



CANTUS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JULY 31, 2024



CANTUS

FINANCIAL STATEMENTS

For the Year Ended July 31, 2024
(With Comparative Totals for 2023)

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Cantus
Minneapolis, Minnesota

Opinion

We have audited the accompanying financial statements of Cantus (a nonprofit organization), which comprise the statement of financial position as of July 31, 2024, and the related statements of activities, 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 Cantus, as of July 31, 2024, and the changes in their net assets and their 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 Cantus and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Cantus' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

(Continued)

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, including omissions, 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 Cantus’ 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 Cantus’ 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 Cantus’ 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 28, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended July 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

January 28, 2025

Mahoney Ulbrich
Christiansen & Russ, PA

CANTUS

STATEMENT OF FINANCIAL POSITION

July 31, 2024

(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets:		
Cash	\$ 179,598	\$ 849,238
Accounts receivable	1,321	948
Grants receivable	45,956	20,342
Prepaid expenses	8,961	1,941
Total current assets	<u>235,836</u>	<u>872,469</u>
Certificate of deposit	245,860	235,000
Investments	563,204	-
Grants receivable, net of current portion	-	16,666
Right of use asset, net	24,723	37,167
Leasehold improvements and equipment, net	1,444	2,446
Total assets	<u>\$ 1,071,067</u>	<u>\$ 1,163,748</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 15,240	\$ 9,659
Current portion of lease liability	13,059	12,926
Accrued payroll and related	13,249	28,852
Deferred revenue	38,489	49,289
Refundable advances	10,800	-
Current portion of note payable	2,095	-
Total current liabilities	92,932	100,726
Long-term liabilities:		
Lease liability, less current portion	12,253	24,562
Note payable, net of current portion	147,905	150,000
Total liabilities	<u>253,090</u>	<u>275,288</u>
Net assets:		
Net assets without donor restrictions:		
Board designated	-	114,000
Undesignated	802,977	771,460
Total net assets without donor restrictions	<u>802,977</u>	<u>885,460</u>
Net assets with donor restrictions	15,000	3,000
Total net assets	<u>817,977</u>	<u>888,460</u>
Total liabilities and net assets	<u>\$ 1,071,067</u>	<u>\$ 1,163,748</u>

See accompanying notes to financial statements.

CANTUS

STATEMENT OF ACTIVITIES

For the Year Ended July 31, 2024
(With Comparative Totals for 2023)

	2024				2023
	Without donor restrictions		With restrictions	Total	
	Undesignated	Board Designated			
Support and revenues:					
Support:					
Individual contributions	\$ 339,672	\$ -	\$ 5,000	\$ 344,672	\$ 279,651
Foundation/corporate contributions	59,500	-	20,000	79,500	51,320
In-kind contributions	40,000	-	-	40,000	45,000
Government grants	87,721	-	45,000	132,721	266,438
Special events	182,213	-	-	182,213	135,052
Net assets released from restrictions	172,000	(114,000)	(58,000)	-	-
Total support	<u>881,106</u>	<u>(114,000)</u>	<u>12,000</u>	<u>779,106</u>	<u>777,461</u>
Revenues:					
Ticket sales	383,474	-	-	383,474	272,361
Touring fees	102,997	-	-	102,997	289,417
Merchandise sales	20,981	-	-	20,981	23,626
Miscellaneous	20	-	-	20	4,124
Interest income	16,278	-	-	16,278	2,958
Total revenues	<u>523,750</u>	<u>-</u>	<u>-</u>	<u>523,750</u>	<u>592,486</u>
Total support and revenues	<u>1,404,856</u>	<u>(114,000)</u>	<u>12,000</u>	<u>1,302,856</u>	<u>1,369,947</u>
Expenses:					
Program services	796,885	-	-	796,885	1,019,856
Management and general	381,691	-	-	381,691	203,629
Fundraising	194,763	-	-	194,763	108,017
Total expenses	<u>1,373,339</u>	<u>-</u>	<u>-</u>	<u>1,373,339</u>	<u>1,331,502</u>
Change in net assets	31,517	(114,000)	12,000	(70,483)	38,445
Net assets, beginning of year	<u>771,460</u>	<u>114,000</u>	<u>3,000</u>	<u>888,460</u>	<u>850,015</u>
Net assets, end of year	<u>\$ 802,977</u>	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ 817,977</u>	<u>\$ 888,460</u>

See accompanying notes to financial statements.

CANTUS

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended July 31, 2024
(With Comparative Totals for 2023)

	2024			Total	2023
	Program	Management and General	Fund- raising		
Salaries	\$ 491,182	\$ 124,525	\$ 76,099	\$ 691,806	\$ 657,499
Employee benefits	27,650	7,010	4,284	38,944	64,494
Payroll taxes	34,871	8,840	5,402	49,113	49,587
	553,703	140,375	85,785	779,863	771,580
Rental - rehearsal and event	30,423	-	-	30,423	30,439
Rental - in-kind rehearsal	40,000	-	-	40,000	45,000
Artistic contractors	35,388	-	-	35,388	81,872
Touring management services	16,698	-	-	16,698	22,500
Professional services	5,846	112,699	-	118,545	48,612
Travel and meals	45,320	-	-	45,320	119,116
Marketing	-	72,238	72,237	144,475	54,683
Printing, postage, and delivery	20,871	5,291	3,234	29,396	33,870
Rent and storage - office	21,460	5,441	3,325	30,226	28,146
Supplies and equipment	2,742	695	425	3,862	12,419
Telephone and internet	3,523	893	546	4,962	3,673
Event expenses	8,604	-	-	8,604	12,908
Food and meals	-	-	27,305	27,305	835
Dues and fees	-	40,276	-	40,276	41,782
Interest	-	663	-	663	3,406
Insurance	10,207	2,588	1,581	14,376	16,820
Information technology	339	86	52	477	316
Depreciation	712	180	110	1,002	1,071
Miscellaneous	1,049	266	163	1,478	2,454
	\$ 796,885	\$ 381,691	\$ 194,763	\$ 1,373,339	\$ 1,331,502
Total expenses	\$ 796,885	\$ 381,691	\$ 194,763	\$ 1,373,339	\$ 1,331,502

See accompanying notes to financial statements.

CANTUS

STATEMENT OF CASH FLOWS

For the Year Ended July 31, 2024
(With Comparative Totals for 2023)

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ (70,483)	\$ 38,445
Adjustments to reconcile the change in net assets to net cash from operating activities:		
Depreciation	1,002	1,071
Reduction of right of use asset	12,444	12,153
Reinvestment of investment earnings	(3,204)	-
Changes in operating assets and liabilities:		
Accounts receivable	(373)	7,141
Grants receivable	(8,948)	(3,059)
Prepaid expenses	(7,020)	6,896
Security deposit	-	1,753
Accounts payable	5,581	(9,647)
Accrued payroll and related	(15,603)	4,457
Lease liability	(12,176)	(11,832)
Deferred revenue	(10,800)	44,289
Refundable advances	10,800	-
Net cash flows from operating activities	(98,780)	91,667
Cash flows from investing activities:		
Purchase of certificate of deposit	(10,860)	(235,000)
Purchase of investments	(560,000)	-
Net cash flows from investing activities	(570,860)	(235,000)
Net decrease in cash	(669,640)	(143,333)
Cash, beginning of year	849,238	992,571
Cash, end of year	\$ 179,598	\$ 849,238
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest	\$ 6,410	\$ 5,077
Right of use asset acquired in exchange for liability	\$ -	\$ 49,320

See accompanying notes to financial statements.

CANTUS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended July 31, 2024
(With Comparative Totals for 2023)

1. ORGANIZATION

Cantus, a full-time professional vocal ensemble, is a not-for-profit corporation organized under the laws of the state of Minnesota. Working without a conductor, the members of Cantus rehearse and perform as chamber musicians, each contributing to the entirety of the artistic process. In the wake of the pandemic, Cantus continues to embrace the hybrid model that offered both in-person and online concerts both in the 2023-24 concert season and beyond. The ensemble performed five new subscription programs in the Greater Twin Cities, as well as a collaborative concert with Canadian Brass, the prestigious brass quintet based in Toronto. Online concerts were available to stream on a pay-what-you-can basis, expanding access and garnering worldwide listenership. Post-concert survey responses note that this model helped eliminate both real and perceived financial and geographic barriers to attendance.

Cantus also continued national touring, including performances at the Musical Instrument Museum (Phoenix, AZ), Spivey Hall (Morrow, GA), and the Ottawa Chamberfest (Ontario, CAN). The ensemble was heard regularly on YourClassical Minnesota Public Radio and radio stations across the country as well as a robust following on social media. Committed to championing programmatic diversity, Cantus was recently awarded the Alice Parker Fund Award from Chorus America honoring the thoughtful presentation of choral music based in the traditions of Black and Latinx communities. Integral to the Cantus mission is the commitment to preserve and deepen music education in schools. The ensemble completed its award-winning High School Residency program in the Greater Twin Cities and continues to work with high school and college students nationwide in conjunction with touring engagements.

Cantus' primary sources of support and revenue are contributions, grants, ticket sales, and touring fees.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fair Value Measurements - Cantus determines fair value, when necessary, based on the assumptions that market participants would use when pricing the asset or liability. Valuation techniques require using inputs which are categorized using the following hierarchy:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs that are observable, directly or indirectly, other than the quoted prices included in Level 1; and
- Level 3 - unobservable inputs.

(Continued)

CANTUS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended July 31, 2024
(With Comparative Totals for 2023)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting and Presentation – The financial statements of Cantus have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. Cantus is required to report information regarding its financial position and activities according to the following net asset categories:

- *Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions that will be met by the passage of time or other actions specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.
- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – For purposes of the statement of cash flows, Cantus considers all highly liquid investments purchased with a maturity date of three months or less to be cash equivalents.

Certificate of Deposit – Cantus holds a certificate deposit with an original maturity date of six months with 4.05% interest.

Investments - Investments are reported at fair value. Realized and unrealized gains and losses are reported as changes in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Accounts and Grants Receivable – Accounts and grants receivable are stated at net realizable value. The accounts and grants receivable balance represent amounts considered collectible at year end. It is management's policy to charge off uncollectible receivables when management determines the receivable will not be collected. Management has determined that no allowance is necessary at July 31, 2024 and 2023.

(Continued)

CANTUS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended July 31, 2024
(With Comparative Totals for 2023)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasehold Improvements and Equipment – Leasehold improvements and equipment are carried at cost, with the exception of donated equipment which is recorded at fair market value at date of gift. Depreciation is computed using the straight-line method over the shorter of the estimated useful life of each asset or the lease term. Maintenance and repairs are expensed as incurred. Major renewals or betterments that extend the lives of leasehold improvements and equipment are capitalized.

Contributions – Contributions are recognized when the donor makes a commitment to give to Cantus that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions and transferred to net assets without donor restrictions when a specific time restriction ends, or a purpose is accomplished. Contributions restricted for leasehold improvements and equipment are released when the leasehold improvement and equipment are placed into service.

Contributed Materials and Services – Contributed materials are recorded as contributions when received at their fair value. Cantus did not receive any contributed materials in 2024 or 2023.

Contributed services are recorded as contributions, at their fair value, when the service creates or enhances a non-financial asset or the service requires specialized skills that would need to be purchased if not provided by donation.

Government Grants – Government grants are accounted for as contributions. Government grants are considered conditional based on certain performance requirements and/or the incurrence of allowable qualifying expenses. Revenue is recognized when the performance requirements are met or when the eligible expenditures, as defined in each grant, are incurred. Funds received before conditions are met are recorded as refundable advances.

Special Events – Special events revenue is comprised of an exchange element based upon direct benefits donors receive and a contribution element for the difference. Special events revenue is recognized equally to the fair value of direct benefits received to donors when the event takes place. The contributions element is considered conditional and recognized when the event takes place. Advance ticket sales are recorded as deferred revenue and advanced contributions are recorded as refundable advances.

Ticket Sales and Touring Fees – Ticket sales and touring fees revenue is recognized at a point in time upon completion of the event. Advance ticket sales and touring fees for future performances are recorded as deferred revenue.

(Continued)

CANTUS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended July 31, 2024
(With Comparative Totals for 2023)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Sales Tax – Cantus collects sales tax from customers and remits it to the respective taxing authority. Cantus’ policy is to exclude the tax collected and remitted from sales and cost of sales.

Operating Leases – Cantus recognizes a right-of-use asset and a lease liability related to any long-term operating leases. The right-of use asset represents Cantus’ right to use the leased asset over the term of the lease, initially measured as the sum of 1) the lease liability, 2) lease payments made at or prior to commencement of the lease, less incentives received, and 3) initial direct costs of the lease. The lease liability relates to Cantus’ obligation to make lease payments as defined in the lease, measured at its present value. Lease expense is recognized on the straight-line basis over the term of the lease. Cantus has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments.

Marketing Expenses – Marketing costs are expensed as incurred. Marketing expenses were \$143,555 in 2024 and \$53,963 in 2023.

Functional Expenses – Cantus allocates its expenses among its program and support services. Expenses that can be identified with a program or support service are recorded directly according to their natural expenditure classification. Indirect expenses that are common to several functions are allocated based on employee time efforts. Indirect expenses include payroll and related, rent and storage – office, telephone and internet, insurance, information technology, supplies and equipment, depreciation, and miscellaneous.

Income Taxes – Cantus is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and applicable Minnesota Statutes, except to the extent it has taxable income from activities that are not related to its exempt purpose. Management believes Cantus did not have any unrelated business income in 2024 or 2023. Cantus believes that it has appropriate support for any tax positions taken, and accordingly, does not have any uncertain tax positions that are material to the financial statements.

Comparative Totals – The financial statements include certain prior-year summarized comparative information in total but not by net asset class and functional expenses. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Cantus’ financial statements for the year ended July 31, 2023, from which the summarized information was derived.

(Continued)

CANTUS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended July 31, 2024
(With Comparative Totals for 2023)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications – Reclassifications were made to the 2023 financial statements to be consistent with the current year financial statements. These reclassifications did not affect net assets or the change in net assets.

3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure within one year of July 31, comprise of the following:

	<u>2024</u>	<u>2023</u>
Cash	\$ 179,598	\$ 849,238
Accounts receivable	1,321	948
Grants receivable	45,956	20,342
Certificate of deposit	245,860	235,000
Investments	<u>563,204</u>	<u>-</u>
	<u>\$ 1,035,939</u>	<u>\$ 1,105,528</u>

As part of liquidity management, Cantus budgets carefully and anticipates having sufficient funds to cover general expenditures. Cantus considers all expenditures related to its ongoing activities, as well as activities undertaken to support those activities, to be general expenditures. Monthly financial statements containing budget versus actual results are produced which are monitored by the finance committee.

4. GRANTS RECEIVABLE

Grants receivable of \$45,956 are expected to be collected in the year ending July 31, 2025.

Cantus received a governmental grant that contains conditions (primarily funds are to be expended before it is earned). Since this grant represents a conditional promise to give, it is not recorded as contributions revenue until the donor condition is met. Cantus has a conditional contribution of \$50,000 as of July 31, 2024.

5. FAIR VALUE MEASUREMENTS

Cantus measures its investments at fair value on a recurring basis.

(Continued)

CANTUS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended July 31, 2024
(With Comparative Totals for 2023)

5. FAIR VALUE MEASUREMENTS (Continued)

The fair values of certificates of deposit are provided by the investment broker based on a market value pricing model. Certificates of deposit held at July 31, 2024, have a face value of \$480,000; mature through December 18, 2024; and have interest rates ranging from 5% to 5.4%. All certificates of deposit are FDIC insured.

The following tables present the category of inputs used to measure fair values of investments:

	Level 1	Level 2	Level 3	Total
<u>July 31, 2024:</u>				
Cash	\$ -	\$ -	\$ -	\$ 80,420
Certificates of deposit	-	482,784	-	482,784
	\$ -	\$ 482,784	\$ -	\$ 563,204

The method used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although Cantus believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of the investments could result in a different fair value measurement at the reporting date.

6. LEASEHOLD IMPROVEMENTS AND EQUIPMENT

Leasehold improvements and equipment consist of the following:

	2024	2023	Estimated useful life - years
Equipment	\$ 25,035	\$ 25,035	5
Leasehold improvements	2,050	2,050	4.5
Accumulated depreciation	(25,641)	(24,639)	
	\$ 1,444	\$ 2,446	

(Continued)

CANTUS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended July 31, 2024
(With Comparative Totals for 2023)

7. NOTE PAYABLE

Note payable consists of the following:

	<u>2024</u>	<u>2023</u>
Economic Injury Disaster	\$ 150,000	\$ 150,000
Less current portion	<u>(2,095)</u>	<u>(-)</u>
	<u>\$ 147,905</u>	<u>\$ 150,000</u>

Economic Injury Disaster Loan - \$150,000 loan from the U.S. Small Business Administration bearing interest at 2.75%. The note requires monthly principal and interest payments of \$641 commencing January 2023 and all unpaid principal and interest is due June 2050. Cantus received a two-year holiday for payments on the loan. During that time, interest continued to accrue. Payments received are applied to unpaid, unaccrued interest and if any is left over, towards principal.

Maturities of the note payable principal payments for the years ending July 31 are as follows:

2025	\$ 2,095
2026	3,671
2027	3,773
2028	3,878
2029	3,986
Thereafter	<u>132,597</u>
Total maturities	<u>\$ 150,000</u>

(Continued)

CANTUS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended July 31, 2024
(With Comparative Totals for 2023)

8. NET ASSETS

Net assets with donor restrictions at July 31 are for the following:

	<u>2024</u>	<u>2023</u>
Subject to the passage of time:		
General operations – time restriction	\$ 15,000	\$ -
Subject to expenditure for specified purpose:		
Music education	<u>-</u>	<u>3,000</u>
	<u>\$ 15,000</u>	<u>\$ 3,000</u>

In 2024, the board designated fixed asset reserve fund of \$114,000 was released into the net assets without donor restrictions.

9. LEASES

Cantus leases office space under an operating lease agreement which expires June 2026. The lease requires monthly payments of \$1,073 plus share of operating costs and increases approximately 5% for 2025 and 2026.

Rent expense including reimbursement of operating costs was \$30,226 in 2024 and \$28,146 in 2023.

The remaining lease term is 1.84 years at July 31, 2024, and the discount rate used in the calculation was 2.43%.

Future minimum lease payments are as follows:

2025	\$ 13,502
2026	<u>12,377</u>
	25,879
Less: present value discount of 2.43%	<u>(567)</u>
	<u>\$ 25,312</u>

(Continued)

CANTUS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended July 31, 2024
(With Comparative Totals for 2023)

9. **LEASES (Continued)**

Cantus also receives donated rehearsal space and parking. The value is provided by the donor based on their rental rates. Contributions and expenses related to the donated space in 2024 and 2023 were valued at \$40,000 and \$45,000, respectively.

10. **CONCENTRATIONS**

Cantus uses a single booking agent for concerts outside of Minnesota. Revenues received through the booking agent were \$102,997 in 2024 and \$289,417 in 2023.

Cantus maintains its cash with two banks. The balance is insured by the Federal Deposit Insurance Corporation up to \$250,000. At July 31, 2024, Cantus had no uninsured balance. At July 31, 2023, Cantus' uninsured cash balance was \$600,750. Management believes Cantus is not exposed to any significant credit risk on its accounts.

11. **EMPLOYEE BENEFIT PLAN**

Cantus sponsors an employee benefit plan established under section 403(b) of the Internal Revenue Code. All full-time employees of Cantus are eligible to participate in the plan and contributions are up to 4% of an employee's gross salary. Cantus made contributions to the plan of \$7,682 and \$17,955 in 2024 and 2023.

12. **SUBSEQUENT EVENTS**

Management has evaluated subsequent events through January 28, 2025, the date on which the financial statements were available for issue.