

Chicago Jazz Orchestra Assoc.
An Illinois Not-For-Profit Corporation
Audit Report
June 30, 2019

Walter J. Newton & Co., CPAs
Oak Park, IL

**Chicago Jazz Orchestra Assoc.
(A Not-for-profit Corporation)
Financial Statements
For the Year Ended June 30, 2019**

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Chicago Jazz Orchestra Assoc. :

We have audited the accompanying financial statements of Chicago Jazz Orchestra Assoc. (A Not-for-profit Corporation) which comprise the statements of financial position as of June 30, 2019 and the related statements of activities and changes in net assets, statement of functional expenses and statement of cash flows for the Year ended June 30, 2019 and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chicago Jazz Orchestra Assoc. as of June 30, 2019 and the changes in its net assets and its cash flows for the Year ended June 30, 2019 in accordance with accounting principles generally accepted in the United States of America.

Respectfully submitted,



Walter J. Newton & Co.
Certified Public Accountants
Chicago, Illinois
March 9, 2020

**Chicago Jazz Orchestra Assoc.
An Illinois Not-For-Profit Corporation
Statement of Financial Position
For the Year Ended June 30, 2019**

Exhibit A

ASSETS

CURRENT ASSETS:

| | | |
|-----------------------------|--|---------------|
| Cash & Equivalents | | \$ 17,169 |
| Total Current Assets | | <u>17,169</u> |

| | <u>Cost</u> | <u>Accumulated Depreciation</u> | |
|--------------------|--------------|-------------------------------------|----------|
| Office Equipment | <u>1,604</u> | <u>1,604</u> | <u>0</u> |
| Total Fixed Assets | 1,604 | 1,604 | 0 |

| | | |
|---------------------|--|------------------|
| TOTAL ASSETS | | <u>\$ 17,169</u> |
|---------------------|--|------------------|

TOTAL LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

| | | | |
|----------------------------------|--|-----------------|--|
| Accounts Payable | | \$ 2,344 | |
| Payroll Liabilities | | <u>702</u> | |
| Total Current Liabilities | | <u>\$ 3,046</u> | |

NET ASSETS:

| | | | |
|---------------------------|--|---------------|--|
| Net Assets - Unrestricted | | <u>14,123</u> | |
| Net Assets | | <u>14,123</u> | |

| | | |
|---|--|------------------|
| TOTAL LIABILITIES AND NET ASSETS | | <u>\$ 17,169</u> |
|---|--|------------------|

The accompanying notes are an integral part of these financial statements.

Chicago Jazz Orchestra Assoc. Exhibit B
An Illinois Not-For-Profit Corporation
Statement of Activities
For the Year Ended June 30, 2019

Revenue:

| | | | |
|----------------------|-----------|--------------|----------------|
| Grants | \$ | 113,500 | |
| Contributions | | 76,002 | |
| Program Fees | | 94,618 | |
| Merchandise Sales | | 175 | |
| Other Income | | <u>1,505</u> | |
| Total Revenue | \$ | | 285,800 |

Expenses :

| | | | |
|-------------------------------|--|------------|-----------------------|
| Gala Expense | | 53,491 | |
| Arranging | | 1,688 | |
| Website | | 337 | |
| Insurance | | 2,616 | |
| Marketing | | 18,574 | |
| Supplies - Program | | 938 | |
| Dues & Fees - Program | | 2,590 | |
| Contract Labor - Artists | | 141,742 | |
| Contract Labor - Technical | | 32,475 | |
| Performance Expenses | | 6,407 | |
| Professional Fees | | 9,005 | |
| Payroll - Directors | | 27,796 | |
| Office Expense - Admin | | 1,082 | |
| Postage & Printing | | 7,173 | |
| Hall Rental | | 17,435 | |
| Equipment Rental | | 3,600 | |
| Travel & Education | | 10,429 | |
| Misc. Expenses | | 1,556 | |
| Depreciation and Amortization | | <u>233</u> | |
| Total Expenses | | | <u><u>339,167</u></u> |

Increase (Decrease) in Unrestricted Net Assets (53,367)

Net Assets (Deficit) June 30, 2018 67,490

Net Assets (Deficit) June 30, 2019 \$ 14,123

The accompanying notes are an integral
part of these financial statements.

Chicago Jazz Orchestra Assoc.
Statement of Functional Expenses
For the Year Ended June 30, 2019

Exhibit

| | <u>Program Services</u> | <u>Administrative Services</u> | <u>Fundraising Services</u> | <u>Total</u> |
|-------------------------------|-----------------------------|------------------------------------|---------------------------------|-----------------------|
| Directors Compensation | \$ 15,435 | \$ 5,145 | \$ 5,145 | \$ 25,725 |
| Payroll Taxes | 1,243 | 414 | 414 | 2,071 |
| Contract Labor | 182,312 | 0 | | 182,312 |
| Professional Fees | | 5,625 | 19,380 | 25,005 |
| Postage & Printing | 4,303 | 1,793 | 1,076 | 7,172 |
| Marketing | 8,358 | | <u>10,216</u> | 18,574 |
| Insurance | 2,616 | | | 2,616 |
| Office Expenses | 4,184 | 1,236 | | 5,420 |
| Website | 337 | | | 337 |
| Program Events | 59,271 | | | 59,271 |
| Travel & Education | <u>8,614</u> | 1,815 | | 10,429 |
| Depreciation & Amortization | | <u>233</u> | | <u>233</u> |
| Total Functional Expenses | <u>\$ 286,673</u> | <u>\$ 16,261</u> | <u>\$ 36,231</u> | <u>\$ 339,165</u> |

The accompanying notes are an integral
part of these financial statements.

**Chicago Jazz Orchestra Assoc.
An Illinois Not-For-Profit Corporation
Statement of Cash Flows
For the Year Ended June 30, 2019**

Exhibit D

2019

Cash Flows From Operating Activities:

Net Income (Loss) \$ (53,367)

Adjustments to reconcile Net Income (loss)
to cash provided by operating activities:

| | |
|--|--------------|
| Depreciation and Amortization | 233 |
| Decrease (Increase) in Accounts Receivable | 0 |
| Decrease(Increase) in Prepaid Expenses | 0 |
| Increase (Decrease) in Accounts Payable and accruals | <u>2,174</u> |

Net Cash generated (Used) by Operations (50,960)

Cash Flows From Investing Activities:

(Aquisitions) of Fixed Assets 0

Cash Flows From Financing Activities:

0

Increase (Decrease) in Cash and Equivalents (50,960)

Cash and Cash Equivalentents at June 30, 2018 68,129

Cash and Cash Equivalentents June 30, 2019 \$ 17,169

The accompanying notes are an integral
part of these financial statements.

Chicago Jazz Orchestra Assoc.
An Illinois Not-For-Profit Corporation
Notes to the Financial Statements
June 30, 2019

Note 1. Organization and Nature of Activities:

Chicago Jazz Orchestra Assoc. ("CJO") is a not-for-profit corporation that exists to provide appreciation of and education in the modern American art form of orchestral jazz, The CJO fulfills its purpose through:

Performance - TheCJO produces performances that bring together today's most accomplished jazz musicians performing orchestral ("big band") jazz compositions written by the masters of the genre, as well as new compositions and interpretations of classic works.

Education - Through educational outreach and residencies, the CJO promotes jazz from historical and performance-based approaches. In partnership with Chicago area educational institutions, the CJO: Presents masterclasses with world-renowned guest artists and CJO musicians; Conducts clinics and side by side performance opportunities for aspiring musicians; Conducts open rehearsals at schools; and, Provides free and discounted concert tickets to music students and families.

Collaboration - The library from which the CJO draws most of its repertoire is one of the largest collections of accurate transcriptions and arrangements in the country. The library spans the repertoire of almost every major classic big band and jazz orchestra in the history of the music. Included in the collection are rare transcriptions of legendary jazz recordings - in some cases the only known transcriptions of such works.

Income Taxes - The CJO is exempt from federal income tax under the section 501(c)(3) of the Internal Revenue Code. The CJO is classified as a public charity under section 509(a)(2) of the Internal Revenue Code, and is qualified to receive tax deductible gifts, bequests or transfers under applicable rules and regulations.

Note 2. Summary of Significant Accounting Policies:

Basis of Accounting:

The financial statements have been prepared on the cash basis of accounting in accordance with generally accepted accounting principles.

Contributions:

All contributions received have been recorded as unrestricted. Chicago Jazz Orchestra Assoc. has not received any contributions with donor imposed restrictions that would result in restricted net assets.

End of Notes