

The Rackham Symphony Choir

Financial Report

June 30, 2024

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Independent Accountant's Review Report

To the Board of Directors
The Rackham Symphony Choir

We have reviewed the accompanying financial statements of The Rackham Symphony Choir (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2024, 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 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 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 The Rackham Symphony Choir 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.

Zerbo Consulting Group, P.C.

May 6, 2025

Statement of Financial Position

As of June 30, 2024

Assets	
Current Assets	
Cash and cash equivalents	\$ 88,751
Grants receivable	27,612
Total Current Assets	<u>116,363</u>
Property and Equipment	
Equipment	5,249
Less accumulated depreciation	(5,249)
Total Property and Equipment	<u>-</u>
Intangible Assets	
Website	17,268
Less accumulated amortization	(17,268)
Total Intangible Assets	<u>-</u>
Total Assets	<u>\$ 116,363</u>
Liabilities and Net Assets	
Current Liabilities	
Accounts payable	\$ 1,894
Total Current Liabilities	<u>1,894</u>
Net Assets	
Without Donor Restrictions	109,469
With Donor Restrictions	5,000
Total Current Liabilities	<u>114,469</u>
Total Liabilities and Net Assets	<u>\$ 116,363</u>

Statement of Activities and Changes in Net Assets

For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Contributions	\$ 40,117	\$ -	\$ 40,117
Grants - government	13,750	-	13,750
Grants - foundations	42,007	5,000	47,007
Ticket sales	16,065	-	16,065
Membership dues	1,525	-	1,525
Miscellaneous	830	-	830
Net assets released from restrictions	13,812	(13,812)	-
Total Revenue and Other Support	128,106	(8,812)	119,294
Operating Expenses			
Program activities	116,350	-	116,350
Management and general	41,267	-	41,267
Total Expenses	157,617	-	157,617
Change in Net Assets	(29,511)	(8,812)	(38,323)
Net Assets - Beginning of year	138,980	13,812	152,792
Net Assets - End of year	\$ 109,469	\$ 5,000	\$ 114,469

Statement of Functional Expenses

For the Year Ended June 30, 2024

	Program Activities	Management and General	Total
Contracted services	\$ -	\$ 26,818	\$ 26,818
Professional fees	50,295	1,200	51,495
Advertising	33,028	-	33,028
Event costs	22,025	-	22,025
Office	-	11,322	11,322
Occupancy	6,278	-	6,278
Outreach	4,724	-	4,724
Insurance	-	976	976
Telephone	-	496	496
Bank charges	-	368	368
Depreciation	-	87	87
Total Expenses	<u><u>\$ 116,350</u></u>	<u><u>\$ 41,267</u></u>	<u><u>\$ 157,617</u></u>

Statement of Cash Flows

For the Year Ended June 30, 2024

Cash flows from Operating Activities:

Change in net assets \$ (38,323)

Adjustments to reconcile change in net assets to net
cash from operating activities:

Depreciation 87

Changes in operating assets and liabilities that
provided (used) cash:

Grants receivable (13,800)

Accounts payable (5,816)

Net cash used in operating activities (57,852)

Net decrease in cash and cash equivalents (57,852)

Cash and cash equivalents - Beginning of year 146,603

Cash and cash equivalents - End of year \$ 88,751

June 30, 2024

Note 1 – Summary of Significant Accounting Policies

Organization

The Rackham Symphony Choir (“the Organization”) was formed to educate the public in the art of choral music, 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 to expose the supporting public community to a full spectrum of choral music. The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (“IRC”) and is an entity that is not a private foundation within the meaning of IRC section 509(a) and qualifies for deductible contributions as provided in IRC section 170(b)(1)(A)(vi).

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed there by its donors: net assets without donor restrictions and net assets with donor restrictions.

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 Organization’s management and the board of directors.

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

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction has been met or when a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of revenues, expenses, and other changes in net assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments with maturities of three months or less when purchased are considered cash equivalents and recorded at cost, which approximates fair value.

Grants Receivable

Grants and contributions are recognized at fair value as revenues in the period in which there is sufficient evidence that an unconditional promise was received. Conditional promises are recognized when the conditions on which they depend are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. The allowance for uncollectible amounts is estimated based upon historical collection rates and specific identification of uncollectible amounts. As of June 30, 2024, there were no allowances required for grants receivable.

June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment is carried at cost or, if donated, at fair market value at the time of donation. Depreciation is provided on a straight-line basis over the estimated useful lives of 3 to 27.5 years. The Organization's policy is to capitalize acquisitions of \$2,500 or more. For the year ended June 30, 2024, depreciation expense was \$87.

Intangible Assets

Intangible assets, such as website development costs, are capitalized at cost when they relate to the application and infrastructure development stages. Costs incurred during the planning stage and for maintenance after the website is launched are expensed as incurred. Capitalized website development costs are amortized on a straight-line basis over the estimated useful life of 3 years. The Organization's policy is to capitalize acquisitions of \$2,500 or more. For the year ended June 30, 2024, amortization expense was \$0 as these development costs are fully amortized.

Revenue and Other Support

Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received and are measured at fair value. The Organization receives support in the form of foundation, corporate, and individual grants and contributions. Management has determined that these grants and contributions are from arrangements for which there is no commensurate benefit provided to the resource providers. Therefore, all of this support is considered to be contribution revenue.

Contributions that are restricted by the donor are reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the contributions are recognized. Contributions with donor-imposed time or purpose restrictions are reported as support with donor restrictions. All other contributions are reported as support without donor restrictions.

Unconditional promises to give with payments due in future periods are assumed to have an implicit time restriction. Those restrictions are released as contributions when collected or when allocations or grants are made to recipient organizations based on those future collections. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. There were no conditional promises to give recognized as of June 30, 2024.

Contributed Services

Many individuals donate their time in performing a variety of tasks to assist the Organization's operations. The donated hours and value of these contributed services have not been included in these financial statements, as they do not meet the criteria for recognition for the year ended June 30, 2024.

Functional Allocations of Expenses

Costs of providing the program and management and general services have been reported on a functional basis in the statement of functional expenses. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses required allocation on a reasonable basis that is consistently applied. Costs have been allocated between the various programs and support services 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.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including May 6, 2025, which is the date the financial statements were available to be issued.

June 30, 2024

Note 2 – Liquidity and Availability of Financial Resources

The Organization has \$116,363 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure consisting of cash and grants receivable. The Organization has no financial assets subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date with the exception of \$5,000 to be used for the Organization's High School Intern Program. The Organization has a goal to maintain financial assets, which consist of cash and grants receivable, to meet 60 days of normal operating expenses, which are, on average approximately \$26,000. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.