

Organization Information

Organization name: **Crescendo Academy of Music**
 City: Kalamazoo
 State: MI
 County: Kalamazoo
 Federal ID #: 382787387
 NISP Discipline: 2 - Music
 NISP Institution: 48 - School of the Arts
 NTEE: B99 - Education N.E.C.

Year organization founded: 1987
 Organization type: 501(c)3 nonprofit organization
 DUNS #: 848432441
 Full-time staff: 2
 Board Members: 10
 Fiscal year end date: 06-30

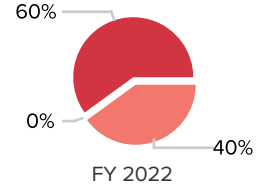
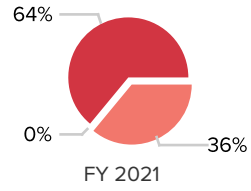
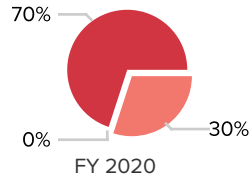
Applicant is not audited or reviewed by an independent accounting firm.

Financial Summary

Unrestricted Activity	FY 2020	FY 2021	% Change	FY 2022	% Change
Unrestricted operating revenue					
Earned program	\$442,076	\$365,223	-17%	\$398,003	9%
Earned non-program	\$1,024	\$307	-70%	\$335	9%
Total earned revenue	\$443,100	\$365,530	-18%	\$398,338	9%
Investment revenue	\$1,114	\$782	-30%	\$749	-4%
Contributed revenue	\$188,094	\$205,844	9%	\$266,924	30%
Total unrestricted operating revenue	\$632,308	\$572,156	-10%	\$666,011	16%
Less in-kind	\$10,000		-100%		n/a
Unrestricted operating revenue less in-kind	\$622,308	\$572,156	-8%	\$666,011	16%
Operating expenses					
Program	\$458,742	\$371,934	-19%	\$389,834	5%
Management & general	\$145,602	\$151,364	4%	\$186,605	23%
Fundraising	\$8,844	\$8,267	-7%	\$9,846	19%
Total operating expenses	\$613,188	\$531,565	-13%	\$586,285	10%
Less in-kind	\$10,000		-100%		n/a
Unrestricted operating expenses less in-kind	\$603,188	\$531,565	-12%	\$586,285	10%
Unrestricted change in net assets - operating	\$19,120	\$40,591	112%	\$79,726	96%
Unrestricted change in net assets - non-operating	\$276	\$411	49%	\$1,167	184%
Unrestricted change in net assets	\$19,396	\$41,002	111%	\$80,893	97%
Restricted change in net assets			n/a		n/a
Total change in net assets	\$19,396	\$41,002	111%	\$80,893	97%

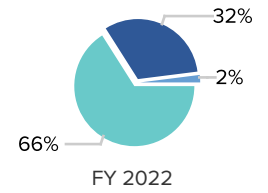
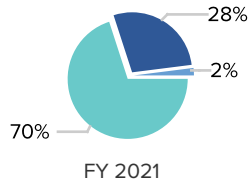
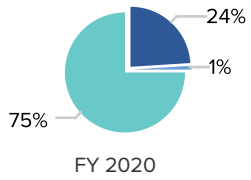
Unrestricted Operating Revenue by Source

- Earned
- Investment
- Contributed



Operating Expenses by Functional Grouping

- Program
- Management & General
- Fundraising



Revenue Details

Operating Revenue	FY 2020	FY 2021	FY 2022	FY 2022	FY 2022
Earned - Program	Total	Total	Total	Unrestricted	Restricted
Subscriptions					
Membership fees - individuals				\$0	\$0
Membership fees - organizations					
Ticket sales & admissions					
Education revenue	\$403,206	\$317,399	\$331,543	\$331,543	
Publication sales					
Gallery sales					
Contracted services & touring fees	\$38,870	\$47,824	\$64,360	\$64,360	
Royalty & reproduction revenue					
Earned - program not listed above			\$2,100	\$2,100	
Total earned - program	\$442,076	\$365,223	\$398,003	\$398,003	
Earned - Non-program					
Rental revenue	\$205	\$300	\$335	\$335	
Sponsorship revenue					
Attendee-generated revenue not listed above					
Earned - non-program not listed above	\$819	\$7			
Total earned - non-program	\$1,024	\$307	\$335	\$335	
Total earned revenue	\$443,100	\$365,530	\$398,338	\$398,338	

	FY 2020	FY 2021	FY 2022	FY 2022	FY 2022
Contributed	Total	Total	Total	Unrestricted	Restricted
Trustee & board	\$4,078	\$3,958	\$3,095	\$3,095	
Individual	\$26,328	\$25,003	\$28,155	\$28,155	
Corporate	\$3,712	\$1,928	\$752	\$752	
Foundation	\$107,476	\$90,000	\$82,650	\$82,650	
State government	\$22,500	\$15,000	\$18,905	\$18,905	
Federal government	\$14,000	\$69,955	\$74,367	\$74,367	
In-kind operating contributions	\$10,000	\$0	\$0		
Special fundraising events					
Contributions not listed above	\$0	\$0	\$59,000	\$59,000	
Net assets released from restriction	\$0	\$0	\$0		
Total contributed revenue	\$188,094	\$205,844	\$266,924	\$266,924	
Operating investment revenue	\$1,114	\$782	\$749	\$749	
Total operating revenue	\$632,308	\$572,156	\$666,011	\$666,011	
Total operating revenue less operating in-kind	\$622,308	\$572,156	\$666,011	\$666,011	
Non-operating revenue					
Non-operating investment revenue	\$276	\$411	\$1,167	\$1,167	
Total non-operating revenue	\$276	\$411	\$1,167	\$1,167	
Total revenue	\$632,584	\$572,567	\$667,178	\$667,178	
Total revenue less in-kind	\$622,584	\$572,567	\$667,178	\$667,178	

Revenue Narrative

FY 2020	A shift in fiduciary roles for a collaborative program resulted in a shift of funds from grants to contracted service revenue. Revenue was down due to programming shift for COVID. Some program-specific grants were not requested/received because the affected programs were not held due to COVID restrictions. This report reflects three months of programming under COVID restrictions; only part of Crescendo's first PPP loan is recognized as income on this report.
FY 2021	The Federal contribution shown is part of Crescendo's first PPP loan that was forgiven. Revenue was down due to a decrease in the number of students due to COVID. During the 2020-2021 fiscal year, programs were only offered virtually until the spring of 2021, at which time some programs moved outdoors.
FY 2022	The Federal contribution shown is part of Crescendo's second PPP loan that was forgiven. We received two unexpected donations: \$9,000 as part of a donor bequest, and a one-time special gift of \$25,000. These two donations are tracked separately from our general annual fund contributions and appear on the "Contributions not listed above line."

Expense Details

	FY 2020 Total	FY 2021 Total	% Change	FY 2022 Total	% Change	FY 2022 Program	FY 2022 General & Administrative	FY 2022 Fundraising
Personnel expenses - Operating								
W2 employees (salaries, payroll taxes and fringe benefits)	\$413,100	\$360,155	-13%	\$371,704	3%	\$264,885	\$100,360	\$6,459
Independent contractors	\$2,335	\$7,245	210%	\$3,511	-52%	\$3,211		\$300
Professional fees	\$1,000	\$3,509	251%	\$1,026	-71%		\$1,026	
Total personnel expenses - Operating	\$416,435	\$370,909	-11%	\$376,241	1%	\$268,096	\$101,386	\$6,759
Non-personnel expenses - Operating								
Occupancy costs	\$47,748	\$48,001	1%	\$47,887	-0%	\$37,898	\$9,989	
Depreciation	\$12,219	\$12,219	0%	\$12,219	0%		\$12,219	
Non-personnel expenses not listed above	\$136,786	\$100,436	-27%	\$149,938	49%	\$83,840	\$63,011	\$3,087
Total non-personnel expenses - Operating	\$196,753	\$160,656	-18%	\$210,044	31%	\$121,738	\$85,219	\$3,087
Total operating expenses	\$613,188	\$531,565	-13%	\$586,285	10%	\$389,834	\$186,605	\$9,846
Total expenses	\$613,188	\$531,565	-13%	\$586,285	10%			
Total expenses less in-kind	\$603,188	\$531,565	-12%	\$586,285	10%			
Total expenses less depreciation	\$600,969	\$519,346	-14%	\$574,066	11%			
Total expenses less in-kind and depreciation	\$590,969	\$519,346	-12%	\$574,066	11%			

Expense Narrative

FY 2020	The largest expense Crescendo has is payroll, which fluctuates with the number of hours of instruction provided, so as demand for our services decreased due to COVID, so did payroll expenses. Proceeds from a PPP loan were used to help maintain payroll levels, although some group classes had to be eliminated due to COVID restrictions.
FY 2021	The largest expense Crescendo has is payroll, which fluctuates with the number of hours of instruction provided, so as demand for our services continued to decrease due to COVID, so did payroll expenses. Proceeds from a PPP loan were used to help maintain payroll levels, although some group classes had to be eliminated due to COVID restrictions.
FY 2022	Proceeds from a PPP loan were used to help maintain payroll levels through the first half of the fiscal year. As our enrollment numbers rebounded, our payroll increased. A diversity, equity, and including training program was offered to all staff, teaching artists, and board members; the cost of this training came from the organizations general operating funds. We also used general funds to pay for the restoration of one of our donated grand pianos.

Balance Sheet

Assets	FY 2020	FY 2021	% Change	FY 2022	% Change
Current assets					
Cash and cash equivalents	\$184,673	\$268,343	45%	\$203,479	-24%
Receivables	\$42,078	\$11,795	-72%	\$12,709	8%
Investments - current			n/a		n/a
Prepaid expenses & other	\$2,063	\$11,002	433%	\$7,528	-32%
Total current assets	\$228,814	\$291,140	27%	\$223,716	-23%
Long-term/non-current assets					
Investments - non current	\$20,632	\$26,555	29%	\$110,858	317%
Fixed assets (net of accumulated depreciation)	\$209,285	\$197,066	-6%	\$184,847	-6%
Non-current assets not listed above			n/a		n/a
Total long-term/non-current assets	\$229,917	\$223,621	-3%	\$295,705	32%
Total assets	\$458,731	\$514,761	12%	\$519,421	1%
Liabilities & Net Assets					
Current liabilities					
Accounts payable and accrued expenses	\$8,517	\$4,049	-52%	\$11,558	185%
Deferred revenue	\$12,467	\$12,500	0%	\$20,000	60%
Loans - current			n/a		n/a
Additional current liabilities not listed above	\$69,955	\$74,130	6%	\$0	-100%
Total current liabilities	\$90,939	\$90,679	-0%	\$31,558	-65%
Long-term/non-current liabilities					
Long-term/non-current loans			n/a		n/a
Additional long-term/non-current liabilities not listed above			n/a		n/a
Total long-term/non-current liabilities			n/a		n/a
Total liabilities	\$90,939	\$90,679	-0%	\$31,558	-65%
Total net assets	\$367,792	\$424,082	15%	\$487,863	15%
Total liabilities & net assets	\$458,731	\$514,761	12%	\$519,421	1%

Balance Sheet Narrative

FY 2020	<p>Increase in Receivables amount is from a change in timing.</p> <p>Our first PPP loan totaled \$83,955. Of this amount, \$14,000 of it was converted to "forgiven" status in FY 19-20. \$69,955 of this loan shows on this balance sheet as a current cash asset and as a current liability, but was converted to "forgiven" status in FY 20-21.</p> <p>A baby grand piano worth \$10,000 was donated to Crescendo in FY 19-20 and added to our fixed assets.</p>
FY 2021	<p>Deferred revenue shown is prepaid student tuition.</p> <p>Increase in Cash & Cash Equivalents and decrease in Receivables amount is due to a change in timing of receipts. Our first PPP loan was fully forgiven. Our second PPP loan in the amount of \$74,130 shows on this balance sheet as a current liability.</p>
FY 2022	<p>Current Assets (not otherwise included) of \$8,839 is due from grantors; \$2,163 is prepaid expenses. Accounts Payable & Accrued Expenses are down because we shifted to a bi-weekly (instead of weekly) payroll schedule.</p> <p>Decrease in Cash & Equivalents and the increase in Investments - Non-current shows a transfer of cash from our checking account into our investment account.</p> <p>Our second PPP loan in the amount of \$74,130 shows as a current liability in 2021; this loan has been forgiven.</p>

Balance Sheet Metrics

	FY 2020	FY 2021	% Change	FY 2022	% Change
Months of operating cash -- Total	3.61	6.06	68%	4.16	-31%
Working capital -- Total	\$137,875	\$200,461	45%	\$192,158	-4%
Current ratio -- Total	2.52	3.21	28%	7.09	121%
Net assets as a % of total expenses	60%	80%	33%	83%	4%
Fixed assets (net)	\$209,285	\$197,066	-6%	\$184,847	-6%
Condition of fixed assets	49%	58%		68%	
Leverage -- Total			n/a		n/a
Total debt			n/a		n/a
Debt service impact	0%	0%	n/a	0%	n/a

Months of operating cash (Cash & Cash Equivalents/(Total Expense/12)) indicates the number of months an organization can operate at current average monthly expense levels with existing unrestricted cash and cash equivalents.

Working capital (Current Assets minus Current Liabilities) consists of the resources available for operations. This calculation of working capital may differ from your internal calculations. Adequate working capital provides financial strength and flexibility to your organization, the ability to meet obligations as they come due, and the ability to take more risks, knowing there is a cushion to fall back on.

Current ratio (Current Assets divided by Current Liabilities) determines the organization's ability to pay current debt using current assets. A ratio of 1.0 indicates that current assets are equal to current liabilities. A ratio of around 1.5 is a more comfortable position, allowing for more cushion against uncollected receivables or timing discrepancies between expected receipts and disbursements. Ideally this number should approach 2 which indicates ample short-term liquidity to obviate the need to borrow or sell assets.

Net assets as % of total expenses measures the net worth of an organization in relationship to its operating size. It is calculated as total net assets divided by total expenses. If the trend is level or increasing, then total net assets are keeping pace with growth in operating expenses.

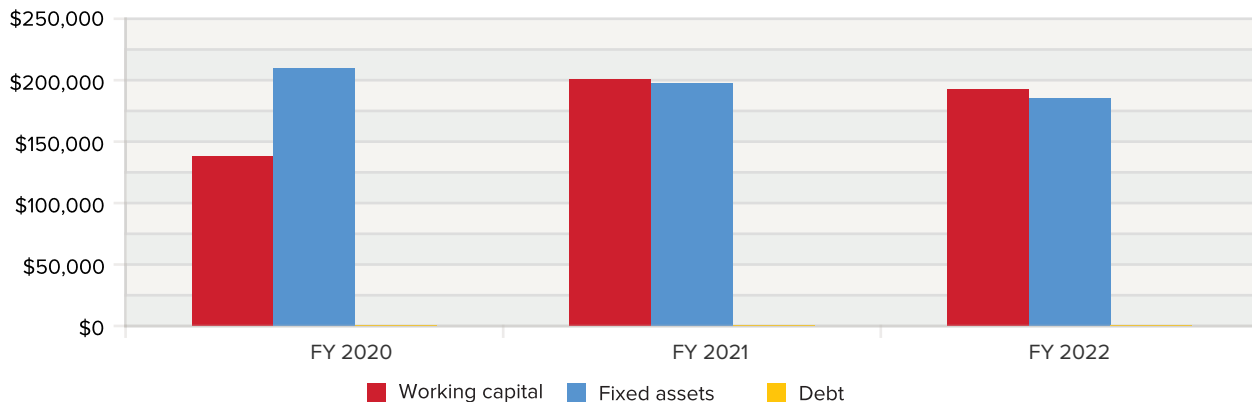
Condition of fixed assets indicates the potential need for replacement or repair of fixed assets (such as buildings, furniture, office equipment, sets and props). This is especially significant for organizations that own a building or carry a long-term lease. Accumulated depreciation of less than 50% of the total value of fixed assets indicates a stock of relatively new assets. A high percentage (>80%) of accumulated depreciation could indicate aging infrastructure and need for funding the replacement or repair of fixed assets in the near future.

Leverage ratio (Total Debt divided by Total Assets) measures what proportion of your assets are supported by debt. A number in excess of 50% may indicate liquidity problems, or reduced capacity for future borrowing.

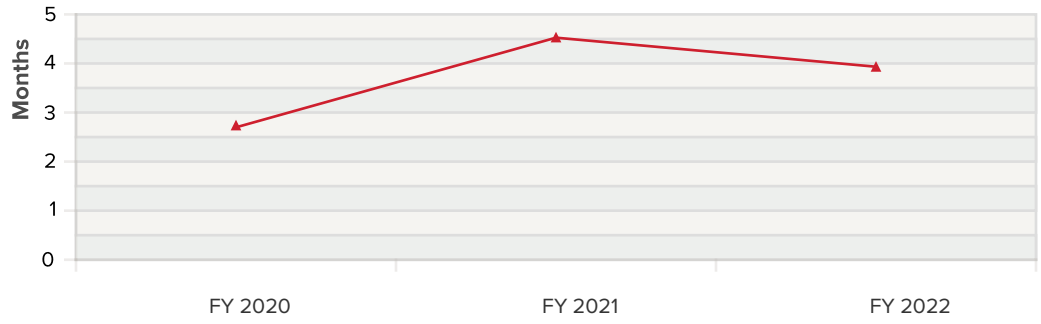
Fixed assets (net) is the value of all land, buildings, equipment, leasehold improvements and other property and equipment owned by the organization. It is calculated net of accumulated depreciation to reflect the reduction in the value of an asset as it ages and is used.

Total debt consists of all short and long-term contractual obligations of the organization, including lines of credit, loans, notes, bonds, and capital leases.

Debt service impact (Total Debt Service, including principal and interest, divided by Total Expense) calculates the % of an organization's total expenses applied to the total debt-service burden. The higher the percentage, the more the organization has to dedicate its resources to debt repayment rather than programming and other operating expenses.

Components of Net Assets

Months of Working Capital



Attendance

	FY 2020	FY 2021	% Change	FY 2022	% Change
Total attendance					
Paid	960	400	-58%	515	29%
Free	6,350	800	-87%	2,040	155%
Total	7,310	1,200	-84%	2,555	113%
In-person attendance					
Paid	550	100	-82%	485	385%
Free	6,350	200	-97%	2,000	900%
Total	6,900	300	-96%	2,485	728%
Digital attendance					
Paid	410	300	-27%	30	-90%
Free	0	600	n/a	40	-93%
Total	410	900	120%	70	-92%
In-person attendees 18 and under	5,000	75	-98%	400	433%
Programs in schools	FY 2020	FY 2021	% Change	FY 2022	% Change
Children served in schools	605	600	-1%	625	4%
Hours of instruction	1,130	900	-20%	1,005	12%

Workforce

	FY 2020	FY 2021	% Change	FY 2022	% Change
Number of People					
Employees: Full-time permanent	2	2	0%	2	0%
Employees: Part-time permanent	45	38	-16%	38	0%
Employees: Part-time temporary	2	3	50%		-100%
Volunteers	20	32	60%	25	-22%
Independent contractors	3	7	133%	7	0%
Interns and apprentices	0		n/a	1	n/a
Total positions	72	82	14%	73	-11%

Visual & Performing Artists

	FY 2020	FY 2021	% Change	FY 2022	% Change
Number of visual & performing artists	50	49	-2%	45	-8%
Payments to artists & performers	\$311,353	\$259,985	-16%	\$268,096	3%

Covid-19 Impact

	FY 2020	FY 2021	FY 2022
Due to COVID-19 crisis restrictions on in-person gatherings and/or stay-at-home orders mandated by government health guidelines, how was staffing affected at your organization:			
Number of employees laid off	0	0	0
Number of employees furloughed	0	0	0
Of those furloughed or laid off employees, how many (if any) have been brought back?		0	0

Mission and Constituency**Mission statement**

...to provide quality music instruction in a positive and tension free atmosphere to all persons regardless of age, ability or income through private and group lessons.

Mission demographics

This organization's mission is not rooted in an explicitly identified ethnic, cultural or other demographic voice.

Racial/ethnic group

Additional group (please state)

Gender

Additional group (please state)

Sexual orientation

Additional group (please state)

Age group

Additional group (please state)

Disability**Additional characteristics**

If the fields above are blank, this organization does not serve that demographic specifically.

Audience

The organization seeks to primarily serve a specific audience.

Racial/ethnic group

Additional group (please state)

Gender

Additional group (please state)

Sexual orientation

Additional group (please state)

Age group

Under 18;18-64

Additional group (please state)

Disability

No

Additional characteristics

Additional group (please state)

Community type served

Suburban

If the fields above are blank, this organization does not serve that demographic specifically.

Program Activity

In-person activity	FY 2020		FY 2021		FY 2022	
	Distinct offerings	# of times offered	Distinct offerings	# of times offered	Distinct offerings	# of times offered
Productions (self-produced)	21	21	2	2	18	18
Productions (presented)						
Classes/assemblies/other programs in schools	2	130			4	115
Classes/workshops (outside of schools)	19	386	11	280	13	320
Field trips/school visits						
Guided tours						
Lectures						
Permanent exhibitions						
Temporary exhibitions						
Traveling exhibitions (hosted)						
Films screened						
Festivals/conferences	0		0		0	
Readings/workshops (developing works)						
Community programs (not included above)						
Additional programs not listed above	1	745	1	870	2	950

NOTE: Data entered prior to 2021 combines information about physical and digital programs. It has been included in the physical program lines.

Program Activity

Digital activity	FY 2020			FY 2021			FY 2022		
	Distinct offerings	# times digitally offered	On-demand	Distinct offerings	# times digitally offered	On-demand	Distinct offerings	# times digitally offered	On-demand
Productions (self-produced)						1			1
Productions (presented)									
Classes/assemblies/other programs in schools									
Classes/workshops (outside of schools)	15	168	0	9	142		4	30	
Field trips/school visits									
Guided tours									
Lectures									
Permanent exhibitions									
Temporary exhibitions									
Traveling exhibitions (hosted)									
Films screened									
Broadcast productions									
Festivals/conferences									
Readings/workshops (developing works)									
Community programs (not included above)									
Additional programs not listed above				2	250				

NOTE: Data entered prior to 2021 combines information about physical and digital programs. It has been included in the physical program lines.

Digital activity financials	FY 2020		FY 2021		FY 2022	
	Total	Associated with digital program delivery	Total	Associated with digital program delivery	Total	Associated with digital program delivery
Earned revenue	\$443,100	\$111,650	\$365,530	\$310,700	\$398,338	\$15,000
Contributed revenue	\$188,094		\$205,844		\$266,924	\$0
Operating expense	\$613,188		\$531,565	\$451,830	\$586,285	\$10,000

Program Activity

	FY 2020	FY 2021	% Change	FY 2022	% Change
Fiscally sponsored projects			n/a		n/a
Amount distributed to fiscally sponsored projects			n/a		n/a
Residencies			n/a		n/a
Scholarships awarded	54	44	-19%	25,537	57,939%
Amount awarded in scholarships	\$25,819	\$19,631	-24%	\$57	-100%
Other grants awarded			n/a		n/a
Amount awarded in grants			n/a		n/a
Public art installations			n/a		n/a
Works commissioned			n/a		n/a
Films produced			n/a		n/a
World premieres			n/a		n/a
National premieres			n/a		n/a
Local/regional premieres			n/a		n/a
Published works (physical)			n/a		n/a
Published works (digital)			n/a		n/a
Private lessons (in-person)	4,358	500	-89%	5,500	1,000%
Private lessons (digital)	1,645	5,000	204%	100	-98%
Competitions			n/a		n/a
Open rehearsals			n/a		n/a

NOTE: Data entered prior to 2021 combines information about physical and digital programs. It has been included in the physical program lines.

Program Activity Narrative

FY 2020	<p>Only three months of COVID-affected programming is reflected on this fiscal year CDP report. The organization shifted quickly to offering online options to our private lesson and group class programs; other programs are still on hold due to safety concerns.</p> <p>Some program measurements, like private lessons, were changed for this CDP report. Programs in Schools includes our Marvelous Music Outreach outreach program and partnerships with Vickburg Community Schools and Kalamazoo Public Schools.</p>
FY 2021	<p>Some programs were still on hold due to safety concerns. Music Together, group classes, and Crescendo Fiddlers held in-person, outdoor classes when the weather was warm. Online private lessons were still offered throughout the year, with in-person private lessons starting in the spring of 2021.</p>
FY 2022	<p>All programs were once again offered in person. During the school year, Fiddler class was offered online, returning to an in-person format in the summer. Music Together classes were offered outdoors, online, and indoors. The majority of private lessons given were in-person, but some students remained online for their lessons.</p> <p>In-person performances resumed in spring 2021.</p>