

West Michigan Symphony

Financial Statements

For the Years Ended June 30, 2025 and 2024

West Michigan Symphony

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1 - 2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5 – 6
Statements of Cash Flows	7
Notes to the Financial Statements	8 – 17



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, 2025 and 2024, 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, 2025 and 2024, 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.

Change in Account Principle

As discussed in Note 1 to the financial statements, in 2025, the entity adopted new accounting guidance related to Financial Instruments – Credit Losses. Our opinion is not modified with respect to this matter.

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

November 12, 2025

West Michigan Symphony
Statements of Financial Position
June 30,

ASSETS

	2025	2024
Current Assets		
Cash and Cash Equivalents	\$ 1,712,648	\$ 1,634,949
Promises to Give, Current	216,157	154,609
Inventory	2,120	1,803
Prepaid Expenses and Other Assets	10,017	9,717
Total Current Assets	1,940,942	1,801,078
 Noncurrent Assets		
Promises to Give, Noncurrent	95,522	26,433
Right-of-Use Assets, Operating	152,966	171,630
Right-of-Use Assets, Finance	7,783	12,724
Property and Equipment, Net of Accumulated Depreciation	499,734	494,071
Beneficial Interest in Assets Held by Community Foundations	64,015	18,585
Total Noncurrent Assets	820,020	723,443
 Total Assets	\$ 2,760,962	\$ 2,524,521

LIABILITIES AND NET ASSETS

Liabilities		
Accounts Payable	\$ 6,465	\$ 50,510
Accrued Liabilities	78,982	66,626
Deferred Revenue	293,388	324,754
Operating Lease Obligations	153,681	172,069
Finance Lease Obligations	5,395	10,796
Total Liabilities	537,911	624,755
 Net Assets		
Net Assets Without Donor Restrictions	1,386,518	1,184,775
Net Assets With Donor Restrictions	836,533	714,991
Total Net Assets	2,223,051	1,899,766
 Total Liabilities and Net Assets	\$ 2,760,962	\$ 2,524,521

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

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support						
Program Revenues						
Admissions	\$ 445,006	\$ -	\$ 445,006	\$ 408,323	\$ 6,460	\$ 414,783
Program and Ticket Advertising	17,550	-	17,550	17,937	-	17,937
Other	39,655	-	39,655	58,750	-	58,750
Contributions						
Individual	673,935	195,522	869,457	706,527	23,285	729,812
Corporate	85,600	-	85,600	89,971	-	89,971
Foundation	255,098	-	255,098	114,255	151,425	265,680
Interest and Rents	28,731	23,382	52,113	30,388	26,634	57,022
Special Event	245,078	-	245,078	243,750	-	243,750
Net Assets released from Restrictions	<u>97,362</u>	<u>(97,362)</u>	<u>-</u>	<u>121,994</u>	<u>(121,994)</u>	<u>-</u>
Total Revenue and Support	1,888,015	121,542	2,009,557	1,791,895	85,810	1,877,705
Expenses						
Program Services						
Concert Production	1,284,772	-	1,284,772	1,154,587	-	1,154,587
Supporting Services						
Management and General	245,740	-	245,740	266,824	-	266,824
Fundraising	155,760	-	155,760	163,631	-	163,631
Total Supporting Services	<u>401,500</u>	<u>-</u>	<u>401,500</u>	<u>430,455</u>	<u>-</u>	<u>430,455</u>
Total Expenses	1,686,272	-	1,686,272	1,585,042	-	1,585,042
Change in Net Assets	201,743	121,542	323,285	206,853	85,810	292,663
Net Assets - Beginning of Year	1,184,775	714,991	1,899,766	977,922	629,181	1,607,103
Net Assets - End of Year	<u>\$ 1,386,518</u>	<u>\$ 836,533</u>	<u>\$ 2,223,051</u>	<u>\$ 1,184,775</u>	<u>\$ 714,991</u>	<u>\$ 1,899,766</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, 2025

	Program Services		Supporting Services			Total	
			Management and		Fundraising		
	Concert Production	General					
Compensation and Related Expenses							
Compensation	\$ 453,506	\$ 129,573	\$ 64,787	\$ 647,866			
Employee Benefits	55,437	14,646	7,323	77,406			
Payroll Taxes	29,813	8,518	4,259	42,590			
Total Compensation and Related Expenses	538,756	152,737	76,369	767,862			
Accounting	-	14,762	-	14,762			
Consulting Fees	15,917	-	-	15,917			
Advertising and Promotion	115,498	-	-	115,498			
Office Expenses	4,245	28,733	6,178	39,156			
Occupancy	15,976	1,187	53,253	70,416			
Interest	-	1,397	-	1,397			
Depreciation and Amortization Expense	5,479	31,047	-	36,526			
Insurance	-	9,138	-	9,138			
Guest Artist and Musician Fees	367,795	-	-	367,795			
Ticketing and Credit Card Fees	15,649	-	15,649	31,298			
Production Costs	205,457	-	488	205,945			
Campaign Expenses	-	-	3,823	3,823			
Other Expenses	-	6,739	-	6,739			
Total Functional Expenses	\$ 1,284,772	\$ 245,740	\$ 155,760	\$ 1,686,272			

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

	Program Services		Supporting Services			Total	
			Management and		Fundraising		
	Concert Production	General					
Compensation and Related Expenses							
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			
Total Compensation and Related Expenses	508,749	145,357	72,678	726,784			
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 and Amortization 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			
Total Functional Expenses	\$ 1,154,587	\$ 266,824	\$ 163,631	\$ 1,585,042			

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,**

	2025	2024
Cash Flows from Operating Activities		
Change in Net Assets	\$ 323,285	\$ 292,663
Adjustments to Reconcile Change in Net Assets		
to Net Cash Provided (Used) by Operating Activities		
Depreciation and Amortization	36,526	33,045
(Gain) Loss on Disposition of Equipment	-	1,151
(Increase) Decrease in Operating Assets		
Receivables	(130,637)	129,936
Prepaid Expenses and Other Assets	(300)	3,176
Inventory	(317)	142
Right-of-Use Assets, Operating	18,664	17,898
Right-of-Use Assets, Finance	4,941	-
Beneficial Interest in Assets held by Community Foundations	(45,430)	211,578
Increase (Decrease) in Operating Liabilities		
Accounts Payable	(44,045)	46,094
Accrued Liabilities	12,356	(156,993)
Deferred Revenue	(31,366)	66,623
Operating Lease Obligations	(18,388)	(17,687)
Finance Lease Obligations	(5,401)	(4,938)
Net Cash Provided (Used) by Operating Activities	119,888	622,688
Cash Flows from Investing Activities		
Property and Equipment Purchases	(42,189)	-
Net Cash Provided (Used) by Investing Activities	(42,189)	-
Net Increase (Decrease) in Cash and Cash Equivalents	77,699	622,688
Cash and Cash Equivalents - Beginning of Year	1,634,949	1,012,261
Cash and Cash Equivalents - End of Year	\$ 1,712,648	\$ 1,634,949

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, 2025 and 2024

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, 2025 and 2024, The Organization had \$836,533 and \$714,991, 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, 2025 and 2024, 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, 2025 and 2024

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, 2025 and 2024, \$357,958 and \$251,372, 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:

Assets	Years
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, 2025 and 2024

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 time 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, 2023 and 2022 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 the employee leaves prior to being fully vested. Contributions to the plan for the years ended June 30, 2025 and 2024 totaled \$38,622, and \$47,719, of which \$4,175 and \$8,491, 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, 2025 and 2024

Change in Accounting Principle

The Financial Accounting Standards Board (FASB) issued ASU 2016-13, *Financial Instruments – Credit Losses* (Topic 326): Measurement of Credit Losses on Financial Instruments, in June 2016. The standard replaced the incurred loss impairment methodology that reflects current expected credit losses ("CECL") on financial assets, including receivables, available-for-sale securities, and certain off-balance sheet commitments. The new methodology requires the measurement of all expected credit losses based on historical experience, current economic conditions, and reasonable and supportable forecasts. On July 1, 2023, the Organization adopted the standard using a modified retrospective method. The adoption of this standard did not have a material impact on the financial statements and disclosures.

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 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 consist of income, expenses, gains, and losses that are unrelated to the Organization's primary operations, including investing and financing activities and items that are unusual or infrequent in 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.

**West Michigan Symphony
Notes to the Financial Statements
For the Years Ended June 30, 2025 and 2024**

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.

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, 2025 and 2024, 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.

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West Michigan Symphony
Notes to the Financial Statements
For the Years Ended June 30, 2025 and 2024

A summary of revenues, expenses, and changes in net assets at fair value of the funds for the years ended June 30, 2025 and 2024, respectively, follows:

	2025			2024		
	CFFMC Spirit Fund	CFFMC Campaign Fund	GHACF Endowment Fund	CFFMC Spirit Fund	CFFMC Campaign Fund	GHACF Endowment Fund
Revenues						
Contributions	\$ -	\$ 33,072	\$ -	\$ -	\$ 62,549	\$ -
Dividends and Interest	7,271	37,472	1,044	7,278	38,927	9,059
Realized and Unrealized Gains						
(Losses) on Investments	72,147	492,825	12,862	64,952	787,697	6,036
	<u>79,418</u>	<u>563,369</u>	<u>13,906</u>	<u>72,230</u>	<u>889,173</u>	<u>15,095</u>
Expenses						
Transfers to WMS	24,200	55,700	3,811	23,320	35,900	2,595
Investment and Management Fees	3,026	9,205	610	2,959	6,682	586
	<u>27,226</u>	<u>64,905</u>	<u>4,421</u>	<u>26,279</u>	<u>42,582</u>	<u>3,181</u>
Changed in Net Assets	52,192	498,464	9,485	45,951	846,591	11,914
Net Assets and Beginning of Year	<u>619,909</u>	<u>2,921,460</u>	<u>107,805</u>	<u>573,958</u>	<u>2,074,869</u>	<u>95,891</u>
Net Assets and End of Year	<u>672,101</u>	<u>3,419,924</u>	<u>117,290</u>	<u>619,909</u>	<u>2,921,460</u>	<u>107,805</u>
Less Assets Recorded as Those of the Community Foundation	<u>(672,101)</u>	<u>(3,355,909)</u>	<u>(117,290)</u>	<u>(619,909)</u>	<u>(2,902,875)</u>	<u>(107,805)</u>
Assets Reported on the Statement of Financial Position	<u>\$ -</u>	<u>\$ 64,015</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,585</u>	<u>\$ -</u>

NOTE 5 – PROPERTY AND EQUIPMENT

	2025	2024
Office Equipment	\$ 139,475	\$ 115,885
Production Equipment	179,357	166,359
Liquor License	31,912	31,912
Leasehold Improvements	548,478	548,478
Total Property and Equipment	899,222	862,634
Less Accumulated Depreciation and Amortization	(391,705)	(355,839)
Total	\$ 507,517	\$ 506,795

Right-of-use assets related to financing leases are included in the amounts disclosed above; however, these assets are presented separately from property and equipment on the statement of financial position.

West Michigan Symphony
Notes to the Financial Statements
For the Years Ended June 30, 2025 and 2024

Depreciation and amortization expense for the years ended June 30, 2025 and 2024 was \$36,526 and \$33,045, respectively.

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, 2025 and 2024 was \$47,032 and \$45,884, respectively.

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

Year ending June 30	2025	2024
2025	\$ -	\$ 25,320
2026	25,320	25,320
2027	25,320	25,320
2028	25,320	25,320
2029	25,320	25,320
2030	25,320	25,320
Thereafter (2031-2033)	50,640	50,640
Total lease payments	<u>\$ 177,240</u>	<u>\$ 202,560</u>
Less Present Value Discount	(23,559)	(30,491)
Total Lease Liability	\$ 153,681	\$ 172,069

Finance Leases

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

West Michigan Symphony
Notes to the Financial Statements
For the Years Ended June 30, 2025 and 2024

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

<u>Year ending June 30</u>	<u>2025</u>	<u>2024</u>
2025	\$ -	\$ 6,156
2026	<u>5,643</u>	<u>5,643</u>
	5,643	11,799
Less Interest	<u>(248)</u>	<u>(1,003)</u>
Present Value of Lease Liabilities	<u><u>\$ 5,395</u></u>	<u><u>\$ 10,796</u></u>

Other supplemental information as of and for the years ended June 30, 2025 and 2024 is as follows:

	2025	2024
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	1	2
Operating Leases	7	8
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, 2025 and 2024 as follows:

	2025	2024
Community Foundation for Muskegon County - Tune Up	\$ 641,011	\$ 714,991
Restricted Pledge for Institutional Marketing	<u>195,522</u>	-
Total Net Assets with Donor Restrictions	<u><u>\$ 836,533</u></u>	<u><u>\$ 714,991</u></u>

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 \$115,498 and \$57,646, for the years ended June 30, 2025 and 2024, respectively.

West Michigan Symphony
Notes to the Financial Statements
For the Years Ended June 30, 2025 and 2024

NOTE 10 - SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Interest paid for the years ended June 30, 2025 and 2024 was \$1,397 and \$1,427, 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:

	2025	2024
Unrestricted Cash and Cash Equivalents	\$ 1,712,648	\$ 1,634,949
Promises to Give, Current	216,157	154,609
Donor Restricted Cash and Cash Equivalents	(641,011)	(714,991)
Restricted Pledges	(195,522)	-
Total Financial Assets	<u>\$ 1,092,272</u>	<u>\$ 1,074,567</u>

NOTE 13 – PROMISES TO GIVE, NET

Promises to give, net consist as follows:

	2025	2024
Amounts Due in Less Than One Year	\$ 220,635	\$ 156,176
Amounts Due in Two to Five Years	<u>95,522</u>	<u>26,433</u>
Total Promises to Give	316,157	182,609
Less: Discount	<u>(4,478)</u>	<u>(1,567)</u>
Total Promises to Give, Net	<u>\$ 311,679</u>	<u>\$ 181,042</u>

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, 2025 and 2024.

NOTE 15 – REVENUE FROM CONTRACTS WITH CUSTOMERS

	2025	2024
Program Service Fees	<u>\$ 502,211</u>	<u>\$ 491,470</u>

West Michigan Symphony
Notes to the Financial Statements
For the Years Ended June 30, 2025 and 2024

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, 2025 and 2024:

	2025	2024
Deferred Revenue - Beginning of Year	\$ 324,754	\$ 258,131
Revenue Recognized That Was Included in Deferred Revenue		
At Beginning of Year	(324,754)	(258,131)
Increase In Deferred Revenue Due to Cash Received During the Year	293,388	324,754
Deferred Revenue at End of Year	<u>\$ 293,388</u>	<u>\$ 324,754</u>