpster Rental/Trash Hauling                              | \$ |       |
|   | Security Provided by Bluffton Police Department            | \$ |       |
|   | Security <b>NOT</b> Provided by Bluffton Police Department | \$ |       |
| <b>Total of ATAX Eligible Expenses:</b> |  | \$ | 48782 |

**Other/Ineligible Expenses**

*Applicants should list all other project/event expenses that are not eligible for ATAX funds and not listed above.*

**Item**

**Amount**

|  |    |  |       |
|--|----|--|-------|
|  | \$ |  | 0     |
| Guest Artist Expenses                  | \$ |  | 2687  |
| Orchestral Musician Expenses           | \$ |  | 29845 |
| Production Labor and Security          | \$ |  | 2609  |
| Music Library                          | \$ |  | 1667  |
| General and Administrative (pro-rated) | \$ |  | 12838 |
|  | \$ |  |       |
|  | \$ |  |       |
|  | \$ |  |       |
|  | \$ |  |       |
|  | \$ |  |       |
|  | \$ |  |       |
|  | \$ |  |       |

|  |    |  |       |
|--|----|--|-------|
|  | \$ |  | 49646 |
|--|----|--|-------|

|  |    |  |       |
|--|----|--|-------|
|  | \$ |  | 98427 |
|--|----|--|-------|

|  |    |  |        |
|--|----|--|--------|
|  | \$ |  | -48782 |
|--|----|--|--------|

HILTON HEAD SYMPHONY ORCHESTRA, INC.

FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

## TABLE OF CONTENTS

|   |      |
|---|------|
| INDEPENDENT AUDITOR'S REPORT.....                       | 1-2  |
| FINANCIAL STATEMENTS                                    |      |
| Statements of Financial Position.....                   | 3    |
| Statements of Activities and Changes in Net Assets..... | 4    |
| Statements of Functional Expenses.....                  | 5    |
| Statements of Cash Flows.....                           | 6    |
| Notes to Financial Statements.....                      | 7-13 |





**CAREY & COMPANY, P.A.**  
CERTIFIED PUBLIC ACCOUNTANTS

70 MAIN STREET  
SUITE 100  
HILTON HEAD ISLAND, SC 29926  
email: [pcarey@pcareycpa.com](mailto:pcarey@pcareycpa.com)

MEMBER  
AMERICAN INSTITUTE OF CPAs  
S.C. ASSOCIATION OF CPAs

TELEPHONE  
(843) 681-4430  
FAX  
(843) 681-4425

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Hilton Head Symphony Orchestra, Inc.  
Hilton Head Island, South Carolina

### Opinion

We have audited the accompanying financial statements of Hilton Head Symphony Orchestra, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year 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 Hilton Head Symphony Orchestra, Inc. as of June 30, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Hilton Head 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 opinion.

### 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 Hilton Head 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 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, 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 Hilton Head Symphony Orchestra, Inc.'s internal control. Accordingly, no such opinion is expressed.

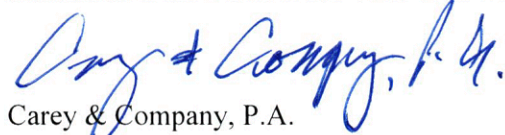
Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hilton Head 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.

### **Report on Summarized Comparative Information**

We have previously audited the Hilton Head Symphony Orchestra, Inc.'s financial statements for the year ended June 30, 2023 and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 24, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Carey & Company, P.A.  
August 9, 2024



HILTON HEAD SYMPHONY ORCHESTRA, INC.  
 STATEMENTS OF FINANCIAL POSITION  
 As of June 30, 2024 and 2023

| ASSETS  |                     | Summarized<br>Information |
|---|---------------------|---------------------------|
|   | 2024                | 2023                      |
| <b>Current Assets</b>                             |                     |                           |
| Cash and equivalents                              | \$ 538,708          | \$ 537,607                |
| Pledge and other receivables                      | 20,573              | 28,250                    |
| Prepaid expenses                                  | 20,758              | 11,801                    |
| Total Current Assets                              | <u>580,039</u>      | <u>577,658</u>            |
| <b>Property And Equipment</b>                     |                     |                           |
| Furniture, fixtures and equipment                 | 140,360             | 138,226                   |
| Leasehold improvements                            | 841,252             | 841,252                   |
| Accumulated depreciation                          | (766,193)           | (636,868)                 |
| Total Property And Equipment                      | <u>215,419</u>      | <u>342,610</u>            |
| <b>Other Assets</b>                               |                     |                           |
| Foundation endowment fund                         | 229,212             | 218,330                   |
| Investments:                                      |                     |                           |
| Board designated quasi-endowment fund             | 297,039             | 332,001                   |
| Donor restricted                                  | 683,511             | 622,393                   |
| Total Investments                                 | <u>980,550</u>      | <u>954,394</u>            |
| Operating lease right-of-use-asset                | 123,077             | 201,917                   |
| Security deposits                                 | 17,790              | 17,790                    |
| TOTAL ASSETS                                      | <u>\$ 2,146,087</u> | <u>\$ 2,312,699</u>       |
| <b>LIABILITIES AND NET ASSETS</b>                 |                     |                           |
| <b>Current Liabilities</b>                        |                     |                           |
| Accounts payable                                  | \$ 8,268            | \$ 13,392                 |
| Line of credit                                    | 100,000             | 50,000                    |
| Operating lease liability                         | 123,077             | 131,521                   |
| Payroll taxes payable                             | 9,987               | 10,683                    |
| Deferred ticket revenues                          | 259,380             | 195,539                   |
| Deferred contribution and fundraising revenues    | 465,394             | 436,372                   |
| Total Current Liabilities                         | <u>966,106</u>      | <u>837,507</u>            |
| Operating lease liability, net of current portion | -                   | 70,396                    |
| TOTAL LIABILITIES                                 | <u>966,106</u>      | <u>907,903</u>            |
| <b>Net Assets</b>                                 |                     |                           |
| Without donor restrictions:                       |                     |                           |
| Undesignated                                      | (3,719)             | 232,062                   |
| Board designated                                  | 297,039             | 332,001                   |
| Total Net Assets Without Donor Restrictions       | <u>293,320</u>      | <u>564,063</u>            |
| With donor restrictions                           | 886,661             | 840,733                   |
| Total Net Assets                                  | <u>1,179,981</u>    | <u>1,404,796</u>          |
| TOTAL LIABILITIES AND NET ASSETS                  | <u>\$ 2,146,087</u> | <u>\$ 2,312,699</u>       |

See accompanying notes and independent auditor's report.

HILTON HEAD SYMPHONY ORCHESTRA, INC.  
 STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
 Years Ended June 30, 2024 and 2023

|                                    | 2024                          |                            |                     | Summarized<br>Information<br>2023 |
|------------------------------------|-------------------------------|----------------------------|---------------------|-----------------------------------|
|                                    | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total               |                                   |
| REVENUE AND SUPPORT                |                               |                            |                     |                                   |
| Admissions                         | \$ 732,419                    | \$ -                       | \$ 732,419          | \$ 595,360                        |
| Contributions and grants           | 761,977                       | 218,727                    | 980,704             | 1,214,463                         |
| Government support                 | 426,616                       | -                          | 426,616             | 532,882                           |
| Fundraising and other support      | 181,556                       | 61,178                     | 242,734             | 199,787                           |
| Investment income                  | 55,144                        | 82,116                     | 137,260             | 100,099                           |
| Restrictions satisfied by payments | 316,093                       | (316,093)                  | -                   | -                                 |
| Total Revenue and Support          | <u>2,473,805</u>              | <u>45,928</u>              | <u>2,519,733</u>    | <u>2,642,591</u>                  |
| EXPENSES                           |                               |                            |                     |                                   |
| Program                            | 1,917,294                     | -                          | 1,917,294           | 1,968,744                         |
| Management and general             | 721,378                       | -                          | 721,378             | 671,119                           |
| Marketing and development          | 105,876                       | -                          | 105,876             | 97,821                            |
| Total Expenses                     | <u>2,744,548</u>              | <u>-</u>                   | <u>2,744,548</u>    | <u>2,737,684</u>                  |
| INCREASE (DECREASE) IN NET ASSETS  | (270,743)                     | 45,928                     | (224,815)           | (95,093)                          |
| NET ASSETS AT BEGINNING OF YEAR    | <u>564,063</u>                | <u>840,733</u>             | <u>1,404,796</u>    | <u>1,499,889</u>                  |
| NET ASSETS AT END OF YEAR          | <u>\$ 293,320</u>             | <u>\$ 886,661</u>          | <u>\$ 1,179,981</u> | <u>\$ 1,404,796</u>               |

See accompanying notes and independent auditor's report.

HILTON HEAD SYMPHONY ORCHESTRA, INC.  
 STATEMENTS OF FUNCTIONAL EXPENSES  
 Years Ended June 30, 2024 and 2023

|                                    | 2024                |                           |                                 |                     | Summarized<br>Information<br>2023 |
|------------------------------------|---------------------|---------------------------|---------------------------------|---------------------|-----------------------------------|
|                                    | Program<br>Services | Management<br>and General | Marketing<br>and<br>Development | Total               |                                   |
| Salaries and wages                 | \$ 698,716          | \$ 369,806                | \$ 16,961                       | \$ 1,085,482        | \$ 1,071,293                      |
| Payroll taxes and related benefits | 106,820             | 28,866                    | 1,324                           | 137,009             | 141,919                           |
| Total payroll and benefits         | 805,536             | 398,672                   | 18,285                          | 1,222,491           | 1,213,212                         |
| Facilities cost                    | 222,340             | 73,199                    | -                               | 295,539             | 342,482                           |
| Contract services                  | 359,706             | 21,301                    | -                               | 381,008             | 322,762                           |
| Marketing and advertising          | 67,581              | 67,581                    | -                               | 135,161             | 149,378                           |
| Performance production costs       | 138,816             | -                         | -                               | 138,816             | 129,920                           |
| Travel and lodging                 | 155,919             | -                         | -                               | 155,919             | 156,297                           |
| Prizes, judges and awards          | 5,305               | -                         | -                               | 5,305               | 63,489                            |
| Fundraising                        | -                   | -                         | 85,143                          | 85,143              | 55,364                            |
| Office                             | 7,344               | 31,426                    | 2,448                           | 41,219              | 47,914                            |
| Bank fees                          | -                   | 22,738                    | -                               | 22,738              | 16,851                            |
| Depreciation                       | 90,528              | 38,798                    | -                               | 129,325             | 129,604                           |
| Other                              | 64,220              | 67,664                    | -                               | 131,884             | 110,411                           |
| Total expenses                     | <u>\$ 1,917,294</u> | <u>\$ 721,378</u>         | <u>\$ 105,876</u>               | <u>\$ 2,744,548</u> | <u>\$ 2,737,684</u>               |

See accompanying notes and independent auditor's report.

HILTON HEAD SYMPHONY ORCHESTRA, INC.  
 STATEMENTS OF CASH FLOWS  
 Years Ended June 30, 2024 and 2023

|  | 2024              | Summarized<br>Information<br>2023 |
|--|-------------------|-----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES   |                   |                                   |
| Change in net assets   | \$ (224,815)      | \$ (95,093)                       |
| Adjustments to reconcile change in net assets<br>to net cash used by operating activities: |                   |                                   |
| Unrealized gain on investments   | (85,537)          | (36,200)                          |
| Depreciation expense   | 129,325           | 129,605                           |
| Operating lease right-of-use asset   | 78,840            | (201,917)                         |
| Increase (decrease) in assets  |                   |                                   |
| Pledge and other receivables   | 7,677             | (26,750)                          |
| Prepaid expenses and security deposits   | (8,957)           | 1,682                             |
| Increase (decrease) in liabilities:  |                   |                                   |
| Accounts payable   | (5,124)           | (4,552)                           |
| Operating lease liability  | (78,840)          | 201,917                           |
| Payroll taxes payable  | (696)             | (2,547)                           |
| Deferred revenues  | 92,683            | 200,209                           |
| Net Cash Provided By Operating Activities  | <u>(95,444)</u>   | <u>166,354</u>                    |
| CASH FLOWS FROM INVESTING ACTIVITIES   |                   |                                   |
| Purchase of property and equipment   | (2,135)           | (1,018)                           |
| Net change in investments  | 38,554            | (236,247)                         |
| Cash released from foundation endowment fund   | 10,126            | 10,251                            |
| Net Cash Used By Investing Activities  | <u>46,545</u>     | <u>(227,014)</u>                  |
| CASH FLOWS FROM FINANCING ACTIVITIES   |                   |                                   |
| Net proceeds from line of credit   | 50,000            | 50,000                            |
| Net Cash Provided By Financing Activities  | <u>50,000</u>     | <u>50,000</u>                     |
| NET INCREASE (DECREASE) IN CASH AND CASH<br>EQUIVALENTS                                    | 1,101             | (10,660)                          |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR   | <u>537,607</u>    | <u>548,267</u>                    |
| CASH AND CASH EQUIVALENTS AT END OF YEAR   | <u>\$ 538,708</u> | <u>\$ 537,607</u>                 |
| SUPPLEMENTAL DISCLOSURES - cash payments for:  |                   |                                   |
| Interest   | \$ 1,033          | \$ 199                            |
| Income taxes   | \$ -              | \$ -                              |

See accompanying notes and independent auditor's report.



HILTON HEAD SYMPHONY ORCHESTRA, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 Years Ended June 30, 2024 and 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Hilton Head Symphony Orchestra, Inc. (the "Orchestra") is located on Hilton Head Island, South Carolina and is a nonprofit organization dedicated to presenting annual seasons of symphonic subscription concerts, as well as special concerts and educational and community engagement programs.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

Basis of Presentation

The accompanying financial statements of the Orchestra have been prepared in accordance with accounting principles generally accepted in the United States of America. Accordingly the Orchestra reports information regarding its financial position and activities according to the following net asset classifications:

Net Assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Orchestra's management and the board of directors.

Net Assets with donor restrictions - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Orchestra or by passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Revenue Recognition

Contributions received are recorded as increases in net assets without or with donor restrictions depending on the existence and/or nature of the donor restrictions. Donor restricted contributions reported as increases in net assets with donor restrictions represent contributions for specific activities (youth and outreach programs, piano competition program, etc) and are released as support during either the current year or subsequent years depending on the nature of the restrictions.

Revenue from ticket sales and donations related to concert seasons are recognized as revenue in the applicable concert season, which is held from October to May. Accordingly deferred revenue represents ticket sales and donations received in advance of the applicable concert season. For the years ended June 30, 2024 and 2023, ticket sales of \$259,380 and \$195,539 from previous fiscal year deferred revenue were recognized, respectively.

Leases

The Financial Accounting Standards Board (FASB) issued Accounting Standards Code 842 (ASC 842) which requires presenting Right of Use Assets (ROU) on the balance sheet. The Orchestra determines if an arrangement is a lease at inception. Operating leases are included in ROU lease assets, which represent the Orchestra's right to use an underlying asset for the lease term, and lease obligations represent the Orchestra's obligation to make lease payments arising from the lease. Operating ROU lease assets and obligations are recognized at the commencement date based on the present value of lease payments over the lease term. Lease expense for lease payments is recognized on straight-line basis over the lease of the term.

HILTON HEAD SYMPHONY ORCHESTRA, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 Years Ended June 30, 2024 and 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include money market accounts and highly liquid debt instruments with an original maturity of three months or less.

Investments

Investments in marketable securities and debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of changes in net assets.

Fair Value Measurement

Fair value as defined under generally accepted accounting principles is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Generally accepted accounting principles require a three tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. Those tiers include:

Level 1 - Observable inputs such as quoted prices in active markets.

Level 2 - Inputs other than quoted prices in active markets that are either directly or indirectly observable.

Level 3 - Unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Promises to Give

The Orchestra conducts an annual giving campaign during which it solicits pledges from local businesses which are featured in the annual program. These pledges do not meet the criteria for income recognition under generally accepted accounting principles, and are not reflected in the statement of activities until they are collected.

Contributions that are restricted by the donor are classified as increases to net assets with restrictions. When the restrictions expire, restricted net assets are reclassified to net assets without restrictions.

The Financial Accounting Standards Board (FASB) issued ASU 2016-13 Current Expected Credit Losses (CECL), which requires entities to identify losses based on expected losses rather than incurred losses. ASU 2016-13 is effective for non-public companies for fiscal years beginning after December 15, 2022. The Center has determined that all outstanding grants receivable are from a government agency that have a historical relationship with the Organization, and therefore do not anticipate any credit losses related to unconditional receivables.

Property, Plant and Equipment

Property, plant and equipment are stated at cost and depreciated using the straight-line method over their estimated useful lives. Contributed property, plant and equipment are recorded at their fair value on the date of the gift as unrestricted support.

Contributed Services

The Orchestra receives a substantial amount of services donated by its members in carrying out the Orchestra's mission. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition.



HILTON HEAD SYMPHONY ORCHESTRA, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 Years Ended June 30, 2024 and 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Use of Estimates

The preparation of financial statements 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.

Income Taxes

The Orchestra is a not-for-profit corporation that is generally exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code.

Functional Allocation of Expense

The cost of providing the various programs and other activities have been summarized on a functional basis in the statements of functional activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited using reasonable ratios determined by management.

NOTE B - FOUNDATION ENDOWMENT FUND

The Community Foundation of the Lowcountry, Inc. (the "Community Foundation") acts in an agency capacity for the Orchestra in order to provide permanent stewardship, management and oversight of certain Orchestra investments. The fund is invested by the Community Foundation in a pool of marketable securities and reported at fair value, which is the closing price reported on the active market on which the individual securities are traded. Fair value of the fund is determined based upon the Orchestra's allocated share of the Community Foundation's investment pool. Fair value for the fund is categorized as Level 1 under the fair value measurement hierarchy and was \$229,212 and \$218,330 at June 30, 2024 and 2023, respectively. The annual withdrawal amount is limited to 4.5% of the average fair market value of the account and totaled \$10,126 and \$10,251 for the years ended June 30, 2024 and 2023, respectively. Net investment income was \$20,010 and \$14,507 for the years ended June 30, 2024 and 2023, respectively.

In addition, the Community Foundation maintains a fund established by a donor which is designated for the benefit of the Orchestra as long as the Orchestra, or its purpose, continues to serve the public interest. Under generally accepted accounting principles the Orchestra can not recognize these funds as contributions until the right to receive is unconditional or the amounts are received. At June 30, 2024 and 2023, the fair market value of this fund was \$192,865 and \$183,708, and respectively. The annual withdrawal amount from this fund is limited to 4.5% of the average fair market value of the account and totaled \$8,519 and \$8,267 for the years ended June 30, 2024 and 2023, respectively.

NOTE C - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets as of June 30 are as follows:

|                           | 2024                | 2023                |
|---------------------------|---------------------|---------------------|
| Cash and equivalents      | \$ 538,708          | \$ 537,607          |
| Foundation endowment fund | 229,212             | 218,330             |
| Investments               | 980,550             | 954,394             |
| Total Financial Assets    | <u>\$ 1,748,470</u> | <u>\$ 1,710,331</u> |

HILTON HEAD SYMPHONY ORCHESTRA, INC.  
NOTES TO FINANCIAL STATEMENTS  
Years Ended June 30, 2024 and 2023

NOTE C - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS - CONTINUED

At June 30, 2024 and 2023, financial assets of approximately \$1,515,000 and \$1,490,000, respectively, were available to meet general expenditures over the next twelve months. Amounts not available for general expenditure over the next twelve months include an amount in the Community Foundations endowment fund which is not available for distribution.

The Orchestra maintains funds in banks to maximize liquidity, minimize risk and aligned to meet short term requirements.

NOTE D - INVESTMENTS

Cost and market values as of June 30 are summarized as follows:

|                         | 2024              |                   |
|-------------------------|-------------------|-------------------|
|                         | Cost              | Fair Value        |
| <u>Investments:</u>     |                   |                   |
| Marketable securities   | \$ 704,782        | \$ 906,138        |
| Cash                    | 74,412            | 74,412            |
| Total Other Investments | <u>\$ 779,194</u> | <u>\$ 980,550</u> |
|                         |                   |                   |
|                         | 2023              |                   |
|                         | Cost              | Fair Value        |
| <u>Investments:</u>     |                   |                   |
| Marketable securities   | \$ 814,807        | \$ 937,272        |
| Cash                    | 17,122            | 17,122            |
| Total Other Investments | <u>\$ 831,929</u> | <u>\$ 954,394</u> |

Investments in marketable securities are reported at fair market value based upon quoted prices in active markets and are categorized as Level 1 under the fair value measurement hierarchy. Investment return for the years ended June 30, 2024 and 2023, including the Foundation Endowment Fund disclosed in Note B, are summarized as follows:

|                            | 2024              | 2023              |
|----------------------------|-------------------|-------------------|
| Investment earnings        | \$ 43,442         | \$ 63,899         |
| Investment expenses        | (7,845)           | (10,580)          |
| Unrealized investment gain | 86,625            | 32,273            |
| Foundation Endowment Fund  | 15,038            | 14,507            |
| Total investment return    | <u>\$ 137,260</u> | <u>\$ 100,099</u> |

HILTON HEAD SYMPHONY ORCHESTRA, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 Years Ended June 30, 2024 and 2023

NOTE E - BOARD DESIGNATED QUASI ENDOWMENT FUND

In 2022, the Orchestra's Board of Directors established and initially funded an Endowment Fund for the purpose of increasing the Orchestra's restricted fund base. The investments of the Endowment Fund can be used for specific defined purposes only with the approval of the Board of Directors.

A summary of the Endowment Fund at June 30, is as follows:

|                            | 2024              | 2023              |
|----------------------------|-------------------|-------------------|
| Beginning balance          | \$ 332,001        | \$ 180,687        |
| Contributions              | 50,000            | 543,374           |
| Withdrawals                | (100,000)         | (415,069)         |
| Investment earnings        | 8,281             | 12,546            |
| Investment expenses        | (3,628)           | (4,925)           |
| Unrealized investment gain | 10,385            | 15,388            |
| Total Other Investments    | <u>\$ 297,039</u> | <u>\$ 332,001</u> |

The Endowment Fund investments are professionally managed by a wealth management firm subject to the guidance and oversight of the Orchestra's Board of Directors.

NOTE F - CONCENTRATION OF CREDIT RISK

The Orchestra maintains its cash balances at several financial institutions. The FDIC covers \$250,000 for substantially all depository accounts. At June 30, 2024 and 2023, the Orchestra has uninsured balances of \$230,214 and \$240,178, respectively.

Cash balances at brokerage firms are insured by SIPC up to \$250,000 and marketable securities at up to \$500,000. Private insurance provided by the brokerage firm covered balances in excess of these limits.

NOTE G - FINANCING ARRANGEMENTS

The Orchestra has a \$100,000 line of credit with its bank that is renewed annually on January 1. Borrowings under the line of credit bear interest at 9.5% and are uncollateralized. At June 30, 2024 and 2023, the balance was \$100,000 and \$50,000, respectively. On July 2, 2024, subsequent to year end, the balance of the line of credit was paid in full.



HILTON HEAD SYMPHONY ORCHESTRA, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 Years Ended June 30, 2024 and 2023

NOTE H - PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30:

|                                | 2024       | 2023       |
|--------------------------------|------------|------------|
| Leasehold improvements         | \$ 841,252 | \$ 841,252 |
| Computer equipment             | 17,800     | 17,800     |
| Office furniture and equipment | 37,743     | 37,744     |
| Performance equipment          | 84,817     | 82,682     |
| Total property and equipment   | 981,612    | 979,478    |
| Accumulated depreciation       | (766,193)  | (636,868)  |
| Net property and equipment     | \$ 215,419 | \$ 342,610 |

Depreciation expense for the years ended June 30, 2024 and 2023 was \$129,325 and \$129,604, respectively.

NOTE I - REAL PROPERTY LEASE AGREEMENTS

On March 1, 2022, the Orchestra entered into a lease for offices and performance center located in Hilton Head, South Carolina. The lease has a term of three years that expires in 2025, with an option to extend for an additional three years. Under the lease, the Orchestra is required to make monthly payments of basic rent and an additional amount for taxes, insurance and common area maintenance. Annual office lease expense was \$188,000 and \$181,734 for the years ended June 30, 2024 and 2023, respectively.

Future minimum annual lease payments due over the term of the lease as of June 30, 2024:

|  |            |
|--|------------|
| Total undiscounted minimum lease payments \$ | 128,000    |
| Less Discounts to present value              | (4,923)    |
| Total operating lease liability              | \$ 123,077 |

As of June 30, 2024, the weighted-average remaining lease term for the operating leases is .7 years. The Orchestra utilized its incremental borrowing rate as the risk-free rate. The risk-free rate associated with the operating leases as of June 30, 2024 was 4%.

Concert and rehearsal locations are leased on a seasonal basis primarily at First Presbyterian Church of Hilton Head, SC. Annual concert and rehearsal lease expense for all such facilities was \$50,955 and \$73,472 for the years ended June 30, 2024 and 2023, respectively. 2023 included rental of Carnegie Hall's Weill Recital Hall.

HILTON HEAD SYMPHONY ORCHESTRA, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 Years Ended June 30, 2024 and 2023

NOTE J - EMPLOYEE RETENTION CREDIT

The Organization applied for COVID-19 relief from the Employee Retention Credit (ERC) program during the years ended June 30, 2023. The ERC, which allows an eligible employer for qualifying wages a credit against certain payroll taxes, was established by the CARES Act and further amended by the Consolidated Appropriations Act (CAA) and the American Rescue Plan (ARP). Under the program, the Organization determined it was eligible for a \$42,679 credit for calendar year 2021. The credit has been recognized as revenue in the year in which received.

NOTE K - COMMITMENTS

The Orchestra has an independent contractor agreement in place with its Music Director which provides for annual increases in compensation plus additional amounts for performances if required beyond those scheduled in the agreement. The previous agreement expired June 30, 2022, and the new agreement was executed for the period of July 1, 2022 through June 30, 2025.

The Orchestra musicians are employed pursuant to the terms and conditions of a three-year wage scale and pension plan contract with the American Federation of Musicians Local 447-704. The agreement to end June 30, 2025, was ratified on October 11, 2022.

NOTE L - ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES

The Orchestra evaluated all tax positions that could have a significant effect on the financial statements and determined that there are no uncertain tax positions at June 30, 2024.

NOTE M - NET ASSETS

Net assets with donor restrictions were available for the following purposes as of June 30:

|                                 | 2024              | 2023              |
|---------------------------------|-------------------|-------------------|
| International Piano Competition | \$ 20,419         | \$ 26,270         |
| Youth programs                  | 637,030           | 596,133           |
| Permanent endowment fund        | 229,212           | 218,330           |
| Total net assets                | <u>\$ 886,661</u> | <u>\$ 840,733</u> |

NOTE N - RELATED PARTY TRANSACTIONS

The Orchestra used a consultant, of which a Board member's wife is the owner, for Orchestra related administration. Additionally, another board member was paid for performance fees in 2023. The consulting services and performance fee expenses for June 30, 2024 and 2023 were \$11,550 and \$7,700, respectively.

NOTE O - SUBSEQUENT EVENTS

The Orchestra has evaluated subsequent events through August 9, 2024, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

**Hilton Head Symphony Orchestra**  
**Board of Directors**  
 Meeting Minutes Thursday, March 27, 2025

The meeting was called to order by Chair Mary Princing at 9:30 am.

In attendance were Directors Rabbi Brad Bloom, Joan Dattelbaum, Wayne Effron, Jay Elliot, Carol Hack, Art Handman, Bret Jacobowitz, Blaine Lotz, Mary Princing, Charles Sampson, Barbara Sorkin, and Blake White; ex officio members Terry Hicks, Mario Incorvaia, and Steve Shaiman; President and CEO Alan Jordan; Marketing Associate Kelley Finley and Secretary pro tem Julie Williams. Directors Ingrid Boatright and Gloria Holmes attempted to join virtually, but technology did not cooperate.

#### **Consent Agenda**

The consent Agenda was composed of six items: the minutes of the February 27 Board meeting, the President and CEO's report, reports from the Resource Development, HHIPC, and Marketing committees, and a report from the League. **It was moved by Lotz and seconded by Bloom that the consent agenda be approved; motion passed.**

#### **Financial Report**

This month's packet contained the customary four documents: the balance sheet, the P&L, a cash flow projection, and a narrative. Treasurer Handman called out a couple of highlights: Ticket sales are tracking ahead of both budget and last year; contributions are ahead of last year but somewhat behind FY25's budget, some of this is due to timing and unbudgeted gifts (memorials). We received a check today for \$88,172 from the Town—our most recent ATAX request. Handman asked whether there is interest in using a "more consolidated" version of the financial reports for Board meetings. There seemed to be consensus that this would be useful. It will be tried at the April meeting. **The report was accepted by unanimous consent.**

#### **Presentation: Marketing**

In keeping with this season's goal of doing a deep dive on the various committees, Blaine Lotz, Chair of the Marketing Committee, and Kelley Finley, our Marketing Consultant, tag teamed to deliver a report on this year's marketing efforts (report appended). Blaine introduced the topic by talking generally about the committee's goals and their challenge to think outside the box. He offered developing a strategy for discount tickets as an example, underlining the importance of filling vacant seats at Orchestra Series concerts. Kelley's deck was informative and comprehensive, demonstrating clearly the new breadth and depth of HHSO's marketing. Following is a selection of comments which augmented the slides:

- Information overload is a significant challenge for marketers today, driven by the low cost and ubiquitousness of digital media options.
- HHSO patrons are our best and least expensive marketing tool.
- We have become more cognizant of the needs and benefits of consistent branding and messaging.
- Social media itself is not a sales tool; it is important for showing our brand personality, especially to non-traditional HHSO audiences, and people enjoy it.
- HHSO is making regular use of both geographic and behavioral segmentation techniques to identify and reach both existing and new target audiences.
- We will be conducting a survey with first-time ticket buyers and hope to expand to include our behavioral segments.
- Marketing without the added discipline of metrics/analysis is not worth the expenditure.

An interesting discussion followed including information from Princing that the Strategic Planning Committee is working on the HHSO's mission and vision statements so that they will more accurately reflect our growth. Marketing will work in service of these goals. Elliot identified a segment he believes is underserved by current marketing: the many individual communities and public and private entities such as "country clubs." It was agreed that a strategy should be developed/ tested with such groups.

The presentation ended with a request that all Board members devote some thought to marketing and reach out to Blaine, Kelley, or Alan with suggestions.

## **Old Business**

### Pig Pull, Saturday April 26, 5:30 pm First Presbyterian Church

Jacobowitz (he and Laura made this event possible) reminded us that the musicians playing the final Orchestra Series concert, Board members, the staff, plus spouses are invited to celebrate the end of the season at this fun gathering. It takes place between the afternoon and evening rehearsals for OS9. He requested that everyone get out of their tribe's circle and mingle with others.

### Board Development Report

Committee Chair Hack shared several additional names under consideration for new Board members for the 2025 – 2026 season. If anyone has a comment on any of these individuals, or the people named at the February 27 meeting, please get in touch with either she or Alan no later than next week. Privacy is of the utmost importance and no one should approach a prospect without talking first to Carol or Alan.

### Major Donor Reception

Princing commented on the wonderful reception held on March 25 for major donors. The attendance was good and the atmosphere social and relaxed. The string quartet was excellent. Alan updated attendees on the state of the HHSO and planned giving was highlighted.

### HHIPC Wrap-Up

Shaiman took the opportunity to thank everyone for their support of this highly successful event. Details are in the comprehensive report he had prepared for this month's Board Packet. He shared that the IPC had been streaming on state-authorized Chinese media (Amadeus TV) for the first time, and also that he has received compliments from many competitors on how well run our event is compared to other competitions. He also pitched the last of this season's BravoPiano! Recital Series—a performance by Anna Han (IPC competitor in 2019) titled, "Keyboard Virtuosity," scheduled for Friday, April 11 at 7:30 pm at SoundWaves, reception to follow.

## **New Business**

### Bluffton ATAX

Bluffton requires Board of Directors ratification from organizations requesting ATAX funds. In preparation for the HHSO submission, **it was moved by Sampson and seconded by Handman that the Board authorize the HHSO's application.**

### New SoundWaves' Series

Incorvaia teased a new Chamber Music Series planned for next season. It will feature HHSO musicians; the Artistic Director is Micah Gangwer, our Concert Master. Sponsors are being approached. This would fulfill a long-time wish of Chamber Music aficionados.

Also in discussion is a "rinse-and-repeat" summer series based on the music of Stevie Wonder targeting tourists.

Marriott will be a partner.

Special guest artist at the final Gullah-Geechee series presentation will be Quiana Parker from GRAMMY- winning group Ranky Tanky on May 6.

### Grant Opportunity

Sorkin asked us to consider applying to Long Cove for one of the community's grants, which totaled over \$250,000 last year. Steve Shaiman and Susan Hartmann are following up.

## **Adjournment**

**It was moved by Jacobowitz, and seconded by Hack, that the meeting be adjourned; motion passed at 10:45 am.**

**The next meeting is Thursday, April 24 at 9:30 am at Soundwaves (socializing at 9:15).**

Respectfully submitted,

Julie Williams, Secretary pro tem



**HILTON HEAD SYMPHONY ORCHESTRA**  
**2023 BLUFFTON CONCERTS PROJECT BUDGET VS. ACTUALS**

|                                 | Outdoor Pops-October |                  | Holiday Pops    |                 | TOTAL           |                 |
|---------------------------------|----------------------|------------------|-----------------|-----------------|-----------------|-----------------|
| Revenues                        | BUDGET               | ACTUAL           | BUDGET          | ACTUAL          | BUDGET          | ACTUAL          |
| Ticket Sales                    | \$0                  | \$1,500          | \$10,500        | \$11,883        | \$10,500        | \$13,383        |
| Private Support                 | \$26,000             | \$23,795         | \$4,500         | \$4,533         | \$30,500        | \$28,328        |
| Sponsorship and Underwriting    | \$17,500             | \$9,999          | \$2,000         | \$0             | \$19,500        | \$9,999         |
| Pro-rated Annual Fund           | \$8,500              | \$13,796         | \$2,500         | \$4,533         | \$11,000        | \$18,329        |
| Public Support                  | \$37,678             | \$37,668         | \$10,950        | \$10,051        | \$48,628        | \$47,719        |
| Other Income                    | \$263                | \$0              | \$298           | \$0             | \$561           | \$0             |
| <b>TOTAL REVENUES</b>           | <b>\$63,941</b>      | <b>\$62,963</b>  | <b>\$26,248</b> | <b>\$26,467</b> | <b>\$90,189</b> | <b>\$89,430</b> |
| Expenses                        |                      |                  |                 |                 |                 |                 |
| Artistic                        | \$19,543             | \$24,022         | \$11,063        | \$9,791         | \$30,605        | \$33,814        |
| Guess Artist Expenses           | \$2,250 *            | \$3,182 *        | \$1,250 *       | \$1,628 *       | \$3,500 *       | \$4,810 *       |
| Orchestra Musician Expenses     | \$17,293             | \$20,840         | \$9,813         | \$8,163         | \$27,105        | \$29,004        |
| Production                      | \$27,728             | \$25,350         | \$1,875         | \$2,032         | \$29,603        | \$27,382        |
| Production Labor and Security   | \$500                |                  | \$225           | \$500           | \$725           | \$500           |
| Venue Rental                    | \$0 *                | \$0 *            | \$500 *         | \$500 *         | \$500 *         | \$500 *         |
| Port-O-Lets                     | \$1,250 *            | \$1,292 *        | \$0             | \$0             | \$1,250 *       | \$1,292 *       |
| Tent, Stage, and HVAC           | \$20,581 *           | \$19,490 *       | \$0             | \$0             | \$20,581 *      | \$19,490 *      |
| Sound and Lighting              | \$4,397 *            | \$4,192 *        | \$400 *         | \$400 *         | \$4,797 *       | \$4,592 *       |
| Music Library                   | \$1,000              | \$376            | \$750           | \$632           | \$1,750         | \$1,008         |
| Marketing                       | \$9,200              | \$9,512          | \$8,800         | \$7,523         | \$18,000        | \$17,035        |
| Media Advertising               | \$8,000 *            | \$8,050 *        | \$8,000 *       | \$6,938 *       | \$16,000 *      | \$14,988 *      |
| Print Materials/Program Inserts | \$1,200 *            | \$1,462 *        | \$800 *         | \$585 *         | \$2,000 *       | \$2,047 *       |
| Development                     | \$0                  | \$0              | \$0             | \$0             | \$0             | \$0             |
| General & Administrative        | \$8,471              | \$8,833          | \$3,261         | \$2,902         | \$11,731        | \$11,734        |
| <b>TOTAL EXPENSES</b>           | <b>\$64,941</b>      | <b>\$67,716</b>  | <b>\$24,998</b> | <b>\$22,248</b> | <b>\$89,940</b> | <b>\$89,964</b> |
| <b>NET PROFIT/(LOSS)</b>        | <b>(\$1,000)</b>     | <b>(\$4,753)</b> | <b>\$1,250</b>  | <b>\$4,219</b>  | <b>\$250</b>    | <b>(\$534)</b>  |

\* - allowable expense for which Bluffton ATAX Funds are requested





HILTON HEAD SYMPHONY ORCHESTRA  
2024 BLUFFTON CONCERTS PROJECT BUDGET VS. ACTUAL  
FEBRUARY 13, 2025 REPORT

|                                 | Outdoor Pops-October |            | Holiday Pops |           | TOTAL      |            |
|---------------------------------|----------------------|------------|--------------|-----------|------------|------------|
|                                 | Budget               | Actual     | Budget       | Actual    | Budget     | Actual     |
| Revenues                        |                      |            |              |           |            |            |
| Table/Ticket Sales              | \$1,500              | \$1,500    | \$0          | \$12,000  | \$13,679   | \$13,500   |
| Private Support                 | \$25,000             | \$20,500   | \$5,500      | \$2,500   | \$30,500   | \$23,000   |
| Sponsorship and Underwriting    | \$15,000             | \$10,500   | \$3,000      | \$0       | \$18,000   | \$10,500   |
| Pro-rated Annual Fund           | \$10,000             | \$10,000   | \$2,500      | \$2,500   | \$12,500   | \$12,500   |
| Public Support                  | \$35,420             | \$32,204   | \$8,212      | \$7,491   | \$43,632   | \$39,694   |
| Other Income                    | \$1,500              | \$4,000    | \$0          | \$0       | \$1,500    | \$4,000    |
| TOTAL REVENUES                  | \$63,420             | \$56,704   | \$25,712     | \$23,669  | \$89,132   | \$80,373   |
| Expenses                        |                      |            |              |           |            |            |
| Artistic                        | \$23,716             | \$20,771   | \$10,036     | \$11,692  | \$33,752   | \$32,463   |
| Guess Artist Expenses           | \$2,250              | \$1,973    | \$1,628      | \$1,514   | \$3,878    | \$3,487    |
| Orchestra Musician Expenses     | \$21,466             | \$18,798   | \$8,408      | \$10,178  | \$29,874   | \$28,976   |
| Production                      | \$28,342             | \$26,280   | \$2,150      | \$2,743   | \$30,492   | \$29,023   |
| Production Labor and Security   |                      | \$743      | \$500        | \$1,225   | \$500      | \$1,968    |
| Venue Rental                    | \$0 *                | \$450 *    | \$500 *      | \$500 *   | \$500 *    | \$950 *    |
| Port-O-Lets                     | \$1,292 *            | \$1,292 *  | \$0          | \$0       | \$1,292 *  | \$1,292 *  |
| Tent, Stage, and HVAC           | \$21,439 *           | \$18,052 * | \$0          | \$0       | \$21,439 * | \$18,052 * |
| Sound and Lighting              | \$4,611 *            | \$4,177 *  | \$400 *      | \$650 *   | \$5,011 *  | \$4,827 *  |
| Music Library                   | \$1,000              | \$1,566    | \$750        | \$368     | \$1,750    | \$1,934    |
| Marketing                       | \$9,111              | \$8,233    | \$7,312      | \$6,341   | \$16,424   | \$14,573   |
| Media Advertising               | \$7,503 *            | \$7,746 *  | \$6,669 *    | \$5,766 * | \$14,172 * | \$13,512 * |
| Print Materials/Program Inserts | \$1,608 *            | \$487 *    | \$643 *      | \$575 *   | \$2,251 *  | \$1,062 *  |
| Development                     | \$0                  | \$0        | \$0          | \$0       | \$0        | \$0        |
| General & Administrative        | \$6,117              | \$5,528    | \$2,925      | \$3,116   | \$9,042    | \$8,645    |
| TOTAL EXPENSES                  | \$67,286             | \$60,812   | \$22,424     | \$23,891  | \$89,710   | \$84,704   |
| NET PROFIT/(LOSS)               | (\$3,866)            | (\$4,108)  | \$3,289      | (\$222)   | (\$576)    | (\$4,330)  |

\* - allowable expense for which Bluffton ATAX Funds are requested