

The Wichita Symphony Society

Financial Statements
and
Independent Auditor's Report

June 30, 2025 and 2024



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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, 2025 and 2024, 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, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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 Manual, CPA

Wichita, Kansas
October 31, 2025

The Wichita Symphony Society
Statements of Financial Position
As of June 30, 2025 and 2024

ASSETS

	2025	2024
Cash and cash equivalents	\$ 414,429	\$ 691,500
Certificates of deposit	269,898	388,786
Prepaid expenses and other assets	68,869	61,743
Equipment, at cost, net of accumulated depreciation of \$57,721 and \$61,255 in 2025 and 2024, respectively	239,940	234,027
Operating lease right-of-use asset	59,367	89,503
Music library, at cost	236,472	234,201
Investments	9,365,870	8,880,686
Total assets	<u>\$ 10,654,845</u>	<u>\$ 10,580,446</u>

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable	\$ 15,308	\$ 15,746
Deferred ticket sales	271,112	360,578
Deferred youth orchestra membership fees	-	37,242
Accrued benefits	9,105	17,062
Operating lease liability	59,367	89,503
PPP loan	2,441	18,100
Total liabilities	<u>357,333</u>	<u>538,231</u>
Net Assets		
Without donor restriction	4,378,509	4,069,712
With donor restriction	5,919,003	5,972,503
Total net assets	<u>10,297,512</u>	<u>10,042,215</u>
Total liabilities and net assets	<u>\$ 10,654,845</u>	<u>\$ 10,580,446</u>

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

The Wichita Symphony Society
Statement of Activities
For the Year Ended June 30, 2025

	2025		
	Without Donor Restriction	With Donor Restriction	Total
Revenue, gains and other support			
Concert ticket sales	\$ 703,896	\$ -	\$ 703,896
Youth orchestra membership fees	102,650	-	102,650
Contributions to annual fund	324,963	-	324,963
Contributions to endowment fund	9,065	1,000	10,065
Private underwritings	399,530	63,500	463,030
Other contributions	110,550	-	110,550
Grants	50,786	-	50,786
Investment income	936,463	-	936,463
Contributions of nonfinancial assets	34,440	-	34,440
Miscellaneous	22,311	-	22,311
Satisfaction of restriction			
Private underwritings	118,000	(118,000)	-
Total revenues, gains and other support	2,812,654	(53,500)	2,759,154
Expenses			
Program	2,101,955	-	2,101,955
General and administrative	317,437	-	317,437
Fundraising	84,465	-	84,465
Total expenses	2,503,857	-	2,503,857
Change in net assets	308,797	(53,500)	255,297
Net assets at beginning of year	4,069,712	5,972,503	10,042,215
Net assets at end of year	<u>\$ 4,378,509</u>	<u>\$ 5,919,003</u>	<u>\$ 10,297,512</u>

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

	2024		
	Without Donor	With Donor	
	Restriction	Restriction	Total
Revenue, gains and other support			
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
Expenses			
Program	1,876,908	-	1,876,908
General and administrative	277,892	-	277,892
Fundraising	70,919	-	70,919
Total expenses	2,225,718	-	2,225,718
Change in net assets	418,324	254,252	672,576
Net assets at beginning of year	3,651,388	5,718,251	9,369,639
Net assets at end of year	<u>\$4,069,712</u>	<u>\$5,972,503</u>	<u>\$10,042,215</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, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Change in net assets	\$ 255,297	\$ 672,576
Adjustments to reconcile change in net assets to net cash provided used in operating activities		
Depreciation	1,902	1,477
Right of use assets	30,136	(4,587)
Net unrealized and realized (gain)/loss on endowment investments	(786,042)	(834,108)
Contributions permanently restricted for endowment	(1,000)	(179,752)
Change in assets and liabilities:		
Prepaid expenses and other assets	(7,126)	3,187
Accounts payable	(438)	(47,339)
Deferred ticket sales	(89,466)	45,512
Deferred youth orchestra membership fees	(37,242)	17,836
Accrued benefits	(7,957)	(3,701)
Operating lease liability	(30,136)	4,587
Net cash used by operating activities	<u>(672,072)</u>	<u>(324,312)</u>
Cash flows from investing activities		
Withdrawals from managed investments	461,344	427,364
Deposits to managed investments	(10,065)	(180,152)
Other net changes in managed investments	(150,421)	(142,580)
Change in certificates of deposit	118,888	(388,786)
Purchase of music library	(2,271)	(965)
Purchase of equipment	(7,815)	(3,929)
Net cash provided (used) by investing activities	<u>409,660</u>	<u>(289,048)</u>
Cash flows from financing activities		
Repayment of Paycheck Protection Program loan	(15,659)	(15,503)
Proceeds from contributions and contributions receivable restricted for investment in endowment	1,000	179,752
Net cash provided (used) in financing activities	<u>(14,659)</u>	<u>164,249</u>
Net decrease in cash and cash equivalents	<u>(277,071)</u>	<u>(449,111)</u>
Cash and cash equivalents at beginning of year	<u>691,500</u>	<u>1,140,611</u>
Cash and cash equivalents at end of year	<u><u>\$ 414,429</u></u>	<u><u>\$ 691,500</u></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, 2025

	Program	General and Administrative	Fundraising	Total
Salaries, payroll taxes and employee benefits	\$ 1,191,898	\$ 133,926	\$ 42,979	\$ 1,368,803
Professional fees	279,486	77,026	-	356,512
Collaborative concert expense	37,024	-	-	37,024
Travel and entertainment	89,241	-	-	89,241
Advertising and promotion	187,639	2,379	10,977	200,995
Processing fees	54,798	-	-	54,798
Concert facilities rental	59,781	-	-	59,781
Scenery	22,982	-	29,159	52,141
Rental and maintenance of music and equipment	81,351	8,880	-	90,231
Supplies	6,075	2,009	645	8,729
Telephone	6,056	2,197	705	8,959
Office rent	-	21,217	-	21,217
Dues and memberships	-	11,619	-	11,619
Insurance	17,451	17,451	-	34,901
Postage	7,540	5,840	-	13,380
Depreciation	-	1,902	-	1,902
Sales tax	50,307	-	-	50,307
Interest expense	-	109	-	109
Miscellaneous	10,326	32,882	-	43,208
	<u>\$ 2,101,955</u>	<u>\$ 317,437</u>	<u>\$ 84,465</u>	<u>\$ 2,503,857</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, 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>\$ 277,892</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
Notes to Financial Statements
June 30, 2025 and 2024

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 of accounting in accordance with U.S. generally accepted accounting principles as prescribed by Financial Accounting Standards Board Accounting Standards Codification (FASB ASC).

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, 2025 and 2024

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.

Promises to give 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, 2025 and 2024. There were no contributions receivable as of June 30, 2025 and 2024.

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, 2025 and 2024

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 \$34,440 and \$13,829 for the years ended June 30, 2025 and 2024, respectively.

Advertising and promotion

The Society charges advertising costs to operations as incurred. Advertising and promotion expense for the years ended June 30, 2025 and 2024 was \$200,995 and \$196,625, 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, 2025 and 2024, 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, 2025 and 2024

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>2025</u>	<u>2024</u>
Managed investment portfolio		
Money market funds	\$ 97,072	\$ 36,700
Equity investments	6,723,209	6,216,227
Fixed income investments	2,107,729	2,182,219
Alternative investments	437,860	445,540
Total	<u><u>\$ 9,365,870</u></u>	<u><u>\$ 8,880,686</u></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>2025</u>	<u>2024</u>
Interest and dividend income	\$ 188,775	\$ 179,282
Net realized/unrealized gains	786,042	834,108
Expenses	(38,354)	(36,702)
	<u><u>\$ 936,463</u></u>	<u><u>\$ 976,688</u></u>

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

	<u>2025</u>	<u>2024</u>
Endowment		
Without donor restriction	\$ 3,510,367	\$ 3,025,683
With donor restriction	5,855,503	5,855,003
Total	<u><u>\$ 9,365,870</u></u>	<u><u>\$ 8,880,686</u></u>

The Wichita Symphony Society
Notes to Financial Statements
June 30, 2025 and 2024

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, 2025 and 2024, respectively:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
June 30, 2025			
Managed investment portfolio			
Money market funds	\$ 97,072	\$ -	\$ -
Equity investments	6,723,209	-	-
Fixed income investments	2,107,729	-	-
Alternative investments	437,860	-	-
	<u>\$ 9,365,870</u>	<u>\$ -</u>	<u>\$ -</u>
June 30, 2024			
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>

The Wichita Symphony Society
Notes to Financial Statements
June 30, 2025 and 2024

4. Deferred Revenue

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

	<u>2025</u>	<u>2024</u>
Deferred revenue, beginning of year	\$ 397,820	\$334,472
Revenue recognized that was included in deferred revenue at the beginning of year		
Ticket sales	(360,578)	(241,304)
Youth orchestra fees	(37,242)	(19,406)
Increase in deferred revenue due to cash received during the period		
Ticket sales	271,112	286,816
Youth orchestra fees	<u>-</u>	<u>37,242</u>
Total deferred revenue	<u><u>\$ 271,112</u></u>	<u><u>\$397,820</u></u>

5. Net Assets

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

	<u>2025</u>	<u>2024</u>
Purpose restrictions:		
Designated expenses for the next fiscal year (private underwritings)	\$ 63,500	\$ 117,500
Designated fund for piano maintenance (endowment)	36,665	36,665
Designated scholarships for the next fiscal year (endowment)	<u>520</u>	<u>1,020</u>
Total timing and purpose restrictions	<u>100,685</u>	<u>155,185</u>
Perpetual in Nature (endowment):		
General activities of the Society	3,955,445	3,955,445
Restricted for endowment fund	1,780,263	1,779,263
Guest artist fees or orchestra salaries	42,945	42,945
Free concert	25,000	25,000
Educational activities	<u>14,665</u>	<u>14,665</u>
Total perpetual restrictions	<u>5,818,318</u>	<u>5,817,318</u>
Total net assets with donor restrictions	<u><u>\$ 5,919,003</u></u>	<u><u>\$ 5,972,503</u></u>

The Wichita Symphony Society
Notes to Financial Statements
June 30, 2025 and 2024

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, 2025 and 2024

6. Endowment Fund (Continued)

Changes in the endowment fund for the years ended June 30, 2025 and 2024 are as follows:

	Without donor restrictions	With donor restrictions	Total
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	3,025,683	5,855,003	8,880,686
Contributions	9,065	1,000	10,065
Investment income	936,463	-	936,463
Amounts appropriated for expenditure	(460,844)	(500)	(461,344)
Endowment net assets, June 30, 2025	<u>\$ 3,510,367</u>	<u>\$ 5,855,503</u>	<u>\$ 9,365,870</u>

7. Leases

The Society leases certain office and storage space under a long-term non-cancelable operating lease agreement expiring 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:

	2025	2024
Lease Assets		
Operating lease right-of-use asset	\$ 59,367	\$ 89,503
Lease Liabilities		
Operating lease liability	\$ 59,367	\$ 89,503

The Wichita Symphony Society
Notes to Financial Statements
June 30, 2025 and 2024

7. Leases (Continued)

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

	<u>2025</u>	<u>2024</u>
Operating lease cost		
Office and storage space	\$ 21,217	\$ 20,233
Performance space and ancillary facilities	59,781	39,818
Equipment	13,833	14,649
	<u>\$ 94,831</u>	<u>\$ 74,700</u>

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

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 94,831	\$ 74,700
Right-of-use assets obtained in exchange for lease liabilities		
Operating leases	\$ -	\$ 35,913

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

	<u>2025</u>	<u>2024</u>
Weighted-average remaining lease term in years:		
Operating leases	1.6	2.4
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, 2025:

Year Ending June 30	
2026	\$ 28,035
2027	19,047
2028	7,892
2029	7,427
Thereafter	1,857
Total undiscounted cash flows	64,258
Less present value discount	(4,891)
Present value of lease liabilities	<u>\$ 59,367</u>

The Wichita Symphony Society
Notes to Financial Statements
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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>2025</u>	<u>2024</u>
Advertising	\$ 24,585	\$ 5,840
Donated services	9,855	675
Books	-	7,314
	<u>\$ 34,440</u>	<u>\$ 13,829</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, 2025 and 2024 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, 2025 and 2024, 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:

	<u>2025</u>	<u>2024</u>
Financial assets		
Cash and cash equivalents	\$ 414,429	\$ 691,500
Certificates of deposit	269,898	388,786
Investments	9,365,870	8,880,686
	<u>10,050,197</u>	<u>9,960,972</u>
Less those unavailable for general expenditures		
within one year, due to:		
Restricted by donor with purpose restrictions		
Private underwritings	63,500	117,500
Piano maintenance	36,665	36,665
Scholarships for the next fiscal year	520	1,020
Restricted by donor for investment in perpetuity	5,818,318	5,817,318
	<u>5,919,003</u>	<u>5,972,503</u>
Total financial assets available to meet cash needs for		
general purpose expenditures within one year	<u><u>\$ 4,131,194</u></u>	<u><u>\$3,988,469</u></u>

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, 2025 and 2024 was \$2,441 and \$18,100 respectively.

The loan matures during the year ending June 30, 2026.

12. Subsequent Events

Subsequent events were evaluated by management through October 31, 2025, which is the date the financial statements were available to be issued.

EL DORADO	117 W. CENTRAL AVE.	EL DORADO, KS 67042-2105	316-321-1150
TUCSON	4801 E. BROADWAY BLVD., STE. 501	TUCSON, AZ 85711-3648	520-624-8229
TULSA	4200 E. SKELLY DR., STE. 560	TULSA, OK 74135-3209	918-271-5400
WICHITA	300 W. DOUGLAS AVE., STE. 900	WICHITA, KS 67202-2914	316-264-2335