

**CHARLESTON JAZZ  
NORTH CHARLESTON, SOUTH CAROLINA**

**AUDITED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Charleston Jazz  
North Charleston, South Carolina

### Opinion

We have audited the financial statements of Charleston Jazz (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Charleston Jazz as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Charleston Jazz 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 Charleston Jazz's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditors' 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 auditors' 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 GAAS 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 GAAS, 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 Charleston Jazz'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 Charleston Jazz'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.

*Glaser and Company, LLC*

Charleston, South Carolina  
July 8, 2025

**CHARLESTON JAZZ**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
<b><u>ASSETS</u></b>		
<b><u>Current Assets</u></b>		
Cash and cash equivalents	\$ 251,318	\$ 170,216
Unconditional promises to give, current	166,012	75,000
Prepaid and other assets	5,810	10,887
Total current assets	423,140	256,103
<b><u>Non-current Assets</u></b>		
Investments, endowment	203,984	114,818
Property, plant and equipment, net	97,616	105,771
Library and archives, net	39,876	39,030
Total non-current assets	341,476	259,619
Total assets	\$ 764,616	\$ 515,722
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b><u>Current Liabilities</u></b>		
Accounts payable	\$ 28,753	\$ 23,161
Accrued payroll	17,670	16,154
Deferred concert revenue	90,684	85,736
Line of credit	170,576	51
Total current liabilities	307,683	125,102
Total liabilities	307,683	125,102
<b><u>Net Assets</u></b>		
Without donor restrictions	104,424	169,486
With donor restrictions	352,509	221,134
Total net assets	456,933	390,620
Total liabilities and net assets	\$ 764,616	\$ 515,722

See accompanying notes to financial statements.

**CHARLESTON JAZZ**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Changes in unrestricted net assets</b>			
<b>Support and Revenue</b>			
Concert revenue	\$ 321,435	\$ -	\$ 321,435
Grants	466,846	123,525	590,371
Contributions	285,765	-	285,765
Academy tuition and fees	50,077	-	50,077
Sponsorships	29,208	25,000	54,208
Contributions - in-kind	71,047	-	71,047
Special events, net of \$44,935 of expenses	12,477	-	12,477
Miscellaneous	2,500	-	2,500
Interest and investment return	2,644	14,166	16,810
	<u>1,241,999</u>	<u>162,691</u>	<u>1,404,690</u>
<b>Net Assets Released from Restrictions</b>	<u>31,316</u>	<u>(31,316)</u>	<u>-</u>
<b>Expenses</b>			
Program services:			
Festival and orchestra programs	664,269	-	664,269
Academy activities	454,937	-	454,937
Total program services	<u>1,119,206</u>	<u>-</u>	<u>1,119,206</u>
Supporting services:			
General and administrative	144,017	-	144,017
Fundraising	75,154	-	75,154
Total supporting services	<u>219,171</u>	<u>-</u>	<u>219,171</u>
Total expenses	<u>1,338,377</u>	<u>-</u>	<u>1,338,377</u>
(Decrease) increase in net assets	(65,062)	131,375	66,313
<b>Net assets, beginning of year</b>	<u>169,486</u>	<u>221,134</u>	<u>390,620</u>
<b>Net assets, end of year</b>	<u>\$ 104,424</u>	<u>\$ 352,509</u>	<u>\$ 456,933</u>

See accompanying notes to financial statements.

**CHARLESTON JAZZ**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Changes in unrestricted net assets</b>			
<b>Support and Revenue</b>			
Concert revenue	\$ 421,724	\$ -	\$ 421,724
Grants	475,161	100,000	575,161
Contributions	176,494	1,316	177,810
Academy tuition and fees	68,556	-	68,556
Sponsorships	18,732	5,000	23,732
Contributions - in-kind	72,362	-	72,362
Special events, net of \$36,767 of expenses	15,975	-	15,975
Miscellaneous	2,499	-	2,499
Interest and investment return	83	11,464	11,547
	<hr/>	<hr/>	<hr/>
Total support and revenue	1,251,586	117,780	1,369,366
<b>Net Assets Released from Restrictions</b>	<hr/>	<hr/>	<hr/>
	32,500	(32,500)	-
<b>Expenses</b>			
Program services:			
Festival and orchestra programs	800,900	-	800,900
Academy activities	406,104	-	406,104
Total program services	<hr/>	<hr/>	<hr/>
	1,207,004	-	1,207,004
Supporting services:			
General and administrative	116,537	-	116,537
Fundraising	64,156	-	64,156
Total supporting services	<hr/>	<hr/>	<hr/>
	180,693	-	180,693
Total expenses	<hr/>	<hr/>	<hr/>
	1,387,697	-	1,387,697
(Decrease) increase in net assets	(103,611)	85,280	(18,331)
<b>Net assets, beginning of year</b>	<hr/>	<hr/>	<hr/>
	273,097	135,854	408,951
<b>Net assets, end of year</b>	<hr/>	<hr/>	<hr/>
	\$ 169,486	\$ 221,134	\$ 390,620

See accompanying notes to financial statements.

**CHARLESTON JAZZ**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	
Salary, taxes and benefits	\$ 365,970	\$ 37,022	\$ 20,568	\$ 423,560
Contract labor - musicians	180,305	-	-	180,305
Contract labor and services - other	96,285	-	3,213	99,498
Equipment and rentals, office	1,040	-	-	1,040
Instructional supplies	958	-	-	958
Marketing and advertising	108,524	-	-	108,524
Occupancy and venues	188,102	10,732	-	198,834
Artistic and production - other	34,788	-	-	34,788
Travel	40,109	953	-	41,062
Printing	23,980	-	43	24,023
Merchant and bank fees	45,136	2,307	-	47,443
Accounting and professional	-	58,465	46,600	105,065
Office supplies and postage	3,778	605	3,603	7,986
Insurance	3,982	1,100	255	5,337
Telephone and connectivity	7,494	6,152	833	14,479
Interest and finance charges	-	12,379	-	12,379
Depreciation	12,647	69	39	12,755
Miscellaneous	6,108	14,233	-	20,341
Total expenses	<u>\$ 1,119,206</u>	<u>\$ 144,017</u>	<u>\$ 75,154</u>	<u>\$ 1,338,377</u>

See accompanying notes to financial statements.

**CHARLESTON JAZZ**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	
Salary, taxes and benefits	\$ 372,916	\$ 37,746	\$ 20,970	\$ 431,632
Contract labor - musicians	197,117	-	-	197,117
Contract labor and services - other	131,458	-	500	131,958
Equipment and office rentals	1,386	-	-	1,386
Instructional supplies	4,627	-	-	4,627
Marketing and advertising	138,873	-	-	138,873
Occupancy and venues	174,779	9,779	-	184,558
Artistic and production - other	25,668	-	-	25,668
Travel	29,432	315	-	29,747
Printing	22,369	60	5,651	28,080
Merchant and bank fees	61,838	895	-	62,733
Accounting and professional	-	56,339	33,700	90,039
Office supplies and postage	5,201	1,220	2,697	9,118
Insurance	3,982	868	255	5,105
Telephone and connectivity	7,494	925	833	9,252
Interest and finance charges	-	937	-	937
Depreciation	12,798	69	39	12,906
Miscellaneous	17,066	7,384	(489)	23,961
<b>Total expenses</b>	<b>\$ 1,207,004</b>	<b>\$ 116,537</b>	<b>\$ 64,156</b>	<b>\$ 1,387,697</b>

See accompanying notes to financial statements.

**CHARLESTON JAZZ**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
<b><u>Cash Flows from Operating Activities:</u></b>		
Increase (decrease) in net assets	\$ 66,313	\$ (18,331)
Adjustments to reconcile increase (decrease) in net assets to net cash used for operating activities:		
Depreciation	12,755	12,906
Contributions received restricted for long-term purposes	(50,000)	(75,000)
Unrealized gain on investments, endowment	(10,387)	(9,177)
Changes in operating assets and liabilities:		
Increase in unconditional promises to give	(116,012)	6,311
Decrease (increase) in prepaid and other assets	5,077	229
(Decrease) increase in accounts payable	5,592	(1,550)
Increase in accrued payroll	1,516	3,340
Increase in deferred concert revenue	4,948	1,613
Net cash used for operating activities	(80,198)	(79,659)
<b><u>Cash Flows from Investing Activities:</u></b>		
Purchase of investments, endowment	(78,779)	(2,287)
Purchase of property and equipment	(4,600)	(27,497)
Purchase of additions to music library	(846)	(1,337)
Net cash used for investing activities	(84,225)	(31,121)
<b><u>Cash Flows from Financing Activities:</u></b>		
Contributions collected restricted for long-term purposes	75,000	-
Net proceeds (payments) lines of credit	170,525	(292)
Net cash provided by (used for) financing activities	245,525	(292)
Net increase (decrease) in cash and cash equivalents	81,102	(111,072)
Cash and cash equivalents, beginning of year	170,216	281,288
Cash and cash equivalents, end of year	\$ 251,318	\$ 170,216
<b><u>Supplemental Disclosures of Cash Flow Information:</u></b>		
Interest paid	\$ 12,379	\$ 937

See accompanying notes to financial statements.

**CHARLESTON JAZZ**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Basic Program**

Charleston Jazz (“Charleston Jazz”) (formerly known as “Jazz Artists of Charleston”) (a nonprofit organization) was organized January 16, 2008, to grow a local and global community for jazz through performance, education and outreach while celebrating and preserving Charleston’s rich history in jazz. Programs include year-round concerts by the Charleston Jazz Orchestra and Charleston Jazz artists; the annual Charleston Jazz Festival a four-day festival each year bringing local, regional and national jazz musicians to Charleston, South Carolina; and education and activities to elevate jazz musicianship and broaden the love of Jazz through the Charleston Jazz Academy.

Charleston Jazz’s support comes primarily from concert revenues and contributions, grants and sponsorships made by individual donors, businesses, and other supporting entities and tuition and fees.

In the interest of elevating jazz musicianship and broadening the love of jazz in future generations, Charleston Jazz brought the Leonard School of Music operations into the organization to create the Charleston Jazz Academy. The Leonard School of Music, Inc. had played an important role in teaching jazz to young people in Charleston since 1945. Working in partnership with local schools, parents, and students of all ages, the Charleston Jazz Academy brings together highly motivated students in a collaborative and challenging environment to expand their repertoire and nurture the skills of improvisation.

**Basis of Accounting**

The accompanying financial statements present the financial condition, results of operations, and cash flows of Charleston Jazz on the accrual basis of accounting. Support is recognized when received or unconditionally promised, and expenses are recognized when incurred.

**Basis of Presentation**

In accordance with ASC 958-205, *Presentation of Financial Statements*, Charleston Jazz reports information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

*Net Assets without Donor Restrictions*

Net assets without donor-imposed restrictions and currently available for program and supporting services.

*Net Assets with Donor Restrictions*

Net assets subject to donor-imposed stipulations, may or will be met, by actions of the Organization and/or the passage of time.

**Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Unconditional Promises to Give**

Contributions are recognized when the donor makes a promise to give to Charleston Jazz that is, in substance, unconditional. Charleston Jazz uses the direct write-off method to determine uncollectible unconditional promises receivable. The results do not differ materially from generally accepted accounting principles in the United States of America. At December 31, 2024 and 2023, all promises to give were expected to be collected in less than one year.

**CHARLESTON JAZZ**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Prepaid and Other Assets**

Charleston Jazz recognizes payments made for services or benefits in future periods as prepaid and other assets. At December 31, 2024 and 2023, Charleston Jazz prepaid assets are comprised of insurance, costs for venue, marketing and other costs for 2024 and 2023 concerts and events, respectively.

**Property, Plant and Equipment**

It is the policy of Charleston Jazz to capitalize furniture and equipment of \$1,000 or greater at cost, if purchased, and at fair market value, if donated. Capitalized leasehold improvements, furniture and equipment are depreciated over their estimated useful lives using the straight-line method. Depreciable lives of range from seven to fifteen years.

**Library and Archives**

Charleston Jazz capitalizes investments in music library, video, and audio archives. Capitalized library and archives are evaluated for impairment annually. For wasting library and archive assets, Charleston Jazz amortizes their cost on a straight-line basis over a period approximating 10 years.

**Deferred Concert Revenue**

Charleston Jazz recognizes payments for future concerts and events as deferred concert revenue. This deferred revenue is recognized in the future period when the concert or event is performed.

**Revenues from Non-Exchange Transactions**

Revenues from non-exchange transactions are recorded as net assets without donor restrictions or net assets with donor restrictions depending upon the existence and/or nature of donor restrictions. Revenues from non-exchange transactions may also be subject to restrictions. Revenues from conditional non-exchange transactions are recognized when the restriction is satisfied, which is generally as costs are incurred. In addition, Charleston Jazz has elected the simultaneous release option for conditional contributions that are subject to purpose restrictions. Under this option, net assets without donor restrictions include the donor-restricted contributions for which the purpose restrictions are met in the same reporting period as the revenue is recognized. Revenues from non-exchange transactions that are considered unconditional generally are recognized as revenues with donor restrictions when the funds are awarded and are released into net assets without donor restrictions when the purpose has been met.

**Revenues from Exchange Transactions**

Charleston Jazz has multiple revenue streams that are accounted for as exchange transactions primarily from concert revenues and academy tuition. Because the Charleston Jazz's performance obligations are for a duration of less than one year, Charleston Jazz has elected to apply the optional exemption provided in FASB ASC 606-10-50-14, *Revenue from Contracts with Customers*, and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

**Contributions – In-kind**

Charleston Jazz receives various donated services, advertising, marketing, printing and office space rent from supporters, which were used for program services and other operating activities. This rent and services totaled \$71,047 and \$72,362 for the years ended December 31, 2024 and 2023, respectively. A number of unpaid volunteers have made significant contributions of time to assist the Charleston Jazz in the operation of its programs. The value of these contributions is not reflected in these statements since they do not meet the criteria for revenue recognition.

**CHARLESTON JAZZ**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Functional Expenses**

Charleston Jazz records expenses on a functional basis among its various program activities and supporting services. Program activities represent the costs associated with the delivery of the Charleston Jazz’s mission. Expenses that can be identified with a specific program or supporting service are charged directly. Other expenses that are common to several functions are allocated by various statistical bases. Salaries and related expenses are allocated based on time and effort. Staff training and conferences, contract services, supplies and other, insurance, promotion and advertising and interest are allocated based on total directly identified expenses. Facility occupancy, repairs and maintenance, depreciation and amortization are allocated based on square footage.

**Income Taxes**

Charleston Jazz is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. In addition, Charleston Jazz qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

**Advertising**

Advertising and marketing costs are expensed as incurred.

**2. CONCENTRATION OF CREDIT RISK**

Charleston Jazz maintains deposits in commercial bank accounts. At December 31, 2024, Charleston Jazz did not have any deposits in excess of federal depository insurance coverage of \$250,000.

**3. PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment consists of the following as of December 31:

	<b>2024</b>	<b>2023</b>
Computers and equipment	\$ 26,341	\$ 21,742
Leasehold improvements	151,442	151,441
Furniture	6,988	6,988
	184,771	180,171
Accumulated depreciation	(87,155)	(74,400)
Total property, plant and equipment, net	\$ 97,616	\$ 105,771

Depreciation expense for the years ended December 31, 2024 and 2023 totaled \$12,755 and \$12,906, respectively.

**CHARLESTON JAZZ**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**4. LIBRARY AND ARCHIVES**

Library and archives consist of the following at December 31:

	<b>2024</b>	<b>2023</b>
Music library	\$ 30,939	\$ 30,093
Photography archives	13,936	13,936
Video and audio archives	7,437	7,437
Logo	1,500	1,500
	53,812	52,966
Accumulated amortization	(13,936)	(13,936)
	\$ 39,876	\$ 39,030

**5. LINES OF CREDIT**

On May 10, 2024, Charleston Jazz signed a business loan agreement with Beacon Community Bank to provide a \$100,000 revolving line of credit. The line bears interest at prime plus 1% (8.25% at December 31, 2024) and requires monthly interest payments. The line of credit has a balance of \$70,000 at December 31, 2024. The agreement is secured by the underlying assets of Charleston Jazz.

Charleston Jazz has a revolving line of credit agreement with a First Horizon Bank for a \$35,000. Interest accrues at a variable rate. As of December 31, 2024 and 2023, the outstanding balance was \$17,576 and \$51, respectively.

Charleston Jazz signed a line of credit agreement with a United Community Bank for a \$100,000. Interest accrues at a fixed rate of 2.95%. As of December 31, 2024 and 2023, the outstanding balance was \$83,000 and \$0, respectively.

Interest expense for the years ended December 31, 2024 and 2023 totaled \$12,379 and \$937, respectively, on these lines of credit.

**6. OPERATING LEASE AGREEMENT**

On April 28, 2017, Charleston Jazz signed a lease agreement with 3005 W Montague LLC for the main operating facility of the Charleston Jazz Academy. The lease term is for (5) years and (2) months commencing on April 1, 2017. The lease has an option of renewal for a period of (3) years and increases annually at a rate of (3%) from inception. On April 13, 2020, September 8, 2020, December 2020, May 31, 2022, October 4, 2022, and subsequent to year-end, Charleston Jazz signed a first, second, third, fourth, fifth and sixth amendment to the lease.

In the terms of the amendments, base rental payments for 2025 and 2024 were fully abated and Charleston Jazz made the required monthly common area maintenance payments which were \$2,661 and \$2,583, respectively, for the years ended December 31, 2024 and 2023.

Future minimum lease payments under the term of the lease are as follows:

2025	\$ 83,904
	\$ 83,904

**CHARLESTON JAZZ**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**6. OPERATING LEASE AGREEMENT - CONTINUED**

Rent expense for the years ended December 31, 2024 and 2023 was \$82,056 and \$78,700, respectively. Included in rent expense for the year ended December 31, 2024 and 2023 is in-kind (donated) rent of \$50,125 and \$47,700, respectively.

**7. NET ASSETS**

Net assets are released from donor restrictions by incurring expenses satisfying the purposes or by occurrence of other events specified by donors during the years ended December 31 as follows:

	<b>2024</b>	<b>2023</b>
Festival sponsorships and memberships	\$ 6,316	\$ -
Charleston Jazz Academy programs	25,000	32,500
	\$ 31,316	\$ 32,500

Net assets with donor restrictions as of December 31 are available for the following purposes:

	<b>2024</b>	<b>2023</b>
Restricted for Passage of Time:		
Restricted for 2025 Orchestra and Spoleto collaboration	\$ 70,000	\$ -
Festival Sponsorships	28,525	6,316
Charleston Jazz Academy summer camps	-	25,000
Restricted for Endowment:		
Charleston Jazz Academy endowment	253,984	189,818
	\$ 352,509	\$ 221,134

**8. ENDOWMENT FUNDS FOR THE BENEFIT OF CHARLESTON JAZZ INTERSHIPS**

The state of South Carolina has adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), the provisions of which apply to endowment funds existing or established after the date of adoption. The corpus of the fund subject to UPMIFA is classified as net assets with donor restrictions. The corpus represents the fair value of the original gifts as of the gift date and all subsequent gifts where the donor has indicated that the gift must be retained in perpetuity. The value of assets in excess of original gifts in donor-restricted endowment funds is classified as net assets with donor restrictions until appropriated for expenditure by Charleston Jazz. The Charleston Jazz Academy Endowment Fund is established to support the Charleston Jazz Academy, its educational programming and outreach, including the provisions of funds for scholarships and internships for Academy students, musicians, teachers, administrators, and other individuals that support and provided related services to the academy.

**CHARLESTON JAZZ**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**8. ENDOWMENT FUNDS FOR THE BENEFIT OF CHARLESTON JAZZ INTERSHIPS - CONTINUED**

**Spending policy**

Spending is based on a total return strategy, which includes both appreciation and income. Charleston Jazz's spending allowance rate is established by the endowment fund agreement. In accordance with UPMIFA, the Board may expend so much of an endowment fund as the Board determines to be prudent for the uses and purposes for which the endowment fund is established, consistent with the goal of conserving the long-term purchasing power of the endowment fund. Charleston Jazz does not intend to make distributions from the fund in the near term as plans to grow the fund over time. In future years Charleston Jazz will establish a spending percentage in accordance with its endowment fund agreement, which may also include an endowment fund management fee.

**Investment policy**

The overall investment goal for the endowment fund is three-fold: (1) to provide a relatively predictable, stable, and constant spending stream to meet the needs of Charleston Jazz; (2) to preserve and enhance the real (inflation adjusted) purchasing power of the fund; and (3) to increase the fund through unspent income and gains, appreciated value, gifts, and other appropriate funds.

The following represents a description of the endowment net asset composition as of December 31:

		<b>2024</b>			
		<b>With Donor Restrictions</b>			
		<b>Without Restrictions</b>	<b>Accumulated Gains (Losses)</b>	<b>Original Gift Held in Perpetuity</b>	<b>Total</b>
Charleston Jazz Academy	endowment for internships	\$ -	\$ 28,237	\$ 225,747	\$ 253,984
		<u>\$ -</u>	<u>\$ 28,237</u>	<u>\$ 225,747</u>	<u>\$ 253,984</u>
		<b>2023</b>			
		<b>With Donor Restrictions</b>			
		<b>Without Restrictions</b>	<b>Accumulated Gains (Losses)</b>	<b>Original Gift Held in Perpetuity</b>	<b>Total</b>
Charleston Jazz Academy	endowment for internships	\$ -	\$ 14,071	\$ 175,747	\$ 189,818
		<u>\$ -</u>	<u>\$ 14,071</u>	<u>\$ 175,747</u>	<u>\$ 189,818</u>

**CHARLESTON JAZZ**  
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**8. ENDOWMENT FUNDS FOR THE BENEFIT OF CHARLESTON JAZZ INTERSHIPS - CONTINUED**

The following represents changes in endowment net assets for the years ended December 31:

	<b>2024</b>			
	<b>Without Restrictions</b>	<b>Accumulated Gains</b>	<b>Original Gift Held in Perpetuity</b>	<b>Total</b>
Net endowment net assets, beginning of year	\$ -	\$ 14,071	\$ 175,747	\$ 189,818
Investment return	-	14,166	-	14,166
Contributions	-	-	50,000	50,000
Appropriations and spending	-	-	-	-
Net endowment net assets, end of year	<u>\$ -</u>	<u>\$ 28,237</u>	<u>\$ 225,747</u>	<u>\$ 253,984</u>
	<b>2023</b>			
	<b>Without Restrictions</b>	<b>Accumulated Gains</b>	<b>Original Gift Held in Perpetuity</b>	<b>Total</b>
Net endowment net assets, beginning of year	\$ -	\$ 2,607	\$ 100,747	\$ 103,354
Investment return	-	11,464	-	11,464
Contributions	-	-	75,000	75,000
Appropriations and spending	-	-	-	-
Net endowment net assets, end of year	<u>\$ -</u>	<u>\$ 14,071</u>	<u>\$ 175,747</u>	<u>\$ 189,818</u>

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**9. DISCLOSURE OF LIQUIDITY INFORMATION**

The following reflects the Charleston Jazz’s financial assets as of December 31 reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statements of financial position date.

	<b>2024</b>	<b>2023</b>
<b>Financial assets, at December 31:</b>	\$ 621,314	\$ 360,034
Less those unavailable for general expenditures within one year due to:		
Contractual or donor-imposed restrictions:		
Subject to satisfaction of donor-imposed restrictions	(225,747)	(175,747)
Financial assets available to meet cash needs for general expenditures within one year	\$ 395,567	\$ 184,287

**10. SUBSEQUENT EVENTS**

Management has evaluated the effect subsequent events would have on the financial statements of Charleston Jazz at December 31, 2024 through July 8, 2025, which is the date the financial statements were available to issue. Based upon this evaluation, there were no material adjustments or disclosures to these financial statements, except those noted below:

In July 2025, Charleston Jazz signed a sixth amendment to its operating lease agreement, providing approval for abated monthly rent of \$4,097 through December 31, 2025, and a required monthly common area maintenance charges of \$2,741.