

West Michigan Symphony  
Financial Statements

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For the Years Ended June 30, 2024 and 2023

# West Michigan Symphony

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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 West Michigan Symphony (a Michigan nonprofit corporation), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of West Michigan Symphony as of June 30, 2024 and 2023, 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 for 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 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 Responsibility 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 judgment 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 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 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

February 12, 2025

**West Michigan Symphony**  
**Statements of Financial Position**  
**June 30,**

**ASSETS**

	2024	2023
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 1,634,949	\$ 1,012,261
Promises to Give, Current	153,042	245,978
Inventory	1,803	1,945
Prepaid Expenses and Other Assets	9,717	12,893
<b>Total Current Assets</b>	<b>1,799,511</b>	<b>1,273,077</b>
<b>Noncurrent Assets</b>		
Promises to Give, Noncurrent	28,000	65,000
Right-of-Use Assets, Operating	171,630	189,528
Property and Equipment, Net of Accumulated Depreciation	506,795	540,991
Beneficial Interest in Assets Held by Community Foundations	18,585	230,163
<b>Total Noncurrent Assets</b>	<b>725,010</b>	<b>1,025,682</b>
<b>Total Assets</b>	<b>\$ 2,524,521</b>	<b>\$ 2,298,759</b>

**LIABILITIES AND NET ASSETS**

<b>Liabilities</b>		
Accounts Payable	\$ 50,510	\$ 4,416
Accrued Liabilities	66,626	223,619
Deferred Revenue	324,754	258,131
Operating Lease Obligations	172,069	189,756
Finance Lease Obligations	10,796	15,734
<b>Total Liabilities</b>	<b>624,755</b>	<b>691,656</b>
<b>Net Assets</b>		
Net Assets Without Donor Restrictions	1,184,775	977,922
Net Assets With Donor Restrictions	714,991	629,181
<b>Total Net Assets</b>	<b>1,899,766</b>	<b>1,607,103</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,524,521</b>	<b>\$ 2,298,759</b>

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

**West Michigan Symphony  
Statements of Activities  
For the Years Ended June 30,**

	<b>2024</b>			<b>2023</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue and Support</b>						
Program Revenues						
Admissions	\$ 408,323	\$ 6,460	\$ 414,783	\$ 394,785	\$ -	\$ 394,785
Program and Ticket Advertising	17,937	-	17,937	14,560	-	14,560
Other	58,750	-	58,750	66,973	-	66,973
Contributions						
Individual	706,527	23,285	729,812	578,076	21,170	599,246
Corporate	89,971	-	89,971	114,189	-	114,189
Foundation	114,255	151,425	265,680	128,724	30,000	158,724
Interest and Rents	30,388	26,634	57,022	25,449	3,647	29,096
Special Event	243,750	-	243,750	132,852	-	132,852
Net Assets released from Restrictions	121,994	(121,994)	-	70,073	(70,073)	-
<b>Total Revenue and Support</b>	<b>1,791,895</b>	<b>85,810</b>	<b>1,877,705</b>	<b>1,525,681</b>	<b>(15,256)</b>	<b>1,510,425</b>
<b>Expenses</b>						
<b>Program Services</b>						
Concert Production	1,154,587	-	1,154,587	1,078,050	-	1,078,050
<b>Supporting Services</b>						
Management and General	266,824	-	266,824	240,193	-	240,193
Fundraising	163,631	-	163,631	147,983	-	147,983
<b>Total Supporting Services</b>	<b>430,455</b>	<b>-</b>	<b>430,455</b>	<b>388,176</b>	<b>-</b>	<b>388,176</b>
<b>Total Expenses</b>	<b>1,585,042</b>	<b>-</b>	<b>1,585,042</b>	<b>1,466,226</b>	<b>-</b>	<b>1,466,226</b>
<b>Change in Net Assets</b>	<b>206,853</b>	<b>85,810</b>	<b>292,663</b>	<b>59,455</b>	<b>(15,256)</b>	<b>44,199</b>
<b>Net Assets - Beginning of Year</b>	<b>977,922</b>	<b>629,181</b>	<b>1,607,103</b>	<b>918,467</b>	<b>644,437</b>	<b>1,562,904</b>
<b>Net Assets - End of Year</b>	<b>\$ 1,184,775</b>	<b>\$ 714,991</b>	<b>\$ 1,899,766</b>	<b>\$ 977,922</b>	<b>\$ 629,181</b>	<b>\$ 1,607,103</b>

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, 2024**

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
	<u>Concert Production</u>	<u>Management and General</u>	<u>Fundraising</u>	
<b>Compensation and Related Expenses</b>				
Compensation	\$ 434,181	\$ 124,051	\$ 62,026	\$ 620,258
Employee Benefits	45,881	13,109	6,554	65,544
Payroll Taxes	28,687	8,197	4,098	40,982
<b>Total Compensation and Related Expenses</b>	<u>508,749</u>	<u>145,357</u>	<u>72,678</u>	<u>726,784</u>
Accounting	-	19,650	-	19,650
Consulting Fees	3,960	-	-	3,960
Advertising and Promotion	57,646	-	-	57,646
Office Expenses	-	25,251	6,313	31,564
Occupancy	14,650	34,182	48,832	97,664
Interest	-	1,427	-	1,427
Depreciation Expense	4,957	28,088	-	33,045
Insurance	-	7,541	-	7,541
Guest Artist and Musician Fees	356,738	-	-	356,738
Ticketing and Credit Card Fees	19,810	-	19,811	39,621
Production Costs	188,077	-	-	188,077
Campaign Expenses	-	-	15,997	15,997
Other Expenses	-	5,328	-	5,328
<b>Total Functional Expenses</b>	<u>\$ 1,154,587</u>	<u>\$ 266,824</u>	<u>\$ 163,631</u>	<u>\$ 1,585,042</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, 2023**

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
	<u>Concert Production</u>	<u>Management and General</u>	<u>Fundraising</u>	
<b>Compensation and Related Expenses</b>				
Compensation	\$ 389,512	\$ 106,728	\$ 59,263	\$ 555,503
Employee Benefits	38,455	13,734	2,747	54,936
Payroll Taxes	26,436	9,441	1,888	37,765
<b>Total Compensation and Related Expenses</b>	<u>454,403</u>	<u>129,903</u>	<u>63,898</u>	<u>648,204</u>
Accounting	-	12,250	-	12,250
Consulting Fees	122	-	-	122
Advertising and Promotion	76,745	-	-	76,745
Office Expenses	-	30,434	7,608	38,042
Occupancy	14,300	27,851	40,642	82,793
Interest	-	1,639	-	1,639
Depreciation Expense	4,995	28,304	-	33,299
Insurance	-	8,401	-	8,401
Guest Artist and Musician Fees	350,143	-	-	350,143
Ticketing and Credit Card Fees	13,025	-	12,988	26,013
Production Costs	164,317	-	-	164,317
Campaign Expenses	-	-	22,847	22,847
Other Expenses	-	1,411	-	1,411
<b>Total Functional Expenses</b>	<u>\$ 1,078,050</u>	<u>\$ 240,193</u>	<u>\$ 147,983</u>	<u>\$ 1,466,226</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,**

	<b>2024</b>	<b>2023</b>
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ 292,663	\$ 44,199
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	33,045	33,299
(Gain) Loss on Disposition of Equipment	1,151	803
<b>(Increase) Decrease in Operating Assets</b>		
Receivables	129,936	107,898
Prepaid Expenses and Other Assets	3,176	(2,061)
Inventory	142	569
Right-of-Use Assets	17,898	17,181
Beneficial Interest in Assets held by Community Foundations	211,578	257,928
<b>Increase (Decrease) in Operating Liabilities</b>		
Accounts Payable	46,094	(1,975)
Accrued Liabilities	(156,993)	116,317
Deferred Revenue	66,623	31,801
Operating Lease Obligations	(17,687)	(16,953)
Finance Lease Obligations	(4,938)	(4,515)
	<b>622,688</b>	<b>584,491</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>622,688</b>	<b>584,491</b>
<b>Net Increase (Decrease) in Cash</b>	<b>622,688</b>	<b>584,491</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>1,012,261</b>	<b>427,770</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 1,634,949</b>	<b>\$ 1,012,261</b>

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, 2024 and 2023**

**NOTE 1 – 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 not 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, whereby the donor has stipulated the funds be maintained in perpetuity.

As of June 30, 2024 and 2023, The Organization had \$714,991 and \$629,181, 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, 2024 and 2023, 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.

**West Michigan Symphony**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2024 and 2023**

**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 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 two financial institutions located Grand Haven and Muskegon, Michigan. The balances at these financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. As of June 30, 2024 and 2023, \$251,372 and \$0, respectively, of the Organization's bank balances were uninsured because they exceeded FDIC coverage.

**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 if purchased and at fair value at the date of contribution of assets donated to the Organization. The Organization capitalizes additions of property and equipment in excess of \$2,500 cost or fair value, if donated, and a useful life greater than one year. Depreciation is provided on a straight-line basis over the following estimated useful lives of the assets:

<u>Assets</u>	<u>Years</u>
Buildings	39
Building Improvements	15 - 40
Licenses and Other Intangibles	20
Furniture and Equipment	3 - 20
Production Equipment	3 - 20

**Leases**

The Organization recognizes and measures its leases in accordance with the Financial Accounting Standard's Board (FASB) Accounting Standard Update (ASU) No. 2016-02, Leases. The Organization has an operating lease for the use of administrative offices and adjacent performance space. Operating leases are included in the right-of-use (ROU) assets and lease liabilities on the balance sheet.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. The ROU assets and liabilities are recognized at the commencement date and are based on the present value of its future lease payments. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. The lease expense from operating lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as an expense when incurred and these leases are not included as lease liabilities or right of use assets on the balance sheet.

**West Michigan Symphony**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2024 and 2023**

The Organization has made certain assumptions and judgements in determining the discount rate, as most operating leases do not provide an implicit rate. The Organization uses the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment.

**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 generally 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, 2024 and 2023 were 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.

**Retirement Benefits**

The Organization participates in a 401(K) plan through Alerus Retirement Solutions. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. After completion of 90 days, employees who work a minimum of 1,000 hours annually may participate as established by the Organization; the plan is funded by participants to the extent they elect to defer their compensation into the plan, and by matching contributions from the Organization of 2% of covered employee wages. The Organization's contributions for each employee are fully vested after three years of steady employment and are forfeited if employee leaves prior to being fully vested. Contributions to the plan for the year ended June 30, 2024 and 2023 totaled \$47,719, and \$27,620, of which \$8,491 and \$5,260, respectively, were Organization contributions.

**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.

**West Michigan Symphony**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2024 and 2023**

**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 February 12, 2025, the date the financial statements were available to be issued.

**NOTE 2 - 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 3 - 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 4 – 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).

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 CFFMC. The CFFMC's trustees determine the timing and amount of any distributions.

**West Michigan Symphony**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2024 and 2023**

In 2020, the Organization embarked on a fundraising campaign called “Play Your Part” in order to secure funds for endowment and for expanded youth education. “Play Your Part” funds were established at the CFFMC and GHACF in 2020 and 2021, respectively, as permanent endowment funds of the Organization. The endowment assets were created through transfers of existing assets of the “Play Your Part” campaign supplemented with donor contributions given directly to the Organization as well as gifts earmarked for the respective endowments at CFFMC and GHACF. The assets are administered and managed by 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. On June 30, 2024 and 2023, the balances in the "To Secure The Spirit" Fund and the “Play Your Part Campaign” Fund 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, 2024 and 2023, the fair market value of the “To Secure The Spirit” fund was \$619,909 and \$573,958, respectively. During the years ended June 30, 2024 and 2023, the Organization received distributions from the fund of \$23,320 and \$22,996, respectively.

At June 30, 2024 and 2023, the fair market value of the “Play Your Part” fund was \$2,902,875 and \$1,844,706, respectively. During the years ended June 30, 2024 and 2023, the Organization received distributions from the fund of \$35,900 and \$18,851, respectively.

**NOTE 5 – PROPERTY AND EQUIPMENT**

	<u>2024</u>	<u>2023</u>
Office Equipment	\$ 115,885	\$ 119,702
Production Equipment	166,359	166,959
Liquor License	31,912	31,912
Leasehold Improvements	<u>548,478</u>	<u>548,478</u>
	862,634	867,051
Less Accumulated Depreciation	<u>(355,839)</u>	<u>(326,060)</u>
Total	<u>\$ 506,795</u>	<u>\$ 540,991</u>

Depreciation expense for the years ended June 30, 2024 and 2023 was \$33,045 and \$33,299, respectively.

**West Michigan Symphony**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2024 and 2023**

**NOTE 6 – 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 7 - LEASES**

**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 \$2,110 plus common area maintenance (CAM). Rent expense and CAM for the years ended June 30, 2024 and 2023 was \$45,884 and \$44,911, respectively.

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

<u>Year ending June 30</u>	<u>2024</u>	<u>2023</u>
2024	\$ -	\$ 25,320
2025	25,320	25,320
2026	25,320	25,320
2027	25,320	25,320
2028	25,320	25,320
2029	25,320	25,320
Thereafter (2030-2033)	<u>75,960</u>	<u>75,960</u>
Total lease payments	<u>\$ 202,560</u>	<u>\$ 227,880</u>
Less Present Value Discount	(30,491)	(38,124)
Total Lease Liability	\$ 172,069	\$ 189,756

**West Michigan Symphony**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2024 and 2023**

**Finance Leases**

The Organization leases a Xerox printer from Xerox Financial Services requiring monthly payments of \$513 under a capital lease expiring in 2026.

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

<u>Year ending June 30</u>	<u>2024</u>	<u>2023</u>
2024	\$ -	\$ 6,156
2025	6,156	6,156
2026	5,643	5,643
	11,799	17,955
Less Interest	<u>(1,003)</u>	<u>(2,221)</u>
Present Value of Lease Liabilities	<u>\$ 10,796</u>	<u>\$ 15,734</u>

Other supplemental information as of and for the years ended June 30, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Cash Paid for Amount Included in Measurement of Lease Liability:		
Net Operating Cash Flows from:		
Finance Leases	\$ (6,156)	\$ (6,156)
Operating Leases	\$ (25,320)	\$ (25,320)
Weighted Average Remaining Lease Term:		
Finance Leases	2	3
Operating Leases	8	9
Weighted Average Discount Rate:		
Finance Leases	9.00%	9.00%
Operating Leases	4.25%	4.25%

**NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS**

The Organization has net assets with donor (purpose) restrictions as of June 30, 2024 and 2023 as follows:

	<u>2024</u>	<u>2023</u>
Community Foundation for Muskegon County - Tune Up	\$ 714,991	\$ 605,341
Grand Haven Area Community Foundation - Tune Up	-	3,840
Grand Haven Area Community Foundation - Link Up	-	20,000
	<u>\$ 714,991</u>	<u>\$ 629,181</u>



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**NOTE 9 – 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 \$57,646 and \$76,745, for the years ended June 30, 2024 and 2023, respectively.

**NOTE 10 - SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

Interest paid for the years ended June 30, 2024 and 2023 was \$1,427 and \$1,639, respectively.

**NOTE 11 - 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 costs 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 12 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

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

	2024	2023
Unrestricted Cash and Cash Equivalents	\$1,634,949	\$1,012,261
Promises to Give	153,042	245,978
Total Financial Assets	\$1,787,991	\$1,258,239

**NOTE 13 – PROMISES TO GIVE, NET**

Promises to give, net consist as follows:

	2024	2023
Amounts Due in Less Than One Year	\$ 154,609	\$ 253,489
Amounts Due in Two to Five Years	28,000	65,000
Total Promises to Give	182,609	318,489
Less: Discount	(1,567)	(7,511)
Total Promises to Give, Net	\$ 181,042	\$ 310,978

**NOTE 14 – 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 the prime rate plus 1%. The line of credit was renewed during the year but the balance was \$0 at both June 30, 2024 and 2023.

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**NOTE 15 – REVENUE FROM CONTRACTS WITH CUSTOMERS**

	2024	2023
Program Service Fees	\$ 491,470	\$ 476,318

Receivables from contracts with customers are reported as accounts receivable, net in the accompanying statement of financial position. Contract liabilities are reported as deferred revenue in the accompanying statement of financial position.

The following table provides information about significant changes in deferred revenue for the years ended June 30, 2024 and 2023:

	2024	2023
Deferred Revenue - Beginning of Year	\$ 258,131	\$ 226,330
Revenue Recognized That Was Included in Deferred Revenue		
At Beginning of Year	(258,131)	(226,330)
Increase In Deferred Revenue Due to Cash Received During the Year	324,754	258,131
Deferred Revenue - End of Year	\$ 324,754	\$ 258,131