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# **STANFORD JAZZ WORKSHOP**

## **FINANCIAL STATEMENTS**

**December 31, 2024**

**(With Comparative totals as of December 31, 2023)**

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**CROSBY & KANEDA**

Certified Public Accountants  
for Nonprofit Organizations

# STANFORD JAZZ WORKSHOP

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Stanford Jazz Workshop  
Stanford, California

**Opinion**

We have audited the accompanying financial statements of Stanford Jazz Workshop (the Organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, cash flows and functional expenses, 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 Stanford Jazz Workshop as of December 31, 2024, and the changes in net assets and its 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 the Organization 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**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 the Organization'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 the Organization'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.

#### **Report on Summarized Comparative Information**

We have previously audited the Organization's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 29, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Crosby + Kaneda CPAs LLP*

Alameda, California

September 19, 2025

**STANFORD JAZZ WORKSHOP**

**Statement of Financial Position  
December 31, 2024  
(With Comparative Totals as of December 31, 2023)**

|   | 2024         | 2023         |
|---|--------------|--------------|
| <b>Assets</b>                               |              |              |
| Assets                                      |              |              |
| Cash and cash equivalents                   | \$ 348,558   | \$ 114,263   |
| Contribution receivable                     | 50           | 2,000        |
| Investments (Note 3)                        | 1,202,075    | 1,556,393    |
| Prepaid expenses, deposits and other assets | 14,414       | 36,263       |
| Property and equipment, net (Note 6)        | 23,422       | 17,312       |
| Right of use asset - operating lease        | 66,381       | -            |
| Total Assets                                | \$ 1,654,900 | \$ 1,726,231 |
| <b>Liabilities and Net Assets</b>           |              |              |
| Liabilities                                 |              |              |
| Accounts payable and accrued expenses       | \$ 53,222    | \$ 283,159   |
| Accrued vacation                            | 68,635       | 67,950       |
| Deferred revenue (Note 7)                   | 133,433      | 62,692       |
| Operating lease liability (Note 5)          | 66,873       | -            |
| Total Liabilities                           | 322,163      | 413,801      |
| Net Assets                                  |              |              |
| Without donor restrictions                  |              |              |
| Undesignated                                | 787,507      | 827,036      |
| Board designated (Note 10)                  | 64,000       | 64,000       |
| Total without donor restrictions            | 851,507      | 891,036      |
| With donor restrictions (Note 9)            | 481,230      | 421,394      |
| Total Net Assets                            | 1,332,737    | 1,312,430    |
| Total Liabilities and Net Assets            | \$ 1,654,900 | \$ 1,726,231 |

See Notes to the Financial Statements

**STANFORD JAZZ WORKSHOP**

**Statement of Activities  
For the Year Ended December 31, 2024  
(With Comparative Totals for the Year Ended December 31, 2023)**

|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total               |                     |
|---|-------------------------------|----------------------------|---------------------|---------------------|
|   |                               |                            | 2024                | 2023                |
| <b>Support and Revenue</b>                                    |                               |                            |                     |                     |
| Revenue   |                               |                            |                     |                     |
| Tuition and fees, net (Note 12)                               | \$ 1,451,083                  | \$                         | \$ 1,451,083        | \$ 1,356,804        |
| Performance and concert income                                | 342,612                       |                            | 342,612             | 277,686             |
| Sales and other   | 5,395                         |                            | 5,395               | 6,210               |
| Total Revenue   | <u>1,799,090</u>              | <u>-</u>                   | <u>1,799,090</u>    | <u>1,640,700</u>    |
| Support   |                               |                            |                     |                     |
| Foundation and corporate grants                               | 214,250                       | 157,500                    | 371,750             | 115,099             |
| Contributions   | 469,085                       | 105,674                    | 574,759             | 434,173             |
| Government  | 20,000                        |                            | 20,000              | 61,000              |
| Total Support   | <u>703,335</u>                | <u>263,174</u>             | <u>966,509</u>      | <u>610,272</u>      |
| Investment activity, net (Note 3)                             | 81,359                        | 19,808                     | 101,167             | 117,898             |
| Support provided by expiring time<br>and purpose restrictions | <u>223,146</u>                | <u>(223,146)</u>           | <u>-</u>            | <u>-</u>            |
| Total Support and Revenue                                     | <u>2,806,930</u>              | <u>59,836</u>              | <u>2,866,766</u>    | <u>2,368,870</u>    |
| <b>Expenses</b>   |                               |                            |                     |                     |
| Program   | 2,375,273                     |                            | 2,375,273           | 2,093,203           |
| Management and general  | 331,574                       |                            | 331,574             | 420,969             |
| Fundraising   | 139,612                       |                            | 139,612             | 87,976              |
| Total Expenses  | <u>2,846,459</u>              | <u>-</u>                   | <u>2,846,459</u>    | <u>2,602,148</u>    |
| Change in Net Assets  | (39,529)                      | 59,836                     | 20,307              | (233,278)           |
| Net Assets, beginning of year                                 | <u>891,036</u>                | <u>421,394</u>             | <u>1,312,430</u>    | <u>1,545,708</u>    |
| Net Assets, end of year                                       | <u>\$ 851,507</u>             | <u>\$ 481,230</u>          | <u>\$ 1,332,737</u> | <u>\$ 1,312,430</u> |

See Notes to the Financial Statements

## STANFORD JAZZ WORKSHOP

### Statement of Cash Flows For the Year Ended December 31, 2024 (With Comparative Totals for the Year Ended December 31, 2023)

|  | 2024       | 2023         |
|--|------------|--------------|
| <b>Cash flows from operating activities:</b>   |            |              |
| Change in net assets   | \$ 20,307  | \$ (233,278) |
| Adjustments to reconcile change in net assets to cash provided (used) by operating activities: |            |              |
| Depreciation   | 6,071      | 8,979        |
| Investment activity, net   | (101,167)  | (117,898)    |
| 457b plan transfer   | 242,695    | -            |
| Donated stock  | (25,369)   | (5,109)      |
| Change in assets and liabilities:  |            |              |
| Accounts receivable  | -          | 15,825       |
| Contributions receivable   | 1,950      | 109,165      |
| Prepaid expenses, deposits and other assets  | 21,849     | (2,117)      |
| Operating lease assets and liabilities   | 492        | -            |
| Accounts payable and accrued expenses  | (229,937)  | 3,290        |
| Accrued vacation   | 685        | (25,524)     |
| Deferred revenue   | 70,741     | 27,382       |
| Net cash provided (used) by operating activities   | 8,317      | (219,285)    |
| <b>Cash flows from investing activities:</b>   |            |              |
| Purchase of property and equipment   | (12,181)   | -            |
| Purchase of investments  | (11,595)   | (110,071)    |
| Proceeds from investments  | 249,754    | 61,803       |
| Net cash provided (used) by investing activities   | 225,978    | (48,268)     |
| Net change in cash and cash equivalents  | 234,295    | (267,553)    |
| Cash and cash equivalents, beginning of year   | 114,263    | 381,816      |
| Cash and cash equivalents, end of year   | \$ 348,558 | \$ 114,263   |
| Supplemental Disclosure:   |            |              |
| Stock donations  | \$ 25,369  | \$ 5,109     |

See Notes to the Financial Statements

**STANFORD JAZZ WORKSHOP**

**Statement of Functional Expenses  
For the Year Ended December 31, 2024  
(With Comparative Totals for the Year Ended December 31, 2023)**

|                              | Programs            |                   | Total<br>Program    | Management<br>and General | Fundraising       | Total               |                     |
|------------------------------|---------------------|-------------------|---------------------|---------------------------|-------------------|---------------------|---------------------|
|                              | Education           | Concerts          |                     |                           |                   | 2024                | 2023                |
| Salaries                     | \$ 461,986          | \$ 140,719        | \$ 602,705          | \$ 151,234                | \$ 88,843         | \$ 842,782          | \$ 890,938          |
| Retirement contributions     | 9,334               | 3,147             | 12,481              | 3,277                     | 2,162             | 17,920              | 20,210              |
| Other employee benefits      | 25,453              | 7,221             | 32,674              | 23,519                    | 6,624             | 62,817              | 33,918              |
| Payroll taxes                | 32,421              | 10,274            | 42,695              | 10,879                    | 6,473             | 60,047              | 67,377              |
| Total Personnel              | <u>529,194</u>      | <u>161,361</u>    | <u>690,555</u>      | <u>188,909</u>            | <u>104,102</u>    | <u>983,566</u>      | <u>1,012,443</u>    |
| Fee for service              | 482,853             | 237,395           | 720,248             | 70,260                    | 13,730            | 804,238             | 680,086             |
| Advertising and promotions   | 19,922              | 54,153            | 74,075              | 2                         | 261               | 74,338              | 45,699              |
| Supplies and office expenses | 67,254              | 39,804            | 107,058             | 1,772                     | 19,224            | 128,054             | 98,324              |
| Information technology       | 16,564              |                   | 16,564              | 6,046                     | -                 | 22,610              | 20,353              |
| Occupancy                    | 439,106             | 21,957            | 461,063             | 48,897                    | -                 | 509,960             | 450,762             |
| Travel                       | 25,364              | 9,468             | 34,832              | 1,086                     | 1,582             | 37,500              | 45,369              |
| Program meals                | 168,537             | 16,385            | 184,922             | 379                       | -                 | 185,301             | 154,474             |
| Depreciation                 |                     |                   | -                   | 6,071                     | -                 | 6,071               | 8,979               |
| Insurance                    | 5,856               |                   | 5,856               | 6,683                     | -                 | 12,539              | 11,860              |
| Dues and service fees        | 79,931              | 169               | 80,100              | 1,469                     | 713               | 82,282              | 73,799              |
| Total Expenses               | <u>\$ 1,834,581</u> | <u>\$ 540,692</u> | <u>\$ 2,375,273</u> | <u>\$ 331,574</u>         | <u>\$ 139,612</u> | <u>\$ 2,846,459</u> | <u>\$ 2,602,148</u> |

See Notes to the Financial Statements

## STANFORD JAZZ WORKSHOP

### Notes to the Financial Statements For the Year Ended December 31, 2024 (With Comparative Totals for the Year Ended December 31, 2023)

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#### NOTE 1: NATURE OF ACTIVITIES

Stanford Jazz Workshop (SJW / the Organization) is a California nonprofit public benefit corporation, which was incorporated on March 9, 1987, to produce music education programs and performances. Our mission is to educate, entertain, and inspire a community of artists, students, and audience members through the study, performance, and appreciation of jazz - an original American musical form. SJW's activities include presentation of jazz concerts and jazz education programs for students of all ages. We assemble a community of the best performers and teachers of jazz with students and listeners of all abilities and backgrounds.

SJW presents four weeks of immersive jazz education in the summer: Giant Steps Jazz Day Camp for students ages 11-14; two separate weeks of Jazz Camp for students ages 12-17; and Jazz Institute for adult students and advanced teens. Concurrently, SJW also presents the Stanford Jazz Festival, an annual summer series of over 30 jazz concerts. During the rest of the year, SJW offers seven after-school jazz ensemble programs for middle school and high school students. Nearly 1,000 students attend the education programs. Awards of financial aid help keep the programs accessible to all deserving students.

#### NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

##### **Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

##### **Net Assets**

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

*Net assets without donor restrictions* – are resources available to support operations. The only limits on the use of the net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

*Net assets with donor restrictions* – are resources that are restricted by a donor for use for a particular purpose or in a particular period. Some donor restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; The Organization must continue to use the resources in accordance with the donor's instructions.

The Organization's unspent contributions are included in this class if the donor limited their use, as are its donor-restricted endowment funds.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of building or equipment (or less commonly, the contribution of those net assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

## STANFORD JAZZ WORKSHOP

### Notes to the Financial Statements For the Year Ended December 31, 2024 (With Comparative Totals for the Year Ended December 31, 2023)

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#### Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless the contributed assets are specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due and therefore are reported as restricted until payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

#### Accounting for Revenue

The Organization recognizes revenue as performance obligations are satisfied.

Revenue is recognized over time for cost reimbursement contracts as eligible expenses are incurred if other conditions of the contract are satisfied. Revenue from agreements that include milestones and milestone payments are recognized over time as milestones are reached. Revenue from agreements based on hourly rates is recognized over time as time is expended if the Organization expects it will have an enforceable right to payment for such amounts. Revenue is recognized based on estimated progress towards complete satisfaction of the performance obligation if the Organization can reasonably measure such progress. If the Organization's efforts are expended evenly throughout the performance period, the Organization may recognize revenue on a straight-line basis over such a period.

Revenue is recognized at a point in time when goods or services are provided to customers and the Organization is not required to provide additional goods or services or if the above criteria are not met.

The Organization tracks contract assets representing earned amounts that are not yet receivable separately from accounts receivable, if any. As a practical expedient the Organization disregards the effects of potential financing components if the period between payment and performance is one year or less.

#### Tuition and Program Fees

The Organization recognizes tuition and program fee revenue in the period in which the service paid for is performed. Discounts to tuition as a result of financial aid are netted from gross tuition amounts.

#### Performance and Concert Income

The Organization recognizes concert income in the period in which the related concert activity occurs. Its current policy is to open registration for the annual festival in the same year as the related festival activity, and so it does not generally hold funds at fiscal year-end for future festivals.

#### Accounts Receivable

Accounts receivable are primarily unsecured non-interest bearing amounts due from customers on performance contracts. The Organization considers all accounts receivable to be fully collectible at December 31, 2024. Accordingly, no allowance for doubtful accounts was deemed necessary. The Organization uses historical loss information adjusted for management's expectations about current

## STANFORD JAZZ WORKSHOP

### Notes to the Financial Statements For the Year Ended December 31, 2024 (With Comparative Totals for the Year Ended December 31, 2023)

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economic conditions, and the aging of receivables relative to expected payment dates among other factors as the basis to determine expected credit losses. The Organization has adopted the practical expedient that assumes that current conditions as of the balance sheet date do not change for the remaining life of the asset. The Organization has made the accounting policy election to consider the subsequent collection of amounts prior to the date the financial statements were available to be issued in evaluating collectability. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

#### **Contributions Receivable**

Contributions receivable including pledges and grants receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable that are expected to be collected in less than one year are reported at net realizable value. Contributions receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows. The Organization has evaluated the value of the discount and concluded that it was not material for recognition. The Organization considers all contributions receivable to be fully collectible at December 31, 2024. Accordingly, no allowance for doubtful accounts was deemed necessary. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

#### **Government Support and Receivables**

A portion of the Organization's revenue is derived from cost-based agreements with governmental funders which are conditioned upon performance requirements and/or the incurrence of allowable qualifying expenses. The support from these agreements is classified as conditional and revenue and related receivables are recognized as the Organization incurs eligible expenditures. Funds received in advance of expenditure are reported as deferred revenue.

#### **Income Taxes**

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under IRC 501(c)(3) and California RTC 23701(d). The Organization has evaluated its current tax positions as of December 31, 2024 and is not aware of any significant uncertain tax positions for which a reserve would be necessary. The Organization's tax returns are generally subject to examination by federal and state taxing authorities for three and four years, respectively, after they are filed.

#### **Contributed Services**

Contributed services are reflected in the financial statements at the fair value of the services received only if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. There were no contributed services that met the criteria for recognition for the year ended December 31, 2024.

#### **Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts

## STANFORD JAZZ WORKSHOP

### Notes to the Financial Statements For the Year Ended December 31, 2024 (With Comparative Totals for the Year Ended December 31, 2023)

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of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

#### **Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all money market funds and other highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. Cash held for investment purposes is classified with investments. For statement of cash flow purposes, proceeds from investments reflect transfers from investment accounts to operating accounts, and additions to investment reflect transfers from operating accounts to investment accounts.

#### **Leases**

The Organization evaluates all contracts to determine if they contain a lease. For leases with terms greater than 12 months, the Organization records a right-of-use asset and lease obligation at the present value of lease payments over the term of the lease. The Organization expenses total lease costs on a straight-line basis over the related lease term. The Organization has elected to exclude leases that (a) have a lease term of 12 months or less and (b) do not contain a reasonably certain purchase option. The Organization has elected to combine non-lease components with related lease components unless non-lease components are billed separately. As the Organization's leases do not generally provide a readily determinable implicit interest rate, the Organization uses the risk-free rate commensurate with the respective terms of the leases to discount the lease payments.

#### **Property and Equipment**

Property and equipment purchased by the Organization is recorded at cost. The Organization capitalizes all expenditures for property and equipment over \$1,500; the fair value of donated fixed assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment or the related lease terms as follows:

|                         |           |
|-------------------------|-----------|
| Furniture and equipment | 3-5 years |
| Software                | 5 years   |

Expenditures for major renewals and betterments that extend the useful lives of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Management reviews long-lived assets for impairment when circumstances indicate the carrying amount of the asset may not be recoverable.

#### **Expense Recognition and Allocation**

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions using a reasonable allocation method that is consistently applied as follows:

Salaries and wages, benefits, and payroll taxes are allocated based on activity reports prepared by key personnel.

Occupancy, depreciation, and amortization, and interest are allocated proportionate to the level of support accorded to each program by these items.

## STANFORD JAZZ WORKSHOP

### Notes to the Financial Statements For the Year Ended December 31, 2024 (With Comparative Totals for the Year Ended December 31, 2023)

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Office expenses and supplies, insurance, and other expenses that cannot be directly identified are allocated on the basis of employee headcount for each program and supporting activity.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgments contain requests for contributions, joint costs have been allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred. All expenses and net losses are reported as decreases in net assets without donor restrictions.

#### **Recent Accounting Pronouncements**

In July 2025, the FASB issued ASU No. 2025-05 *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*, which provides for both a practical expedient in developing reasonable and supportable forecasts as part of estimating expected credit losses to assume that current conditions as of the balance sheet date do not change for the remaining life of the asset. In addition, an accounting policy election was introduced to allow organizations to treat accounts receivable collected prior to the date the financial statements were available to be issued as collectible. The adoption of this update did not have a material impact on the Organization's financial statements.

#### **Prior Year Summarized Information**

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

#### **Reclassifications**

Certain accounts in the prior year's summarized information have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

#### **Subsequent Events**

The Organization has evaluated subsequent events and has concluded that as of September 19, 2025, the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

**STANFORD JAZZ WORKSHOP**

**Notes to the Financial Statements  
For the Year Ended December 31, 2024  
(With Comparative Totals for the Year Ended December 31, 2023)**

**NOTE 3: INVESTMENTS**

Investments consist of the following at December 31:

|                                    | <u>2024</u>       | <u>2023</u>         |
|------------------------------------|-------------------|---------------------|
| Cash and money market funds        | \$ 8,339          | \$ 11,798           |
| Certificates of deposit            | -                 | 200,000             |
| Retirement fund – multi-asset fund | -                 | 242,365             |
| Bond funds                         | 336,866           | 659,336             |
| Equity funds                       | 854,877           | 404,517             |
| Real estate funds                  | <u>1,993</u>      | <u>38,377</u>       |
| Total                              | 1,202,075         | 1,556,393           |
| Less non-current portion           | <u>(234,620)</u>  | <u>(468,773)</u>    |
| Current portion                    | <u>\$ 967,455</u> | <u>\$ 1,087,620</u> |

The non-current portion of these investments consists of endowment assets (Note 11).

**Investment Activity**

Investment activity consisted of the following during the year ended December 31:

|                        | <u>2024</u>       | <u>2023</u>       |
|------------------------|-------------------|-------------------|
| Interest and dividends | \$ 49,879         | \$ 42,120         |
| Gains and losses       | <u>51,288</u>     | <u>75,778</u>     |
| Total                  | <u>\$ 101,167</u> | <u>\$ 117,898</u> |

**NOTE 4: FAIR VALUE MEASUREMENTS**

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair value of its assets and liabilities based on a fair value hierarchy that includes the following levels of inputs that may be used to measure fair value.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 - Inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the assets or liability.

Fair values of assets measured on a recurring basis are as follows as of December 31, 2024:

*Certificates of deposit* are contractual in nature and are valued at cost plus accrued interest rather than fair value.

*All other investments* were valued at fair value based on level 1 inputs as of December 31, 2024.

**STANFORD JAZZ WORKSHOP**

**Notes to the Financial Statements  
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**NOTE 5: OPERATING LEASE LIABILITY**

The Organization leases two office spaces under a non-cancelable lease in Oakland, California and Washington, DC with various expiration dates through June 2026. Minimum future payments due under this lease were as follows for the years ending December 31:

|                                       |                  |
|---------------------------------------|------------------|
| 2025                                  | \$ 33,458        |
| 2026                                  | 33,786           |
| 2027                                  | 2,816            |
| Less amounts representing interest    | <u>(3,187)</u>   |
| Total                                 | <u>\$ 66,873</u> |
| Weighted-average remaining lease term | 2.9 years        |
| Weighted-average discount rate        | 4.3%             |

**NOTE 6: PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at December 31:

|                               | <u>2024</u>      | <u>2023</u>      |
|-------------------------------|------------------|------------------|
| Furniture and equipment       | \$ 26,381        | \$ 42,883        |
| Software                      | 46,722           | 46,722           |
| Less accumulated depreciation | <u>(49,681)</u>  | <u>(72,293)</u>  |
| Total                         | <u>\$ 23,422</u> | <u>\$ 17,312</u> |

**NOTE 7: DEFERRED REVENUE**

Deferred revenue consisted of program fees totaling \$133,433 and \$62,692 as of December 31, 2024 and 2023, respectively.

**NOTE 8: CONTINGENCIES**

**Unemployment Claims**

The Organization reimburses the State of California for unemployment insurance claims as they are paid and does not participate in the California Unemployment Insurance Program. Management is unaware of any known or probable claims. Given the lack of claims history no reasonable estimate of contingent liability was possible. The Organization has board designated unrestricted net assets for the purpose of paying potential unemployment insurance claims.

**Compliance with Donor Restrictions**

Grant awards require the fulfillment of certain conditions as set forth in the grant instrument. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

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Notes to the Financial Statements  
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**NOTE 9: NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions were available as follows as of December 31:

|                      | <u>2024</u>       | <u>2023</u>       |
|----------------------|-------------------|-------------------|
| Purpose restrictions | \$ 246,610        | \$ 187,486        |
| Future use           | -                 | 226,408           |
| Endowment funds      | <u>234,620</u>    | <u>7,500</u>      |
| Total                | <u>\$ 481,230</u> | <u>\$ 421,394</u> |

**NOTE 10: BOARD DESIGNATED NET ASSETS**

As of December 31, 2024 and 2023, the Board of Directors designated \$64,000 for potential unemployment claims.

**NOTE 11: ENDOWMENT**

The Organization's endowment consists of three individual funds established by donors (referred to as *donor-restricted endowment funds*). Donor-restricted endowment funds are further divided into those that provide a perpetual source of support for the Organization's activities (referred to as *perpetual endowments*) and those that are restricted by donors to invest for a specified term (referred to as *term endowments*). As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**Interpretation of Relevant Law**

The Board of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowments funds, absent explicit donor stipulations to the contrary. Consequently, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument.

The remaining portion of the donor-restricted endowment fund not classified as permanently restricted is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization's Board. In accordance with UPMIFA, the Organization considers the following factors in making determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purpose of the Organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The investment policies of the Organization

## STANFORD JAZZ WORKSHOP

### Notes to the Financial Statements For the Year Ended December 31, 2024 (With Comparative Totals for the Year Ended December 31, 2023)

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#### Return Objectives and Risk Parameters

Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period as well as board-designated funds. The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by the endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a balanced portfolio comprised of cash, fixed income securities, and equities.

#### Strategies Employed for Achieving Objectives

To satisfy its long-term objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places more emphasis on fixed income securities than equity securities to achieve its long-term return objectives within prudent risk framework.

#### Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that current law requires the Organization to retain for a fund of perpetual duration in accordance with GAAP. Deficiencies of this nature are reported in unrestricted net assets. Subsequent gains that restore the fair value of the assets of the endowment fund to the required level are classified as an increase in unrestricted net assets. There were no deficiencies of this nature reported in unrestricted net assets as of December 31, 2024.

#### Spending Policy

The Organization has a policy of appropriating for distribution up to 5 percent of its endowment per annum. In establishing this policy, the Organization considered the long-term expected returns on its endowment investments. Accordingly, over the long term, the Organization expects the current spending policy will allow its endowment to retain the original fair value of the gift.

#### Composition and Activity

The composition and changes in endowment net assets with donor restriction as of December 31, 2024 are as follows:

|                        | Accumulated<br><u>Income</u> | Perpetual<br><u>Restriction</u> | <u>Total</u>      |
|------------------------|------------------------------|---------------------------------|-------------------|
| Beginning of year:     | \$ 86,408                    | \$ 140,000                      | \$ 226,408        |
| Investment activity    | 19,808                       | -                               | 19,808            |
| Appropriations for use | <u>(11,596)</u>              | <u>-</u>                        | <u>(11,596)</u>   |
| End of year            | <u>\$ 94,620</u>             | <u>\$ 140,000</u>               | <u>\$ 234,620</u> |

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**NOTE 12: TUITION AND PROGRAM FEES**

The Organization presents tuition and program fees net of financial aid and scholarships. Tuition and program fees consisted of the following during the years ending December 31:

|                                      | <u>2024</u>         | <u>2023</u>         |
|--------------------------------------|---------------------|---------------------|
| Tuition and program fees             | \$ 1,586,296        | \$ 1,458,674        |
| Less: Financial aid and scholarships | <u>(135,213)</u>    | <u>(101,870)</u>    |
| Total                                | <u>\$ 1,451,083</u> | <u>\$ 1,356,804</u> |

**NOTE 13: RETIREMENT PLANS**

**403(b) Plan**

Stanford Jazz Workshop has a defined contribution plan (the Plan) covering all regular full-time employees. Employees are eligible for the Plan immediately after hire and are eligible for employer contributions and matching contributions after six months employment. The Organization contributes 2% of each employee's salary after six months employment. In addition, the Organization matches up to 1% of employees' contributions provided that the employee's voluntary contributions equal or exceed 2% of the employee's total compensation. Total annual contributions by the Organization are limited to the amounts specified under Code 415(d) of the Internal Revenue Service (IRS) regulations for the limitation year. Contributions are administered by an investment company. Employees are 100% vested in all contributions for which they are eligible. Employer contributions totaled \$17,920 and \$20,210 for the years ended December 31, 2024 and 2023, respectively.

**NOTE 14: CONCENTRATIONS**

The Organization conducts a substantial amount of its program activity at Stanford University (the University). The Organization's program activities may be impacted in the event of an interruption in the availability of these facilities as a result of public health orders or other matters.

**NOTE 15: RELATED PARTY ACTIVITY**

The Organization pays Stanford University (the University) for liaison services provided by the Organization's Founder and Artistic Director as a member of the University's faculty to facilitate the Organization's programmatic work at the University. The total amount paid to the University under this arrangement totaled \$17,869 during the year ended December 31, 2024. Additionally, the Organization paid this individual \$52,451 directly for archival and other consulting services during the year ended December 31, 2024.

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**NOTE 16: LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2024 are:

|  |                     |
|--|---------------------|
| Cash and cash equivalents              | \$ 348,558          |
| Contributions receivable               | 50                  |
| Investments                            | 1,202,075           |
| Less: Purpose-restricted net assets    | (246,610)           |
| Less: Donor-restricted endowment funds | <u>(234,620)</u>    |
| Total                                  | <u>\$ 1,069,453</u> |

The above reflects donor-restricted endowment funds as unavailable because it is the Organization's intention to invest those resources for the long-term support of the Organization. Note 11 provides more information about those funds and about the spending policies for all endowment funds. As part of the Organization's liquidity management plan, the Organization invests cash in excess of daily requirements in cash equivalents and short-term investments.