

The Rackham Symphony Choir

**Financial Statements
And Supplemental Material
Year Ended June 30, 2020 and 2019**



The Rackham Symphony Choir

**Financial Statements
and Supplemental Material
Years Ended June 30, 2020 and 2019**



The Rackham Symphony Choir

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Independent Auditor's Report

To the Officers
The Rackham Symphony Choir
Grosse Pointe, Michigan

We have audited the accompanying financial statements of The Rackham Symphony Choir, which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and changes in net assets, statements of functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Skillman Group, PLLC

Skillman Group, PLC

May 12, 2021



The Rackham Symphony Choir

Statements of Financial Position

<i>June 30,</i>	2020	2019
Assets		
Current Assets		
Cash and cash equivalents	\$ 121,908	\$ 95,181
Accounts receivable	-	2,880
Grants receivable	11,875	4,000
Total Current Assets	133,783	102,061
Property and Equipment, net	2,260	3,826
Total Assets	136,043	105,887
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	13,933	2,366
Total Current Liabilities	13,933	2,366
Net Assets		
Net Assets Without Donor Restrictions	110,235	99,521
Net Assets With Donor Restrictions	11,875	4,000
Total Net Assets	122,110	103,521
Total Liabilities and Net Assets	\$ 136,043	\$ 105,887

*See Independent Auditor's Report, Summary of Significant Accounting Policies
and Notes to Financial Statements.*



The Rackham Symphony Choir

Statements of Activities and Changes in Net Assets

	For the Year Ended June 30, 2020			For the Year Ended June 30, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue						
Contributions - general	\$ 32,698	\$ -	\$ 32,698	\$ 30,771	\$ -	\$ 30,771
Contributions - board	9,628	-	9,628	1,058	-	1,058
Fundraising	2,674	-	2,674	20,114	-	20,114
Grants - foundations	51,000	10,000	61,000	35,500	-	35,500
Grants - government	13,625	1,875	15,500	6,000	4,000	10,000
Membership dues	8,010	-	8,010	5,000	-	5,000
Ticket sales	5,031	-	5,031	10,461	-	10,461
Total Revenue	122,666	11,875	134,541	108,904	4,000	112,904
Net Assets Released from Restrictions	4,000	(4,000)	-	6,900	(6,900)	-
Total Revenue and Net Assets Released from Restrictions	126,666	7,875	134,541	115,804	(2,900)	112,904
Functional Expenses						
Program services	75,754	-	75,754	74,064	-	74,064
Management and general	38,640	-	38,640	7,800	-	7,800
Fundraising	1,558	-	1,558	6,973	-	6,973
Total Expenses	115,952	-	115,952	88,837	-	88,837
Change in Net Assets	10,714	7,875	18,589	26,967	(2,900)	24,067
Net Assets - beginning of year	99,521	4,000	103,521	72,554	6,900	79,454
Net Assets - end of year	\$ 110,235	\$ 11,875	\$ 122,110	\$ 99,521	\$ 4,000	\$ 103,521

See Independent Auditor's Report, Summary of Significant Accounting Policies and Notes to Financial Statements.



The Rackham Symphony Choir

Statement of Functional Expenses

For the Year Ended June 30,

2020

	Program Services	Management & General	Fundraising	Total Expenses
Artistic directors fee	\$ 24,000	\$ -	\$ -	\$ 24,000
Administrative	-	23,381	-	23,381
Annual event	-	-	1,558	1,558
Artist fees	22,400	-	-	22,400
Depreciation	-	1,916	-	1,916
Development	3,893	-	-	3,893
Event costs	20,474	-	-	20,474
Marketing	907	-	-	907
Office supplies	-	2,143	-	2,143
Outreach	4,080	-	-	4,080
Professional fees	-	11,200	-	11,200
Total Expenses	\$ 75,754	\$ 38,640	\$ 1,558	\$ 115,952

See Independent Auditor's Report.



The Rackham Symphony Choir

Statement of Functional Expenses

For the Year Ended June 30,

2019

	Program Services	Management & General	Fundraising	Total Expenses
Artistic directors fee	\$ 24,000	\$ -	\$ -	\$ 24,000
Administrative	-	1,758	-	1,758
Annual event	-	-	6,973	6,973
Artist fees	17,550	-	-	17,550
Depreciation	-	2,126	-	2,126
Development	3,278	-	-	3,278
Event costs	14,866	-	-	14,866
Marketing	5,259	-	-	5,259
Music rental	3,065	-	-	3,065
Office supplies	-	2,716	-	2,716
Outreach	6,046	-	-	6,046
Professional fees	-	1,200	-	1,200
Total Expenses	\$ 74,064	\$ 7,800	\$ 6,973	\$ 88,837

See Independent Auditor's Report on Supplemental Material.



The Rackham Symphony Choir

Statements of Cash Flows

For the Years Ended June 30,

2020

2019

Cash Flows From Operating Activities

Change in net assets	\$	18,589	\$	24,067
Adjustments to reconcile change in net assets to net cash provided by operating activities				
Depreciation		1,916		2,126
Decrease (increase) in cash due to changes in				
Accounts receivable		2,880		(2,880)
Grants receivable		(7,875)		2,900
Increase (decrease) in cash due to changes in				
Accounts payable		11,567		(2,564)

Net Cash Provided by Operating Activities

27,077

23,649

Net Assets Used in Investing Activities

Purchase of fixed assets		(350)		-
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Cash and Cash Equivalents, beginning of year

95,181

71,532

Cash and Cash Equivalents, end of year

\$ 121,908 \$ 95,181

See Independent Auditor's Report, Summary of Significant Accounting Policies and Notes to Financial Statements.



The Rackham Symphony Choir

Summary of Significant Accounting Policies

Nature of Organization

The Rackham Symphony Choir (the "Organization") was formed to educate the public in the art of choral music, in particular, which is intended to be performed with a symphony orchestra or other instrumental accompaniment. The Organization performs a variety of concerts throughout the year to contribute to the cultural life surrounding the region and expose the supporting public community to a full spectrum of choral music.

Financial Statement Presentation

During the year ended June 30, 2019 the Organization adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update ASU 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. The key change required is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without restrictions, and amounts previously reported as temporarily restricted or permanently restricted net assets are now both reported as net assets with restrictions.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

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 reported amounts of (1) assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements, and (2) revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

The Organization maintains its cash accounts with one commercial bank. The Federal Deposit Insurance Corporation ("FDIC") covers up to \$250,000 for substantially all depository accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.



The Rackham Symphony Choir

Summary of Significant Accounting Policies

Grants Receivable

Grants receivable represent amounts due from corporate, government agencies, and foundation donors that are subject to specific grant terms and specific funding purposes. An allowance for grant receivables is provided based upon management's judgement based on collection history. Management considers the grant receivables recorded at June 30, 2020 and 2019 to be fully collectible and accordingly, no allowance for doubtful accounts is required.

Property and Equipment

The Organization records equipment at cost. Depreciation of the assets is recorded in the financial statements using the straight-line method with an estimated useful life of 5 years for all assets.

Revenue Recognition

Contributions, grants, and other assets, including unconditional promises to give in the future, are reported as revenue when received and measured at fair value. Contributions without donor imposed restrictions and contributions with donor imposed time or purpose restrictions that are met in the same period as the gift are both reported as unrestricted support.

Donated Services

Many individuals volunteer their time and perform a variety of tasks that assist the Organization in running its program. While these services are most important and noteworthy, no value has been recorded for the years ended June 30, 2020 and 2019.

Income Taxes

The Organization is exempt from federal and related state income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. Accordingly, no provision for income taxes have been recorded in the accompanying financial statements. Annually, the Organization files Form 990, Return of Organizations Exempt From Tax, with the Internal Revenue Service.



The Rackham Symphony Choir

Summary of Significant Accounting Policies

Income Taxes (continued)

The Organization's continued status as an exempt organization is considered to be a "tax position" in that the Organization must adhere to various requirements to remain tax exempt. Management has analyzed the Organization's material tax positions as of June 30, 2020 and has determined that no material uncertain tax positions exist that require recognition or disclosure in the accompanying financial statements. The Organization's tax returns are subject to possible examination by the taxing authorities for three years after filing. The Organization's tax years 2017 through 2019 remain open for possible examination by the Internal Revenue Service.

Marketing

The Organization follows the policy of charging the costs of marketing to expense as incurred. Marketing costs amounted to \$907 for the year ended June 30, 2020 and \$5,259 for 2019.

Risks and Uncertainties

On March 11, 2020 the World Health Organization declared the outbreak of COVID-19 a global pandemic. The outbreak caused significant disruption to the global economy. As a result, the Organization could not hold many of its in person events during the year. The Organization responded by postponing many events and holding some virtually. The future of these activities will depend on continued restrictions on social gatherings. As such, the effects on the Organization's financial condition or results of operations is uncertain.



The Rackham Symphony Choir

Notes to Financial Statements

1. Availability of Financial Assets

The following reflect the organization's financial assets as of the balance sheet date, reduced by amounts not available for general use within one year of the balance sheet date because of donor imposed restrictions.

<i>June 30,</i>	2020	2019
Cash	\$ 121,908	\$ 95,181
Accounts Receivable	-	2,880
Grants Receivable	11,875	4,000
Total Financial Assets	133,783	102,061
Contractual or donor imposed restrictions	(11,875)	(4,000)
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	\$ 121,908	\$ 98,061

2. Property and Equipment

The principal categories of property and equipment as of June 30, 2020 and 2019 are as follows:

	2020	2019
Equipment	\$ 5,249	\$ 5,249
Website	17,268	16,918
Total Cost	22,517	22,167
Less: Accumulated Depreciation	20,257	18,341
Property and Equipment, Net	\$ 2,260	\$ 3,826



The Rackham Symphony Choir

Notes to Financial Statements

3. Functional Expenses

The financial statements report certain categories of expenses that are attributable to both program and supporting functions. These expenses are allocated on the basis of estimates of time and money utilized in those functions.

4. Subsequent Events

The Organization evaluated events and transactions that occurred through and including May 12, 2021 which is the date that the financial statements were available to be issued, for possible recognition of disclosure in the financial statements.

