

WEST MICHIGAN SYMPHONY AND THE BLOCK
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

WEST MICHIGAN SYMPHONY AND THE BLOCK

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Independent Auditors' Report

Board of Directors
West Michigan Symphony and The Block
Muskegon, Michigan

We have audited the accompanying consolidated financial statements of the West Michigan Symphony (a Michigan nonprofit corporation) and The Block (a Michigan nonprofit corporation) which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.



Independent Auditor's Report (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the West Michigan Symphony and The Block as of June 30, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedules of financial position, activities, and functional expenses on pages 18-26 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

H & S Companies, P.C.

H & S Companies, P.C.

Muskegon, MI

November 17, 2020

WEST MICHIGAN SYMPHONY AND THE BLOCK
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2020 and 2019

ASSETS

	2020	2019
Cash	\$ 288,177	\$ 141,582
Contributions Receivable	81,831	51,404
Prepaid Expenses and Other Assets	10,795	15,889
Property and Equipment, Net of Accumulated Depreciation	<u>629,837</u>	<u>620,707</u>
 Total Assets	 <u>\$ 1,010,640</u>	 <u>\$ 829,582</u>

LIABILITIES AND NET ASSETS

Liabilities		
Accounts Payable	\$ 3,610	\$ 15,819
Accrued Liabilities	26,105	21,541
Deferred Revenue	331,242	213,041
Capital Lease Obligations	<u>7,058</u>	<u>15,128</u>
 Total Liabilities	 368,015	 265,529
 Net Assets		
Net Assets Without Donor Restrictions	<u>642,625</u>	<u>564,052</u>
 Total Net Assets	 <u>642,625</u>	 <u>564,052</u>
 Total Liabilities and Net Assets	 <u>\$ 1,010,640</u>	 <u>\$ 829,582</u>

See independent auditors' report and the notes to the financial statements

WEST MICHIGAN SYMPHONY AND THE BLOCK
CONSOLIDATED STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2020 and 2019

	WITHOUT DONOR RESTRICTIONS	
	<u>2020</u>	<u>2019</u>
Operating Activities		
Revenue and Support		
Earned		
Admissions	\$ 233,304	\$ 317,743
Program and Ticket Advertising	33,813	29,146
Other	41,047	42,377
Contributed		
Individual	431,218	388,502
Corporate	136,105	176,974
Foundation	156,674	152,389
Payroll Protection Program Grant Revenue	91,667	
Special Event	<u>15,000</u>	<u>128,750</u>
Total Revenue and Support	1,138,828	1,235,881
Expenses		
Program Services		
Concert Production	<u>769,889</u>	<u>892,492</u>
Total Program Services	769,889	892,492
Supporting Services		
Management and General	227,402	250,755
Fundraising	<u>62,964</u>	<u>80,919</u>
Total Supporting Services	<u>290,366</u>	<u>331,674</u>
Total Expenses	<u>1,060,255</u>	<u>1,224,166</u>
Change in Net Assets	78,573	11,715
Net Assets - Beginning of year	<u>564,052</u>	<u>552,337</u>
Net Assets - End of year	<u>\$ 642,625</u>	<u>\$ 564,052</u>

See independent auditors' report and the notes to the financial statements

WEST MICHIGAN SYMPHONY AND THE BLOCK
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2020 and 2019

	2020			
	Program Services		Supporting Services	
	Concert Production	Management and General	Fundraising	Total
Compensation and Related Expenses				
Compensation	\$ 313,740	\$ 93,205	\$ 28,230	\$ 435,175
Employee Benefits	22,799	11,268	2,585	36,652
Payroll Taxes	23,531	7,130	2,160	32,821
Total Compensation and Related Expenses	360,070	111,603	32,975	504,648
Accounting	-	11,000	-	11,000
Professional Fundraising Services	-	-	18,000	18,000
Advertising and Promotion	52,677	-	-	52,677
Office Expenses	7,499	25,995	8,656	42,150
Information Technology	7,048	8,471	3,333	18,852
Occupancy	14,630	48,559	-	63,189
Travel	3,460	-	-	3,460
Interest	-	1,308	-	1,308
Depreciation	13,789	11,249	-	25,038
Insurance	-	6,027	-	6,027
Guest Artist and Musician Fees	248,999	-	-	248,999
Ticketing and Credit Card Fees	13,135	-	-	13,135
Production Costs	35,084	-	-	35,084
Other	13,498	3,190	-	16,688
Total Functional Expenses	\$ 769,889	\$ 227,402	\$ 62,964	\$ 1,060,255

See independent auditors' report and the notes to the financial statements

WEST MICHIGAN SYMPHONY AND THE BLOCK
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2020 and 2019

	2019			
	Program Services		Supporting Services	
	Concert Production	Management and General	Fundraising	Total
Compensation and Related Expenses				
Compensation	\$ 311,278	\$ 98,121	\$ -	\$ 409,399
Employee Benefits	22,863	11,735	-	34,598
Payroll Taxes	23,161	7,505	-	30,666
Total Compensation and Related Expenses	357,302	117,361	-	474,663
Accounting	-	6,530	-	6,530
Professional Fundraising Services	-	-	24,688	24,688
Consulting Fees	1,590	-	-	1,590
Advertising and Promotion	61,789	-	-	61,789
Office Expenses	-	26,422	12,917	39,339
Information Technology	6,644	14,780	4,183	25,607
Occupancy	22,055	52,074	-	74,129
Travel	4,799	-	-	4,799
Interest	-	2,005	-	2,005
Depreciation	7,117	24,182	-	31,299
Insurance	-	7,401	-	7,401
Guest Artist and Musician Fees	360,162	-	-	360,162
Ticketing and Credit Card Fees	16,043	-	-	16,043
Fundraising Event	-	-	39,131	39,131
Production Costs	47,941	-	-	47,941
Other	7,050	-	-	7,050
Total Functional Expenses	\$ 892,492	\$ 250,755	\$ 80,919	\$ 1,224,166

See independent auditors' report and the notes to the financial statements

WEST MICHIGAN SYMPHONY AND THE BLOCK
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 78,573	\$ 11,715
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	33,377	31,299
(Increase) Decrease in Operating Assets		
Receivables	(30,427)	(6,146)
Prepaid Expenses and Other Assets	5,094	880
Increase (Decrease) in Operating Liabilities		
Accounts Payable	(15,009)	8,720
Accrued Liabilities	4,564	2,464
Deferred Revenue	<u>118,201</u>	<u>748</u>
Net Cash Provided (Used) by Operating Activities	194,373	49,680
Cash Flows from Investing Activities		
Property and Equipment Purchases	<u>(39,708)</u>	<u>(8,534)</u>
Net Cash (Used) for Investing Activities	(39,708)	(8,534)
Cash Flows from Financing Activities		
Principal Payments on Debt and Notes Payable	<u>(8,070)</u>	<u>(8,215)</u>
Net Cash (Used) by Financing Activities	<u>(8,070)</u>	<u>(8,215)</u>
Change in Cash	146,595	32,931
Cash - Beginning of Year	<u>141,582</u>	<u>108,646</u>
Cash - End of Year	<u><u>\$ 288,177</u></u>	<u><u>\$ 141,582</u></u>

See independent auditors' report and the notes to the financial statements

WEST MICHIGAN SYMPHONY AND THE BLOCK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The West Michigan Symphony was organized in Muskegon, Michigan in 1939 and continues to be a widely recognized orchestra. The West Michigan Symphony seeks to stimulate and inspire through orchestral productions and is comprised of professional musicians playing a challenging repertoire and presenting some of the world's most talented guest artists. The Block is a simple, accessible, inspirational space where honest music can happen. The Block seeks to enrich the quality of life in the community by being a space where entertainment, education, recreation and celebration reside. Significant sources of revenue are from contributions, grants, ticket sales, education events and special events.

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows.

Principles of Consolidation

The consolidated financial statements include the accounts of West Michigan Symphony and The Block, a wholly owned subsidiary (collectively referred to as the Organization). The West Michigan Symphony and The Block are both Michigan not-for-profit corporations. All significant intercompany transactions have been eliminated.

Basis of Presentation

The accompanying financial statement presentation has been prepared on the accrual basis of accounting. On August 18, 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities*. The West Michigan Symphony and The Block, has adjusted the presentation of its financial statements accordingly, applying changes retrospectively to the comparative period presented. The new standards change the following aspects of The West Michigan Symphony and The Block's financial statements:

Net assets without donor restrictions: Net assets subject to donor imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature, those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

As of June 30, 2020 and 2019, all of the net assets of The West Michigan Symphony and The Block were without donor restrictions.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

See independent auditors' report

WEST MICHIGAN SYMPHONY AND THE BLOCK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Revenue Recognition

The Organization records appropriations, grants, and earned revenues on an accrual basis. Contributions are recorded as revenue at their fair value in the period they are received unconditionally. Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met. Substantially all of the Organization's grants are considered to be contributions for purposes of applying the revenue recognition policies. Contributions are recorded net of estimated uncollectible amounts. As of June 30, 2020, all amounts were considered collectible.

Ticket sales for the succeeding fiscal year, which are received in advance, are reported as deferred revenue and are not recognized as revenue until the fiscal year earned.

Expense Allocation

Expenses are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits in banks and cash on hand. The Organization considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents. Management believes the Organization is not exposed to any significant interest rate or other financial risk on these deposits.

The Organization maintains its cash balances in three financial institutions located in Muskegon, Michigan. The balances at these financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash at both institutions were fully insured for years ended June 30, 2020 and 2019.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Property and Equipment

Property and equipment is recorded at cost or the estimated fair value on the date acquired. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets.

Volunteers

A number of volunteers, including the members of the Board of Directors, have made significant contributions of time to the Organization's policy making, program, and support functions. The value of this contributed times does not meet the criteria for recognition of contributed services contained in FASB ASC 958-605 and, accordingly, is not reflected in the accompanying financial statements.

See independent auditors' report

WEST MICHIGAN SYMPHONY AND THE BLOCK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Tax Basis

The Organization is exempt from federal income tax under Internal Revenue Code Section 501(c)(3). The Organization may be subject to federal income tax on unrelated business activities.

The Organization evaluates any tax position in accordance with existing general accepted accounting principles, and makes such accruals and disclosures as might be required thereunder. The Organization believes that it has appropriate support for any tax position taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The Organization's federal returns for the years ended June 30, 2020 and 2019 are subject to examination by the Internal Revenue Service for the three years after they were filed.

Compensated Absences

The Organization grants personal leave (i.e. paid time off or PTO) to its full-time employees. All PTO must be taken and no unused leave may be carried over to subsequent years. Upon termination, an employee will be paid the amount of PTO accrued and unused at their current salary rate.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures at the date of the financial statements. Actual results may differ from those estimates.

Reclassification

Certain prior year accounts have been reclassified for comparative purposes to conform to the current year presentation.

NOTE B - MEASURES OF OPERATIONS

The statements of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing activities of West Michigan Symphony and The Block and interest and dividends earned on investments.

NOTE C - FAIR VALUE MEASUREMENTS

Generally accepted accounting principles establish 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 market prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 - Quoted prices in markets that are not considered active or financial instruments with significant inputs, including quoted prices for similar assets or liabilities, interest rates, credit risks, etc.

See independent auditors' report

WEST MICHIGAN SYMPHONY AND THE BLOCK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

NOTE C - FAIR VALUE MEASUREMENTS - Continued

Level 3 - Significant unobservable inputs which may include the Organization's own assumptions in determining fair value.

The asset 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 need to maximize the use of observable inputs and minimize the use of unobservable inputs.

NOTE D – BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The Organization has one fund with the Community Foundation for Muskegon County (Community Foundation).

The **"To Secure The Spirit"** Fund was established in 1992 as a permanent endowment fund of the Organization. The fund and any earnings thereon are owned and directed by the Community Foundation. The Community Foundation's trustees determine the timing and amount of any distributions.

Accordingly, contributions to this fund made directly to the Community Foundation have been excluded from the unrestricted assets of the Organization in accordance with FASB ASC 958-605-50-6. At June 30, 2020 and 2019, the balances in the "To Secure The Spirit" Fund consisted solely of contributions made directly to the Community Foundation.

The Board of Trustees of the Community Foundation for Muskegon County has the power to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to a specified organization if, in the sole judgment of the Board, such restriction or condition becomes in effect unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served. The authority to modify restrictions is sometimes referred to as the "variance power" and is a legal standard imposed on all community foundations.

At June 30, 2020 and 2019, the fair market value of the fund was \$535,392 and \$538,057, respectively. During the years ended June 30, 2020 and 2019, the Organization received distributions from the fund of \$20,620 and \$20,280, respectively.

NOTE E – PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2020 and 2019 consists of the following:

	2020	2019
Office Equipment	\$ 118,806	\$ 113,673
Production Equipment	172,625	172,625
Liquor License	31,912	31,912
Leasehold Improvements	549,928	523,697
	873,271	841,907
Less Accumulated Depreciation	(243,434)	(221,200)
Total	<u>\$ 629,837</u>	<u>\$ 620,707</u>

See independent auditors' report

WEST MICHIGAN SYMPHONY AND THE BLOCK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

NOTE E – PROPERTY AND EQUIPMENT - Continued

Depreciation expense for the years ended June 30, 2020 and 2019 was \$33,382 and \$31,299, respectively.

NOTE F – CONTINGENCIES

Grant Programs

The Organization participates in grant programs which are subject to program compliance audits by the grantor or its representatives. Such audits of these programs may be performed at a future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Organization expects such amounts, if any, to be immaterial.

NOTE G - COMMITMENTS

Operating Leases

The Organization currently leases its administrative offices and an adjacent performance space under an agreement expiring May 2032. The lease requires monthly payments of \$3,715. Rent expense for the years ended June 30, 2020 and 2019 was \$44,583 and \$44,583, respectively.

The future minimum payments required by the lease agreement are scheduled as follows:

Year ending June 30,	Amount
2021	\$ 44,583
2022	44,583
2023	44,583
2024	44,583
2025	44,583
Thereafter	<u>352,949</u>
Total minimum lease payments	<u>\$ 575,864</u>

Capital Leases

The Organization leases some equipment under capital leases expiring in various years through 2022. The economic substance of the leases are that the Organization is financing the acquisition of the assets through the leases, and accordingly, they are recorded in the Organization's assets and liabilities.

Property and equipment include the following amounts related to the capital leases as of June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Machinery and Equipment	\$ 35,522	\$ 35,522
Less accumulated depreciation	<u>(19,959)</u>	<u>(14,737)</u>
Total	<u>\$ 15,563</u>	<u>\$ 20,785</u>

See independent auditors' report

WEST MICHIGAN SYMPHONY AND THE BLOCK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

NOTE G - COMMITMENTS - Continued

The following is a summary of capital leases as of June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Capital lease payable to XEROX Financial Services requiring monthly payments of \$543. Final payment due August 2021.	\$ 7,058	\$ 12,373
Capital lease payable to Hewlett-Packard requiring monthly payments of \$315. Final payment due March 2020.	-	2,755
	<u> </u>	<u> </u>
Total Capital Leases Payable	<u>\$ 7,058</u>	<u>\$ 15,128</u>

The future minimum payments required by the agreements are as follows:

<u>Year ending June 30</u>	<u>Amount</u>
2021	\$ 5,989
2022	<u>1,069</u>
Total future minimum lease payments	<u>\$ 7,058</u>

The imputed interest necessary to reduce the net minimum lease payments to present value is considered immaterial.

NOTE H - ADVERTISING

The Organization uses advertising to promote its programs among the audiences it serves. The costs of advertising including printing and design are recorded as expenses as incurred. Advertising costs totaled \$52,677 and \$61,789, for the years ended June 30, 2020 and 2019, respectively.

NOTE I - SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Interest paid for the years ended June 30, 2020 and 2019 was \$1,308 and \$2,005, respectively.

See independent auditors' report

WEST MICHIGAN SYMPHONY AND THE BLOCK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

NOTE J - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain cost have been allocated among the programs and supporting services benefited. Management and general expenses include those that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

NOTE K - LIQUIDITY AND AVAILABILITY

The Organization has a working capital of \$354,088, and \$171,514, and average days (based on normal operating expenditures) cash on hand of 99 and 42 days at June 30, 2020 and 2019, respectively.

Financial assets available for general expenditures within one year of the balance sheet date, consist of the following:

	2020	2019
Unrestricted Cash and Cash Equivalents	\$ 288,177	\$ 141,582
Net Accounts Receivable	81,831	51,404
Total Financial Assets	<u>\$ 370,008</u>	<u>\$ 192,986</u>

NOTE L - SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Management has evaluated subsequent events through November 30, 2020 the date the financial statements were available to be issued.

On January 30, 2020 the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the West Michigan Symphony and The Block's financial condition, liquidity, and future results of operations. The Organization's operations are heavily dependent on private and public on private and public donations from individuals, foundations, and corporations as well as collection of unconditional promise to give. Additionally, access to grants and contracts from federal, state, and local governments may decrease or may not readily be available depending on executive actions and appropriations. As of the date of this report, management believes all additional promises give to be satisfied, although some may be delayed for a short period of time while community partners direct their resources to COVID-19 outbreak grants.

See independent auditors' report

WEST MICHIGAN SYMPHONY AND THE BLOCK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, and industry. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the West Michigan Symphony and The Block is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the year ending June 30, 2020

The entity received a Paycheck Protection Program (PPP) Loan as a component of the CARES Act of 2020. The entity has met all the criteria for PPP forgiveness and therefore, is including the proceeds as grant revenue for the year ended June 30, 2020.

See independent auditors' report

SUPPLEMENTAL INFORMATION

WEST MICHIGAN SYMPHONY AND THE BLOCK
STATEMENTS OF FINANCIAL POSITION - WEST MICHIGAN SYMPHONY
June 30, 2020 and 2019

ASSETS

	<u>2020</u>	<u>2019</u>
Cash	\$ 278,498	\$ 131,473
Contributions Receivable	79,581	43,018
Accounts Receivable- Affiliate	69,440	79,728
Prepaid Expenses and Other Assets	10,517	15,346
Property and Equipment, net of accumulated depreciation	<u>629,837</u>	<u>620,707</u>
 Total Assets	 <u>\$ 1,067,873</u>	 <u>\$ 890,272</u>

LIABILITIES AND NET ASSETS

Liabilities		
Accounts Payable	\$ 3,610	\$ 13,183
Accrued Liabilities	24,422	21,072
Deferred Revenue	305,443	196,390
Capital Lease Obligations	<u>7,058</u>	<u>15,128</u>
 Total Liabilities	 340,533	 245,773
 Net Assets		
Without Donor Restrictions	<u>727,340</u>	<u>644,499</u>
 Total Net Assets	 <u>727,340</u>	 <u>644,499</u>
 Total Liabilities and Net Assets	 <u>\$ 1,067,873</u>	 <u>\$ 890,272</u>

WEST MICHIGAN SYMPHONY AND THE BLOCK
STATEMENTS OF FINANCIAL POSITION - THE BLOCK
June 30, 2020 and 2019

ASSETS

	<u>2020</u>	<u>2019</u>
Cash	\$ 9,679	\$ 10,109
Contributions Receivable	2,250	6,550
Prepaid Expenses and Other Assets	<u>278</u>	<u>543</u>
 Total Assets	 <u>\$ 12,207</u>	 <u>\$ 17,202</u>

LIABILITIES AND NET ASSETS

Liabilities		
Accounts Payable- Affiliate	\$ 69,440	\$ 79,728
Accrued Liabilities	1,683	1,269
Deferred Revenue	<u>25,799</u>	<u>16,652</u>
 Total Liabilities	 96,922	 97,649
 Net Assets		
Without Donor Restrictions	<u>(84,715)</u>	<u>(80,447)</u>
 Total Net Assets	 <u>(84,715)</u>	 <u>(80,447)</u>
 Total Liabilities and Net Assets	 <u>\$ 12,207</u>	 <u>\$ 17,202</u>

WEST MICHIGAN SYMPHONY AND THE BLOCK
STATEMENTS OF ACTIVITIES-WEST MICHIGAN SYMPHONY
For the Years Ended June 30, 2020 and 2019

	WITHOUT DONOR RESTRICTIONS	
	<u>2020</u>	<u>2019</u>
Operating Activities		
Revenue and Support		
Earned		
Admissions	\$ 207,340	\$ 286,824
Program & Ticket Advertising	33,813	29,146
Other	33,001	19,307
Contributed		
Individual	417,377	383,134
Corporate	103,955	136,274
Foundation	141,214	133,044
Paycheck Protection Program Grant Revenue	91,667	-
Special Event	<u>15,000</u>	<u>128,750</u>
Total Revenue and Support	1,043,367	1,116,479
Expenses		
Program Services		
Concert Production	<u>696,887</u>	<u>807,371</u>
Total Program Services	696,887	807,371
Supporting Services		
Management and General	200,885	222,490
Fundraising	<u>62,754</u>	<u>80,058</u>
Total Supporting Services	<u>263,639</u>	<u>302,548</u>
Total Expenses	<u>960,526</u>	<u>1,109,919</u>
Change in Net Assets	82,841	6,560
Net Assets - Beginning of Year	<u>644,499</u>	<u>637,939</u>
Net Assets - End of Year	<u>\$ 727,340</u>	<u>\$ 644,499</u>

WEST MICHIGAN SYMPHONY AND THE BLOCK
STATEMENT OF ACTIVITIES - THE BLOCK
For the Years Ended June 30, 2020 and 2019

	WITHOUT DONOR RESTRICTIONS	
	<u>2020</u>	<u>2019</u>
Operating Activities		
Revenue and Support		
Earned		
Admissions	\$ 25,964	30,919
Other	8,046	23,070
Contributed		
Individual	13,841	5,368
Corporate	32,150	40,700
Foundation	<u>15,460</u>	<u>19,345</u>
Total Revenue and Support	95,461	119,402
Expenses		
Program Services		
Concert Production	<u>73,002</u>	<u>85,121</u>
Total Program Services	73,002	85,121
Supporting Services		
Management and General	26,517	28,265
Fundraising	<u>210</u>	<u>861</u>
Total Supporting Services	<u>26,727</u>	<u>29,126</u>
Total Expenses	<u>99,729</u>	<u>114,247</u>
Change in Net Assets	(4,268)	5,155
Net Assets - Beginning of Year	<u>(80,447)</u>	<u>(85,602)</u>
Net Assets - End of Year	\$ <u><u>(84,715)</u></u>	\$ <u><u>(80,447)</u></u>

WEST MICHIGAN SYMPHONY AND THE BLOCK
STATEMENT OF FUNCTIONAL EXPENSES - WEST MICHIGAN SYMPHONY
For the Years Ended June 30, 2020 and 2019

	2020			
	Program Services	Supporting Services		
	Concert Production	Management and General	Fundraising	Total
Compensation and Related Expenses				
Compensation	\$ 275,355	\$ 93,205	\$ 28,230	\$ 396,790
Employee Benefits	22,799	11,268	2,585	36,652
Payroll Taxes	20,705	7,130	2,160	29,995
Total Compensation and Related Expenses	318,859	111,603	32,975	463,437
Accounting	-	11,000	-	11,000
Professional Fundraising Services	-	-	18,000	18,000
Advertising and Promotion	49,105	-	-	49,105
Office Expenses	7,499	25,995	8,446	41,940
Information Technology	3,715	8,471	3,333	15,519
Occupancy	14,630	22,042	-	36,672
Travel	2,995	-	-	2,995
Interest	-	1,308	-	1,308
Depreciation	13,789	11,249	-	25,038
Insurance	-	6,027	-	6,027
Guest Artist and Musician Fees	227,378	-	-	227,378
Ticketing and Credit Card Fees	13,135	-	-	13,135
Production Costs	32,284	-	-	32,284
Other	13,498	3,190	-	16,688
Total Functional Expenses	\$ 696,887	\$ 200,885	\$ 62,754	\$ 960,526

WEST MICHIGAN SYMPHONY AND THE BLOCK
STATEMENTS OF FUNCTIONAL EXPENSES - WEST MICHIGAN SYMPHONY
For the Years Ended June 30, 2020 and 2019

	2019			
	Program Services	Supporting Services		
	Concert Production	Management and General	Fundraising	Total
Compensation and Related Expenses				
Compensation	\$ 274,128	\$ 98,121	\$ -	\$ 372,249
Employee Benefits	22,863	11,735	-	34,598
Payroll Taxes	20,319	7,505	-	27,824
Total Compensation and Related Expenses	317,310	117,361	-	434,671
Accounting	-	6,530	-	6,530
Professional Fundraising Services	-	-	24,688	24,688
Consulting Fees	1,590	-	-	1,590
Advertising and Promotion	56,481	-	-	56,481
Office Expenses	-	26,422	12,917	39,339
Information Technology	3,322	14,780	3,322	21,424
Occupancy	22,055	23,809	-	45,864
Travel	3,069	-	-	3,069
Interest	-	2,005	-	2,005
Depreciation	7,117	24,182	-	31,299
Insurance	-	7,401	-	7,401
Guest Artist and Musician Fees	331,569	-	-	331,569
Ticketing and Credit Card Fees	16,043	-	-	16,043
Fundraising Event	-	-	39,131	39,131
Production Costs	41,765	-	-	41,765
Other	7,050	-	-	7,050
Total Functional Expenses	\$ 807,371	\$ 222,490	\$ 80,058	\$ 1,109,919

WEST MICHIGAN SYMPHONY AND THE BLOCK
STATEMENTS OF FUNCTIONAL EXPENSES - THE BLOCK
For the Years Ended June 30, 2020 and 2019

	2020			
	Supporting Services			
	Concert Production	Management and General	Fundraising	Total
Compensation and Related Expenses				
Compensation	\$ 38,385	\$ -	\$ -	\$ 38,385
Payroll Taxes	2,826	-	-	2,826
	<u>41,211</u>	<u>-</u>	<u>-</u>	<u>41,211</u>
Total Compensation and Related Expenses				
Advertising and Promotion				
Office Expenses	3,572	-	-	3,572
Information Technology	-	-	210	210
Occupancy	3,333	-	-	3,333
Travel	-	26,517	-	26,517
Guest Artist and Musician Fees	465	-	-	465
Production Costs	21,621	-	-	21,621
	<u>2,800</u>	<u>-</u>	<u>-</u>	<u>2,800</u>
Total Functional Expenses	\$ <u>73,002</u>	\$ <u>26,517</u>	\$ <u>210</u>	\$ <u>99,729</u>

WEST MICHIGAN SYMPHONY AND THE BLOCK
STATEMENT OF FUNCTIONAL EXPENSES -THE BLOCK
For the Years Ended June 30, 2020 and 2019

	2019			
	Program Services		Supporting Services	
	Concert Production	Management and General	Fundraising	Total
Compensation and Related Expenses				
Compensation	\$ 37,150	\$ -	\$ -	\$ 37,150
Payroll Taxes	2,842	-	-	2,842
Total Compensation and Related Expenses	<u>39,992</u>	<u>-</u>	<u>-</u>	<u>39,992</u>
Advertising and Promotion	5,308	-	-	5,308
Information Technology	3,322	-	861	4,183
Occupancy	-	28,265	-	28,265
Travel	1,730	-	-	1,730
Guest Artist and Musician Fees	28,593	-	-	28,593
Production Costs	6,176	-	-	6,176
Total Functional Expenses	<u>\$ 85,121</u>	<u>\$ 28,265</u>	<u>\$ 861</u>	<u>\$ 114,247</u>