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**Return of Organization Exempt From Income Tax**

**2009**

Department of the Treasury  
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code  
(except black lung benefit trust or private foundation)

The organization may have to use a copy of this return to satisfy state reporting requirements

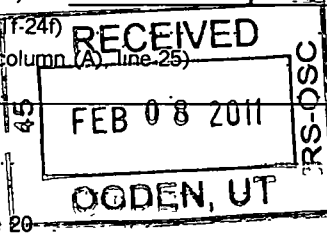
**Open to Public Inspection**

For the **2009** calendar year, or tax year beginning **Jul 1**, 2009, and ending **Jun 30**, 2010

<b>B</b> Check if applicable	<b>C</b> Name of organization	<b>D</b> Employer Identification Number
<input type="checkbox"/> Address change	<b>Erie Philharmonic, Inc.</b>	<b>25-6065898</b>
<input type="checkbox"/> Name change	Number and street (or P O box if mail is not delivered to street addr) Room/suite	<b>E</b> Telephone number
<input type="checkbox"/> Initial return	<b>609 Walnut Street</b>	<b>(814) 455-1375</b>
<input type="checkbox"/> Termination	City, town or country State ZIP code + 4	<b>G</b> Gross receipts \$ <b>1,174,895.</b>
<input type="checkbox"/> Amended return	<b>Erie PA 16502</b>	
<input type="checkbox"/> Application pending	<b>F</b> Name and address of principal officer	<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	<b>Eric Borenstein 609 Walnut Street Erie PA 16502</b>	<b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No
		If 'No,' attach a list (see instructions)
<b>I</b> Tax-exempt status <input checked="" type="checkbox"/> 501(c) ( <b>3</b> ) (insert no)	<input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	<b>H(c)</b> Group exemption number ▶
<b>J</b> Website: ▶ <b>www.eriephil.org</b>		
<b>K</b> Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶	<b>L</b> Year of Formation <b>1913</b>	<b>M</b> State of legal domicile <b>PA</b>

**Part I Summary**

<b>1</b>	Briefly describe the organization's mission or most significant activities <u>The presentation of musical performances and cultural activities contributing to the cultural development and entertainment of the residents of Northwestern Pennsylvania.</u>		
<b>2</b>	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets		
<b>3</b>	Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	<b>15</b>
<b>4</b>	Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	<b>14</b>
<b>5</b>	Total number of employees (Part V, line 2a)	<b>5</b>	<b>12</b>
<b>6</b>	Total number of volunteers (estimate if necessary)	<b>6</b>	<b>230</b>
<b>7a</b>	Total gross unrelated business revenue from Part VIII, I column (C), line 12	<b>7a</b>	<b>0.</b>
<b>b</b>	Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	
<b>8</b>	Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b>	<b>Current Year</b>
<b>9</b>	Program service revenue (Part VIII, line 2g)	<b>522,890.</b>	<b>516,887.</b>
<b>10</b>	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<b>567,690.</b>	<b>541,312.</b>
<b>11</b>	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<b>-13,775.</b>	<b>7,473.</b>
<b>12</b>	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<b>78,383.</b>	<b>84,729.</b>
<b>13</b>	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	<b>1,155,188.</b>	<b>1,150,401.</b>
<b>14</b>	Benefits paid to or for members (Part IX, column (A), line 4)		
<b>15</b>	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	<b>704,398.</b>	<b>652,489.</b>
<b>16a</b>	Professional fundraising fees (Part IX, column (A), line 11e)		
<b>b</b>	Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>152,221.</b>		
<b>17</b>	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	<b>501,049.</b>	<b>435,339.</b>
<b>18</b>	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	<b>1,205,447.</b>	<b>1,087,828.</b>
<b>19</b>	Revenue less expenses. Subtract line 18 from line 12	<b>-50,259.</b>	<b>62,573.</b>
<b>20</b>	Total assets (Part X, line 16)	<b>Beginning of Year</b>	<b>End of Year</b>
<b>21</b>	Total liabilities (Part X, line 26)	<b>1,036,890.</b>	<b>1,103,546.</b>
<b>22</b>	Net assets or fund balances Subtract line 21 from line 20	<b>511,682.</b>	<b>444,753.</b>
		<b>525,208.</b>	<b>658,793.</b>



**Part II Signature Block**

Under penalty of perjury I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**

Signature of officer: *[Signature]* Date: **2/3/11**

Type or print name and title: **Andrew J. Szychulski** Executive Director

Preparer's signature: *[Signature]* Date: **01/18/11**

Firm's name (or yours if self-employed), address, and ZIP + 4: **Coleman & Co., P.C.**  
**1805 W 38th Street**  
**Erie PA 16508-2168**

Check if self-employed  Preparer's identifying number (see instructions)

EIN ▶ Phone no. ▶ **(814) 866-3000**

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

BAA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

SCANNED FEB 28 2011

617 a

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission

The mission of the Erie Philharmonic is to strengthen our community and region by providing high quality live orchestra concerts and programs that enrich, entertain, and educate people of all ages.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

Yes No

If 'Yes,' describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

Yes No

If 'Yes,' describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code: ) (Expenses \$ 504,900. including grants of \$ 0.) (Revenue \$ 440,887.)

Concerts - We present a diverse array of pops & symphonic concerts allowing our community to experience high quality musicians and world class guest artists.

4b (Code: ) (Expenses \$ 159,697. including grants of \$ 0.) (Revenue \$ 65,975.)

Community outreach - Through our regional outreach concerts we bring the orchestra to local communities.

4c (Code: ) (Expenses \$ 65,112. including grants of \$ 0.) (Revenue \$ 34,450.)

Education - We offer affordable opportunities for children across the region to attend and experience live orchestra music.

4d Other program services (Describe in Schedule O )

(Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses 729,709.

**Part IV Checklist of Required Schedules**

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If 'Yes,' complete Schedule A . . . . .	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If 'Yes,' complete Schedule C, Part I . . . . .		X
4	<b>Section 501(c)(3) organizations</b> Did the organization engage in lobbying activities? If 'Yes,' complete Schedule C, Part II . . . . .		X
5	<b>Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.</b> Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If 'Yes,' complete Schedule C, Part III . . . . .		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If 'Yes,' complete Schedule D, Part I . . . . .		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' complete Schedule D, Part II . . . . .		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If 'Yes,' complete Schedule D, Part III . . . . .		X
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If 'Yes,' complete Schedule D, Part IV . . . . .		X
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If 'Yes,' complete Schedule D, Part V . . . . .	X	
11	Is the organization's answer to any of the following questions 'Yes'? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable . . . . .	X	
	• Did the organization report an amount for land, buildings and equipment in Part X, line 10? If 'Yes,' complete Schedule D, Part VI . . . . .		
	• Did the organization report an amount for investments— other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part VII . . . . .		
	• Did the organization report an amount for investments— program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part VIII . . . . .		
	• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part IX . . . . .		
	• Did the organization report an amount for other liabilities in Part X, line 25? If 'Yes,' complete Schedule D, Part X . . . . .		
	• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? If 'Yes,' complete Schedule D, Part X . . . . .		
12	Did the organization obtain separate, independent audited financial statement for the tax year? If 'Yes,' complete Schedule D, Parts XI, XII, and XIII . . . . .	X	
12A	Was the organization included in consolidated, independent audited financial statement for the tax year? If 'Yes,' completing Schedule D, Parts XI, XII, and XIII is optional . . . . .	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If 'Yes,' complete Schedule E . . . . .		X
14a	Did the organization maintain an office, employees, or agents outside of the United States? . . . . .		X
14b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If 'Yes,' complete Schedule F, Part I . . . . .		X
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If 'Yes,' complete Schedule F, Part II . . . . .		X
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If 'Yes,' complete Schedule F, Part III . . . . .		X
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If 'Yes,' complete Schedule G, Part I . . . . .		X
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If 'Yes,' complete Schedule G, Part II . . . . .	X	
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If 'Yes,' complete Schedule G, Part III . . . . .		X
20	Did the organization operate one or more hospitals? If 'Yes,' complete Schedule H . . . . .		X

**Part IV Checklist of Required Schedules (continued)**

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If 'Yes,' complete Schedule I, Parts I and II</i>		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If 'Yes,' complete Schedule I, Parts I and III</i>		X
23 Did the organization answer 'Yes' to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If 'Yes,' complete Schedule J</i>		X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, and that was issued after December 31, 2002? <i>If 'Yes,' answer lines 24b through 24d and complete Schedule K. If 'No,' go to line 25</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year?		
25a <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If 'Yes,' complete Schedule L, Part I</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If 'Yes,' complete Schedule L, Part I</i>		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If 'Yes,' complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If 'Yes,' complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions).		
a A current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV</i>		X
c An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? <i>If 'Yes,' complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If 'Yes,' complete Schedule M</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If 'Yes,' complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If 'Yes,' complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If 'Yes,' complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If 'Yes,' complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If 'Yes,' complete Schedule R, Parts II, III, IV, and V, line 1</i>		X
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If 'Yes,' complete Schedule R, Part V, line 2</i>		X
36 <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If 'Yes,' complete Schedule R, Part V, line 2</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If 'Yes,' complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O	X	

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Form 990 (2009)

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

		Yes	No
<b>1 a</b>	Enter the number reported in Box 3 of form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable. <span style="float:right">23</span>		
<b>1 b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable. <span style="float:right">0</span>		
<b>1 c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		
<b>2 a</b>	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return. <span style="float:right">175</span>		
<b>2 b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <i>Note.</i> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)	X	
<b>3 a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
<b>3 b</b>	If 'Yes' has it filed a Form 990-T for this year? If 'No,' provide an explanation in Schedule O		
<b>4 a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
<b>4 b</b>	If 'Yes,' enter the name of the foreign country: See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
<b>5 a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
<b>5 b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
<b>5 c</b>	If 'Yes,' to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
<b>6 a</b>	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		X
<b>6 b</b>	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not deductible?		
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>7 a</b>	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
<b>7 b</b>	If 'Yes,' did the organization notify the donor of the value of the goods or services provided?		
<b>7 c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
<b>7 d</b>	If 'Yes,' indicate the number of Forms 8282 filed during the year		
<b>7 e</b>	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
<b>7 f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
<b>7 g</b>	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		
<b>7 h</b>	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>		
<b>9 a</b>	Did the organization make any taxable distributions under section 4966?		
<b>9 b</b>	Did the organization make any distribution to a donor, donor advisor, or related person?		
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter:		
<b>10 a</b>	Initiation fees and capital contributions included on Part VIII, line 12		
<b>10 b</b>	Gross Receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter:		
<b>11 a</b>	Gross income from other members or shareholders		
<b>11 b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
<b>12 a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?		
<b>12 b</b>	If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year		

**Part VII Governance, Management and Disclosure** For each 'Yes' response to lines 2 through 7b below, and for a 'No' response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

**Section A. Governing Body and Management**

	Yes	No
<b>1 a</b> Enter the number of voting members of the governing body		
<b>b</b> Enter the number of voting members that are independent		
<b>2</b> Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee or key employee?	X	
<b>3</b> Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
<b>4</b> Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
<b>5</b> Did the organization become aware during the year of a material diversion of the organization's assets?		X
<b>6</b> Does the organization have members or stockholders?		X
<b>7 a</b> Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		X
<b>b</b> Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>a</b> The governing body?	X	
<b>b</b> Each committee with authority to act on behalf of the governing body?	X	
<b>9</b> Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If 'Yes,' provide the names and addresses in Schedule O.		

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
<b>10 a</b> Does the organization have local chapters, branches, or affiliates?		X
<b>b</b> If 'Yes,' does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
<b>11</b> Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	X	
<b>11 A</b> Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
<b>12 a</b> Does the organization have a written conflict of interest policy? If 'No,' go to line 13	X	
<b>b</b> Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
<b>c</b> Does the organization regularly and consistently monitor and enforce compliance with the policy? If 'Yes,' describe in Schedule O how this is done		X
<b>13</b> Does the organization have a written whistleblower policy?		X
<b>14</b> Does the organization have a written document retention and destruction policy?	X	
<b>15</b> Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>a</b> The organization's CEO, Executive Director, or top management official	X	
<b>b</b> Other officers of key employees of the organization	X	
If 'Yes' to line 15a or 15b, describe the process in Schedule O. (See instructions.)		
<b>16 a</b> Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
<b>b</b> If 'Yes,' has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

**Section C. Disclosures**

- 17** List the states with which a copy of this Form 990 is required to be filed ▶
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.  
 Own website     Another's website     Upon request
- 19** Describe in Schedule O whether (and if so, how) the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization:  
 ▶ Executive Director    609 Walnut Street    Erie    PA    16502





**Part VIII Statement of Revenue**

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
<b>CONTRIBUTIONS, GIFTS, GRANTS AND OTHER SIMILAR AMOUNTS</b>	<b>1 a</b> Federated campaigns	<b>1 a</b>				
	<b>b</b> Membership dues	<b>1 b</b>				
	<b>c</b> Fundraising events	<b>1 c</b>				
	<b>d</b> Related organizations	<b>1 d</b>				
	<b>e</b> Government grants (contributions)	<b>1 e</b> 43,641.				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1 f</b> 473,246.				
	<b>g</b> Noncash contribs included in lns 1a-1f	\$				
	<b>h Total.</b> Add lines 1a-1f		516,887.			
<b>PROGRAM SERVICE REVENUE</b>		<b>Business Code</b>				
	<b>2 a</b> Admissions	711190	418,211.	418,211.	0.	0.
	<b>b</b> Sponsors	711190	106,000.	106,000.	0.	0.
	<b>c</b> Program Advertising	711190	17,101.	17,101.	0.	0.
	<b>d</b>					
	<b>e</b>					
	<b>f</b> All other program service revenue					
<b>g Total.</b> Add lines 2a-2f		541,312.				
<b>OTHER REVENUE</b>	<b>3</b> Investment income (including dividends, interest and other similar amounts)		22,596.	0.	0.	22,596.
	<b>4</b> Income from investment of tax-exempt bond proceeds					
	<b>5</b> Royalties					
	<b>6 a</b> Gross Rents	(i) Real				
		(ii) Personal				
		<b>b</b> Less: rental expenses				
		<b>c</b> Rental income or (loss)				
	<b>d</b> Net rental income or (loss)					
	<b>7 a</b> Gross amount from sales of assets other than inventory	(i) Securities				
		(ii) Other	364,637.			
		<b>b</b> Less: cost or other basis and sales expenses	379,760.			
		<b>c</b> Gain or (loss)	-15,123.			
	<b>d</b> Net gain or (loss)		-15,123.	0.	0.	-15,123.
	<b>8 a</b> Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18	<b>a</b> 74,786.				
		<b>b</b> Less: direct expenses	<b>b</b> 24,494.			
		<b>c</b> Net income or (loss) from fundraising events		50,292.	50,292.	0.
	<b>9 a</b> Gross income from gaming activities. See Part IV, line 19	<b>a</b>				
<b>b</b> Less: direct expenses		<b>b</b>				
<b>c</b> Net income or (loss) from gaming activities						
<b>10 a</b> Gross sales of inventory, less returns and allowances	<b>a</b>					
	<b>b</b> Less: cost of goods sold	<b>b</b>				
	<b>c</b> Net income or (loss) from sales of inventory					
Miscellaneous Revenue		<b>Business Code</b>				
<b>11 a</b> Chorus	711190	6,900.	6,900.	0.	0.	
<b>b</b> Miscellaneous	900099	27,537.	27,537.	0.	0.	
<b>c</b>						
<b>d</b> All other revenue						
<b>e Total.</b> Add lines 11a-11d		34,437.				
<b>12 Total revenue.</b> See instructions		1,150,401.	626,041.	0.	7,473.	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	82,123.	8,212.	49,274.	24,637.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1) and persons described in section 4958(c)(3)(B))	518,202.	358,655.	49,110.	110,437.
7 Other salaries and wages				
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes	52,164.	31,315.	9,543.	11,306.
11 Fees for services (non-employees)				
a Management				
b Legal				
c Accounting	21,343.	0.	21,343.	0.
d Lobbying				
e Prof fundraising svcs. See Part IV, In 17				
f Investment management fees	5,343.	0.	5,343.	0.
g Other	36,028.	36,028.	0.	0.
12 Advertising and promotion	41,579.	41,388.	0.	191.
13 Office expenses	3,697.	0.	3,697.	0.
14 Information technology				
15 Royalties				
16 Occupancy	5,500.	0.	5,500.	0.
17 Travel	57,572.	57,555.	17.	0.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	8,320.	0.	8,320.	0.
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	10,349.	10,349.	0.	0.
23 Insurance	9,463.	4,258.	5,205.	0.
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a <u>Equipment Rentals</u>	92,421.	87,433.	4,988.	0.
b <u>Jr. Phil</u>	41,366.	41,366.	0.	0.
c <u>Stage Hands</u>	18,641.	18,641.	0.	0.
d <u>Education</u>	3,983.	3,983.	0.	0.
e <u>Miscellaneous</u>	41,702.	16,479.	22,624.	2,599.
f All other expenses	38,032.	14,047.	20,934.	3,051.
25 Total functional expenses. Add lines 1 through 24f	1,087,828.	729,709.	205,898.	152,221.
26 Joint costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year	
<b>ASSETS</b>	1	Cash – non-interest-bearing	58,945.	1	64,692.
	2	Savings and temporary cash investments		2	
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	33,964.	4	18,251.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges	7,366.	9	12,784.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	266,538.		
	b	Less: accumulated depreciation.	220,391.	10c	46,147.
	11	Investments – publicly-traded securities		11	
	12	Investments – other securities. See Part IV, line 11	883,516.	12	961,672.
	13	Investments – program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11		15	
16	<b>Total assets</b> Add lines 1 through 15 (must equal line 34)	1,036,890.	16	1,103,546.	
<b>LIABILITIES</b>	17	Accounts payable and accrued expenses	86,745.	17	15,335.
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties	220,477.	23	184,390.
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities. Complete Part X of Schedule D	204,460.	25	245,028.
	26	<b>Total liabilities.</b> Add lines 17 through 25	511,682.	26	444,753.
<b>NET ASSETS OR FUND BALANCES</b>	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29 and lines 33 and 34.				
	27	Unrestricted net assets	-379,530.	27	-320,994.
	28	Temporarily restricted net assets	290,695.	28	314,322.
	29	Permanently restricted net assets	614,043.	29	665,465.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, and equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	<b>Total net assets or fund balances.</b>	525,208.	33	658,793.
34	<b>Total liabilities and net assets/fund balances</b>	1,036,890.	34	1,103,546.	

BAA

**Part X** Financial Statements and Reporting

1 Accounting method used to prepare the Form 990:  Cash  Accrual  Other

If the organization changed its method of accounting from a prior year or checked 'Other,' explain in Schedule O.

2a Were the organization's financial statements compiled or reviewed by an independent accountant?

b Were the organization's financial statements audited by an independent accountant?

c If 'Yes' to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?

If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.

d If 'Yes' to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both:

Separate basis  Consolidated basis  Both consolidated and separate basis

3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?

b If 'Yes,' did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

BAA

Form 990 (2009)

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

**Public Charity Status and Public Support**

OMB No 1545-0047

**2009**

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Name of the organization <b>Erie Philharmonic, Inc.</b>	Employer identification number <b>25-6065898</b>
--	---

**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions

- The organization is not a private foundation because it is. (For lines 1 through 11, check only one box.)
- 1  A church, convention of churches or association of churches described in **section 170(b)(1)(A)(i).**
  - 2  A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)
  - 3  A hospital or cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
  - 4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)** Enter the hospital's name, city, and state: \_\_\_\_\_
  - 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
  - 6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
  - 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
  - 8  A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
  - 9  An organization that normally receives: (1) more than 33-1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions – subject to certain exceptions, and (2) no more than 33-1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III.)
  - 10  An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
  - 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.
    - a  Type I
    - b  Type II
    - c  Type III – Functionally integrated
    - d  Type III – Other
- e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that is a Type I, Type II or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
11 g (i)		
11 g (ii)		
11 g (iii)		

h Provide the following information about the supported organizations.

(i) Name of Supported Organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of Support
			Yes	No	Yes	No	Yes	No	
<b>Total</b>									

**Part III Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
<b>1</b> Gifts, grants, contributions and membership fees received. (Do not include 'unusual grants'.)	460,883.	514,315.	460,245.	522,890.	516,887.	2,475,220.
<b>2</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf						
<b>3</b> The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge						
<b>4 Total.</b> Add lines 1-through 3	460,883.	514,315.	460,245.	522,890.	516,887.	2,475,220.
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						91,424.
<b>6 Public support.</b> Subtract line 5 from line 4						2,383,796.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
<b>7</b> Amounts from line 4	460,883.	514,315.	460,245.	522,890.	516,887.	2,475,220.
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	18,305.	21,279.	23,138.	28,856.	22,596.	114,174.
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>11 Total support.</b> Add lines 7 through 10						2,589,394.
<b>12</b> Gross receipts from related activities, etc. (see instructions)					12	1,782,308.
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶ <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	14	92.06%
<b>15</b> Public support percentage from 2008 Schedule A, Part II, line 14	15	91.89%
<b>16a 33-1/3 support test – 2009.</b> If the organization did not check the box on line 13, and the line 14 is 33-1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization. ▶ <input checked="" type="checkbox"/>		
<b>b 33-1/3 support test – 2008.</b> If the organization did not check a box on line 13, or 16a, and line 15 is 33-1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization. ▶ <input type="checkbox"/>		
<b>17a 10%-facts-and-circumstances test – 2009.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization. ▶ <input type="checkbox"/>		
<b>b 10%-facts-and-circumstances test – 2008.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization. ▶ <input type="checkbox"/>		
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ <input type="checkbox"/>		

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I.)

**Section A. Public Support**

Calendar year (or fiscal yr beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
<b>1</b> Gifts, grants, contributions and membership fees received. (Do not include 'unusual grants'.)						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in a activity that is related to the organization's tax-exempt purpose						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, 3 received from disqualified persons						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the amount on line 13 for the year						
<b>c</b> Add lines 7a and 7b						
<b>8 Public support</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal yr beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>13 Total support.</b> (add lns 9, 10c, 11, and 12.)						

**14 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	<b>15</b>	%
<b>16</b> Public support percentage from 2008 Schedule A, Part III, line 15	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f))	<b>17</b>	%
<b>18</b> Investment income percentage from 2008 Schedule A, Part III, line 17	<b>18</b>	%

**19a 33-1/3 support tests – 2009.** If the organization did not check the box on line 14, and line 15 is more than 33-1/3%, and line 17 is not more than 33-1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

**b 33-1/3 support tests – 2008.** If the organization did not check a box on line 14 or 19a, and line 16 is more than 33-1/3%, and line 18 is not more than 33-1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions



SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

Complete if the organization answered 'Yes,' to Form 990, Part IV, lines 6, 7, 8, 9, 10, 11, or 12. Attach to Form 990. See separate instructions

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization

Employer identification number

Erie Philharmonic, Inc.

25-6065898

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts Complete if the organization answered 'Yes' to Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows 1-4: Total number at end of year, Aggregate contributions to (during year), Aggregate grants from (during year), Aggregate value at end of year.

- 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or for any other purpose conferring impermissible private benefit?

Part II Conservation Easements Complete if the organization answered 'Yes' to Form 990, Part IV, line 7.

- 1 Purpose(s) of conservation easements held by the organization (check all that apply).
2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

Table with 2 columns: Held at the End of the Year. Rows 2a-2d: Total number of conservation easements, Total acreage restricted by conservation easements, Number of conservation easements on a certified historic structure included in (a), Number of conservation easements included in (c) acquired after 8/17/06.

- 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year
4 Number of states where property subject to conservation easement is located
5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easement it holds?
6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year
7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year
8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?
9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets Complete if the organization answered 'Yes' to Form 990, Part IV, line 8.

- 1 a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.
b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:
2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)**

3 Using the organization's acquisition accession and other records, check any of the following that are a significant use of its collection items (check all that apply).

- a  Public exhibition
- b  Scholarly research
- c  Preservation for future generations
- d  Loan or exchange programs
- e  Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements** Complete if organization answered 'Yes' to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian, or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No

b If 'Yes,' explain the arrangement in Part XIV and complete the following table:

	Amount
1c Beginning balance	
1d Additions during the year	
1e Distributions during the year	
1f Ending balance	

2a Did the organization include an amount on Form 990, Part X, line 21?  Yes  No

b If 'Yes,' explain the arrangement in Part XIV.

**Part V Endowment Funds** Complete if organization answered 'Yes' to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	883,516.	1,102,209.			
b Contributions	29,157.	28,850.			
c Net Investment earnings, gains, and losses	112,891.	-188,037.			
d Grants or scholarships					
e Other expenditures for facilities and programs	63,892.	59,506.			
f Administrative expenses					
g End of year balance	961,672.	883,516.			

2 Provide the estimated percentage of the year end balance held as

- a Board designated or quasi-endowment ▶ 31.00 %
- b Permanent endowment ▶ 69.00 %
- c Term endowment ▶ \_\_\_\_\_ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations
- (ii) related organizations

	Yes	No
3a(i)	X	
3a(ii)		X
3b		

b If 'Yes' to 3a(i), are the related organizations listed as required on Schedule R? \_\_\_\_\_

4 Describe in Part XIV the intended uses of the organization's endowment funds

**Part VI Investments—Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated Depreciation	(d) Book Value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment		266,538.	220,391.	46,147.
e Other				
<b>Total.</b> Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c))				46,147.

BAA

**Part VII Investments—Other Securities** See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives		
Closely-held equity interests		
Other		
<u>Equity Funds - Exchange Traded</u>	107,864.	FMV
<u>Equity Mutual Funds</u>	461,063.	FMV
<u>Fixed Income Mutual Funds</u>	371,824.	FMV
<u>Alternative Investments Mutual Funds</u>	12,280.	FMV
<u>Money Market Funds</u>	8,641.	FMV
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<b>Total.</b> (Column (b) must equal Form 990 Part X, col. (B) line 12.) ▶	961,672.	

**Part VIII Investments—Program Related** (See Form 990, Part X, line 13)

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
<b>Total.</b> (Column (b) must equal Form 990, Part X, Col. (B) line 13.) ▶		

**Part IX Other Assets** (See Form 990, Part X, line 15)

(a) Description	(b) Book value
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B), line 15) ▶	

**Part X Other Liabilities** (See Form 990, Part X, line 25)

(a) Description of Liability	(b) Amount
Federal Income Taxes	
Deferred Concert Revenue	245,028.
Refundable Advances	0.
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	245,028.

2. FIN 48 Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48

**Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements**

1	Total revenue (Form 990, Part VIII, column (A), line 12)		1,150,401.
2	Total expenses (Form 990, Part IX, column (A), line 25)		1,087,828.
3	Excess or (deficit) for the year Subtract line 2 from line 1		62,573.
4	Net unrealized gains (losses) on investments		96,012.
5	Donated services and use of facilities		
6	Investment expenses		
7	Prior period adjustments		-25,000.
8	Other (Describe in Part XIV)		
9	Total adjustments (net) Add lines 4 through 8		71,012.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9		133,585.

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

1	Total revenue, gains, and other support per audited financial statements		1	1,349,380.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
a	Net unrealized gains on investments	2a	96,012.	
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIV)	2d		
e	Add lines 2a through 2d		2e	96,012.
3	Subtract line 2e from line 1		3	1,253,368.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
a	Investments expenses not included on Form 990, Part VIII, line 7b	4a	5,343.	
b	Other (Describe in Part XIV)	4b	-105,385.	
c	Add lines 4a and 4b		4c	-100,042.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)		5	1,153,326.

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

1	Total expenses and losses per audited financial statements		1	1,187,870.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
a	Donated services and use of facilities	2a		
b	Prior year adjustments	2b		
c	Other losses	2c		
d	Other (Describe in Part XIV)	2d	105,385.	
e	Add lines 2a through 2d		2e	105,385.
3	Subtract line 2e from line 1		3	1,082,485.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
a	Investments expenses not included on Form 990, Part VIII, line 7b	4a	5,343.	
b	Other (Describe in Part XIV)	4b		
c	Add lines 4a and 4b		4c	5,343.
5	Total expenses Add lines 3 and 4c (This must equal Form 990, Part I, line 18.)		5	1,087,828.

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Pt XII Line 4b Special Events income of \$24,494 and Trade Agreements  
 revenue of \$80,891.

Pt XIII Line 2d Special Events expenses of \$24,494 and Trade Agreements  
 expense of \$80,891.

**Part XIV** Supplemental Information *(continued)*



**Part III Fundraising Events.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

REVENUE	(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events	
	Annual Ball/Gala (event type)	Spring Event (event type)	1 (total number)	(Add col (a) through col (c))	
1 Gross receipts	25,727.	36,352.	12,707.	74,786.	
2 Less: Charitable contributions					
3 Gross income (line 1 minus line 2)	25,727.	36,352.	12,707.	74,786.	
DIRECT EXPENSES	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs				
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses	7,982.	13,056.	3,456.	24,494.
	10 Direct expense summary. Add lines 4- through 9 in column (d)				24,494.
11 Net income summary. Combine lines 3, column (d) and line 10				50,292.	

**Part III Gaming.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

REVENUE	(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming
				(Add col. (a) through col (c))
1 Gross revenue				
DIRECT EXPENSES	2 Cash prizes			
	3 Non-cash prizes			
	4 Rent/facility costs			
	5 Other direct expenses			
	6 Volunteer labor	Yes _____ % No _____ %	Yes _____ % No _____ %	Yes _____ % No _____ %
7 Direct expense summary. Add lines 2 through 5 in column (d)				
8 Net gaming income summary. Combine lines 1, column (d) and line 7				

9 Enter the state(s) in which the organization operates gaming activities. \_\_\_\_\_

a Is the organization licensed to operate gaming activities in each of these states?

b If 'No,' explain:

-----

10 a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?

b If 'Yes,' explain.

-----

11 Does the organization operate gaming activities with nonmembers?

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?

	YES	NO
9 a		
10 a		
11		
12		

**13** Indicate the percentage of gaming activity operated in:

<b>13 a</b>	The organization's facility	%
<b>13 b</b>	An outside facility	%

**14** Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name: ▶ \_\_\_\_\_

Address: ▶ \_\_\_\_\_

**15 a** Does the organization have a contact with a third party from whom the organization receives gaming revenue?

**b** If 'Yes,' enter the amount of gaming revenue received by the organization \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party \$ \_\_\_\_\_.

**c** If 'Yes,' enter name and address of the third party:

Name. ▶ \_\_\_\_\_

Address: ▶ \_\_\_\_\_

**16** Gaming manager information

Name ▶ \_\_\_\_\_

Gaming manager compensation ▶ \$ \_\_\_\_\_

Description of services provided. ▶ \_\_\_\_\_

- Director/officer       Employee       Independent contractor

**17** Mandatory distributions

**a** Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?

**b** Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ \_\_\_\_\_

	YES	NO
13 a		
13 b		
14		
15 a		
16		
17 a		

Complete to provide information for responses to specific questions on  
Form 990 or to provide any additional information.  
▶ Attach to Form 990.

Department of the Treasury  
Internal Revenue Service

Name of the organization

Erie Philharmonic, Inc.

Employer identification number

25-6065898

Pt VI-A, Line 2 Deborah Murphy, the president of the board of directors

Pt VI-A, Line 2 is the spouse of Doug Murphy, a member of the board of

Pt VI-A, Line 2 goverors.

Pt VI-B, Line 11A Our independent auditors prepare and deliver a draft of

the Form 990 to the executive director and to all members

of the board of directors for their review. Everyone

is given approximately one week to review the draft form

990 and to respond to our auditors with their comments.

After this period, all appropriate edits are made to the

draft Form 990. The final edited Form 990 is then filed

with the IRS.

Pt VI-B, Line 15 The By-Laws of Erie Philharmonic require that the Board

President, Executive Vice-President and General Counsel

conduct an annual review of the Executive Director.

The results of that review are included in the budgeting

process that determines the Executive Director's Compensation.

The Erie Philharmonic's conflict of interest and financial

statements are held in it's office and is available to

the public upon request. It is also available on

www.guidestar.org.

**Board Member**

Mrs. Penny Austin

Mrs. Tammy Batchelor

Dr. Donald L. Baxter Jr. (Don)

Ms. Gennifer Biggs (Gen)

Ms. Tamarah Black

Dr. R. Lee Bloom (Lee)

Mr. Eric Borenstein (Eric)

Dr. Jeremy Brown

Mrs. Noel J. Burgoyne

Atty. Michael E. Burns

Ms. Rosanne Cheeseman

Mrs. Mili Chiang-Hanes

Dr. Garrett Clark

Mrs. Pamela Davis (Pam)

Mrs. Amy Denlinger

Mrs. Sharon Downey

Mrs. Lucia Doyle

Atty. Theodore B. Ely II (Ted)

Atty. John B. Enders

Mrs. Lorianne Feltz-Upperman

Mrs. Christie Ferrier

Prof. Annmarie George (Annmarie)

Mr. Charles D. Harris (Chuck)

Atty. Nadia A. Havard

Mrs. Betty Healy

Mr. Jonathan E. Helmreich

Mr. Robert Hoff (Rob)

Father Geoffry Howson (Geoff)

Mrs. Jane S. Hynes

Mr. Donald K. Inderlied (Don)

Mr. Charles Ingram (Charlie)

Ms. Denise Jamerson

Mrs. Rebecca Jubulis

Mr. C. Bruce Kern II (Bruce)

Atty. W. John Knox III (John)

Mr. Wallace Knox II (Wally)

Mrs. Darlene Lay

Dr. John A. Leuenberger

Rabbi Leonard Lifshen

Mr. Jeremy Lincoln

Mrs. Leslie Marsden

Mr. David O. Matthews

Mr. Donald McRae (Don)

Mrs. Ann Mead

Mr. Michael Mead

Mr. William Miller (Bill)

Mr. James Mohny (Jim)

Mrs. Deborah Murphy (Deb)

Mr. Douglas Murphy (Doug)

Mrs. Joellen T. Nelson

Mr. Tom New

Mr. Joseph Parlak (Joe)

Mrs. Deborah Porreco (Debbie)

Mr. J. Gary Raimy (Gary)

Ms. Marilyn Renkes

Mrs. Margaret Richardson (Peggy)

Mr. Eric Root

Ms. Rebecca Rugh

Atty. Marissa Savastana

Mr. Charles G. Scalise (Chuck)

Mrs. Diana Schaney

Mrs. Kelly Schultz

Dr. M. Peter Scibetta (Pete)

Mr. Nicholas Scott (Nick)

Mr. Frederick T. Sickert, Sr.

Mr. William Skerlong (Bill)

Mr. Thomas Snippet, Jr. (Tom)

Mrs. Rebecca Styn

Mrs. Laura Symes

Mr. Gary Taylor

Atty. Elysia Tomlinson

Mr. Dennis Unks

Mr. Thomas Vicary (Tom)

Mrs. Craige Pepper Victor

Atty. Russell Warner (Russ)

Ms. Linda J. Wilkinson

Mr. Eric Yan

Mr. Daniel C. Zimmerman (Dan)

**ERIE PHILHARMONIC, INC.**

AUDITED FINANCIAL STATEMENTS

June 30, 2010



***Coleman  
& Co, P.C.***

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**Certified Public Accountants**

**ERIE PHILHARMONIC, INC.**

**AUDITED FINANCIAL STATEMENTS**

**June 30, 2010**

**ERIE PHILHARMONIC, INC.**

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**June 30, 2010**

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**AUDITED FINANCIAL STATEMENTS**



*Coleman & Co, P.C.*

C E R T I F I E D P U B L I C A C C O U N T A N T S

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
**Erie Philharmonic, Inc.**

We have audited the accompanying statement of financial position of Erie Philharmonic, Inc. (a nonprofit organization) as of June 30, 2010, and the related statements of activity, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Erie Philharmonic, Inc. as of June 30, 2009 were audited by other auditors whose report dated November 17, 2009, expressed an unqualified opinion on those statements. The prior year summarized comparative information has been derived from that report.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Erie Philharmonic, Inc. as of June 30, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Coleman & Co, P.C.*

**Coleman & Co, PC**  
October 8, 2010

**ERIE PHILHARMONIC, INC.****STATEMENTS OF FINANCIAL POSITION**

June 30, 2010

	2010			2009
	Current Operations	Endowment	Total	Total
<b>ASSETS</b>				
Cash	\$ 64,692	\$ 0	\$ 64,692	\$ 58,945
Accounts Receivable	18,251	0	18,251	8,964
Prepaid Expenses	12,784	0	12,784	7,366
Investments	0	961,672	961,672	883,516
Property and Equipment, net	46,147	0	46,147	53,099
<b>TOTAL ASSETS</b>	<b>\$ 141,874</b>	<b>\$ 961,672</b>	<b>\$ 1,103,546</b>	<b>\$ 1,011,890</b>
<b>LIABILITIES and NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Line of Credit	\$ 110,262	\$ 0	\$ 110,262	\$ 146,349
Notes Payable - Bank	74,128	0	74,128	74,128
Accounts Payable & Accrued Expenses	15,335	0	15,335	86,745
Refundable Advances	0	0	0	7,950
Deferred Revenue	245,028	0	245,028	196,510
Total Current Liabilities	444,753	0	444,753	511,682
<b>NET ASSETS</b>				
Unrestricted	(320,994)	0	(320,994)	(404,530)
Temporarily Restricted - Current Operations	18,115	0	18,115	21,222
Temporarily Restricted - Conditionally Restricted Endowment	0	296,207	296,207	269,473
Permanently Restricted - Endowment	0	665,465	665,465	614,043
Total Net Assets	(302,879)	961,672	658,793	500,208
<b>TOTAL LIABILITIES and NET ASSETS</b>	<b>\$ 141,874</b>	<b>\$ 961,672</b>	<b>\$ 1,103,546</b>	<b>\$ 1,011,890</b>

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

**ERIE PHILHARMONIC, INC.****STATEMENT OF ACTIVITY**

For the year ended June 30, 2010

	Current Operations Unrestricted	Current Operations Temporarily Restricted	Total Current Operations	Temporarily Restricted Endowment	Permanently Restricted Endowment	Total
<b>PUBLIC SUPPORT</b>						
	\$ 169,031	\$ 0	\$ 169,031	\$ 0	\$ 0	\$ 169,031
	43,641	0	43,641	0	0	43,641
	11,240	0	11,240	0	0	11,240
	6,555	0	6,555	0	0	6,555
	<u>257,263</u>	<u>0</u>	<u>257,263</u>	<u>13,713</u>	<u>15,444</u>	<u>286,420</u>
Total Public Support	<u>487,730</u>	<u>0</u>	<u>487,730</u>	<u>13,713</u>	<u>15,444</u>	<u>516,887</u>
<b>REVENUES</b>						
Symphonic & Pops Admissions	286,659	0	286,659	0	0	286,659
Fee Engagements	100,109	0	100,109	0	0	100,109
Program Advertisements	17,101	0	17,101	0	0	17,101
Sponsors	106,000	0	106,000	0	0	106,000
Trade Agreement Revenues	80,891	0	80,891	0	0	80,891
Special Events	74,786	0	74,786	0	0	74,786
Erie Philharmonic Chorus	6,900	0	6,900	0	0	6,900
Net Investment Income-Chorus	1,197	0	1,197	0	0	1,197
Junior Philharmonic	30,222	0	30,222	0	0	30,222
Net Investment Income-Junior Philharmonic	1,221	0	1,221	0	0	1,221
Net Investment Income-Erie Philharmonic	47,946	0	47,946	13,021	35,978	96,945
Other Revenue	<u>27,537</u>	<u>0</u>	<u>27,537</u>	<u>0</u>	<u>0</u>	<u>27,537</u>
Total Revenue	<u>780,569</u>	<u>0</u>	<u>780,569</u>	<u>13,021</u>	<u>35,978</u>	<u>829,568</u>
Total Public Support & Revenues	1,268,299	0	1,268,299	26,734	51,422	1,346,455
Net Assets Released from Restrictions	<u>3,107</u>	<u>(3,107)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Public Support, Revenues & Net Assets Released from Restrictions	1,271,406	(3,107)	1,268,299	26,734	51,422	1,346,455
<b>EXPENSES</b>						
Production & Operating	810,600	0	810,600	0	0	810,600
General & Administrative	200,555	0	200,555	0	0	200,555
Special Events	24,494	0	24,494	0	0	24,494
Fund-Raising	<u>152,221</u>	<u>0</u>	<u>152,221</u>	<u>0</u>	<u>0</u>	<u>152,221</u>
Total Expenses	<u>1,187,870</u>	<u>0</u>	<u>1,187,870</u>	<u>0</u>	<u>0</u>	<u>1,187,870</u>
INCREASE (DECREASE) IN NET ASSETS	83,536	(3,107)	80,429	26,734	51,422	158,585
NET ASSETS AT THE BEGINNING OF THE YEAR	<u>(404,530)</u>	<u>21,222</u>	<u>(383,308)</u>	<u>269,473</u>	<u>614,043</u>	<u>500,208</u>
NET ASSETS AT THE END OF THE YEAR	<u>\$ (320,994)</u>	<u>\$ 18,115</u>	<u>\$ (302,879)</u>	<u>\$ 296,207</u>	<u>\$ 665,465</u>	<u>\$ 658,793</u>

The accompanying notes are an integral part of these financial statements

**ERIE PHILHARMONIC, INC.****STATEMENTS OF FUNCTIONAL EXPENSES**

For the year ended June 30, 2010

	2010				2009	
	Production & Operating	General & Administrative	Special Events	Fundraising	Total	Total
Salaries, Payroll Taxes & Employee Benefits	\$ 398,182	\$ 107,927	\$ 0	\$ 146,380	\$ 652,489	\$ 704,398
Professional Fees	0	21,343	0	0	21,343	24,421
Guest Artists & Events	36,028	0	0	0	36,028	58,953
Stagehands	18,641	0	0	0	18,641	20,362
Travel	57,555	17	0	0	57,572	66,624
Music & Other Rental	29,375		0	0	29,375	34,176
Hall Rental & Related Expenses	58,058	0	0	0	58,058	51,679
Program & Ticket Printing	4,811		0	0	4,811	4,901
Junior Philharmonic	41,366	0	0	0	41,366	40,459
Erie Philharmonic Chorus	8,495	0	0	0	8,495	6,710
Advertising & Promotion	41,388		0	191	41,579	52,939
Trade Agreement Expenses	80,891	0	0	0	80,891	100,137
Receptions & Benefits	0	0	24,494	533	25,027	25,450
Education Expenses	3,983	0	0	0	3,983	17,081
Executive Director Expenses	0	5,444	0	0	5,444	6,478
Office Rent	0	5,500	0	0	5,500	6,000
Insurance	4,258	5,205	0	0	9,463	12,990
Dues, Fees & Subscriptions	0	13,435	0	0	13,435	10,183
Office Supplies	0	1,829	0	0	1,829	4,569
Computer Expenses	0	1,868	0	0	1,868	218
Maintenance	0	3,559	0	0	3,559	3,458
Office Equipment Rental	0	4,988	0	0	4,988	4,125
Postage	0	3,199	0	2,287	5,486	8,238
Telephone	741	741	0	764	2,246	4,240
Other	16,479	11,323	0	2,066	29,868	30,100
Credit Card Fees	0	5,857	0	0	5,857	7,900
Depreciation	10,349	0	0	0	10,349	9,512
Interest Expense	0	8,320	0	0	8,320	9,472
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 810,600</b>	<b>\$ 200,555</b>	<b>\$ 24,494</b>	<b>\$ 152,221</b>	<b>\$ 1,187,870</b>	<b>\$ 1,325,773</b>

The accompanying notes are an integral part of these financial statements

**ERIE PHILHARMONIC, INC.****STATEMENT OF CASH FLOWS****For the year ended June 30, 2010****CASH FLOWS FROM OPERATING ACTIVITIES**

Increase in Net Assets	\$ 158,585
Adjustments to Reconcile Net Assets to Cash from Operating Activities:	
Depreciation	10,349
Net Realized/Unrealized (Gains) Losses on Investments	(95,369)
(Increase) Decrease in:	
Receivables	12,788
Prepaid & Deferred Expenses	(2,493)
Increase (Decrease) in:	
Accounts Payable & Accrued Expenses	(71,410)
Refundable Advances	(7,950)
Deferred Revenue	48,518
Net Cash Flows Provided by Operating Activities	<u>53,018</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of Investments	(372,421)
Purchase of Fixed Assets	(3,398)
Proceeds from Sale of Investments	<u>364,636</u>
Net Cash Flows Used by Investing Activities	<u>(11,183)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from Contributions Restricted for Investment in Endowment	0
Net Borrowings (Repayments) on Bank Line of Credit	<u>(36,088)</u>
Net Cash Provided by Financing Activities	<u>(36,088)</u>
NET INCREASE (DECREASE) IN CASH	5,747
CASH, BEGINNING OF THE YEAR	<u>58,945</u>
CASH, END OF YEAR	<u><u>\$ 64,692</u></u>

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

# ERIE PHILHARMONIC, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2010

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### NOTE I SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Erie Philharmonic, Inc. ("Erie Philharmonic") is presented to assist in understanding the Erie Philharmonic's financial statements. The financial statements and notes are representations of the Erie Philharmonic's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

#### Nature of Operations

The Erie Philharmonic, Inc., a non-profit organization committed to providing symphonic, pops and youth orchestra concerts that are both exceptionally entertaining and of the highest artistic standards; to performing a broad range of repertoire for a wide and diverse audience; to providing quality educational experiences for all ages; to enhancing the quality of life and to serving as the leader in the cultural life of the Erie, Pennsylvania tri-state area.

#### Basis of Accounting

The financial statements of the Philharmonic have been prepared on the accrual basis, i.e. income is recognized in the period earned and expenses are recognized when incurred.

#### Financial Statement Presentation

The financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its *Statement of Financial Accounting Standards (SFAS) No. 117*, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Erie Philharmonic is required to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, which represents the expendable resources that are available for operations at management's discretion; temporarily restricted net assets, which represents resources restricted by donors as to purpose or by the passage of time; and permanently restricted net assets, which represents resources whose use by the organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization.

#### Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total, but not by asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Philharmonic's financial statements for the year ended June 30, 2009, from which the summarized information was derived.

#### Receivables

The Erie Philharmonic accounts for its receivables at the outstanding principal balance, adjusted for the allowance for doubtful accounts, if applicable. The Organization estimates its allowance for doubtful accounts and bad debts based on management's assessment of the collectability of receivables and prior experience. Management has determined there is no allowance required at June 30, 2010. All receivables are due to be paid to the Erie Philharmonic within one year.

The Erie Philharmonic has no accounts accruing interest charges as of June 30, 2010. The Erie Philharmonic charges off receivables based on management experience with those to whom they extend credit. Receivables are typically written off after repeated attempts to collect the balance have been unsuccessful.

# ERIE PHILHARMONIC, INC.

## NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2010

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### NOTE I SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Cash and Cash Equivalents

Cash and cash equivalents include interest bearing checking and savings accounts.

#### Investments

The Philharmonic accounts for investments in accordance with SFAS No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. SFAS No. 124 requires investments in equity securities with readily determinable fair values and all debt securities to be measured and recorded at fair value. Fair value is obtained from quoted market prices. The Philharmonic uses the original cost when determining the realized gains/losses on the sale of investments. SFAS No. 124 also requires dividends, interest and realized and unrealized gains and losses to be reported in the statement of activity as increases or decreases in unrestricted net assets unless their use is temporarily or permanently limited by externally-imposed restrictions.

#### Fair Value Measurement

In September 2006, the FASB issued Statement of Financial Accounting Standards (SFAS) No. 157, *Fair Value Measurements*. SFAS No. 157 establishes a framework for measuring fair value under current accounting pronouncements that require or permit fair value measurement and enhances disclosures about fair value measurements. SFAS 157 defines fair value 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 value hierarchy, which requires an entity to maximize the use of observable inputs when measuring fair value. Adoption of SFAS No. 157 did not have a material impact on the Organization's financial statements. Effective July 1, 2008, the Philharmonic has implemented this standard and the required disclosures concerning the inputs used to measure fair value are included in Note 2.

#### Contributions

The Philharmonic accounts for contributions in accordance with SFAS No. 116, *Accounting for Contributions Received and Made*. SFAS No. 116 requires that unconditional promises to give be recorded as receivables and revenues and requires the Organization to distinguish between contributions received for each net asset category (as described above) in accordance with donor imposed restrictions. The Erie Philharmonic reports contributions with donor imposed restrictions whose restrictions are met in the same reporting period as unrestricted support.

#### Contributed Assets and Services

Contributed assets are recorded as contributions at their estimated fair market value at the date of the gift. Unrestricted donations of long-lived assets are reported as unrestricted contributions. Contributions of services are recognized as revenues if the services received (a) create or enhance non-financial assets (primarily property or other tangible or intangible assets) or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. No amounts have been reflected in the financial statements for donated services, since no services were provided to the Philharmonic which met the reporting criteria. However, a substantial number of volunteers have donated their time to the Philharmonic's programs and management.

#### Deferred Revenues and Expenses

Amounts received from subscriptions, sponsorships and program advertisements which apply to future periods are deferred.

# ERIE PHILHARMONIC, INC.

## NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2010

### NOTE I SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Functional Allocation of Expenses

The costs of providing the various programs, fundraising and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs, administrative and fundraising activities benefitted.

#### Property, Equipment and Depreciation

The Erie Philharmonic capitalizes property and equipment if its value exceeds \$500 and all music purchased regardless of its value. Fixed assets, when purchased, are recorded at cost. Donated fixed assets are recorded at their estimated fair market value at the date of the gift. Expenditures for maintenance, repairs and minor renewals are charged to expense as incurred. Expenditures for additions, replacements and major improvements are capitalized and recorded as unrestricted assets. Depreciation is computed by the straight-line method over the estimated useful lives of the assets. The estimated useful lives of the Philharmonic's property and equipment are as follows:

	<u>Years</u>
Office Furniture and Equipment	5-10
Musical Instruments and Equipment	10-25
Music	10

#### Advertising Costs

Advertising costs are expensed as incurred.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### Date of Management's Review

Subsequent events were evaluated through October 8, 2010, which is the financial statement issuance date.

#### Concentration of Credit Risk

The Erie Philharmonic maintains cash balances at two financial institutions. At June 30, 2010, the cash amounts at these financial institutions are insured by the FDIC for up to \$250,000. The balances, at times, may exceed federally insured limits. At June 30, 2010, the organization was within FDIC limits.

#### Income Tax Status

Erie Philharmonic is generally exempt from federal income tax under Section 501(c)(3) of the United States Internal Revenue Code and is not a private foundation. Contributions to the Philharmonic qualify for deduction under the Internal Revenue Code.

# ERIE PHILHARMONIC, INC.

## NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2010

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### NOTE 2 INVESTMENTS

Financial Accounting Standards Board Statement No. 157, *Fair Value Measurements* (FASB No. 157), establishes a framework for measuring fair value and requires certain disclosures about the fair value measurement (see Note 1). The Framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB Statement No. 157 are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include: 1) Quoted prices for similar assets or liabilities in active markets, 2) Quoted prices for identical or similar assets or liabilities in inactive markets, 3) Inputs other than quoted prices that are observable for the asset or liability, and 4) Inputs that are derived principally from or corroborated by observable market data, by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used to maximize the use of observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets measured at fair value:

Money Market Funds - These investments are public investment vehicles valued using \$1 for the NAV. The money market funds are classified within Level 2 of the valuation hierarchy.

Mutual Funds - these investments are public investment vehicles value using the NAV provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in an active market and classified within Level 1 of the valuation hierarchy.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Erie Philharmonic believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

# ERIE PHILHARMONIC, INC.

## NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2010

### NOTE 2 INVESTMENTS (continued)

The following table sets forth by level within the FASB Statement No. 157 fair value hierarchy, the Philharmonic's investments at fair value as of June 30, 2010:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market	\$ 0	\$ 8,641	\$ 0	\$ 8,641
Equity Funds - Exchange Traded	107,864	0	0	107,864
Mutual Funds - Fixed Income	371,824	0	0	371,824
Mutual Funds - Equity	461,063	0	0	461,063
Mutual Funds - Alternative Investments	<u>12,280</u>	<u>0</u>	<u>0</u>	<u>12,280</u>
Total Fair Value of Investments	<u>\$ 953,031</u>	<u>\$ 8,641</u>	<u>\$ 0</u>	<u>\$ 961,672</u>

Investments at June 30, 2010 consist of the following:

	<u>Fair Value</u>	<u>Cost</u>	<u>Net Unrealized Gains (Losses)</u>
Money Market Funds	\$ 8,641	\$ 8,641	\$ 0
Exchange Traded Equity Funds	107,864	126,396	(18,532)
Fixed Income Mutual Funds	371,824	352,804	19,020
Equity Mutual Funds	461,063	535,238	(74,175)
Alternative Investments Mutual Funds	<u>12,280</u>	<u>24,184</u>	<u>(11,904)</u>
Total Investments	<u>\$ 961,672</u>	<u>\$ 1,047,263</u>	<u>\$ (85,591)</u>

Net investment income (loss) consists of the following for the year ending June 30, 2010:

	<u>Total</u>
Investment Interest and Dividend Income	\$ 22,596
Net Realized Gains (Losses)	(15,123)
Net Unrealized Gains (Losses)	96,012
Less Investment Fees	<u>(5,343)</u>
Total Investment Income (Loss)	<u>\$ 98,142</u>

# ERIE PHILHARMONIC, INC.

## NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2010

### NOTE 3 PROPERTY AND EQUIPMENT

	<u>2010</u>
Office Furniture and Equipment	\$ 49,347
Musical Instruments and Equipment	101,431
Music	<u>115,760</u>
	266,538
Less Accumulated Depreciation	<u>220,391</u>
Total Property and Equipment, Net	<u>\$ 46,147</u>

Depreciation expense was \$10,349 at June 30, 2010.

### NOTE 4 LINE OF CREDIT AND NOTE PAYABLE

The Erie Philharmonic has entered into a line of credit agreement with PNC Bank which renews in November of each year and allows for maximum borrowings of \$175,000. The note is collateralized by all business assets of the Philharmonic. The note requires monthly interest payments at the bank's prime rate plus .50% (3.75% at June 30, 2010) on the outstanding balance. As of June 30, 2010 the balance of this line of credit agreement was \$110,262.

In January, 2003, the Erie Philharmonic issued a promissory note collateralized by certain endowment investments maintained by the bank. The term of the promissory note requires monthly interest payments at the bank's prime rate plus 1.25% (4.50% at June 30, 2010). Principal was originally to be repaid on January 2, 2009. During the year ended June 30, 2009 this loan was renewed for an additional year. The balance of this note at June 30, 2010 was \$74,128.

### NOTE 5 TEMPORARILY RESTRICTED NET ASSETS

The Organization has received monies, the use of which has been restricted by the donor. These amounts are recognized in the financial statements as temporarily restricted net assets and, as the donor restrictions are met by the expenditure of the funds in accordance with the donor's wishes, the amounts are "released" and reflected on the statement of activity as such. Conditionally restricted monies consist of a 1965 Trust Indenture of which the principal is temporarily restricted and may be invaded under certain circumstances. Interest and dividend income is unrestricted. Realized and unrealized gains are maintained as principal. The trust is permitted to distribute each quarter 1.125% of the average fair market value of the trust.

The following is a summary of restricted activity for the period ended June 30, 2010:

	<u>Beginning Balance</u>	<u>Revenue</u>	<u>Expense</u>	<u>Ending Balance</u>
Steinway Piano	\$ 21,222	\$ 0	\$ 3,107	\$ 18,115
Conditionally Restricted	<u>269,473</u>	<u>26,734</u>	<u>0</u>	<u>296,207</u>
	<u>\$ 290,695</u>	<u>\$ 26,734</u>	<u>\$ 3,107</u>	<u>\$ 314,322</u>

# ERIE PHILHARMONIC, INC.

## NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2010

### NOTE 6 PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets have been designated by the donors for the endowment in the amount of \$961,672 at June 30, 2010 and consist of the following:

1965 Trust Indenture - The principal of this trust is maintained in perpetuity. Interest and dividend income is unrestricted, realized and unrealized gains are maintained as principal. The trust is permitted to distribute each quarter 1.125% of the average fair market value of the trust.

Endowment - In 1999, the Erie Philharmonic established a private unitrust to receive certain gifts and legacies which are permanently restricted by outside donors. The trust is permitted to distribute each quarter 1.25% of the average fair market value of the trust.

The following is a summary of restricted activity for the period ended June 30, 2010:

	<u>Beginning Balance</u>	<u>Revenue</u>	<u>Expense</u>	<u>Ending Balance</u>
Permanently Restricted	\$ 469,593	\$ 62,378	\$ 36,534	\$ 495,437
General	102,199	13,546	6,377	109,368
Chorus	19,876	2,635	1,240	21,271
Junior Philharmonic	<u>22,375</u>	<u>18,410</u>	<u>1,396</u>	<u>39,389</u>
	<u>\$ 614,043</u>	<u>\$ 96,969</u>	<u>\$ 45,547</u>	<u>\$ 665,465</u>

### NOTE 7 LEASE COMMITMENTS

The Erie Philharmonic leases the theater for rehearsals and concerts under a contract, which approximates the concert season that typically runs from September to May. The lease expires May 31, 2011. Theater rent for the year ended June 30, 2010 was \$20,688.

On March 15, 2008 the Erie Philharmonic moved offices and now occupies office space owned by and shared with the Erie Community Foundation. The organization pays monthly for shared maintenance of the property.

### NOTE 8 AFFILIATED ORGANIZATIONS

The Erie Philharmonic Chorus and the Erie Junior Philharmonic are affiliated organizations organized as standing committees of the Erie Philharmonic. The Chorus and Junior Philharmonic provide financial and other assistance to the Philharmonic. These financial statements include the operating revenue and expenses of the affiliated organizations. Both affiliates maintain cash balances at a local financial institution, however, the balances are inconsequential and, therefore, are not included in the Statement of Financial Position.

# ERIE PHILHARMONIC, INC.

## NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2010

### NOTE 9 FUNDS HELD IN TRUST BY OTHERS

The Philharmonic is the income beneficiary of two endowment funds. The Arts Council of Erie, Inc., currently known as Arts Erie, established an endowment fund in 1998, which had an estimated market value of \$111,656 at June 30, 2010. In March 2005, an endowment fund was established with the Erie Community Foundation. Its estimated market value at June 30, 2010 was \$24,072.

In 1999, an endowment fund to benefit the Junior Philharmonic Program was established with the Erie Community Foundation. The estimated market value of this fund was \$203,438 at June 30, 2010.

The income included in revenue from all funds held in trust by others was \$17,795 in 2010.

### NOTE 10 TRADE AGREEMENTS

The Erie Philharmonic entered into trade agreements exchanging program advertising, sponsorships, and admissions for advertising and various administrative costs. The agreements for the year ended June 30, 2010 consist of:

	<u>2010</u>
Trade Agreement Revenue	
Season Program Ads	\$ 15,799
Sponsorship	35,341
Season/Single Tickets	<u>29,751</u>
Total	<u>\$ 80,891</u>
Trade Agreement Expenses	
Promotion and Supplies	\$ 47,244
Single Ticket Advertising	5,868
Other	<u>27,779</u>
Total	<u>\$ 80,891</u>

# ERIE PHILHARMONIC, INC.

## NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2010

### NOTE II ERIE PHILHARMONIC ENDOWMENT FUND ADDITIONAL INFORMATION

The Erie Philharmonic Endowment fund consists of permanently and temporarily restricted funds of which, interest and dividends from the funds is unrestricted and unrealized and realized gains are to be retained in the fund. All of the funds are held with PNC Bank and are managed under the Operating Policies set forth by the Erie Philharmonic.

#### Spending Policy and How the Investment Objectives Related to Spending Policy

Quarterly distributions are made to the Erie Philharmonic from the Endowment fund in accordance with the fund documents, in which 4.5% to 5% of the average fair market value of the fund is allowed to be distributed annually.

#### Endowment Reconciliation

Changes in Endowment net assets for the year ended June 30, 2010 were as follows:

Beginning Endowment Net Assets	\$ 883,516
Contributions	29,157
Investment Income, Net of Fees	17,253
Net Appreciation (Realized and Unrealized)	95,638
Appropriated for Expenditure	<u>(63,892)</u>
Ending Endowment Net Assets	<u>\$ 961,672</u>

### NOTE I2 STATEMENT OF CASH FLOWS

Cash paid for interest amounted to \$8,320 at June 30, 2010.

### NOTE I3 PRIOR PERIOD ADJUSTMENT

Net assets at the beginning of the year have been restated to exclude \$25,000 included as grant revenue at June 30, 2009.