

**The Wichita Symphony Society**

Financial Statements  
and  
Independent Auditor's Report

June 30, 2024 and 2023



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
The Wichita Symphony Society  
Wichita, Kansas

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of The Wichita Symphony Society (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Wichita Symphony Society as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Wichita Symphony Society and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 The Wichita Symphony Society's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities 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 about The Wichita Symphony Society'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 The Wichita Symphony Society'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.

*Regier Can E Mounal, CPA*

Wichita, Kansas  
November 7, 2024

**The Wichita Symphony Society**  
**Statements of Financial Position**  
**As of June 30, 2024 and 2023**

**ASSETS**

	<b>2024</b>	<b>2023</b>
Cash and cash equivalents	\$ 691,500	\$1,140,611
Certificates of deposit	388,786	-
Prepaid expenses and other assets	61,743	64,930
Equipment, at cost, net of accumulated depreciation of \$61,255 and \$59,779 in 2024 and 2023, respectively	234,027	231,575
Operating lease right-of-use asset	89,503	84,916
Music library, at cost	234,201	233,236
Investments	8,880,686	8,151,210
Total assets	\$ 10,580,446	\$9,906,478

**LIABILITIES AND NET ASSETS**

<b>Liabilities</b>		
Accounts payable	\$ 15,746	\$ 63,085
Deferred ticket sales	360,578	315,066
Deferred youth orchestra membership fees	37,242	19,406
Accrued benefits	17,062	20,763
Operating lease liability	89,503	84,916
PPP loan	18,100	33,603
Total liabilities	538,231	536,839
<b>Net Assets</b>		
Without donor restriction	4,069,712	3,651,388
With donor restriction	5,972,503	5,718,251
Total net assets	10,042,215	9,369,639
Total liabilities and net assets	\$ 10,580,446	\$9,906,478

*The accompanying notes are an integral part of the financial statements.*

**The Wichita Symphony Society**  
**Statement of Activities**  
**For the Year Ended June 30, 2024**

	<b>2024</b>		
	Without Donor Restriction	With Donor Restriction	Total
<b>Revenue, gains and other support</b>			
Concert ticket sales	\$ 680,377	\$ -	\$ 680,377
Youth orchestra membership fees	91,523	-	91,523
Contributions to annual fund	344,742	-	344,742
Contributions to endowment fund	400	179,752	180,152
Private underwritings	354,929	117,500	472,429
Other contributions	33,224	-	33,224
Grants	64,600	-	64,600
Investment income	976,688	-	976,688
Contributions of nonfinancial assets	13,829	-	13,829
Miscellaneous	40,730	-	40,730
Satisfaction of restriction			
Private underwritings	43,000	(43,000)	-
Total revenues, gains and other support	2,644,042	254,252	2,898,294
<b>Expenses</b>			
Program	1,876,908	-	1,876,908
General and administrative	277,891	-	277,891
Fundraising	70,919	-	70,919
Total expenses	2,225,718	-	2,225,718
<b>Change in net assets</b>	418,324	254,252	672,576
<b>Net assets at beginning of year</b>	3,651,388	5,718,251	9,369,639
<b>Net assets at end of year</b>	\$4,069,712	\$5,972,503	\$10,042,215

*The accompanying notes are an integral part of the financial statements.*

**The Wichita Symphony Society**  
**Statement of Activities**  
**For the Year Ended June 30, 2023**

	<b>2023</b>		
	Without Donor Restriction	With Donor Restriction	Total
<b>Revenue, gains and other support</b>			
Concert ticket sales	\$ 796,810	\$ -	\$ 796,810
Program book advertising	900	-	900
Youth orchestra membership fees	76,177	-	76,177
Contributions to annual fund	243,248	-	243,248
Contributions to endowment fund	71,327	1,099,511	1,170,838
Private underwritings	480,078	43,000	523,078
Other contributions	99,682	-	99,682
Grants	70,100	-	70,100
Investment income	760,187	-	760,187
Contributions of nonfinancial assets	765	-	765
Miscellaneous	27,274	-	27,274
Satisfaction of restriction			
Scholarships	500	(500)	-
Private underwritings	50,163	(50,163)	-
Total revenues, gains and other support	2,677,211	1,091,848	3,769,059
<b>Expenses</b>			
Program	2,103,063	-	2,103,063
General and administrative	287,926	-	287,926
Fundraising	57,123	-	57,123
Total expenses	2,448,112	-	2,448,112
<b>Change in net assets</b>	229,099	1,091,848	1,320,947
<b>Net assets at beginning of year</b>	3,422,289	4,626,403	8,048,692
<b>Net assets at end of year</b>	<u>\$ 3,651,388</u>	<u>\$ 5,718,251</u>	<u>\$ 9,369,639</u>

*The accompanying notes are an integral part of the financial statements.*



**The Wichita Symphony Society**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 672,576	\$ 1,320,947
Adjustments to reconcile change in net assets to net cash provided used in operating activities		
Depreciation	1,477	1,876
Right of use assets	(4,587)	25,976
Net unrealized and realized (gain)/loss on endowment investments	(834,108)	(631,820)
Contributions permanently restricted for endowment	(179,752)	(1,099,511)
Change in assets and liabilities:		
Prepaid expenses and other assets	3,187	10,353
Accounts payable	(47,339)	(13,317)
Deferred ticket sales	45,512	3,453
Deferred youth orchestra membership fees	17,836	5,976
Accrued benefits	(3,701)	7,250
Operating lease liability	4,587	(25,976)
Net cash used by operating activities	(324,312)	(394,793)
<b>Cash flows from investing activities</b>		
Withdrawals from managed investments	427,364	344,418
Deposits to managed investments	(180,152)	(1,170,838)
Other net changes in managed investments	(142,580)	(128,367)
Purchase of certificates of deposit	(388,786)	-
Purchase of music library	(965)	(2,496)
Purchase of equipment	(3,929)	(1,397)
Net cash used by investing activities	(289,048)	(958,680)
<b>Cash flows from financing activities</b>		
Repayment of Paycheck Protection Program loan	(15,503)	(15,349)
Proceeds from contributions and contributions receivable restricted for investment in endowment	179,752	1,099,511
Net cash provided in financing activities	164,249	1,084,162
<b>Net decrease in cash and cash equivalents</b>	(449,111)	(269,311)
<b>Cash and cash equivalents at beginning of year</b>	1,140,611	1,409,922
<b>Cash and cash equivalents at end of year</b>	\$ 691,500	\$ 1,140,611

*The accompanying notes are an integral part of the financial statements.*

**The Wichita Symphony Society**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2024**

	Program	General and Administrative	Fundraising	Total
Salaries, payroll taxes and employee benefits	\$ 1,118,892	\$ 114,122	\$ 36,758	\$ 1,269,772
Professional fees	234,221	76,091	-	310,312
Collaborative concert expense	11,739	-	-	11,739
Travel and entertainment	76,676	575	-	77,251
Printing and publications	6,559	-	11,029	17,588
Advertising and promotion	175,672	3,778	17,175	196,625
Processing fees	57,082	-	-	57,082
Concert facilities rental	39,818	-	-	39,818
Scenery	6,346	-	675	7,021
Rental and maintenance of music and equipment	54,056	10,497	-	64,553
Supplies	8,251	3,008	969	12,228
Telephone	7,001	2,560	824	10,385
Office rent	-	20,861	-	20,861
Dues and memberships	393	10,664	-	11,057
Insurance	16,413	16,413	-	32,825
Postage	7,040	5,348	3,489	15,877
Depreciation	-	1,477	-	1,477
Sales tax	48,439	-	-	48,439
Interest expense	-	266	-	266
Miscellaneous	8,310	12,232	-	20,542
	<u>\$ 1,876,908</u>	<u>\$ 277,891</u>	<u>\$ 70,919</u>	<u>\$ 2,225,718</u>

*The accompanying notes are an integral part of the financial statements.*

**The Wichita Symphony Society**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2023**

	Program	General and Administrative	Fundraising	Total
Salaries, payroll taxes and employee benefits	\$ 1,062,738	\$ 100,337	\$ 32,252	\$ 1,195,327
Professional fees	346,496	109,926	-	456,422
Collaborative concert expense	49,744	-	-	49,744
Travel and entertainment	82,217	1,230	-	83,447
Printing and publications	6,676	-	14,383	21,059
Advertising and promotion	243,555	3,352	2,426	249,333
Processing fees	67,473	-	-	67,473
Concert facilities rental	46,799	-	-	46,799
Scenery	2,104	-	-	2,104
Rental and maintenance of music and equipment	70,606	10,123	-	80,729
Supplies	5,476	2,176	699	8,351
Telephone	7,256	3,005	966	11,227
Office rent	-	20,233	-	20,233
Dues and memberships	4,645	3,886	-	8,531
Insurance	17,474	17,474	-	34,948
Postage	5,843	1,115	139	7,097
Depreciation	-	1,876	-	1,876
Sales tax	59,343	-	-	59,343
Interest expense	-	419	-	419
Miscellaneous	12,896	12,774	-	25,670
Special event	11,722	-	6,258	17,980
	<u>\$ 2,103,063</u>	<u>\$ 287,926</u>	<u>\$ 57,123</u>	<u>\$ 2,448,112</u>

*The accompanying notes are an integral part of the financial statements.*

**The Wichita Symphony Society**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

**1. Summary of Significant Accounting Policies**

***Business activity***

The Wichita Symphony Society (Society), a not-for-profit entity, was incorporated in 1945. The Society is principally engaged in the performance of symphonic and orchestra productions and other educational activities for the citizens of Wichita, Kansas and surrounding areas.

***Basis of accounting***

The financial statements are prepared on the accrual basis, which recognizes all revenues as income when earned, and expenses as deductions from income when incurred.

***Change in accounting principle***

Effective July 1, 2023 the Society adopted the new standard, *Financial Instruments – Credit Losses*, (also known as CECL) that requires the measurement of expected credit losses (allowance for doubtful accounts) that is based on historical experience and current conditions and reasonable and supportable forecasts that affect collectability of reported amounts. The Society assessed all accounts receivable and determined there was no material impact to the Society's financial statements as a result of adoption.

***Financial statement presentation***

For accounting and reporting purposes resources are classified into two net asset categories according to external (donor) restrictions. The categories are:

- Without donor restrictions - The part of the net assets that are not subject to donor-imposed stipulations, and include amounts designated for specific purposes by the Board of Directors.
- With donor restrictions - The part of the net assets resulting from contributions, grants, and other inflows of assets whose use is limited by donor imposed stipulations that either expire by the passage of time, can be fulfilled and removed by actions of the Society pursuant to those stipulations or whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Society.

***Use of estimates***

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**The Wichita Symphony Society**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

**1. Summary of Significant Accounting Policies (Continued)**

***Cash equivalents***

The Society considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash held in a managed fund is classified as an investment.

***Contributions receivable***

Pledges for contributions are recorded at their net realizable value as receivables in the year made. The pledges consist of contributions to the annual fund, private underwritings and the endowment fund. The pledges for subsequent year's operations are considered donor restricted at June 30, 2024 and 2023. There were no contributions receivable as of June 30, 2024 and 2023.

***Equipment***

Acquisitions of equipment are capitalized at cost when purchased or at fair value at date of gift, when donated. Depreciation is provided using the straight-line method over estimated useful lives of three to ten years. Maintenance and repairs which neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred.

***Investments and fair value measurements***

Investments are carried at their fair value. Investments are managed by outside managers under the direction and oversight of the Board of Directors. The Board of Directors determines the asset allocation formula and places limitation on the types of investments the manager may purchase.

Investment earnings (including realized and unrealized gains on investments, interest and dividends) are included in the statement of activities as increases or decreases in net assets without donor restrictions unless the earnings or losses are restricted by the donor.

***Revenue and revenue recognition***

Contributions are recognized at fair value and are considered to be available for unrestricted use unless specifically restricted by the donor, or designated by the donor as support for future periods. 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 reported in the statement of activities as satisfaction of restriction. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without donor restriction.

The Society recognizes revenue from ticket sales in the applicable year of the performance. Ticket sales received in advance are deferred to the applicable year to which they relate. All other amounts paid in advance are deferred to the period in which the underlying event or activity takes place. Due to the nature and timing of the performance and/or transfer of services, substantially all contract liabilities at June 30 of each year are recognized in the following year.

**The Wichita Symphony Society**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

**1. Summary of Significant Accounting Policies (Continued)**

***Nonfinancial contributions***

The Society receives nonfinancial contributions related to services provided. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Society. Contributed services are valued at the estimated fair value in the financial statements based on current rates for similar services. The Society did not monetize (sell) any of the contributions received, and unless otherwise noted, the contributions did not have donor restrictions (see Note 8). Advertising and other services provided were valued at \$13,829 and \$765 for the years ended June 30, 2024 and 2023, respectively.

***Advertising and promotion***

The Society charges advertising costs to operations as incurred. Advertising and promotion expense for the years ended June 30, 2024 and 2023 was \$196,625 and \$249,333, respectively.

***Income taxes***

The Society is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. The Federal exemptions from income tax are recognized by state authorities. The Society adopted the accounting standard on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Society may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. At June 30, 2024 and 2023, there were no unrecognized tax benefits identified or recorded as liabilities.

***Functional expense allocation***

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include accounting fees, depreciation, dues and subscription, retirement, insurance, office supplies, payroll taxes, parking, postage, rent, salaries, and telephone which are allocated on the basis of estimates of time and effort.

**The Wichita Symphony Society**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

**2. Investments**

The Society's investments consist of a managed investment portfolio and other investments. Investments are stated at fair value and consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Managed investment portfolio		
Money market funds	\$ 36,700	\$ 433,023
Equity investments	6,216,227	5,273,211
Fixed income investments	2,182,219	2,044,113
Alternative investments	445,540	400,863
Total	<u>\$ 8,880,686</u>	<u>\$ 8,151,210</u>

Investment income as reflected in the statement of activities includes investment income and losses from the above investments as well as interest income earned on money market accounts included on the statement of financial position as cash equivalents.

The following schedule summarizes investment income as reflected in the statement of activities:

	<u>2024</u>	<u>2023</u>
Interest and dividend income	\$ 179,282	\$ 162,053
Net realized/unrealized gains	834,108	631,820
Expenses	(36,702)	(33,686)
	<u>\$ 976,688</u>	<u>\$ 760,187</u>

Investments are associated with the following restrictions and designations at June 30:

	<u>2024</u>	<u>2023</u>
Endowment		
Without donor restriction	\$ 3,025,683	\$ 2,475,959
With donor restriction	5,855,003	5,675,251
Total	<u>\$ 8,880,686</u>	<u>\$ 8,151,210</u>

**The Wichita Symphony Society**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

**3. Fair Value of Investments**

Accounting standards define fair value as the 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. Accounting standards also specify a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities.
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statement of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2024 and 2023, respectively:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>June 30, 2024</b>			
Managed investment portfolio			
Money market funds	\$ 36,700	\$ -	\$ -
Equity investments	6,216,227	-	-
Fixed income investments	2,182,219	-	-
Alternative investments	445,540	-	-
	<u>\$ 8,880,686</u>	<u>\$ -</u>	<u>\$ -</u>
<b>June 30, 2023</b>			
Managed investment portfolio			
Money market funds	\$ 433,023	\$ -	\$ -
Equity investments	5,273,211	-	-
Fixed income investments	2,044,113	-	-
Alternative investments	400,863	-	-
	<u>\$ 8,151,210</u>	<u>\$ -</u>	<u>\$ -</u>



**The Wichita Symphony Society**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

**4. Deferred Revenue**

The following table provides information about significant changes in the deferred revenue for the year ended June 30:

	<u>2024</u>	<u>2023</u>
Deferred revenue, beginning of year	\$ 334,472	\$325,043
Revenue recognized that was included in deferred revenue at the beginning of year		
Ticket sales	(241,304)	(237,211)
Youth orchestra fees	(19,406)	(13,430)
Increase in deferred revenue due to cash received during the period		
Ticket sales	286,816	240,664
Youth orchestra fees	37,242	19,406
	<u>                    </u>	<u>                    </u>
Total deferred revenue	<u>\$ 397,820</u>	<u>\$334,472</u>

**5. Net Assets**

Net assets with donor restrictions are available for the following periods or purposes as of June 30:

	<u>2024</u>	<u>2023</u>
Purpose restrictions:		
Designated expenses for the next fiscal year (private underwritings)	\$ 117,500	\$ 43,000
Designated fund for piano maintenance	36,665	36,665
Designated scholarships for the next fiscal year	1,020	1,020
	<u>                    </u>	<u>                    </u>
Total timing and purpose restrictions	<u>155,185</u>	<u>80,685</u>
Perpetual in Nature:		
General activities of the Society	3,955,445	3,955,445
Restricted for endowment fund	1,779,263	1,599,511
Guest artist fees or orchestra salaries	42,945	42,945
Free concert	25,000	25,000
Educational activities	14,665	14,665
	<u>                    </u>	<u>                    </u>
Total perpetual restrictions	<u>5,817,318</u>	<u>5,637,566</u>
	<u>                    </u>	<u>                    </u>
Total net assets with donor restrictions	<u>\$5,972,503</u>	<u>\$5,718,251</u>

**The Wichita Symphony Society**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

**6. Endowment Fund**

The Society established an endowment fund to assist in the management of permanently restricted net assets, and to provide an opportunity to internally designate funds to provide for long term benefit of the Society. The Society's governing body has interpreted the State of Kansas Prudent Management of Institutional Funds Act (SPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of donor-restricted endowment funds is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Society in a manner consistent with the standard of prudence prescribed by SPMIFA.

In accordance with SPMIFA, the Society considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the endowment fund;
- The purposes of the Society and the endowment fund;
- General economic conditions;
- The possible effect of inflation or deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the Society; and
- The investment policy of the Society.

The Society has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to operating activities supported by its endowment while seeking to maintain the purchasing power of these endowment assets over the long-term. The Society's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The Society targets a diversified asset allocation that places an emphasis on equity and fixed income funds to achieve its long-term return objectives within prudent risk parameters. Withdrawals from the endowment fund to support operating activities are based upon the discretion of the Board of Directors.

**The Wichita Symphony Society**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

**6. Endowment Fund (Continued)**

Changes in the endowment fund for the years ended June 30, 2024 and 2023 are as follows:

	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Endowment net assets, June 30, 2022	\$ 1,988,363	\$ 4,576,240	\$ 6,564,603
Contributions	-	1,099,511	1,099,511
Other deposits	71,327	-	71,327
Investment income	760,187	-	760,187
Amounts appropriated for expenditure	(343,918)	(500)	(344,418)
Endowment net assets, June 30, 2023	2,475,959	5,675,251	8,151,210
Contributions	400	179,752	180,152
Investment income	976,688	-	976,688
Amounts appropriated for expenditure	(427,364)	-	(427,364)
Endowment net assets, June 30, 2024	<u>\$ 3,025,683</u>	<u>\$ 5,855,003</u>	<u>\$ 8,880,686</u>

**7. Leases**

The Society leases certain office and storage space under a long-term non-cancelable operating lease agreement. During the 2023, the lease was amended to extend the maturity to December 31, 2026. The Society also rents equipment from several providers. Communication equipment, mail processing machine and a copier are all leased for a term of five years with various start dates. The Society includes in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised.

The following summarizes lease assets and lease liabilities recognized at June 30:

	<b>2024</b>	<b>2023</b>
Lease Assets - Classification in Statement of Financial Position		
Operating lease right-of-use asset	\$ 89,503	\$ 84,916
Lease Liabilities - Classification in Statement of Financial Position		
Operating lease liability	\$ 89,503	\$ 84,916

**The Wichita Symphony Society**  
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**7. Leases (Continued)**

Total lease costs for the years ended June 30 are as follows:

	<u>2024</u>	<u>2023</u>
Operating lease cost		
Office and storage space	\$ 20,233	\$ 20,233
Performance space and ancillary facilities	39,818	46,799
Equipment	14,649	14,349
	<u>\$ 74,700</u>	<u>\$ 81,381</u>

The following table summarized the supplemental cash flow information for the year ended June 30:

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 74,700	\$ 81,381
Right-of-use assets obtained in exchange for lease liabilities		
Operating leases	\$ 35,913	\$ 107,357

The following summarized the weighted-average remaining lease term and weighted-average discount rate used for the year ended June 30:

	<u>2024</u>	<u>2023</u>
Weighted-average remaining lease term in years:		
Operating leases	2.4	2.6
Weighted-average discount rate:		
Operating leases	4.13%	4.13%

The future minimum lease payments under noncancelable operating leases with terms greater than one year are listed below as of June 30, 2024:

Year Ending June 30	
2025	\$ 32,066
2026	28,035
2027	19,047
2028	7,892
2029	7,427
Thereafter	1,857
Total undiscounted cash flows	96,324
Less present value discount	(6,821)
Present value of lease liabilities	<u>\$ 89,503</u>

**The Wichita Symphony Society**  
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**8. Contributions of nonfinancial assets**

The following is a summary of the Society's non-financial support, as shown on the statement of activities for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Advertising	\$ 5,840	\$ 765
Donated services	675	-
Books	7,314	-
	<u>\$ 13,829</u>	<u>\$ 765</u>

Advertising generally includes advertisement for their upcoming performances. Advertising is provided by donors to help the costs of these goods that would otherwise have been purchased. Advertising is used in program services and is recognized at fair value based on current prices of similar advertisements.

Donated services consists of services that are received by individuals possessing specialized skills. These services would have otherwise needed to be purchased if not provided by the donor.

All donated goods and services for the years ended June 30, 2024 and 2023 were considered unrestricted and utilized during the year for program-related events held by the Society.

**9. Concentration of Credit Risk**

The Society maintains its cash and certificates of deposit balances at various financial institutions located in Wichita, Kansas, which on occasion, may exceed the federally insured limits of \$250,000. Management continues to monitor the accounts to minimize the risk of loss.

**The Wichita Symphony Society**  
**Notes to Financial Statements**  
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**10. Financial Assets and Liquidity Resources**

The following schedule reflects the Society's financial assets available for general expenditure as of June 30, 2024 and 2023, reduced by amounts that are not available for general use due to donor-imposed and board designated restrictions within one year of the statement of financial position date:

	<b>2024</b>	<b>2023</b>
<b>Financial assets</b>		
Cash and cash equivalents	\$ 691,500	\$ 1,140,611
Certificates of deposit	388,786	-
Investments	8,880,686	8,151,210
	9,960,972	9,291,821
<b>Less those unavailable for general expenditures within one year, due to:</b>		
Restricted by donor with purpose restrictions		
Private underwritings	117,500	43,000
Piano maintenance	36,665	36,665
Scholarships for the next fiscal year	1,020	1,020
Restricted by donor for investment in perpetuity	5,817,318	5,637,566
	5,972,503	5,718,251
<b>Total financial assets available to meet cash needs for general purpose expenditures within one year</b>	<b>\$ 3,988,469</b>	<b>\$ 3,573,570</b>

As part of the Society's liquidity plan, the financial assets are structured to be available as general expenditures, liabilities, and other obligations become due. Cash in excess of daily requirements is invested in savings.

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**11. COVID-19**

*Paycheck Protection Program*

On August 10, 2020, the Society qualified for and received a second loan pursuant to the Paycheck Protection Program, a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender (the "PPP Lender"), for an aggregate principal amount of \$105,263 (the "PPP Loan"). The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. The principal amount of the PPP Loan is subject to forgiveness under the Paycheck Protection Program upon the Society's request to the extent that the PPP Loan proceeds were used to pay expenses permitted by the Paycheck Protection Program, including payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by the Society.

The Society applied for forgiveness of the PPP Loan with respect to covered expenses and was granted forgiveness of \$38,854 on April 19, 2021. The unpaid loan balance presented on the statement of financial position as of June 30, 2024 and 2023 was \$18,100 and \$33,603 respectively.

The loan matures during the year ending June 30, 2025.

**12. Subsequent Events**

Subsequent events were evaluated by management through November 7, 2024, which is the date the financial statements were available to be issued.

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<b>EL DORADO</b>	117 W. CENTRAL AVE	EL DORADO, KS 67042-0847	316-321-1150
<b>TUCSON</b>	4801 E. BROADWAY BLVD., STE. 501	TUCSON, AZ 85711-3648	520-624-8229
<b>TULSA</b>	4200 E. SKELLY DR., STE. 560	TULSA, OK 74135-3209	918-494-8700
<b>WAGONER</b>	509 S. MCQUARRIE AVE	WAGONER, OK 74467-6223	918-485-5531
<b>WICHITA</b>	300 W. DOUGLAS AVE., STE. 900	WICHITA, KS 67202-2914	316-264-2335