

ACCOMMODATIONS TAX ADVISORY COMMITTEE

STAFF REPORT

Department of Finance & Administration



MEETING DATE: May 19, 2026
 SUBJECT: Hilton Head Symphony Orchestra: 2026 Bluffton Concerts
 PROJECT MANAGER: Jeremy Bullock, Grants Administrator

Summarized below is the application from the Hilton Head Symphony Orchestra for Accommodations Tax grant dollars in support of advertising and facilities for their 2026 Bluffton Concerts.

Budget numbers provided herein are based on information conveyed on the required Line-Item Budget Form within the applicant's submission.

Total Budget: \$100,074
Requested Amount: \$46,818
Percentage of Request^: 46.78%

^Includes up to 100% for Advertising & Promotion plus up to 50% of remaining expenses

Eligible Tourism-Related Expense Categories (per SC Code of Laws)	Budget per Category (based on Budget Form), corrected as needed	
Advertising & Promotion of Tourism or Arts and Cultural Events	\$13,071	
Facilities for Civic and Cultural Events	33,012	
Public Facilities	734	*
Municipality and County Services	-	*
Tourist Transportation	-	*
Other/Ineligible Project Expenses	53,256	
Total	\$100,073	

*Reimbursement will be based on the estimated percentage of tourists provided for

Budgeted Expenses Summary:

Advertising & Promotion:

Total budget \$13,071

- Print and broadcast media (in coordination with the Historic Arts & Seafood Festival marketing for the October concert), graphic design, printed program, brochures and a social media campaign.

Facilities for Civic and Cultural Events:

Total budget \$33,012

- Includes venue, tent, stage, HVAC, sound and lighting equipment rentals.

Public Facilities:

Total budget \$734

- Port-o-Lets rental

Other/Ineligible Project Expenses:

Total budget \$53,256

- Guest artist and orchestra musician expenses, production labor and security, music library and general/administrative expenses

Table Rating (Scores 0-5 with 5 satisfying the qualifications best, exception Advertising 0-15)

Amount Requested	Advertising (15)	Festival / Event (5)	Bluffton Event (5)	Tourism Draw % (5)	Benefit to Tourism (5)	Self-Sufficiency % (5)	Total of 40 possible	Comments
\$46,818	8	4	4	2	5	3	27	

Advertising: Of the requested funds, approximately 27.9% is related to advertising and promotion. Advertising is planned for Local Life magazine, The Bluffton Sun, The Hilton Head Sun, TV ads on WHHI, season brochures and rack cards distributed at the Savannah/Hilton Head International Airport and all SC interstate welcome centers and rest areas, monthly rack cards additionally distributed to area hotels, vacation rental offices, restaurants, retail spaces, posters, email blasts, social media posts, event listings on the HHSO and Arts & Seafood web sites, and online calendars including the HHI-Bluffton Chamber of Commerce, HHI Town Website, Office of Cultural Affairs and Local Life’s online “The Scene”.

Festival/Event: The HHSO will perform two separate concerts in Bluffton; one in October during the Arts & Seafood Festival and one in November.

Bluffton Event: The October Outdoor Pops Concert will be held at Martin Family Park; in November, the Holiday Pops Concert will be held at the St. Gregory the Great Catholic Church Parish Life Center.

Tourism Draw %: HHSO collaborates with the Arts & Seafood Festival to hold the October concert during the event; 20% of the anticipated 1,100 attendees are tourists. The Holiday Pops Concert is held at a time when out-of-town guests are visiting and attend with family and friends who are local residents.

Benefit to Tourism: The October show enhances the Arts & Seafood Festival by offering a free show to attendees while the November performance provides an event for out-of-town guests, some of whom may stay in Bluffton hotels, that are here for the holiday season.

Self-Sufficiency % (Financial Need): The request is approximately 46.3% of HHSO’s total projected events budget of \$100,074. Other sources of income include sponsorships, donations, ticket sales, and contributions from HHSO funds.

Previous Funding Amounts							
Fiscal Year	Requested Amount	% of Budget	Advisory Committee Recommendation	Town Council Approved	Expended	Lapsed	Comments
2025	\$48,781	50%	\$48,781	\$48,781	\$39,499	\$9,282	2025 Bluffton Concerts
2024	\$43,632	49%	\$43,632	\$43,632	\$39,894	\$3,738	2024 Bluffton Concerts
2023	\$48,628	54%	\$48,628	\$48,628	\$40,497	\$8,131	2023 Bluffton Concerts

Accommodations Tax Committee Recommendations and Comments:
none

The Committee recommends funding \$ 46,818 for the 2026 Bluffton Concerts.

Bullock, Jeremy

From: noreply@civicplus.com
Sent: Monday, March 30, 2026 1:13 PM
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 [Accommodations Tax Grant Application Instructions](#)

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

(Section Break)

Application Date 3/30/2026

Project Name Hilton Head Symphony Orchestra 2026 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: 7/1/2026

Project/Event End Date 12/15/2026

Multi-Year Project/Event?	No
Total Project Costs	\$100,074
Total ATAX Funds Requested	\$46,818
Percent of Total Budget	46.78%
Date the funds are needed:	12/31/2026
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	ajordan@hhsso.org

(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 2026 as part of its 2026-2027 45th Anniversary concert season. On Thursday, October 15, 2026, 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 sixth such annual partnership. On Saturday, November 28, 2026, 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. A vocal soloist will be engaged 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 15, 2026, concert)
Describe all planned advertising and marketing for this project/event:	<p>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:</p> <ul style="list-style-type: none"> • Full-page advertisements in the September, October, and November issues of Local Life magazine, with monthly out-of-market readership of 12,038 • Digital programming through Local Life • Half-page advertisements in three Bluffton and Hilton Head Sun issues in October and November • Television advertisements and interviews on WHHI • 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

- Posters distributed throughout downtown Bluffton
- 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
 WHHI-TV

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 1,200 people, with 15% of them identified as tourists and another 15% as visitors. 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 every year since 2019 (with the exception of 2020, due to the pandemic) to capacity crowds that drew tourists, visitors, and residents during the Thanksgiving holiday weekend. 392 audience members attended the 2025 presentation, with 5.84%

of these identified as tourists and another 10.08% were visitors. [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.

“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.

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 tourists and 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 five years of Outdoor Pops concerts in October, 2021, through 2025, 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 \$46,818 to pay for the following expenses:

- venue rental of \$950;
- port-o-lets rental of \$734;
- tent, stage, and HVAC rentals of \$25,034;
- sound and lighting equipment rental of \$7,028
- media advertising of \$11,076; 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.)

TOWN OF BLUFFTON ACCOMMODATIONS TAX GRANT APPLICATION

FINANCIAL INFORMATION

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.

Town's required Line-Item Budget Form:	ATAX Grant Application Line-Item Budget HHSO submitted 2026-03-30.pdf
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Most Recent Fiscal Year Balance Sheet and Profit and Loss Accounting Statement	Audit 2025-06-30 HHSO.pdf
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Financial Guarantee	HHSO Board Minutes 2026-03-26 FINAL.pdf
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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.

Please attach Budget vs. Actual statements for prior two years events.	Bluffton SUS Budget vs. Actual Report 2026-02-06.pdf
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Please attach Budget vs. Actual statements for prior two years events.	Bluffton Concerts FY25 Report 2025-02-13.pdf
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(Section Break)

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
Awarding Agency	Hilton Head Island
Amount	\$350,000
Project/Event	HHSO Season Operating Grant
Year of Award	2026
Awarding Agency	Beaufort County 2% State
Amount	\$28,000
Project/Event	HHSO Symphony Under The Stars Concert, Fripp Island (April, 2027)
Year of Award	2026

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 2025 Concerts
Year Awarded	2025
Amount Awarded	48781
Was a final report submitted?	Yes

What was the total number of tourists? 141

What was the percentage of tourists? 10.13%

(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. 2027-04-30.pdf](#)

Additional Application Documents [Bluffton Concerts FY27 2026-03-30.pdf](#)

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.

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.

Signature	Alan Jordan
Signatory's Title or Position	President and CEO

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:04/30/2027

License No. 26-02-2062

Business Name: Hilton Head Symphony Orchestra, Inc.

Date Issued: 02/10/2026

NAICS Title: Musical Groups and Artists

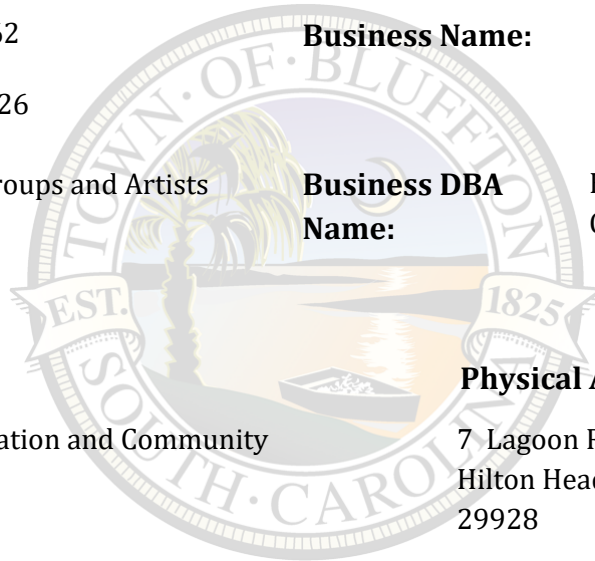
Business DBA Name: Hilton Head Symphony Orchestra

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

TOWN OF BLUFFTON
ACCOMODATIONS TAX GRANT APPLICATION BUDGET FORM

EXPENSES

Round all numbers to the nearest whole dollar; do not use commas between numbers or ".00" at the end of a figure

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

	Amount
Advertising & Promotion of Tourism or Arts and Cultural Events	
Local Newspaper/Digital Advertising	\$ 1,257
Regional Newspaper/Digital Advertising	\$
National Newspaper/Digital Advertising	\$
Local Magazine/Digital Advertising	\$ 5,130
Regional Magazine/Digital Advertising	\$
National Magazine/Digital Advertising	\$
Local Radio Advertising	\$ 800
Regional Radio Advertising	\$
National Radio Advertising	\$
Local Television Advertising	\$
Regional Television Advertising	\$
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	\$ 1,194
Web Hosting for Event (not organization)	\$
Other (please name): Printed program (pro-rated)	\$ 1,615
Other (please name): Rack Cards	\$ 550
Other (please name): Brochure printing (pro-rated)	\$ 825
Other (please name): Design coordination	\$ 1,700
Other (please name):	\$
Total Advertising/Promotion Budget:	\$ 13,071
Facilities for Civic and Cultural Events	
Rentals: Venue(s)	\$ 950
Rentals: Parking Lots	\$
Rentals: Tables, Chairs, Stages, Tents	\$ 25,034
Rental: Sound, Audio Equipment	\$ 7,028
Construction/Renovations/Repairs of Buildings/Facilities	\$
Other (please name):	\$
Other (please name):	\$
Other (please name):	\$
Total Facilities Budget:	\$ 33,012

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

EXPENSES

*Round all numbers to the nearest whole dollar; do **not** use commas between numbers or ".00" at the end of a figure*

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

	Amount
Tourist Transportation	
Company Name: _____	\$ _____
Company Name: _____	\$ _____
Total Transportation Budget:	\$ _____ 0
Public Facilities	
Temporary/Portable Restrooms	\$ _____ 734
Dumpster Rental/Trash Hauling	\$ _____
Construction of Permanent Restrooms	\$ _____
Construction of Parks	\$ _____
Construction of Parking Lots	\$ _____
Other (please name): _____	\$ _____
Other (please name): _____	\$ _____
Total Public Facilities Budget:	\$ _____ 734
Municipality and County Services	
Security Provided by Bluffton Police Department	\$ _____
Security NOT Provided by Bluffton Police Department	\$ _____
Total Municipality/County Services Budget:	\$ _____ 0
Operations <i>(only applicable to Visitor Centers and/or Cultural Centers/Museums)</i>	
Marketing/Advertising	\$ _____
Utilities <i>(electric, gas, water, phone service, internet, etc.)</i>	\$ _____
Subscriptions <i>(not related to marketing/advertising services)</i>	\$ _____
Supplies <i>(office, janitorial, etc.)</i>	\$ _____
Facility Maintenance <i>(i.e. cleaning, pest control, landscaping, etc.)</i>	\$ _____
Minor Repairs	\$ _____
Other (please name): _____	\$ _____
Other (please name): _____	\$ _____
Other (please name): _____	\$ _____
Other (please name): _____	\$ _____
Total Operations Budget:	\$ _____ 0
Total ALL ATAX Eligible Expenses:	\$ _____ 46,817



**HILTON HEAD SYMPHONY ORCHESTRA
2026 BLUFFTON CONCERTS PROJECT BUDGET
MARCH 30, 2026 APPLICATION**

	Outdoor Pops-October Budget		Holiday Pops Budget		TOTAL Budget
Revenues					
Table/Ticket Sales	\$3,000	\$3,000		\$12,500	\$15,500
Private Support		\$25,000		\$3,000	\$28,000
Sponsorship and Underwriting	\$15,000		\$3,000		\$18,000
Pro-rated Annual Fund	\$10,000		\$0		\$10,000
Public Support		\$40,987		\$5,830	\$46,818
Other Income		<u>\$7,662</u>		<u>\$2,093</u>	<u>\$9,756</u>
TOTAL REVENUES		\$76,650		\$23,423	\$100,074
Expenses					
Artistic		\$26,433		\$12,524	\$38,957
Guess Artist Expenses	\$1,731		\$1,789		\$3,520
Orchestra Musician Expenses	\$24,701		\$10,735		\$35,437
Production		\$34,793		\$3,229	\$38,023
Production Labor and Security	\$1,262		\$1,348		\$2,609
Venue Rental	\$450 *		\$500 *		\$950 *
Port-O-Lets	\$734 *		\$0		\$734 *
Tent, Stage, and HVAC	\$25,034 *		\$0		\$25,034 *
Sound and Lighting	\$6,313 *		\$715 *		\$7,028 *
Music Library	\$1,000		\$667		\$1,667
Marketing		\$8,456		\$4,615	\$13,071
Media Advertising	\$7,056 *		\$4,020 *		\$11,076 *
Print Materials/Program Inserts	\$1,400 *		\$595 *		\$1,995 *
Development		\$0		\$0	\$0
General & Administrative		<u>\$6,968</u>		<u>\$3,055</u>	<u>\$10,023</u>
TOTAL EXPENSES		<u>\$76,650</u>		<u>\$23,424</u>	<u>\$100,074</u>
NET PROFIT/(LOSS)		\$0		(\$0)	\$0

* - allowable expense for which Bluffton ATAX Funds are requested

HILTON HEAD SYMPHONY ORCHESTRA, INC.

FINANCIAL STATEMENTS

Years Ended June 30, 2025 and 2024

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70 MAIN STREET • SUITE 100
HILTON HEAD ISLAND, SC 29926

181 BLUFFTON ROAD • A-104
BLUFFTON, SC 29910

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

INDEPENDENT AUDITOR'S REPORT

TELEPHONE: (843) 681-4430
FAX: (843) 681-4425
EMAIL: pcarey@pcareycpa.com

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, 2025, 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, 2025, 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.

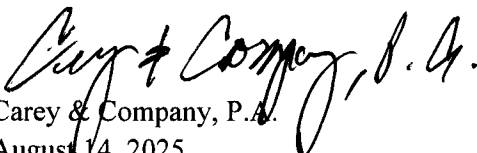
Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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, 2024 and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 9, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.


Carey & Company, P.A.
August 14, 2025

HILTON HEAD SYMPHONY ORCHESTRA, INC.
STATEMENTS OF FINANCIAL POSITION
As of June 30, 2025 and 2024

ASSETS	2025	Summarized Information 2024
Current Assets		
Cash and equivalents	\$ 587,545	\$ 538,708
Pledge and other receivables	21,018	20,573
Prepaid expenses	9,782	20,758
Total Current Assets	<u>618,345</u>	<u>580,039</u>
Property And Equipment		
Furniture, fixtures and equipment	144,385	140,360
Leasehold improvements	841,252	841,252
Accumulated depreciation	(894,747)	(766,193)
Total Property And Equipment	<u>90,890</u>	<u>215,419</u>
Other Assets		
Foundation endowment fund	237,952	229,212
Investments:		
Board designated quasi-endowment fund	209,497	297,039
Donor restricted	734,771	683,511
Total Investments	<u>944,268</u>	<u>980,550</u>
Operating lease right-of-use-asset	519,504	123,077
Intangible assets, net of amortization	1,725	-
Security deposits	17,790	17,790
TOTAL ASSETS	<u>\$ 2,430,474</u>	<u>\$ 2,146,087</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 35,570	\$ 8,268
Line of credit	100,000	100,000
Operating lease liability	175,000	123,077
Payroll taxes payable	12,514	9,987
Deferred ticket revenues	277,485	259,380
Deferred contribution and fundraising revenues	488,144	465,394
Total Current Liabilities	<u>1,088,713</u>	<u>966,106</u>
Operating lease liability, net of current portion	344,504	-
TOTAL LIABILITIES	<u>1,433,217</u>	<u>966,106</u>
Net Assets		
Without donor restrictions	24,534	267,258
With donor restrictions	972,723	912,723
Total Net Assets	<u>997,257</u>	<u>1,179,981</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,430,474</u>	<u>\$ 2,146,087</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, 2025 and 2024

	2025			Summarized Information 2024
	Without Donor Restrictions	With Donor Restrictions	Total	
REVENUE AND SUPPORT				
Admissions	\$ 795,924	\$ -	\$ 795,924	\$ 732,419
Contributions and grants	800,899	218,727	1,019,626	980,704
Government support	525,647	-	525,647	426,616
Fundraising and other support	228,656	53,204	281,860	242,734
Investment income	40,398	90,897	131,295	137,260
Restrictions satisfied by payments	<u>302,828</u>	<u>(302,828)</u>	<u>-</u>	<u>-</u>
Total Revenue and Support	<u>2,694,352</u>	<u>60,000</u>	<u>2,754,352</u>	<u>2,519,733</u>
EXPENSES				
Program	2,028,739	-	2,028,739	1,917,294
Management and general	810,006	-	810,006	721,378
Marketing and development	<u>98,331</u>	<u>-</u>	<u>98,331</u>	<u>105,876</u>
Total Expenses	<u>2,937,076</u>	<u>-</u>	<u>2,937,076</u>	<u>2,744,548</u>
INCREASE (DECREASE) IN NET ASSETS	(242,724)	60,000	(182,724)	(224,815)
NET ASSETS AT BEGINNING OF YEAR	<u>267,258</u>	<u>912,723</u>	<u>1,179,981</u>	<u>1,404,796</u>
NET ASSETS AT END OF YEAR	<u>\$ 24,534</u>	<u>\$ 972,723</u>	<u>\$ 997,257</u>	<u>\$ 1,179,981</u>

See accompanying notes and independent auditor's report.

HILTON HEAD SYMPHONY ORCHESTRA, INC.
 STATEMENTS OF FUNCTIONAL EXPENSES
 Years Ended June 30, 2025 and 2024

	2025			Total	Summarized Information 2024
	Program Services	Management and General	Marketing and Development		
Salaries and wages	\$ 637,044	\$ 391,967	\$ 2,292	\$ 1,031,303	\$ 1,085,482
Payroll taxes and related benefits	102,487	31,558	185	134,230	137,009
Total payroll and benefits	739,531	423,525	2,477	1,165,533	1,222,491
Facilities cost	270,387	85,107	-	355,494	295,539
Contract services	371,981	28,943	-	400,925	381,008
Marketing and advertising	61,751	61,751	-	123,502	135,161
Performance production costs	166,962	-	-	166,962	138,816
Travel and lodging	172,921	-	-	172,921	155,919
Prizes, judges and awards	94,997	-	-	94,997	5,305
Fundraising	-	-	93,029	93,029	85,143
Office	8,476	33,456	2,825	44,757	41,219
Bank fees	-	18,719	-	18,719	22,738
Depreciation and amortization	90,051	38,593	-	128,644	129,325
Other	51,682	119,911	-	171,593	131,884
Total expenses	<u>\$ 2,028,739</u>	<u>\$ 810,006</u>	<u>\$ 98,331</u>	<u>\$ 2,937,076</u>	<u>\$ 2,744,548</u>

See accompanying notes and independent auditor's report.

HILTON HEAD SYMPHONY ORCHESTRA, INC.
 STATEMENTS OF CASH FLOWS
 Years Ended June 30, 2025 and 2024

	2025	Summarized Information 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (182,724)	\$ (224,815)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Unrealized gain on investments	(77,433)	(85,537)
Depreciation and amortization expense	128,644	129,325
Operating lease right-of-use asset	(396,427)	78,840
Increase (decrease) in assets		
Pledge and other receivables	(445)	7,677
Prepaid expenses and security deposits	10,976	(8,957)
Increase (decrease) in liabilities:		
Accounts payable	27,302	(5,124)
Operating lease liability	396,427	(78,840)
Payroll taxes payable	2,527	(696)
Deferred revenues	40,855	92,683
Net Cash Used By Operating Activities	(50,298)	(95,444)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(4,024)	(2,135)
Purchase of intangible assets	(1,816)	-
Net change in investments	94,819	38,554
Cash released from foundation endowment fund	10,156	10,126
Net Cash Provided By Investing Activities	99,135	46,545
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from line of credit	-	50,000
Net Cash Provided By Financing Activities	-	50,000
NET INCREASE IN CASH AND CASH EQUIVALENTS	48,837	1,101
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	538,708	537,607
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 587,545	\$ 538,708
SUPPLEMENTAL DISCLOSURES - cash payments for:		
Interest	\$ 2,552	\$ 1,033
Income taxes	\$ -	\$ -

See accompanying notes and independent auditor's report.

HILTON HEAD SYMPHONY ORCHESTRA, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2025 and 2024

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, 2025 and 2024, 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, 2025 and 2024

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.

Intangible Assets

The Orchestra's intangible assets consist of purchased music libraries. The music libraries include a catalog of original compositions and recordings acquired with full ownership rights, allowing for duplication, distribution, and monetization through various platforms. The music libraries are amortized on a straight-line basis over an estimated useful life of 20 years.

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. The Orchestra has determined that all outstanding grants receivable are from a government agency that have a historical relationship with the Orchestra, and therefore do not anticipate any credit losses related to unconditional receivables.

HILTON HEAD SYMPHONY ORCHESTRA, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2025 and 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

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 Foundations' investment pool. Fair value for the fund is categorized as Level 1 under the fair value measurement hierarchy and was \$237,952 and \$229,212 at June 30, 2025 and 2024, respectively. The annual withdrawal amount is limited to 4.5% of the average fair market value of the account and totaled \$10,156 and \$10,126 for the years ended June 30, 2025 and 2024, respectively. Net investment income was \$18,896 and \$20,010 for the years ended June 30, 2025 and 2024, 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, 2025 and 2024, the fair market value of this fund was \$200,220 and \$192,865, 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 \$8,545 and \$8,519 for the years ended June 30, 2025 and 2024, respectively.

HILTON HEAD SYMPHONY ORCHESTRA, INC.
 NOTES TO FINANCIAL STATEMENTS
 Years Ended June 30, 2025 and 2024

NOTE C - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets as of June 30 are as follows:

	2025	2024
Cash and equivalents	\$ 587,545	\$ 538,708
Foundation endowment fund	237,952	229,212
Investments	944,268	980,550
Total Financial Assets	<u>\$ 1,769,765</u>	<u>\$ 1,748,470</u>

At June 30, 2025 and 2024, financial assets of approximately \$1,532,000 and \$1,515,000, 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 Foundation's 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:

	2025	
	Cost	Fair Value
<u>Investments:</u>		
Marketable securities	\$ 614,657	\$ 937,929
Cash	6,339	6,339
Total Investments	<u>\$ 620,996</u>	<u>\$ 944,268</u>
	2024	
	Cost	Fair Value
<u>Investments:</u>		
Marketable securities	\$ 704,782	\$ 906,138
Cash	74,412	74,412
Total Investments	<u>\$ 779,194</u>	<u>\$ 980,550</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, 2025 and 2024, including the Foundation Endowment Fund disclosed in Note B, are summarized as follows:

	2025	2024
Investment earnings	\$ 44,844	\$ 43,442
Investment expenses	(9,878)	(7,845)
Unrealized investment gain	77,433	86,625
Foundation Endowment Fund	18,896	15,038
Total investment return	<u>\$ 131,295</u>	<u>\$ 137,260</u>

HILTON HEAD SYMPHONY ORCHESTRA, INC.
 NOTES TO FINANCIAL STATEMENTS
 Years Ended June 30, 2025 and 2024

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:

	2025	2024
Beginning balance	\$ 297,039	\$ 332,001
Contributions	150,000	50,000
Withdrawals	(269,843)	(100,000)
Investment earnings	8,722	8,281
Investment expenses	(3,531)	(3,628)
Unrealized investment gain	27,110	10,385
Total Board Designated Investments	<u>\$ 209,497</u>	<u>\$ 297,039</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, 2025 and 2024, the Orchestra has uninsured balances of \$295,914 and \$230,214, 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 8.5% and are uncollateralized. At June 30, 2025 and 2024, the balance was \$100,000 and \$100,000, respectively. On July 3, 2025, 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, 2025 and 2024

NOTE H - PROPERTY AND EQUIPMENT

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

	2025	2024
Leasehold improvements	\$ 841,252	\$ 841,252
Computer equipment	17,800	17,800
Office furniture and equipment	40,698	37,743
Performance equipment	85,887	84,817
Total property and equipment	985,637	981,612
Accumulated depreciation	(894,747)	(766,193)
Net property and equipment	<u>\$ 90,890</u>	<u>\$ 215,419</u>

Depreciation and amortization expense for the years ended June 30, 2025 and 2024 was \$128,644 and \$129,325, respectively.

NOTE I - REAL PROPERTY LEASE AGREEMENTS

On February 28, 2025, the Orchestra entered into a lease for offices and performance center located in Hilton Head, South Carolina. The lease has a term of forty months that expires on June 30, 2028, 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 \$188,000 for the years ended June 30, 2025 and 2024, respectively.

Future minimum annual lease payments due over the term of the lease as of June 30, 2025:

2026	\$ 182,000
2027	188,000
2028	192,000
Total undiscounted minimum lease payments	\$ 562,000
Less Discounts to present value	(42,496)
Total operating lease liability	<u>\$ 519,504</u>

As of June 30, 2025, the weighted-average remaining lease term for the operating leases is 3 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, 2025 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 \$62,585 and \$50,955 for the years ended June 30, 2025 and 2024, respectively.

HILTON HEAD SYMPHONY ORCHESTRA, INC.
 NOTES TO FINANCIAL STATEMENTS
 Years Ended June 30, 2025 and 2024

NOTE J - 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, 2025, and the new agreement was executed for the period of July 1, 2025, through June 30, 2028.

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, 2028, was ratified on June 6, 2025.

NOTE K - 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, 2025.

NOTE L - NET ASSETS

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

	2025	2024
International Piano Competition	\$ 32,923	\$ 30,419
Youth programs	701,848	653,092
Permanent endowment fund	<u>237,952</u>	<u>229,212</u>
Total net assets	<u>\$ 972,723</u>	<u>\$ 912,723</u>

NOTE M - RELATED PARTY TRANSACTIONS

The Orchestra used a consultant, of which a Board member's wife is the owner, for Orchestra related administration. The consulting services and performance fee expenses for June 30, 2025 and 2024 were \$13,850 and \$11,550, respectively. Additionally, another board member paid \$6,500 to rent performance space from the Orchestra for the year ending June 30, 2025.

NOTE N - SUBSEQUENT EVENTS

The Orchestra has evaluated subsequent events through August 14, 2025, 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
Minutes of Board Meeting, Thursday, March 26, 2026

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

In attendance were Directors Wayne Efron, Carol Hack, Art Handman, Gloria Holmes, Mona Huff, Bret Jacobowitz, Blaine Lotz, Chad Martin, David McCoy, Sarah Meyer, Peggi Moon, Mary Princing, Charles Sampson, Regina Silletti, Ed Simmons, and Blake White; ex officio members Nancy Millette and Mario Incorvaia; President and CEO Alan Jordan, Finance Manger Christie Brooks, and Secretary pro tem Julie Williams. Steve Shaiman attended virtually.

Chair's Remarks

Princing welcomed Gloria Holmes who was able to attend this meeting in person. Lately, she has been a dedicated "Zoomer." She also thanked the League for their "new concept" fashion show the previous evening which appears to have been a great success, and Director Chad Martin for the entertaining music.

Consent Agenda

The consent agenda was composed of two items: the minutes of the February 26 meeting and the President and CEO's report. **It was moved by Lotz and seconded by Hack that the consent agenda be approved as submitted; motion passed.**

Board Development Report

Chair Hack told the group that the committee is in the "early consideration" phase for several candidates to serve a first term during the 2026-2027 season. She named five individuals. Protocol dictates that names are not included in the minutes to maintain confidentiality until a final slate is assembled. Four Directors are retiring so the organization needs to replace at least three to maintain its minimum of 18. Hack asked anyone who knows one or more of these people to contact her or Jordan to transmit relevant information. The committee will prepare a slate for voting at the May Board meeting.

September Financial Report

Through February 28 (eight months of FY 26), the P&L shows a net profit of \$70, 855. Subsequent analysis forecasts a net loss for this year. Everything possible to avoid another year in the red is under consideration, as the HHSO finalizes its budget for FY 27. **It was moved by Millette and seconded by Lotz that the financial report be approved as submitted; motion passed.**

Strategic Planning Committee Report

Simmons and Jordan teamed up to present the Strategic Planning Committee's work on a 2-year plan, the period for which will commence July 1, 2026. Following is a brief recap of the process. The HHSO retained the University of South Carolina Beaufort's Center for Strategic Planning via a grant from the Community Foundation of the Lowcountry and a Board member's donation. The group's disciplined process is data-driven, beginning with a survey of four constituencies: Board members (100% of whom replied), staff, donors/patrons and community partners. Preliminary results were shared and a group of 10 people consisting of representatives from the four constituencies took part in a facilitated one-day workshop to discuss and drill down on the results. Three goals, which have been recommended by the Strategic Planning Committee, were identified: 1) Increase HHSO's Orchestra Series attendance by 20%, 2) Establish a sustainable operating model that will consistently produce balanced budgets and operating reserves, 3) Determine the products, venues

and resources required to meet what people want in order to grow our audience. Jordan underlined two things central to success: Raising more money and gaining new audiences. The presentation contains additional detail and will be sent to members in the next few days. **It was moved by Jacobowitz and seconded by Hack that Directors review the presentation in preparation to discuss it and vote to adopt a plan for FY 27/28 at the April Board meeting; motion passed.**

Hilton Head International Piano Competition Report

Shaiman briefed the group on this event which concluded Saturday, March 21 with five finalists playing a movement of a concerto with the HHSO, John Morris Russell conducting. 2026 is the 7th Young Artist competition and it was by all measures a great success. The field of 20 (selected in the fall by a panel of jurors from 166 applicants) was likely the most talented group we have hosted. They delivered exceedingly high levels of performance throughout, making the competition jury's job very challenging. The event ran smoothly, as evidenced by feedback from the jury, competitors, and multiple host families who literally care for competitors from the time they land at the airport to when they depart for home. Steve was highly complimentary of the HHIPC Committee (approximately 20 individuals) who work for 8 months, beginning in September. We were successful in getting competitors to be Ambassadors, performing live for at least 500 seniors and 2,000 students in public and private schools on the island and in Bluffton. All rounds of the competition were livestreamed. Our partner in China, Amadeus.tv reported 185,000 viewers. Results from other countries will be tabulated. Two observations from Huff (HHIPC'S previous Director): Given that the HHIPC is an important HHSO event, there should be greater participation from the Board, especially for the early rounds, and the reception, for which the HHSO Board is responsible, must be improved (not enough goodies).

New Business

Orchestra Series

Incorvaia presented the 2026-2027 Orchestra Series concerts, which should remain confidential until the subscription brochure is mailed at the end of the month. He shared a little about the process, which is led by Music Director JMR, CEO Jordan and EVP Incorporvaia assisted by numerous committees, notably Artistic Advisory. Both the opening concert and the closing concert will have only one performance—a Sunday matinee. The others will have both Sunday and Monday performances. Discussion on how this will affect subscription seating is underway.

Bluffton ATAX

Our proposal to procure Bluffton ATAX funds for next season (\$46,818) will be submitted March 30, 2026. **It was moved by Sampson and seconded by Handman that the HHSO request these funds; motion passed.**

Young Persons Concerts

The YPC will take place on Hilton Head Tuesday, April 28 and in Beaufort—for the first time—on Wednesday, April 29. Volunteers will be needed in Beaufort. Contact Jordan if you can assist.

Annual Meeting May 28

The start time for this meeting will 10:30 am, followed by lunch.

Adjournment

The next meeting is Thursday, April 23 at 9:30 am at Soundwaves (socializing at 9:15).

It was moved by Huff, and seconded by Silletti, that the meeting be adjourned; motion passed at 10:58 am.

Respectfully submitted,

Julie Williams, Secretary pro tem



**HILTON HEAD SYMPHONY ORCHESTRA
2025 BLUFFTON CONCERTS PROJECT BUDGET
FEBRUARY 6, 2026, REPORT**

	Outdoor Pops-October		Holiday Pops		TOTAL	
	Budget	Actual	Budget	Actual	Budget	Actual
Revenues						
Table/Ticket Sales	\$3,000	\$1,500.00	\$13,675	\$12,567.00	\$16,675	\$14,067.00
Private Support	\$25,000	\$31,605.30	\$3,000	\$15,094.00	\$28,000	\$46,699.30
Sponsorship and Underwriting	\$15,000	\$5,000.00	\$3,000	\$0.00	\$18,000	\$5,000.00
Pro-rated Annual Fund	\$10,000	\$26,605.30	\$0	\$15,094.00	\$10,000	\$41,699.30
Public Support	\$40,760	\$36,329.22	\$8,021	\$5,707.34	\$48,781	\$42,036.56
Other Income	\$4,684	\$0.00	\$286	\$3,059.51	\$4,970	\$3,059.51
TOTAL REVENUES	\$73,444	\$69,434.52	\$24,982	\$36,427.85	\$98,426	\$105,862.37
Expenses						
Artistic	\$20,843	\$22,586.13	\$11,689	\$24,477.72	\$32,532	\$47,063.85
Guess Artist Expenses	\$1,481	\$1,168.48	\$1,206	\$1,801.00	\$2,687	\$2,969.48
Orchestra Musician Expenses	\$19,362	\$21,417.65	\$10,483	\$22,676.72	\$29,845	\$44,094.37
Production	\$31,807	\$30,602.11	\$3,229	\$2,641.33	\$35,036	\$33,243.44
Production Labor and Security	\$1,262	\$712.50	\$1,348	\$808.33	\$2,609	\$1,520.83
Venue Rental	\$450 *	\$0.00 *	\$500 *	\$500.00 *	\$950 *	\$500.00 *
Port-O-Lets	\$1,422 *	\$667.45 *	\$0	\$0.00	\$1,422 *	\$667.45 *
Tent, Stage, and HVAC	\$23,079 *	\$22,732.20 *	\$0	\$0.00	\$23,079 *	\$22,732.20 *
Sound and Lighting	\$4,595 *	\$5,739.53 *	\$715 *	\$650.00 *	\$5,310 *	\$6,389.53 *
Music Library	\$1,000	\$750.43	\$667	\$683.00	\$1,667	\$1,433.43
Marketing	\$11,215	\$7,190.04	\$6,806	\$4,557.34	\$18,021	\$11,747.38
Media Advertising	\$9,815 *	\$5,934.15 *	\$6,211 *	\$4,065.03 *	\$16,026 *	\$9,999.17 *
Print Materials/Program Inserts	\$1,400 *	\$1,255.90 *	\$595 *	\$492.31 *	\$1,995 *	\$1,748.21 *
Development	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00
General & Administrative	\$9,580	\$9,056.74	\$3,259	\$4,751.46	\$12,838	\$13,807.70
TOTAL EXPENSES	\$73,445	\$69,435.02	\$24,983	\$36,427.85	\$98,427	\$105,862.37
NET PROFIT/(LOSS)	(\$0)	\$0.00	(\$0)	(\$0.00)	\$0	\$0.00



**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	\$0	\$12,000	\$13,679	\$13,500	\$13,679
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

TOWN OF BLUFFTON ATAX GRANT APPLICATION SCORING SHEET

Entity: **Hilton Head Symphony Orchestra**

Project: **2026 Bluffton Concerts**

Project Type: **Event/Festival**

Scoring Category	Points Possible	Points Awarded
ADVERTISING	15	
Part 1: Five (5) points possible. Based on how much of the requested funds go toward advertising.		
0% of funds go toward advertising	0 points	
1% - 20% of funds go toward advertising	1 point	
21% - 40% of funds go toward advertising	2 points	
41% - 60% of funds go toward advertising	3 points	
61% - 80% of funds go toward advertising	4 points	
81% - 100% of funds go toward advertising	5 points	
Part 2: Ten (10) points possible. Based on where the advertising is placed.		
None of the funds go toward advertising	0 points	
Local newspapers/periodicals and electronic advertising (ex. Island Packet, The Bluffton Sun)	2 points	
Local guides/periodicals specifically geared toward tourists with a shelf life of more than 30 days	4 points	
Larger regional publications and electronic marketing within 100 miles (ex. Charleston or Savannah news outlets)	6 points	
Newspapers/periodicals/electronic marketing to large, metropolitan areas outside of 100 miles away (ex. Atlanta, Charlotte, Washington, D.C., Chicago)	8 points	
Nationally distributed newspapers/periodicals/electronic marketing (ex. USA Today, NY Times, Southern Living Magazine)	10 points	
TOURIST FACILITIES	15	
Higher point value given based on anticipated ratio of tourists to locals		
FESTIVAL/EVENT	5	
Higher point value given to requests for festivals or events		
Length of event/festival should be considered. Is it an all-day event versus a two-hour event? Multi-day event?		
BLUFFTON EVENT	5	
Higher point value given to events held within the town limits of Bluffton and/or spanning multiple locations		
TOURISM DRAW	5	
0% of attendees are tourists based on historical or projected information	0 points	
1% - 20% of attendees are tourists based on historical or projected info	1 point	
21% - 40% of attendees are tourists based on historical or projected info	2 points	
41% - 60% of attendees are tourists based on historical or projected info	3 points	
61% - 80% of attendees are tourists based on historical or projected info	4 points	
81% - 100% of attendees are tourists based on historical or projected info	5 points	
BENEFIT TO TOURISM (LOCAL ECONOMY)	5	
Higher point value given to events that encourage overnight stays and/or have local business participation		
SELF SUFFICIENCY	5	
100% of budget from ATAX request	0 points	
80% - 99% of budget from ATAX request	1 point	
60% - 79% of budget from ATAX request	2 points	
40% - 59% of budget from ATAX request	3 points	
20% - 39% of budget from ATAX request	4 points	
1% - 19% of budget from ATAX request	5 points	
MISCELLANEOUS	10	
Only use if applicant does not qualify as a festival/event		
Group Average Point Total (out of a possible 40 points)		0
Group Average Percentage		