

Crescendo Academy of Music
SMU/Data Arts Funder Report Notes for Fiscal Year 2019-2020

Page 1

Unrestricted Operating Revenue, Earned non-program: Room rentals and performance fees decreased due to the COVID shutdown.

Unrestricted Operating Revenue, Contributed revenue: During the 2019-2020 fiscal year, a change was made to fiduciary responsibilities for Marvelous Music, Crescendo's partnership program with the Kalamazoo Symphony Orchestra. In FY 2019-2020, Crescendo received \$36,000 Contracted Services fees from partner schools; previously, we received these funds as a transfer of grant funds from the Kalamazoo Symphony Orchestra. Additionally, a \$5,000 grant was not submitted for a program placed on hold due to COVID restrictions.

Page 3

Operating Revenue, Education revenue: Education revenue/tuition was down due to a decrease in lessons taken because of COVID.

Operating Revenue, Contracted services & touring fees: As stated above, \$36,000 in contracted services was a transfer of grant fees in previous years for our Marvelous Music program.

Page 4

Contributed Revenue, Foundation: As stated above, \$36,000 in grants from previous fiscal years now shows under contracted services as part of our Marvelous Music program. A \$5,000 grant was not submitted for a program placed on hold due to COVID restrictions.

Contributed Revenue, In-kind operating contributions: A grand piano with a value of \$10,000 was donated; this value was added to our fixed assets.

Non-operating Revenue, Other non-operating: \$14,000 in PPP loan funds were forgiven and recognized as income in FY 2019-2020. The remaining \$69,955 in PPP loan funds were recognized as income in FY 2020-2021.

Page 5

Total personnel expenses – Operating and Non-personnel expenses: These expenses were decreased due to a decrease in programming because of COVID.

Page 6

Assets, Current assets, Receivables: Increase in receivables is due to a change in timing.

Liabilities & Net Assets, Additional current liabilities: \$69,955 was unused PPP funds at the end of fiscal year 2019-2020. These funds were "forgiven" in fiscal year 2020-2021.

Page 9

Attendance, free: One student ensemble performance at Miller Auditorium with the Piano Guys had an audience of 3,000. When this performance is not included, total audience numbers are reduced because of concerts canceled due to COVID.

Programs in Schools: SMU/Data Arts changed how this data is collected, so they do not correlate directly with numbers from previous fiscal years.

Page 11

In-person activity, Productions: The number of productions was down due to programs canceled due to COVID.

In-person activity, Classes/workshops: SMU/Data Arts changed how this data is collected, so they do not correlate directly with numbers from previous fiscal years.

In-person activity, Additional programs not listed: This is the number of classes held as part of our Marvelous Music outreach program, which ended early due to the COVID shutdown

Page 13

Program Activity, Private lessons: In previous years, this line asked for the number of different types of lessons offered. For the 2019-2020 fiscal year, we were instructed to enter the total number of private lessons given, resulting in a dramatic change in data.

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: 11
 Fiscal year end date: 06-30

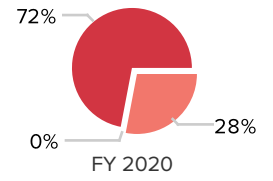
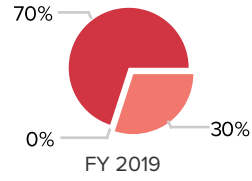
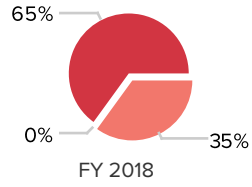
Applicant is not audited or reviewed by an independent accounting firm.

Financial Summary

Unrestricted Activity	FY 2018	FY 2019	% Change	FY 2020	% Change
Unrestricted operating revenue					
Earned program	\$437,994	\$457,426	4%	\$442,076	-3%
Earned non-program	\$2,985	\$2,741	-8%	\$1,024	-63%
Total earned revenue	\$440,979	\$460,167	4%	\$443,100	-4%
Investment revenue	\$221	\$478	116%	\$1,114	133%
Contributed revenue	\$234,391	\$201,209	-14%	\$174,094	-13%
Total unrestricted operating revenue	\$675,591	\$661,854	-2%	\$618,308	-7%
Less in-kind			n/a	\$10,000	n/a
Unrestricted operating revenue less in-kind	\$675,591	\$661,854	-2%	\$608,308	-8%
Operating expenses					
Program	\$475,053	\$512,701	8%	\$458,742	-11%
Management & general	\$155,987	\$151,035	-3%	\$145,602	-4%
Fundraising	\$9,411	\$10,081	7%	\$8,844	-12%
Total operating expenses	\$640,451	\$673,817	5%	\$613,188	-9%
Less in-kind			n/a	\$10,000	n/a
Unrestricted operating expenses less in-kind	\$640,451	\$673,817	5%	\$603,188	-10%
Unrestricted change in net assets - operating	\$35,140	-\$11,963	-134%	\$5,120	143%
Unrestricted change in net assets - non-operating		\$33,860	n/a	\$14,276	-58%
Unrestricted change in net assets	\$35,140	\$21,897	-38%	\$19,396	-11%
Restricted change in net assets	-\$1,461				n/a
Total change in net assets	\$33,679	\$21,897	-35%	\$19,396	-11%

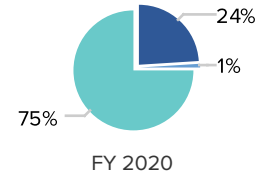
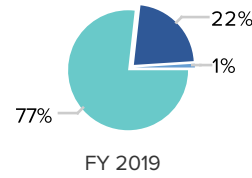
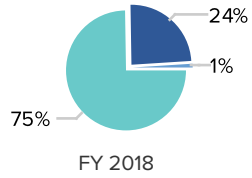
Unrestricted Operating Revenue by Source

- Earned
- Investment
- Contributed



Operating Expenses by Functional Grouping

- Program
- Management & General
- Fundraising



Revenue Details

Operating Revenue	FY 2018	FY 2019	FY 2020	FY 2020	FY 2020
Earned - Program	Total	Total	Total	Unrestricted	Restricted
Subscriptions					
Membership fees - individuals				\$0	\$0
Membership fees - organizations					
Ticket sales & admissions		\$1,295			
Education revenue	\$434,944	\$451,081	\$403,206	\$403,206	
Publication sales					
Gallery sales					
Contracted services & touring fees	\$2,400	\$2,800	\$38,870	\$38,870	
Royalty & reproduction revenue					
Earned - program not listed above	\$650	\$2,250			
Total earned - program	\$437,994	\$457,426	\$442,076	\$442,076	
Earned - Non-program					
Rental revenue	\$2,195	\$800	\$205	\$205	
Sponsorship revenue		\$1,650			
Attendee-generated revenue not listed above	\$621				
Earned non-program not listed above	\$169	\$291	\$819	\$819	
Total earned - non-program	\$2,985	\$2,741	\$1,024	\$1,024	
Total earned revenue	\$440,979	\$460,167	\$443,100	\$443,100	

	FY 2018 Total	FY 2019 Total	FY 2020 Total	FY 2020 Unrestricted	FY 2020 Restricted
Contributed					
Trustee & board	\$7,125	\$4,700	\$4,078	\$4,078	
Individual	\$22,853	\$30,343	\$26,328	\$26,328	
Corporate	\$4,906	\$2,651	\$3,712	\$3,712	
Foundation	\$171,046	\$139,515	\$107,476	\$107,476	
State government	\$27,000	\$24,000	\$22,500	\$22,500	
In-kind operating contributions	\$0	\$0	\$10,000	\$10,000	
Special fundraising events					
Net assets released from restriction	\$0	\$0	\$0		
Total contributed revenue	\$232,930	\$201,209	\$174,094	\$174,094	
Operating investment revenue	\$221	\$478	\$1,114	\$1,114	
Total operating revenue	\$674,130	\$661,854	\$618,308	\$618,308	
Total operating revenue less operating in-kind	\$674,130	\$661,854	\$608,308	\$608,308	
Non-operating revenue					
In-kind non-operating revenue		\$33,600			
Non-operating investment revenue		\$260	\$276	\$276	
Other non-operating			\$14,000	\$14,000	
Total non-operating revenue		\$33,860	\$14,276	\$14,276	
Total revenue	\$674,130	\$695,714	\$632,584	\$632,584	
Total revenue less in-kind	\$674,130	\$662,114	\$622,584	\$622,584	

Revenue Narrative

FY 2018	n/a
FY 2019	n/a
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.

Expense Details

	FY 2018 Total	FY 2019 Total	% Change	FY 2020 Total	% Change	FY 2020 Program	FY 2020 General & Administrative	FY 2020 Fundraising
Personnel expenses - Operating								
W2 employees (salaries, payroll taxes and fringe benefits)	\$432,820	\$454,081	5%	\$413,100	-9%	\$311,353	\$95,266	\$6,481
Independent contractors	\$3,093	\$4,356	41%	\$2,335	-46%	\$2,335		
Professional fees	\$0	\$0	n/a	\$1,000	n/a			
Total personnel expenses - Operating	\$435,913	\$458,437	5%	\$416,435	-9%	\$313,688	\$96,266	\$6,481
Non-personnel expenses - Operating								
Occupancy costs	\$47,230	\$48,890	4%	\$47,748	-2%	\$47,748		
Depreciation	\$11,360	\$12,219	8%	\$12,219	0%	\$10,264	\$1,955	
Non-personnel expenses not listed above	\$145,948	\$154,271	6%	\$136,786	-11%	\$87,042	\$47,381	\$2,363
Total non-personnel expenses - Operating	\$204,538	\$215,380	5%	\$196,753	-9%	\$145,054	\$49,336	\$2,363
Total operating expenses	\$640,451	\$673,817	5%	\$613,188	-9%	\$458,742	\$145,602	\$8,844
Total expenses	\$640,451	\$673,817	5%	\$613,188	-9%			
Total expenses less in-kind	\$640,451	\$673,817	5%	\$603,188	-10%			
Total expenses less depreciation	\$629,091	\$661,598	5%	\$600,969	-9%			
Total expenses less in-kind and depreciation	\$640,451	\$627,998	-2%	\$590,969	-6%			

Expense Narrative

FY 2018	n/a
FY 2019	n/a
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.

Balance Sheet

Assets	FY 2018	FY 2019	% Change	FY 2020	% Change
Current assets					
Cash and cash equivalents	\$99,981	\$116,662	17%	\$184,673	58%
Receivables	\$55,932	\$21,578	-61%	\$42,078	95%
Investments - current			n/a		n/a
Prepaid expenses & other	\$2,163	\$2,378	10%	\$2,063	-13%
Total current assets	\$158,076	\$140,618	-11%	\$228,814	63%
Long-term/non-current assets					
Investments - non current		\$19,726	n/a	\$20,632	5%
Fixed assets (net of accumulated depreciation)	\$189,824	\$211,505	11%	\$209,285	-1%
Non-current assets not listed above			n/a		n/a
Total long-term/non-current assets	\$189,824	\$231,231	22%	\$229,917	-1%
Total assets	\$347,900	\$371,849	7%	\$458,731	23%
Liabilities & Net Assets					
	FY 2018	FY 2019	% Change	FY 2020	% Change
Current liabilities					
Accounts payable and accrued expenses	\$6,938		-100%	\$8,517	n/a
Deferred revenue	\$16,555	\$15,000	-9%	\$12,467	-17%
Loans - current			n/a		n/a
Additional current liabilities not listed above		\$9,082	n/a	\$69,955	670%
Total current liabilities	\$23,493	\$24,082	3%	\$90,939	278%
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	\$23,493	\$24,082	3%	\$90,939	278%
Net assets					
Unrestricted	\$281,794		-100%		n/a
Restricted	\$42,613		-100%		n/a
Total net assets	\$324,407	\$347,767	7%	\$367,792	6%
Total liabilities & net assets	\$347,900	\$371,849	7%	\$458,731	23%

Balance Sheet Narrative

FY 2018	n/a
FY 2019	n/a
FY 2020	Increase in Receivables amount is from a change in timing.

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.

A baby grand piano worth \$10,000 was donated to Crescendo in FY 19-20 and added to our fixed assets.

Deferred revenue shown is prepaid student tuition.

Balance Sheet Metrics

	FY 2018	FY 2019	% Change	FY 2020	% Change
Months of operating cash -- Total	1.87	2.08	11%	3.61	74%
Working capital -- Total	\$134,583	\$116,536	-13%	\$137,875	18%
Current ratio -- Total	6.73	5.84	-13%	2.52	-57%
Net assets as a % of total expenses	51%	52%	2%	60%	16%
Fixed assets (net)	\$189,824	\$211,505	11%	\$209,285	-1%
Condition of fixed assets		42%		49%	
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.

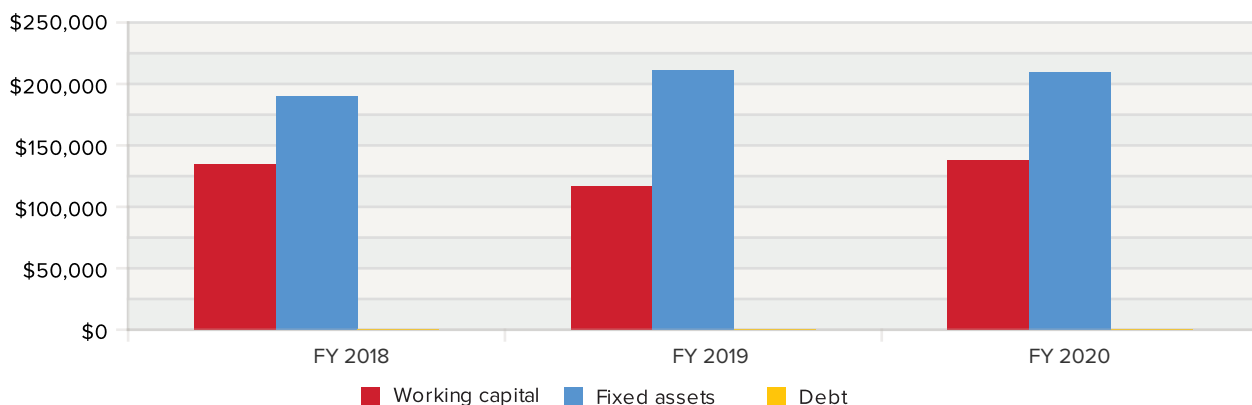
Leverage ratio (Total Debt divided by Total Assets) measures what proportion of your assets are supported by debt. A number in excess of 50% may indicate liquidity problems, or reduced capacity for future borrowing.

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.

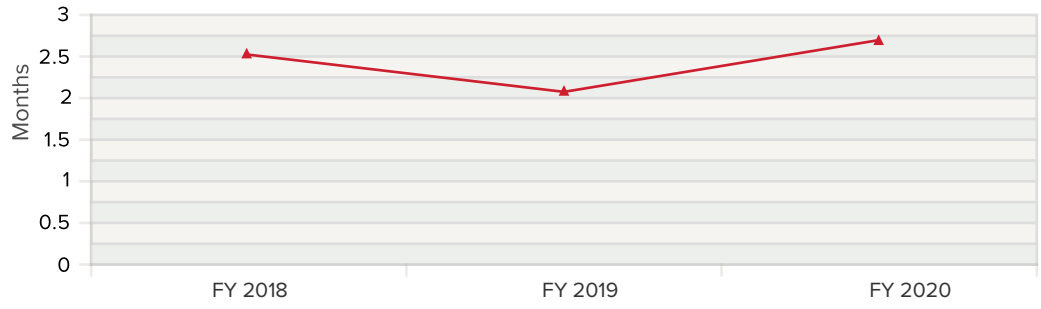
Total debt consists of all short and long-term contractual obligations of the organization, including lines of credit, loans, notes, bonds, and capital leases.

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 2018	FY 2019	% Change	FY 2020	% Change
Total attendance					
Paid	947	1,015	7%	960	-5%
Free	4,988	4,810	-4%	6,350	32%
Total	5,935	5,825	-2%	7,310	25%
In-person attendance					
Paid	947	1,015	7%	550	-46%
Free	4,988	4,810	-4%	6,350	32%
Total	5,935	5,825	-2%	6,900	18%
Digital attendance					
Paid			n/a	410	n/a
Free			n/a	0	n/a
Total			n/a	410	n/a
In-person attendees 18 and under	3,955	4,000	1%	5,000	25%
Programs in schools	FY 2018	FY 2019	% Change	FY 2020	% Change
Children served in schools	40	40	0%	605	1,412%
Hours of instruction	150	150	0%	1,130	653%

Workforce

	FY 2018	FY 2019	% Change	FY 2020	% Change
Number of People					
Employees: Full-time permanent	2	2	0%	2	0%
Employees: Part-time permanent	45	42	-7%	45	7%
Employees: Part-time temporary			n/a	2	n/a
Volunteers	21	25	19%	20	-20%
Independent contractors	13	9	-31%	3	-67%
Interns and apprentices			n/a	0	n/a
Total positions	81	78	-4%	72	-8%

Visual & Performing Artists

	FY 2018	FY 2019	% Change	FY 2020	% Change
Number of visual & performing artists	56	48	-14%	50	4%
Payments to artists & performers	\$313,287	\$341,715	9%	\$311,353	-9%

Covid-19 Impact

	FY 2018	FY 2019	FY 2020
--	---------	---------	---------

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
Number of employees furloughed			0
Of those furloughed or laid off employees, how many (if any) have been brought back?			

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) Under-served/high-needs preschool students

Community type served

Suburban

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

Program Activity

In-person activity	FY 2018		FY 2019		FY 2020	
	Distinct offerings	# of times offered	Distinct offerings	# of times offered	Distinct offerings	# of times offered
Productions (self-produced)	42	42	48	48	21	21
Productions (presented)						
Classes/assemblies/other programs in schools	4		4		2	130
Classes/workshops (outside of schools)	8	70	8	60	19	386
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	1,140	1	1,100	1	745

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 2018			FY 2019			FY 2020		
	Distinct offerings	# times digitally offered	On-demand	Distinct offerings	# times digitally offered	On-demand	Distinct offerings	# times digitally offered	On-demand
Productions (self-produced)									
Productions (presented)									
Classes/assemblies/other programs in schools									
Classes/workshops (outside of schools)							15	168	0
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									

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 2018		FY 2019		FY 2020	
	Total	Associated with digital program delivery	Total	Associated with digital program delivery	Total	Associated with digital program delivery
Earned revenue	\$440,979		\$460,167		\$443,100	\$111,650
Contributed revenue	\$232,930		\$201,209		\$174,094	
Operating expense	\$640,451		\$673,817		\$613,188	

Program Activity

	FY 2018 Total	FY 2019 Total	% Change	FY 2020 Total	% 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	69	58	-16%	54	-7%
Amount awarded in scholarships	\$27,992	\$28,416	2%	\$25,819	-9%
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)	22	22	0%	4,358	19,709%
Private lessons (digital)			n/a	1,645	n/a
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 2018 n/a

FY 2019 n/a

FY 2020 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.
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.