

WEST MICHIGAN SYMPHONY

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

JUNE 30, 2022 AND 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
West Michigan Symphony
Muskegon, Michigan

Opinion

We have audited the financial statements of the West Michigan Symphony (a Michigan nonprofit corporation) which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the West Michigan Symphony as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the West Michigan Symphony and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the West Michigan Symphony's ability to continue as a going concern for one year after the date that the financial statements are issued.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the West Michigan Symphony's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the West Michigan Symphony's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control – related matters that we identified during the audit.

Respectfully submitted,

H&S Companies, P.C.

H&S Companies, P.C.
Reed City, Michigan

December 13, 2022

WEST MICHIGAN SYMPHONY
STATEMENTS OF FINANCIAL POSITION
JUNE 30,

ASSETS

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 427,770	\$ 241,892
Promises to Give	418,876	519,609
Inventory	2,514	-
Prepaid Expenses and Other Assets	10,832	4,877
Property and Equipment, Net of Accumulated Depreciation	575,093	610,264
Beneficial Interest in Assets Held by Community Foundations	488,091	924,525
Total Assets	<u>\$ 1,923,176</u>	<u>\$ 2,301,167</u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts Payable	\$ 6,391	\$ 1,061
Accrued Liabilities	107,302	779,447
Deferred Revenue	226,330	214,447
Endowment	-	5,000
Payroll Protection Program Loan	-	91,667
Capital Lease Obligations	20,249	24,376
Total Liabilities	360,272	1,115,998

Net Assets

Net Assets Without Donor Restrictions	1,306,264	794,894
Net Assets With Donor Restrictions	256,640	390,275
Total Net Assets	<u>1,562,904</u>	<u>1,185,169</u>
Total Liabilities and Net Assets	<u>\$ 1,923,176</u>	<u>\$ 2,301,167</u>

See Independent Auditor's Report and Accompanying Notes to the Financial Statements

**WEST MICHIGAN SYMPHONY
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30,**

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support						
Program Revenues						
Admissions	\$ 275,156	\$ -	\$ 275,156	\$ 236,033	\$ -	\$ 236,033
Program and Ticket Advertising	9,627	-	9,627	11,104	-	11,104
Other	52,045	-	52,045	80,168	-	80,168
Contributions						
Individual	441,999	254,162	696,161	629,392	390,275	1,019,667
Corporate	123,821	-	123,821	135,073	-	135,073
Foundation	174,020	237,287	411,307	128,959	22,500	151,459
Interest and Rents	833	-	833	420	-	420
Special Event	122,509	-	122,509	-	-	-
Net Assets released from Restrictions	625,084	(625,084)	-	22,500	(22,500)	-
Total Revenue and Support	1,825,094	(133,635)	1,691,459	1,243,649	390,275	1,633,924
Expenses						
Program Services						
Concert Production	803,981	-	803,981	671,631	-	671,631
Total Program Services	803,981	-	803,981	671,631	-	671,631
Supporting Services						
Management and General	407,092	-	407,092	279,093	-	279,093
Fundraising	102,651	-	102,651	139,982	-	139,982
Total Supporting Services	509,743	-	509,743	419,075	-	419,075
Total Expenses	1,313,724	-	1,313,724	1,090,706	-	1,090,706
Change in Net Assets	511,370	(133,635)	377,735	152,943	390,275	543,218
Net Assets - Beginning of Year	794,894	390,275	1,185,169	641,951	-	641,951
Net Assets - End of Year	\$ 1,306,264	\$ 256,640	\$ 1,562,904	\$ 794,894	\$ 390,275	\$ 1,185,169

See Independent Auditor's Report and Accompanying Notes to the Financial Statements

**WEST MICHIGAN SYMPHONY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
	<u>Concert Production</u>	<u>Management and General</u>	<u>Fundraising</u>	
Compensation and Related Expenses				
Compensation	\$ 340,331	\$ 121,547	\$ 24,309	\$ 486,187
Employee Benefits	34,462	12,308	2,462	49,232
Payroll Taxes	27,340	9,764	1,953	39,057
	<u>402,133</u>	<u>143,619</u>	<u>28,724</u>	<u>574,476</u>
Total Compensation and Related Expenses				
Accounting	-	27,936	-	27,936
Consulting Fees	4,703	-	-	4,703
Advertising and Promotion	56,391	-	-	56,391
Office Expenses	-	19,068	4,767	23,835
Information Technology	-	4,060	-	4,060
Occupancy	14,300	31,476	36,685	82,461
Travel	3,534	-	-	3,534
Interest	-	2,078	-	2,078
Depreciation	5,481	29,404	-	34,885
Insurance	-	7,645	-	7,645
Guest Artist and Musician Fees	252,513	44,860	-	297,373
Ticketing and Credit Card Fees	9,801	22,157	-	31,958
Production Costs	55,125	74,789	-	129,914
Campaign Expenses	-	-	32,475	32,475
Total Functional Expenses	<u>\$ 803,981</u>	<u>\$ 407,092</u>	<u>\$ 102,651</u>	<u>\$ 1,313,724</u>

See Independent Auditor's Report and Accompanying Notes to the Financial Statements

**WEST MICHIGAN SYMPHONY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
	<u>Concert Production</u>	<u>Management and General</u>	<u>Fundraising</u>	
Compensation and Related Expenses				
Compensation	\$ 297,596	\$ 109,170	\$ 24,681	\$ 431,447
Employee Benefits	25,776	18,071	3,141	46,988
Payroll Taxes	22,722	8,169	1,880	32,771
	<u>346,094</u>	<u>135,410</u>	<u>29,702</u>	<u>511,206</u>
Total Compensation and Related Expenses				
Accounting	-	8,000	-	8,000
Consulting Fees	6,000	11,500	78,000	95,500
Advertising and Promotion	20,379	-	-	20,379
Office Expenses	7,560	26,758	3,351	37,669
Information Technology	7,047	14,732	3,333	25,112
Occupancy	18,525	44,116	-	62,641
Travel	14,742	-	-	14,742
Interest	-	673	-	673
Depreciation	7,326	28,784	-	36,110
Insurance	-	9,120	-	9,120
Guest Artist and Musician Fees	189,065	-	-	189,065
Ticketing and Credit Card Fees	5,033	-	-	5,033
Production Costs	49,860	-	-	49,860
Campaign Costs	-	-	17,320	17,320
Other	-	-	8,276	8,276
	<u>-</u>	<u>-</u>	<u>8,276</u>	<u>8,276</u>
Total Functional Expenses	<u>\$ 671,631</u>	<u>\$ 279,093</u>	<u>\$ 139,982</u>	<u>\$ 1,090,706</u>

See Independent Auditor's Report and Accompanying Notes to the Financial Statements

**WEST MICHIGAN SYMPHONY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,**

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 377,735	\$ 543,218
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	34,885	36,110
(Gain) Loss on Disposition of Equipment	286	(11,886)
(Increase) Decrease in Operating Assets		
Receivables	100,733	(437,778)
Prepaid Expenses and Other Assets	(5,955)	5,918
Inventory	(2,514)	-
Beneficial Interest in Assets held by Community Foundations	436,434	(924,530)
Increase (Decrease) in Operating Liabilities		
Accounts Payable	5,330	(2,554)
Accrued Liabilities	(672,145)	1,900
Deferred Revenue	11,883	(116,795)
Net Cash Provided (Used) by Operating Activities	<u>286,672</u>	<u>(906,397)</u>
Cash Flows from Investing Activities		
Property and Equipment Purchases	<u>-</u>	<u>(4,651)</u>
Net Cash (Used) for Investing Activities	-	(4,651)
Cash Flows from Financing Activities		
Principal Payments on Debt and Notes Payable	(4,127)	-
Proceeds on Payroll Protection Program Loan	-	91,667
Payroll Protection Program Loan Forgiveness Due to Foundation	(91,667)	-
Due to Foundation	(5,000)	755,768
Proceeds on Capital Lease Obligations	<u>-</u>	<u>17,318</u>
Net Cash (Used) by Financing Activities	<u>(100,794)</u>	<u>864,753</u>
Net Increase (Decrease) in Cash	185,878	(46,295)
Cash and Cash Equivalents - Beginning of Year	<u>241,892</u>	<u>288,182</u>
Cash and Cash Equivalents - End of Year	<u>\$ 427,770</u>	<u>\$ 241,892</u>

See Independent Auditor's Report and Accompanying Notes to the Financial Statements

WEST MICHIGAN SYMPHONY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The West Michigan Symphony (the “Organization”) 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. 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.

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 Organization 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 Organization’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, 2022 and 2021, The Organization had \$256,640 and \$390,275, respectively, of net assets with 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.

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, 2022 and 2021, all amounts were considered collectible.

**WEST MICHIGAN SYMPHONY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

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

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, 2022 and 2021.

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.

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, 2022 and 2021 are subject to examination by the Internal Revenue Service for the three years after they were filed.

**WEST MICHIGAN SYMPHONY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

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.

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 interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments that other activities considered to be of more unusual and nonrecurring nature.

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.

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 two funds with the Community Foundation for Muskegon County (CFFMC) and one with the Grand Haven Area Community Foundation (GHACF)

**WEST MICHIGAN SYMPHONY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

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.

Currently, the Organization is involved in another fundraising effort, called **"Play Your Part."** This fundraising campaign began in 2020, for two primary purposes: 1) Grow our endowment; and 2) Expand our education effort. The **"Play Your Part"** endowment is held at both the CFFMC and GHACF. The endowment assets were created through transfers of existing assets of the **"Play Your Part"** campaign and are supplemented with donor contributions given directly to the Organization as well as gifts earmarked for the respective endowments at CFFMC and GHACF. The endowment fund assets are administered and managed by both the CFFMC and the GHACF.

Accordingly, contributions to the funds made directly to the CFFMC and GHACF have been excluded from the unrestricted assets of the Organization in accordance with FASB ASC 958-605-50-6. June 30, 2022 and 2021, the balances in the **"To Secure The Spirit"** Fund and the **"Play Your Part Campaign"** Fund are consisted solely of contributions made directly to the CFFMC and GHACF.

The Board of Trustees of the Community Foundation for Muskegon County and the Grand Haven Area Community Foundation have 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, 2022 and 2021, the fair market value of the **"To Secure The Spirit"** fund was \$547,135 and \$665,990, respectively. During the years ended June 30, 2022 and 2021, the Organization received distributions from the fund of \$25,327 and \$21,119, respectively.

At June 30, 2022, the fair market value of the **"Play Your Part Campaign"** fund at the CFFMC and the GHACF was \$960,136 and \$81,308, respectively.

NOTE E – PROPERTY AND EQUIPMENT

	<u>2022</u>	<u>2021</u>
Office Equipment	\$ 122,297	\$ 123,457
Production Equipment	172,625	172,625
Liquor License	31,912	31,912
Leasehold Improvements	<u>549,928</u>	<u>549,928</u>
	876,762	877,922
Less Accumulated Depreciation	<u>(301,669)</u>	<u>(267,658)</u>
Total	<u>\$ 575,093</u>	<u>\$ 610,264</u>

Depreciation expense for the years ended June 30, 2022 and 2021 was \$34,885 and \$36,110, respectively.

**WEST MICHIGAN SYMPHONY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

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, 2022 and 2021 was \$44,583 and \$40,868, respectively.

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

Year ending June 30	Amount
2023	\$ 44,583
2024	44,583
2025	44,583
2026	44,583
2027	44,583
Thereafter	312,081
Total minimum lease payments	\$ 534,996

Capital Leases

The Organization leases some equipment under capital leases expiring in various years through 2026. 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, 2022 and 2021:

	2022	2021
Machinery and Equipment	\$ 35,833	\$ 35,833
Less Accumulated Depreciation	(18,540)	(13,599)
Total	\$ 17,293	\$ 22,234

**WEST MICHIGAN SYMPHONY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

The following is a summary of capital leases as of June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Capital lease payable to Xerox Financial Services requiring monthly payments of \$513. Final payment due May 2026.	<u>\$ 19,435</u>	<u>\$ 24,376</u>
Total Capital Leases Payable	<u><u>\$ 19,435</u></u>	<u><u>\$ 24,376</u></u>

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

<u>Year ending June 30</u>	<u>Amount</u>
2023	\$ 4,941
2024	4,941
2025	4,941
2026	<u>4,612</u>
Total future minimum lease payments	<u><u>\$ 19,435</u></u>

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 \$56,391 and \$20,379, for the years ended June 30, 2022 and 2021, respectively.

NOTE I - SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Interest paid for the years ended June 30, 2022 and 2021 was \$2,078 and \$673, respectively.

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 OF FINANCIAL ASSETS

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

	<u>2022</u>	<u>2021</u>
Unrestricted Cash and Cash Equivalents	<u>\$ 427,770</u>	<u>\$ 241,892</u>
Promises to Give	<u>418,876</u>	<u>519,609</u>
Total Financial Assets	<u><u>\$ 846,646</u></u>	<u><u>\$ 761,501</u></u>

**WEST MICHIGAN SYMPHONY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

NOTE L – LINE OF CREDIT

The Organization established a line of credit with Choice One Bank on November 25, 2021. The amount available was \$150,000 with an interest rate of 4.25%. The balance was \$0 at year end and has not yet been renewed.

NOTE M - 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 December 13, 2022, the date the financial statements were available to be issued.

NOTE N – UPCOMING ACCOUNTING PRONOUNCEMENT

The FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which replaces existing lease accounting guidance. The primary impact of this guidance, which will be effective for the Organization's year ending June 30, 2023, will be to record right-to-use assets and lease obligations for current operating leases. The impact of this standard on the Organization's financial statements is being evaluated.