

**CHARLOTTE SYMPHONY ORCHESTRA
SOCIETY, INCORPORATED**

SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS FOR THE
SHUTTERED VENUE OPERATORS GRANT

Year Ended June 30, 2022

And Report of Independent Auditor

CHARLOTTE SYMPHONY ORCHESTRA SOCIETY, INCORPORATED
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Report of Independent Auditor

To the Board of Directors
Charlotte Symphony Orchestra Society, Incorporated
Charlotte, North Carolina

Report on the Audit of the Schedule of Expenditures of Federal Awards for the Shuttered Venue Operators Grant

Opinion

We have audited the Schedule of Expenditures of Federal Awards for the Shuttered Venue Operators Grant (the “Program”) of Charlotte Symphony Orchestra Society, Incorporated (the “Society”) for the year ended June 30, 2022, and the related notes (the “Schedule”).

In our opinion, the accompanying Schedule presents fairly, in all material respects, the expenditures of federal awards for the Program of the Society for the year ended June 30, 2022, 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor’s Responsibilities for the Audit of the Schedule* section of our report. We are required to be independent of the Society and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Schedule

Management is responsible for the preparation and fair presentation of the Schedule 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 the Schedule that is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the Schedule as a whole is 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, *Government Auditing Standards*, and the Uniform Guidance 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 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 Schedule.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedule, 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 Schedule.
- 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 Society'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 Schedule.

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.

Cherry Bekaert LLP

Charlotte, North Carolina
December 12, 2022

CHARLOTTE SYMPHONY ORCHESTRA SOCIETY, INCORPORATED
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE
SHUTTERED VENUE OPERATORS GRANT

YEAR ENDED JUNE 30, 2022

<u>Federal Grantor</u>	<u>Federal Assistance Listing Number</u>	<u>Grant Number</u>	<u>Federal Expenditures</u>
U.S. Small Business Administration			
<i>Direct Programs:</i>			
* Shuttered Venue Operators Grant	59.075	SBAHQ21SV002925	\$ 1,498,678
Total U.S. Small Business Administration		SBAHQ21SV002925.2	<u>1,498,678</u>
Total Federal Expenditures			<u>\$ 1,498,678</u>

(*) Major Program

The accompanying notes to the schedule of expenditures of federal awards for the Shuttered Venue Operators Grant are an integral part of this schedule.

CHARLOTTE SYMPHONY ORCHESTRA SOCIETY, INCORPORATED
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE
SHUTTERED VENUE OPERATORS GRANT

YEAR ENDED JUNE 30, 2022

Note 1—Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards for the Shuttered Venue Operators Grant (the "Schedule") includes the federal grant activity of Charlotte Symphony Orchestra Society, Incorporated (the "Society") and is presented on the accrual basis of accounting. The determination of when an award is expended is based on when the activity related to the federal award occurs. The Society has not elected to use the 10% de minimis indirect cost rate. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Note 2—Subsequent events

The Society has evaluated subsequent events through December 12, 2022, in connection with the preparation of this Schedule, which is the date the Schedule was available to be issued.

Report of Independent Auditor on Compliance for a Federal Program and Report on Internal Control over Compliance

To the Board of Directors
Charlotte Symphony Orchestra Society, Incorporated
Charlotte, North Carolina

Report on Compliance for the Shuttered Venue Operators Grant

Opinion

We have audited Charlotte Symphony Orchestra Society, Incorporated's (the "Society") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on its Shuttered Venue Operators Grant Program (the "Program") for the year ended June 30, 2022.

In our opinion, the Society complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its Program for the year ended June 30, 2022.

Basis for Opinion on the Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Society and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the Program. Our audit does not provide a legal determination of the Society's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Society's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Society's compliance with the requirements of the federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Society's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Society's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Charlotte, North Carolina
December 12, 2022

CHARLOTTE SYMPHONY ORCHESTRA SOCIETY, INCORPORATED
SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE
SHUTTERED VENUE OPERATORS GRANT

YEAR ENDED JUNE 30, 2022

Section I – Summary of Auditor’s Report

Financial Statement Section – Schedule of Expenditures of Federal Awards for the Shuttered Venue Operators Grant:

Type of auditor's report issued:	Unmodified		
<hr/>			
Internal control over financial reporting:			
Material weakness(es) identified?	_____ yes	_____ x _____ no	
Significant deficiency(ies) identified?	_____ yes	_____ x _____ none reported	
Noncompliance material to the financial statement noted	_____ yes	_____ x _____ no	

Federal Awards Section:

Internal control over major federal programs:			
Material weakness(es) identified?	_____ yes	_____ x _____ no	
Significant deficiency(ies) identified?	_____ yes	_____ x _____ none reported	
Type of auditor's report on compliance for major federal programs:	Unmodified		
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Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)	_____ yes	_____ x _____ no	

Identification of major federal program:

Assistance Listing Number	Name of Federal Program
59.075	Shuttered Venue Operators Grant

Dollar threshold used to determine grant subject to program-specific audit: \$750,000

Section II – Schedule of Expenditures of Federal Awards for the Shuttered Venue Operators Grant Findings and Federal Award Findings and Questioned Costs

None reported.