

Financial Statements

Saginaw Symphony Association

*Year Ended June 30, 2025
with Independent Accountant's Review Report
(with Summarized Comparative
Information for 2024)*

Saginaw Symphony Association

Financial Statements

Year Ended June 30, 2025
(with Summarized Comparative Information for 2024)

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Independent Accountant's Review Report

Board of Directors
Saginaw Symphony Association
Saginaw, Michigan

We have reviewed the accompanying financial statements of Saginaw Symphony Association (Association), a nonprofit organization, which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Association's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Saginaw Symphony Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Summarized Comparative Information

We previously reviewed the Saginaw Symphony Association's 2024 financial statements and in our conclusion dated August 21, 2024, stated that based on our review, we were not aware of any material modifications that should be made to the 2024 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended June 30, 2024, for it to be consistent with the reviewed financial statements from which it has been derived.

Andrews Hooper Pavlik PLC

Saginaw, Michigan
August 21, 2025

Saginaw Symphony Association

Statement of Financial Position

June 30, 2025

(with Summarized Comparative Information for 2024)

	June 30	
	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 162,065	\$ 204,052
Accounts receivable	1,000	3,177
Grants receivable	25,000	-
Pledges receivable – current portion	20,000	-
Accrued interest receivable	694	720
Prepaid expenses	588	1,229
Total current assets	209,347	209,178
Investments	99,920	99,903
Pledges receivable – noncurrent portion	20,000	-
Beneficial interest in endowment fund	40,789	41,632
Perpetual trust held by third party	683,647	645,713
Equipment	41,901	41,370
Accumulated depreciation	(41,150)	(40,989)
Net equipment	751	381
Right-of-use asset	12,737	58,784
Total assets	<u>\$ 1,067,191</u>	<u>\$ 1,055,591</u>
Liabilities and net assets		
Current liabilities:		
Accounts payable	\$ 13,912	\$ 1,537
Accrued payroll and payroll taxes	6,945	7,054
Lease liability – current portion	3,447	48,847
Total current liabilities	24,304	57,438
Lease liability – noncurrent portion	9,290	12,737
Net assets:		
Without donor restrictions:		
Undesignated	213,520	221,811
Board-designated – Rennert Trust	-	27,500
Board-designated – Youth Orchestra	10,406	1,189
SCF Agency Fund	40,789	41,632
Total without donor restrictions	264,715	292,132
With donor restrictions	768,882	693,284
Total net assets	1,033,597	985,416
Total liabilities and net assets	<u>\$ 1,067,191</u>	<u>\$ 1,055,591</u>

See independent accountant's review report and accompanying notes.

Saginaw Symphony Association

Statement of Activities and Changes in Net Assets

Year Ended June 30, 2025

(with Summarized Comparative Information for 2024)

	Year Ended June 30, 2025			Year Ended June 30, 2024
	Without Donor Restrictions	With Donor Restrictions	Total	
Support and revenue				
Contributions	\$ 17,838	\$ -	\$ 17,838	\$ 18,576
Grants and trusts	13,308	179,868	193,176	68,346
Concerts and activities	126,319	67,750	194,069	258,994
Youth orchestra	16,473	18,094	34,567	15,696
Fundraising	21,785	11,455	33,240	-
Endowment and investment income, net	74,021	-	74,021	84,706
Miscellaneous	615	-	615	800
In-kind contributions (non-cash)	18,112	-	18,112	14,100
Perpetual trust net change	-	37,934	37,934	42,055
Net assets released from restrictions	239,503	(239,503)	-	-
Total support and revenue	527,974	75,598	603,572	503,273
Expenses				
Program services:				
Concerts and activities	395,849	-	395,849	406,935
Youth orchestra	26,436	-	26,436	23,892
Total program services	422,285	-	422,285	430,827
Supporting services:				
Management and general	110,320	-	110,320	96,598
Fundraising	22,786	-	22,786	-
Total supporting services	133,106	-	133,106	96,598
Total expenses	555,391	-	555,391	527,425
Change in net assets	(27,417)	75,598	48,181	(24,152)
Total net assets at beginning of year	292,132	693,284	985,416	1,009,568
Total net assets at end of year	\$ 264,715	\$ 768,882	\$ 1,033,597	\$ 985,416

See independent accountant's review report and accompanying notes.

Saginaw Symphony Association

Statement of Functional Expenses

Year Ended June 30, 2025
(with Summarized Comparative Information for 2024)

	Year Ended June 30, 2025							
	Program Services			Supporting Services				
	Concerts and Youth			Management and Fundraising				
	Activities	Orchestra	Total	General	Fundraising	Total	Year Ended June 30, 2024	
Expenses								
Staff salaries	\$ 60,591	\$ 4,857	\$ 65,448	\$ 52,715	\$ -	\$ 118,163	\$ 106,227	
Payroll taxes	4,636	370	5,006	4,034	-	9,040	8,125	
Pension expenses	1,224	-	1,224	-	-	1,224	938	
Auditing and accounting	-	-	-	9,566	-	9,566	9,200	
Fees and memberships	2,923	-	2,923	1,781	-	4,704	3,408	
Insurance	-	-	-	8,047	-	8,047	6,990	
Office expenses	-	-	-	9,957	-	9,957	8,284	
Communications	-	150	150	3,594	-	3,744	3,644	
Office supplies	-	158	158	1,900	-	2,058	1,216	
Supplies and equipment	-	-	-	362	-	362	323	
Outside services	-	11,271	11,271	1,485	-	12,756	9,111	
Bank charges/service fees	-	264	264	1,759	-	2,023	1,443	
Staff education	-	-	-	5,071	-	5,071	3,844	
Transportation/mileage	-	-	-	540	-	540	1,453	
Postage and shipping	-	-	-	658	-	658	942	
Building rent	-	1,875	1,875	3,840	-	5,715	5,040	
Hospitality	-	1,013	1,013	1,677	-	2,690	1,885	
Board expenses	-	-	-	1,931	-	1,931	2,045	
Miscellaneous	-	-	-	364	-	364	190	
Depreciation	-	-	-	161	-	161	330	
Music director	58,192	-	58,192	878	-	59,070	56,851	
Orchestra services	137,172	-	137,172	-	-	137,172	126,509	
Guest artists	24,299	-	24,299	-	-	24,299	9,192	
Concert venue rental	36,780	4,365	41,145	-	-	41,145	43,300	
Comp ticket fees	954	-	954	-	-	954	1,106	
Other concert expenses	32,018	2,063	34,081	-	-	34,081	67,197	
Advertising and marketing	33,503	50	33,553	-	-	33,553	32,848	
Special events	3,557	-	3,557	-	-	3,557	15,784	
Fundraising expenses	-	-	-	-	22,786	22,786	-	
Total	\$ 395,849	\$ 26,436	\$ 422,285	\$ 110,320	\$ 22,786	\$ 555,391	\$ 527,425	
Percent of total	71.28%	4.76%	76.04%	19.86%	4.10%	100.00%		

See independent accountant's review report and accompanying notes.

Saginaw Symphony Association

Statement of Cash Flows

Year Ended June 30, 2025
(with Summarized Comparative Information for 2024)

	Year Ended June 30	
	2025	2024
Operating activities		
Change in net assets	\$ 48,181	\$ (24,152)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	161	330
Amortization of right-of-use asset	46,047	43,941
Perpetual trust held by third party net change	(37,934)	(42,055)
Changes in operating assets and liabilities:		
Accounts receivable	2,177	(532)
Grants receivable	(25,000)	2,925
Pledges receivable	(40,000)	35,000
Accrued interest receivable	26	96
Prepaid expenses	641	(1,011)
Accounts payable	12,375	(1,820)
Accrued payroll and payroll taxes	(109)	1,164
Deferred revenue – tickets	-	(2,372)
Lease liability	(48,847)	(43,941)
Net cash from operating activities	(42,282)	(32,427)
Investing activities		
Purchases of investments	(100,484)	(100,732)
Maturities of investments	100,467	100,509
Purchase of equipment	(531)	-
Change in beneficial interest in endowment fund	843	(4,947)
Net cash from investing activities	295	(5,170)
Net change in cash and cash equivalents	(41,987)	(37,597)
Cash and cash equivalents at beginning of year	204,052	241,649
Cash and cash equivalents at end of year	\$ 162,065	\$ 204,052
Noncash information		
Lease liability arising from obtaining right-of-use asset	\$ -	\$ 18,424

See independent accountant's review report and accompanying notes.

Saginaw Symphony Association

Notes to Financial Statements

June 30, 2025

1. Description of the Organization and Nature of Activities

The Saginaw Symphony Association (Association), doing business as the Saginaw Bay Symphony Orchestra, is a not-for-profit association incorporated in Saginaw, Michigan in 1935 as the Saginaw Civic Symphony Association. The Association's offices and concert venue are located in the historic Temple Theatre in downtown city of Saginaw. The Association offers five live concerts per season, organizes and conducts an annual fundraiser, and provides youth music education programs and youth concerts to the residents of Saginaw, Bay, and Midland counties and the mid-Michigan area. The Association's support comes primarily from ticket sales, contributions, endowment income, grants, and fundraising.

2. Significant Accounting Policies

Basis of Presentation

The financial statements of the Association have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America, which require the Association to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions: Net assets that are 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 Association's management and the board of directors.

Net Assets With Donor Restrictions: Net assets are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Association or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions on the statement of activities and changes in net assets.

Income Tax Status

The Association is tax-exempt under Internal Revenue Code Section 501(c)(3) and is required to operate in conformity with the Internal Revenue Code to maintain this qualification. The Association has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions.

See independent accountant's review report.

Saginaw Symphony Association

Notes to Financial Statements

June 30, 2025

2. Significant Accounting Policies (continued)

Income Tax Status (continued)

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the organization and recognize a tax liability if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities. Management has analyzed the tax positions taken by the Association and has determined that as of June 30, 2025 and 2024 there were no material uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

Generally, tax years from June 30, 2022 through the current year remain open to examination by the Internal Revenue Service. The Association does not believe that the results from any examination of these open years would have a material adverse effect on the Association.

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 the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Comparative Financial Information

The financial information for the year ended June 30, 2024, presented for comparative purposes, is not intended to be a complete financial statement presentation.

Cash and Cash Equivalents

The Association maintains three cash accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash equivalents consist of cash held in a high-yield deposit account and a checking account at a local credit union, a WCMA money account held at Merrill, and investments that are recorded at cost when purchased and are due within three months or less from the statement of financial position date.

Investments

Investments in certificates of deposit are recorded at cost when purchased. All investments are expected to be held to maturity. Interest on State Bank of India New York and SCHWAB Bank certificates of deposit is accrued monthly and paid upon maturity.

See independent accountant's review report.

Saginaw Symphony Association

Notes to Financial Statements

June 30, 2025

2. Significant Accounting Policies (continued)

Accounts Receivable

Accounts receivables are stated at amortized cost net of the allowance for credit losses. Amortized cost is the principal balance outstanding net of charge-offs. The allowance for credit losses is an estimate of amounts that may not be collectible. The Association determines the need for an allowance for credit losses based on an evaluation of the accounts receivable. In determining the amount of the allowance as of the statement of financial position date, the Association develops a loss rate based on management's historical collection experience, adjusted for management's expectations about current and future economic conditions. Changes in the allowance for credit losses are recorded as credit loss expense (or reversal). Losses are charged off against the allowance when the receivable is deemed uncollectible. There were no accounts receivable balances charged off during the years ended June 30, 2025 and 2024, and there was no allowance for credit losses as of June 30, 2025 and 2024.

Grants Receivable

Grants receivable represents an uncollected local foundation grant in the amount of \$25,000 as of June 30, 2025. There were no grants receivable as of June 30, 2024. Grants receivable expected to be collected in less than one year are reported at net realizable value. Those expected to be collected in more than one year are recorded at fair value at the date of promise. The Association estimates an allowance for uncollectible grants receivable based on current economic conditions, historical trends, and past experience with the grantors. The Association deems the grants receivable at June 30, 2025 to be fully collectable; therefore, there was no allowance for grants receivable as of June 30, 2025. If an amount becomes uncollectible, it is expensed when that determination is made.

Pledges Receivable

The Association recognizes pledges receivable at fair value. No allowance was deemed necessary for pledges receivable as they were deemed fully collectible by management. There were pledges receivable of \$40,000 at June 30, 2025 and no pledges receivable at June 30, 2024.

Beneficial Interest in Endowment Fund

Beneficial interest in endowment fund consists of amounts held and invested by the Saginaw Community Foundation (SCF) under an agency account agreement. This account contains donations approved and directed by the board of directors to be made to the SCF from net assets without donor restrictions. The beneficial interest is reported at the fair market value of the fund

See independent accountant's review report.

Saginaw Symphony Association

Notes to Financial Statements

June 30, 2025

2. Significant Accounting Policies (continued)

Beneficial Interest in Endowment Fund (continued)

as determined by the SCF. Investment income of the fund, net of expenses, and any net realized and unrealized gains and losses, are included in endowment and investment income, net, on the statement of activities and changes in net assets.

Perpetual Trust Held by Third Party

The Association is the beneficiary of the income from a trust held in perpetuity by an independent trustee. The Association has an irrevocable right to receive the income earned on the trust assets but will never receive the invested asset value of the trust. The income distributed to the Association shall be used for the benefit of the Saginaw Symphony Association. The fair value of the investments held by the trust is included in net assets with donor restrictions. The statement of activities and changes in net assets reflects the change in the fair market value that occurs as a result of market fluctuations in addition to undistributed current earnings and the amount is reported as perpetual trust net change.

Equipment

Acquired assets are stated at cost and donated assets at fair market value. Expenditures for new acquisitions, renewals, and betterments, which increase productive capacity or prolong service lives of the equipment, are capitalized. Maintenance and repairs that do not enhance the value or extend the useful life are expensed as incurred. Depreciation is calculated by the straight-line method over five or ten years.

Leases and Right-of-use Asset

Leases are classified as operating leases at the lease commencement date. The Association leases theatre space for the orchestra's rehearsals and concerts and the youth orchestra's concerts, and an office copier. The Association records leases on the statement of financial position in the form of a lease liability for the present value of future minimum payments under the lease terms and right-of-use asset equal to the lease liability and any impairment of the right-of-use asset. The risk-free rate used in determining the lease liability is based on the average daily Treasury par yield curve rates for three years for the theatre space and five years for the office copier as of the date of commencement or renewal. The Association does not record leases on the statement of financial position that are classified as short term (less than one year) or that are deemed insignificant.

At lease inception, the Association determines the lease term by considering the minimum lease term and all optional renewal periods that the Association is reasonably certain to renew. The lease term is also used to calculate straight-line rent expense.

See independent accountant's review report.

Saginaw Symphony Association

Notes to Financial Statements

June 30, 2025

2. Significant Accounting Policies (continued)

Leases and Right-of-use Asset (continued)

Operating lease expense consists of a single lease cost allocated over the remaining lease term on a straight-line basis and any impairment of the right-of-use asset. Lease expenses are included in concert venue rental and office expenses on the statement of functional expenses.

Concentrations of Credit Risk

Financial instruments that potentially subject the Association to concentrations of credit risk consist primarily of cash and cash equivalents, investments, and pledges receivable. The Association maintains its available cash in a long-established local credit union. The concentration of credit risk for investments consists of reserve funds that have been invested in certificates of deposit that were invested with the same local credit union and a national brokerage company. The Association invests its reserve funds in safer investments with lower rates of return. The concentration of credit risk with respect to pledges receivable is limited due to the donor being a long-time donor of the Association.

Fair Value Measurements

Fair value is the exchange price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Association uses various methods, including market, income, and cost approaches. Based on these approaches, the Association often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Association utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Based on the observability of the inputs used in the valuation techniques, financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access at the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; and other inputs that are observable or can be corroborated by observable market data.

See independent accountant's review report.

Saginaw Symphony Association

Notes to Financial Statements

June 30, 2025

2. Significant Accounting Policies (continued)

Fair Value Measurements (continued)

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In determining the appropriate levels, the Association performs an analysis of the assets and liabilities that are subject to the fair value standard. At each reporting period, all assets and liabilities for which the fair value measurement is based on quoted prices are classified as Level 1 and significant unobservable inputs are classified as Level 3. The fair value of these assets as of June 30, 2025 and 2024 are shown in Note 10. There were no liabilities measured at fair value as of June 30, 2025 and 2024.

Revenue Recognition

Concerts and activities revenue, without donor restrictions, on the statement of activities and changes in net assets, is primarily generated from single concert ticket sales, season ticket sales, music stand donations, and other miscellaneous revenue. Single concert ticket sales totaled \$54,703 for the year ending June 30, 2025 and \$77,523 for the year ending June 30, 2024, and are recognized at a point in time; revenue is received in advance of each concert and initially recorded as deferred revenue until the performance obligation is met. Season ticket sales totaled \$40,920 as of June 30, 2025 and \$55,165 as of June 30, 2024, and are recognized over time; revenue is received in advance of the concert series and initially recorded as deferred revenue and then recorded as revenue as each performance obligation is met.

Music stand donations totaled \$26,996 for the year ending June 30, 2025 and \$32,056 for the year ending June 30, 2024. This revenue is outside the scope of ASC 606, *Revenue Received from Contracts with Customers*. Also included in revenue from concerts and activities is \$3,700 as of June 30, 2025 and \$4,000 as of June 30, 2024, of miscellaneous revenue that was recognized at a point in time.

Youth orchestra revenue, without donor restrictions, on the statement of activities and changes in net assets, comes from student tuition fees that are due at the time of registration based on an established program fee. The program consists of three, seven-week rehearsal sessions with a concert performance after each session and therefore, revenue is recognized over time. Student tuition fee revenue recognized over time totaled \$11,930 as of June 30, 2025 and \$11,465 as of June 30, 2024. The youth orchestra also receives single concert ticket sales which are recorded as revenue at a point in time when the performance obligation is met and totaled \$4,543 as of June 30, 2025 and \$2,513 as of June 30, 2024.

See independent accountant's review report.

Saginaw Symphony Association

Notes to Financial Statements

June 30, 2025

2. Significant Accounting Policies (continued)

Revenue Recognition (continued)

Contributions, grants, and pledges from donors that are in substance unconditional, are recognized by the Association as net assets without donor restrictions. All donor-stipulated contributions and grants are reported as net assets with donor restrictions depending on the nature of the stipulations. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported on the statement of activities and changes in net assets as net assets released from restrictions.

Functional Allocation of Expenses

The costs of providing the various programs and activities and in-kind expenses have been allocated among the program services and supporting services benefited and are summarized on a functional basis on the statement of activities and changes in net assets. These allocations are based on estimates determined by management. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts. All other expenses are directly charged to the functions they benefit. The expenses that are allocated include the following:

Expenses	Method of Allocation
Staff salaries – Executive Director	Concert expenses divided by total expenses with balance to management and general
Staff salaries – Other	Time and effort
Payroll taxes	Same percentage as salaries
Fees and Memberships – Orchestra league dues	Concert expenses divided by total expenses with balance to management and general
Communications	Estimated usage for youth orchestra
Office supplies	Estimated usage for youth orchestra

Subsequent Events

Management has evaluated subsequent events through August 21, 2025, which is the date the financial statements were available to be issued. Management is not aware of material subsequent events that could have a negative impact on the financial statements.

See independent accountant's review report.

Saginaw Symphony Association

Notes to Financial Statements

June 30, 2025

3. Investments

There was \$99,920 in a certificate of deposit as of June 30, 2025 and \$99,903 in a certificate of deposit as of June 30, 2024. Investment income is included in endowment and investment income, net, on the statement of activities and changes in net assets and was from interest earned on certificates of deposit held at State Bank of India New York and SCHWAB Bank (matured on April 29, 2025). The State Bank of India New York certificate of deposit has a maturity date of October 31, 2025.

4. Pledges Receivable

Pledges receivable at June 30, 2025 are scheduled to be collected as follows:

Year ending June 30, 2026	\$ 20,000
Year ending June 30, 2027	20,000
Total pledges receivable	<u>\$ 40,000</u>

There were no pledges receivable at June 30, 2024.

5. In-Kind Contributions

The Association's in-kind contributions consisted of the following as of June 30:

	<u>2025</u>	<u>2024</u>	<u>Usage</u>
Advertising and promotion	\$ 14,500	\$ 10,000	Concerts
Saginaw Speakeasy	2,612	—	Fundraising
Trip raffle	1,000	—	Fundraising
Music arrangements	—	4,100	Concerts
Total in-kind contributions	<u>\$ 18,112</u>	<u>\$ 14,100</u>	

Advertising and promotion were for TV and radio promotional services and recognized at fair value as determined by the donors on the date of the contributions. Saginaw Speakeasy was for supplies, materials, and rental of table linens, centerpieces, and high tables used for the new fundraiser and recognized at fair value as determined by the donors on the date of the contributions. Trip raffle was donated airfare that was awarded to the raffle grand prize winner and recognized at fair value as determined by the donor on the date of the contribution. Music arrangements were for services to arrange several pieces of music for the orchestra that were performed by guest artists at the Holiday Pops concert and recognized at fair value as determined by the donor on the date of contribution. The Association used all of these contributed goods and services during the fiscal year for its own program or supporting services activities. No in-kind contributions were restricted. In-kind contributions (non-cash) are offset by like amounts included on the statement of activities and changes in net assets and statement of functional expenses.

See independent accountant's review report.

Saginaw Symphony Association

Notes to Financial Statements

June 30, 2025

6. Leases

The Association leased theatre space under two separate operating leases with TempleArts and both expired on June 30, 2025. The agreements called for payments of \$7,500 per concert for rental of the Temple Theatre for five concerts and rehearsals for the 2022-2023 season, \$8,000 for the 2023-2024 season, and \$8,500 for the 2024-2025 season. The Association also agreed to pay \$1,000 for rental of the Temple Theatre for the Saginaw Bay Youth Orchestra's same-day rehearsal and concert after each of three, 7-week rehearsal sessions for fiscal year 2023, \$1,100 for fiscal year 2024, and \$1,200 for fiscal year 2025. Payments for these two leases totaled \$129,900.

The weighted-average risk-free rate was 2.850% based on the daily Treasury par yield curve rates on July 1, 2022 for 3 years. Total lease expense related to these leases amounted to \$32,400 for the year ended June 30, 2025 and \$43,300 for the year ended June 30, 2024, and is included in concert venue rental on the statement of functional expenses. Total right-of-use assets and lease liabilities were initially recorded on July 1, 2022 and totaled \$124,710, which was the present value of the lease agreements. The right-of-use asset totaled \$42,745 as of June 30, 2024 and the lease liability totaled \$45,545 as of June 30, 2024. There was no right-of-use asset or lease liability as of June 30, 2025. Right-of-use assets and lease liabilities are recorded on the statement of financial position.

The Association leases an office copier under an operating lease agreement expiring December 8, 2028. The agreement calls for monthly payments of \$326. Payments for this lease totals \$20,538.

The weighted-average risk-free rate is 4.375% based on the daily Treasury par yield curve rates at October 1, 2023 for 5 years and the weighted-average remaining lease term is 42 months as of June 30, 2025. Total lease expense related to this lease amounted to \$3,909 for the year ended June 30, 2025 and \$2,934 for the year ended June 30, 2024 and is included in office expenses on the statement of functional expenses. Total right-of-use asset and lease liability were initially recorded on October 1, 2023 and totaled \$18,424, which was the present value of the lease agreement. Right-of-use asset and lease liability totaled \$12,737 as of June 30, 2025 and \$16,039 as of June 30, 2024 and are recorded on the statement of financial position.

Future minimum payments under the office copier operating lease consisted of the following as of June 30:

2026	\$ 3,912
2027	3,912
2028	3,912
2029	1,956
Total lease payments	13,692
Imputed interest	(955)
Present value of lease liability	<u>\$12,737</u>

See independent accountant's review report.

Saginaw Symphony Association

Notes to Financial Statements

June 30, 2025

7. Building Rent

The Association has agreed to pay \$250 per month to rent office and music library space at the Temple Theatre. The Association also agreed to pay \$75 per rehearsal session for rental of Arbury Hall A102 at Saginaw Valley State University for the Saginaw Bay Youth Orchestra's weekly rehearsals. The Association rents a storage unit at \$70 per month on a quarter-to-quarter basis. The building and storage unit rent expense totaled \$5,715 for the year ended June 30, 2025 and \$5,040 for the year ended June 30, 2024 and are included in building rent on the statement of functional expenses.

The Association did not record these rental agreements on the statement of financial position because they are considered short-term or were deemed insignificant.

8. Advertising and Marketing

Advertising and marketing expenses are expensed as incurred and totaled \$33,553 for the year ended June 30, 2025 and \$32,848 for the year ended June 30, 2024. This includes \$14,500 in 2025 and \$10,000 in 2024 of in-kind promotional media services donated by the Association's media sponsors.

9. Availability and Liquidity of Financial Assets

From mid-July through October, the Association collects season ticket sales for the new concert season. Along with concert sponsor revenue, single concert ticket sales, contributions, and various other revenue, the Association builds up cash reserves through December. With three concert performances in February, March, and May, the Association relies heavily on these cash reserves to cover its general expenditures, liabilities, and other obligations during the last six months of the fiscal year.

The following represents the Association's financial assets at June 30:

	2025	2024
Financial assets at end of year:		
Cash and cash equivalents	\$ 162,065	\$ 204,052
Accounts receivable	1,000	3,177
Grants receivable	25,000	—
Pledges receivable	40,000	—
Accrued interest receivable	694	720
Investments	99,920	99,903
Beneficial interest in endowment fund	40,789	41,632
Perpetual trust held by third party	683,647	645,713
Total financial assets at end of year	1,053,115	995,197

See independent accountant's review report.

Saginaw Symphony Association

Notes to Financial Statements

June 30, 2025

9. Availability and Liquidity of Financial Assets (continued)

	2025	2024
Less amounts not available to be used within one year:		
Accounts and pledges receivable due after one year	\$ 21,000	\$ 1,000
Beneficial interest in endowment fund	40,789	41,632
Perpetual trust held by third party	683,647	645,713
Board-designated funds to be used beyond one year	5,000	—
Total amounts not available to be used within one year	750,436	688,345
Financial assets available to meet cash needs for general expenditures within one year	\$ 302,679	\$ 306,852

The Association's liquidity goal is to maintain financial assets to meet 120 days of operating expenses (approximately \$59,000) plus \$50,000 to cover expenses related to the next concert performance. As part of its liquidity plan, surplus funds are invested in a high-yield deposit account at a local credit union and funds are transferred to and from the operating checking account as needed. The Association also invests in short-term certificates of deposit and makes deposits into a high-yield cash account at a national brokerage company if sufficient funds are available and will not be needed for current expenses, liabilities, or other obligations.

The current Net Assets Policy establishes that undesignated net assets shall not drop below \$100,000. The Association had undesignated net assets of \$213,520 as of June 30, 2025 and \$221,811 as of June 30, 2024.

10. Fair Value Measurements

Fair value of assets measured on a recurring basis as of June 30 is as follows:

	Total Fair Value	Quoted Prices (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2025				
Certificates of deposit	\$ 99,920	\$ 99,920	\$ —	\$ —
Beneficial interest in endowment fund	40,789	—	—	40,789
Perpetual trust held by a third party	683,647	—	—	683,647
	<u>\$ 824,356</u>	<u>\$ 99,920</u>	<u>\$ —</u>	<u>\$ 724,436</u>
2024				
Certificates of deposit	\$ 99,903	\$ 99,903	\$ —	\$ —
Beneficial interest in endowment fund	41,632	—	—	41,632
Perpetual trust held by a third party	645,713	—	—	645,713
	<u>\$ 787,248</u>	<u>\$ 99,903</u>	<u>\$ —</u>	<u>\$ 687,345</u>

See independent accountant's review report.

Saginaw Symphony Association

Notes to Financial Statements

June 30, 2025

10. Fair Value Measurements (continued)

The Association values the beneficial interest in endowment fund at fair value based on information provided by the Saginaw Community Foundation. Activity in this fund is disclosed in Note 12.

The perpetual trust held by a third party has been valued based on amounts provided by the trust. Activity in the trust assets for the year ended June 30 is as follows:

	2025	2024
Balance beginning of the year	\$ 645,713	\$ 603,658
Investment income	18,733	16,549
Administrative expenses	(10,528)	(11,945)
Disbursements from trust	(20,528)	(23,351)
Net realized and unrealized gains	50,257	60,802
Balance end of the year	\$ 683,647	\$ 645,713

11. Net Assets Classification

Net assets with donor restrictions were as follows for the year ended June 30:

	2025	2024
Specific purpose:		
Concerts and activities	\$ 41,000	\$ 42,250
Management and general	40,000	—
Youth orchestra	4,235	5,321
	85,235	47,571
Endowment funds:		
Perpetual trust endowment	683,647	645,713
Total net assets with donor restrictions	\$ 768,882	\$ 693,284

Net assets without donor restrictions were as follows for the year ended June 30:

	2025	2024
Undesignated	\$ 213,520	\$ 221,811
Board-designated	10,406	28,689
SCF Agency Fund	40,789	41,632
Total net assets without donor restrictions	\$ 264,715	\$ 292,132

See independent accountant's review report.

Saginaw Symphony Association

Notes to Financial Statements

June 30, 2025

11. Net Assets Classification (continued)

Board-designated net assets were reserved for Youth Orchestra at June 30, 2025 and Youth Orchestra and Rennert Trust at June 30, 2024. The designated amounts of \$10,406 at June 30, 2025 and \$1,189 at June 30, 2024 for Youth Orchestra represent the accumulated net income from operations of the Saginaw Bay Youth Orchestra since it began in 2007. These funds will be used to support the youth orchestra's operations and program expenses as needed.

The \$27,500 designated for Rennert Trust at June 30, 2024 represented the remaining balance from the bequest by Patricia G. Rennert in fiscal year 2018 of \$150,000. These funds were used in fiscal year 2025 to support classical concerts and guest artists.

Net assets released from net assets with donor restrictions were as follows for the year ended June 30:

	2025	2024
Specific purpose:		
Concerts and activities	\$ 188,868	\$ 174,500
Fundraising	11,455	—
Youth orchestra	19,180	4,353
	<u>219,503</u>	<u>178,853</u>
Passage of time:		
Management and general	20,000	—
Total net assets released from net assets with donor restrictions	<u>\$ 239,503</u>	<u>\$ 178,853</u>

12. Endowment Funds with Saginaw Community Foundation

The Association is the beneficiary under endowment fund agreements with the Saginaw Community Foundation (SCF). The endowment portion, \$1,366,079 at June 30, 2025 and \$1,275,125 at June 30, 2024, is included on the statement of financial position of the SCF. The Association does not exercise any control over the principal of the funds; however, based on a formula, certain amounts of these funds are made available annually to be expended by the Association. Investment and spending policies for these endowment funds are determined solely by the SCF.

Variance power has been granted to the SCF for the assets in the endowment funds. If the Association ceases to exist or no longer performs its functions under the provisions of the agreements, the SCF shall continue to administer and disburse fund assets in a manner deemed appropriate.

See independent accountant's review report.

Saginaw Symphony Association

Notes to Financial Statements

June 30, 2025

12. Endowment Funds with Saginaw Community Foundation (continued)

The remaining agency fund portion of the assets, \$40,789 at June 30, 2025 and \$41,632 at June 30, 2024, is included as beneficial interest in endowment fund on the statement of financial position of the Association. These assets represent the Association's portion of net assets without donor restrictions that were approved by the board of directors to be transferred to the SCF for endowment purposes.

Investment income of the fund, net of expenses, any net realized and unrealized gains and losses, and withdrawals are included in endowment and investment income, net, on the statement of activities and changes in net assets.

Changes in endowment net assets for the year ended June 30:

	<u>2025</u>	<u>2024</u>
Endowment net assets without donor restrictions at beginning of year	\$ 41,632	\$ 36,685
Investment income	736	748
Administrative expenses	(430)	(381)
Net realized and unrealized gains (losses)	3,851	4,580
Withdrawal	(5,000)	—
Endowment net assets without donor restrictions at end of year	<u>\$ 40,789</u>	<u>\$ 41,632</u>

These endowment net assets are shown separately on the statement of financial position as without donor restrictions, SCF Agency Fund, because the SCF determines the amount of spendable funds that are available for use by the Association each year.

Independent Accountant's Review Report
on Other Supplementary Information

Board of Directors
Saginaw Symphony Association
Saginaw, Michigan

Our report on our review of the basic financial statements of Saginaw Symphony Association for the year ended June 30, 2025 appears on page 1. Our report on our review of the basic financial statements for June 30, 2024 was dated August 21, 2024. The objective of those reviews was to perform procedures to obtain limited assurance as a basis for reporting whether we were aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. The accompanying other supplementary information included in the accompanying schedules of operating revenue and expenses and fundraising revenue and expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The 2025 other supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. The 2024 summarized other supplementary information was subjected to the review procedures applied in our review of the basic financial statements for June 30, 2024. We are not aware of any material modifications that should be made to the other supplementary information. We have not audited the other supplementary information and do not express an opinion on such information.

Andrews Hooper Pavlik PLC

Saginaw, Michigan
August 21, 2025

Saginaw Symphony Association

Schedule of Operating Revenue and Expenses

Year Ended June 30, 2025
(with Summarized Comparative Information for 2024)

	<u>Year Ended June 30, 2025</u>		<u>Year Ended June 30, 2024</u>
	<u>Actual</u>		<u>Actual</u>
	<u>Operating Budget</u>	<u>Without Donor Restrictions</u>	<u>Without Donor Restrictions</u>
Support and revenue			
Contributions	\$ 18,200	\$ 17,838	\$ 18,576
Grants and trusts	152,700	153,176	78,346
Concerts and activities	195,400	195,319	275,744
Youth orchestra	35,000	35,653	18,331
Fundraising	32,800	33,240	-
Endowment income, net	70,200	64,684	73,298
Investment income, net	9,500	9,337	11,408
Miscellaneous	700	615	800
In-kind contributions (non-cash)	18,000	18,112	14,100
Total support and revenue	<u>532,500</u>	<u>527,974</u>	<u>490,603</u>
Expenses			
Concerts and activities	389,942	381,349	392,835
Youth orchestra	26,400	26,436	23,892
Management and general	103,708	110,320	96,598
Fundraising	19,450	19,174	-
In-kind expenses (non-cash)	18,000	18,112	14,100
Total expenses	<u>557,500</u>	<u>555,391</u>	<u>527,425</u>
Change in net assets	<u>\$ (25,000)</u>	<u>\$ (27,417)</u>	<u>\$ (36,822)</u>

See independent accountant's review report on other supplementary information.

Saginaw Symphony Association

Schedule of Fundraising Revenue and Expenses

Year Ended June 30, 2025
(with Summarized Comparative Information for 2024)

	Year Ended June 30, 2025					Year Ended June 30, 2024
	Fundraising Budget	Saginaw Speakeasy	Trip Raffle	Pitcairn Recital	Total Fundraising Actual	Fundraising Actual
Revenue						
Ticket sales	\$ 13,300	\$ 10,250	\$ -	\$ 2,800	\$ 13,050	\$ -
Event sponsors	10,000	10,500	-	-	10,500	-
Raffle ticket sales	8,500	1,635	7,100	-	8,735	-
Contributions	1,000	855	-	100	955	-
Total revenue	32,800	23,240	7,100	2,900	33,240	-
In-kind contributions (non-cash)	3,000	2,612	1,000	-	3,612	-
Total revenue and in-kind contributions	35,800	25,852	8,100	2,900	36,852	-
Expenses						
Printing services	600	449	159	-	608	-
Entertainment	6,000	6,000	-	-	6,000	-
Venue rental	1,600	1,575	-	-	1,575	-
Raffle prizes	1,800	-	1,830	-	1,830	-
Performance fees	750	-	-	850	850	-
Food/drinks	8,500	7,224	-	1,260	8,484	-
Supplies	2,500	2,737	-	-	2,737	-
Service fees	350	295	6	41	342	-
Other expenses	350	110	50	200	360	-
Total expenses	22,450	18,390	2,045	2,351	22,786	-
Revenue over expenses	\$ 13,350	\$ 7,462	\$ 6,055	\$ 549	\$ 14,066	\$ -

See independent accountant's review report on other supplementary information.