

West Point Fellowship, Inc.  
DBA West Point School of Music



Financial Statements  
For the Year Ended  
December 31, 2023



**West Point Fellowship, Inc. DBA West Point School of Music**

**Table of Content**

	<u>Page(s)</u>
Independent Auditor's Report	2 - 3
Financial Statements	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7 - 8
Notes to the Financial Statements	8 - 18



## **Independent Auditor's Report**

To the Board of Directors  
West Point Fellowship, Inc. DBA West Point School of Music  
Chicago, Illinois

### **Opinion on the Financial Statements**

We have audited the accompanying financial statements of West Point Fellowship, Inc. DBA West Point School of Music, which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year 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 West Point Fellowship, Inc. DBA West Point School of Music as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion on the Financial Statements**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 West Point Fellowship, Inc. DBA West Point School of Music and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 the 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 West Point Fellowship, Inc. DBA West Point School of Music's ability to continue as a going concern within 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 West Point Fellowship, Inc. DBA West Point School of Music'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 West Point Fellowship, Inc. DBA West Point School of Music'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.

*IL NFP Audit & Tax, LLP*

Chicago, Illinois

November 12, 2024

**West Point Fellowship, Inc. DBA West Point School of Music**  
**Statement of Financial Position**  
**December 31, 2023**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash	\$ 166,004	\$ 0	\$ 166,004
Grants Receivable	133,397	30,000	163,397
Prepaid Expenses	9,144	0	9,144
<b>Total Current Assets</b>	308,545	30,000	338,545
<b>Total Fixed Assets, Net</b>	821,651	0	821,651
<b>Total Assets</b>	\$ 1,130,196	\$ 30,000	\$ 1,160,196
<b>Liabilities and Net Assets</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 19,546	\$ 0	\$ 19,546
Accrued Liabilities	48,594	0	48,594
Line of Credit	18,338	0	18,338
Note Payable	61,463	0	61,463
<b>Total Current Liabilities</b>	147,941	0	147,941
<b>Non-Current Liabilities</b>			
Note Payable	532,808	0	532,808
<b>Total Non-Current Liabilities</b>	532,808	0	532,808
<b>Total Liabilities</b>	680,749	0	680,749
<b>Total Net Assets</b>	449,447	30,000	479,447
<b>Total Liabilities and Net Assets</b>	\$ 1,130,196	\$ 30,000	\$ 1,160,196

**West Point Fellowship, Inc. DBA West Point School of Music**  
**Statement of Activities**  
**For the Year Ended December 31, 2023**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue, Support and Gains</b>			
Grants and Contributions			
Government	\$ 573,058	\$ 0	\$ 573,058
Foundations	129,500	30,000	159,500
Corporations	78,819	0	78,819
Individuals	40,360	0	40,360
<b>Total Grants and Contributions</b>	<b>821,737</b>	<b>30,000</b>	<b>851,737</b>
Program Revenue			
Instruction	103,913	0	103,913
Instrumental	40,232	0	40,232
Performance	8,561	0	8,561
<b>Total Program Revenue</b>	<b>152,706</b>	<b>0</b>	<b>152,706</b>
Miscellaneous	4,545	0	4,545
Net Assets Released from Restrictions:			
Satisfaction of Program Restriction	0	0	0
Expiration of Time Restrictions	180,000	(180,000)	0
<b>Total Revenue, Support and Gains</b>	<b>1,158,988</b>	<b>(150,000)</b>	<b>1,008,988</b>
<b>Functional Expenses</b>			
Program Services	921,892	0	921,892
Management and General	201,841	0	201,841
Fundraising	74,346	0	74,346
<b>Total Functional Expenses</b>	<b>1,198,079</b>	<b>0</b>	<b>1,198,079</b>
<b>Change in Net Assets</b>	<b>(39,091)</b>	<b>(150,000)</b>	<b>(189,091)</b>
<b>Net Assets,</b>			
<b>Beginning of Year</b>	<b>488,538</b>	<b>180,000</b>	<b>668,538</b>
<b>End of Year</b>	<b>\$ 449,447</b>	<b>\$ 30,000</b>	<b>\$ 479,447</b>

**West Point Fellowship, Inc. DBA West Point School of Music**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2023**

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
<b>Functional Expenses</b>				
Personnel				
Salaries	\$ 560,253	\$ 65,912	\$ 32,956	\$ 659,121
Payroll Taxes	41,887	4,928	2,464	49,279
Unemployment Taxes	6,155	724	362	7,241
<b>Total Personnel</b>	<b>608,295</b>	<b>71,564</b>	<b>35,782</b>	<b>715,641</b>
Advertising	3,854	0	0	3,854
Bad Debt	15,979	0	0	15,979
Bank Fees	646	2,205	0	2,851
Depreciation	41,366	14,027	0	55,393
Dues and Subscriptions	2,861	4,421	0	7,282
Education Supplies	55,619	0	0	55,619
Equipment Rental and Repair	20,193	0	0	20,193
Instrument Rental and Repair	13,404	0	0	13,404
Insurance	10,429	16,822	0	27,251
Interest	0	31,500	0	31,500
Interns Stipends	11,644	0	0	11,644
Miscellaneous	0	1,078	0	1,078
Music Teachers	5,447	0	0	5,447
Office Expense	0	14,553	0	14,553
Professional Development	75	0	307	382
Professional Fees	36,067	16,380	36,930	89,377
Repair and Maintenance	45,432	18,808	0	64,240
Supplies	2,302	7,606	317	10,225
Telephone	659	0	0	659
Travel	15,249	3	1,010	16,262
Utilities	32,371	2,874	0	35,245
<b>Total Functional Expenses</b>	<b>\$ 921,892</b>	<b>\$ 201,841</b>	<b>\$ 74,346</b>	<b>\$ 1,198,079</b>

**West Point Fellowship, Inc. DBA West Point School of Music**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2023**

**Cash Flows from Operating Activities**

Received from Supporters and Other Sources	\$ 1,173,661
Interest Received	0
Paid to Suppliers and Employees	(1,117,275)
Interest Paid	(31,500)
Income Taxes Paid	0

**Net Cash Provided by Operating Activities**

24,886

**Cash Flows from Investing Activities**

Payments for the Purchase of Fixed Assets	(23,987)
---	----------

**Net Cash Used in Investing Activities**

(23,987)

**Cash Flows from Financing Activities**

Proceeds from the Issuance of Note Payable	50,000
Principal Payments on Note Payable	(5,729)
Proceeds from the Line of Credit	114,200
Repayments on Line of Credit	(95,862)

**Net Cash Provided by Financing Activities**

62,609

**Net Decrease in Cash**

63,508

**Cash,**

<b>Beginning of Year</b>	102,496
--------------------------	---------

<b>End of Year</b>	\$ <u><u>166,004</u></u>
--------------------	--------------------------

**West Point Fellowship, Inc. DBA West Point School of Music**  
**Statement of Cash Flows (Continued)**  
**For the Year Ended December 31, 2023**

**Reconciliation of Change in Net Assets to Net Cash Provided by  
Operating Activities**

Change in Net Assets	\$ (189,091)
<hr/>	
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	55,392
Changes in Certain Assets and Liabilities:	
Accounts Receivable	30,938
Grants Receivable	133,736
Prepaid Expenses	(1,679)
Accounts Payable	(36,411)
Accrued Liabilities	32,001
	<hr/>
Total Adjustments	213,977
	<hr/>
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 24,886</b>
	<hr/> <hr/>

**West Point Fellowship, Inc. DBA West Point School of Music**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2023**

**Note 1 - Principal Activity and Significant Accounting Policies**

***Organization and Nature of Activities***

The West Point Fellowship, Inc. DBA West Point School of Music (the “Organization”) is a not-for-profit corporation incorporated in 2011. The Organization prevents juvenile violence and promotes academic and personal success among urban youth through quality in-school, after-school, and out-of-school music instruction and performance programs in areas in Chicago that need it most.

***Basis of Accounting***

The Organization’s accounts are maintained on the accrual basis of accounting. Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions.

Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has not designated any amounts from net assets without donor restrictions as of December 31, 2023.

*Net Assets With Donor Restrictions* - Net assets subject to donor-imposed or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

***Cash and Cash Equivalents***

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

**West Point Fellowship, Inc. DBA West Point School of Music**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended December 31, 2023**

**Note 1 - Principal Activity and Significant Accounting Policies (Continued)**

*Receivables and Allowance for Doubtful Accounts*

The Organization records receivables that are expected to be collected within one year at net realizable value. Receivables that are expected to be collected in more than one year are recorded at present value. Generally accepted accounting principles prescribe receivables expected to be collected in more than one year to be initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset; in subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. The Organization determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible.

*Fixed Assets*

The Organization records fixed assets at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using a straight-line depreciation method over the estimated useful lives of the assets of 5 to 29 years or, in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Organization reviews the carrying values of fixed assets for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset.

*Leases*

Operating leases longer than one year are reported on the statement of financial position as a right-of-use (“ROU”) asset and as a operating lease obligation liability on the statement of financial position. The ROU represent the Organization’s right to use an underlying asset for the lease term and lease liabilities represent the Organization’s obligation to make lease payments arising from the lease.

**West Point Fellowship, Inc. DBA West Point School of Music**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended December 31, 2023**

**Note 1 - Principal Activity and Significant Accounting Policies (Continued)**

***Leases (Continued)***

Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Organization's incremental borrowing rate is used in determining the present value of lease payments. The implicit rate is used when readily determinable. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. At December 31, 2023, the Organization reports no long term operating leases or finance leases. All leases as of December 31, 2023 are short term operating leases.

***Revenue Recognition - Grants and Contributions***

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. Conditional promises to give are not recognized until they become unconditional. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the assets or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-imposed contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions. Net assets restricted for the acquisition of buildings or equipment are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization when the restrictions are released. Contributed materials are recorded as contributions, when received, at their fair market value when such value can be objectively and accurately determined.

***Revenue Recognition - Program Fees***

Program revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for corresponding services. Revenue is recognized as the underlying performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges.

**West Point Fellowship, Inc. DBA West Point School of Music**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended December 31, 2023**

**Note 1 - Principal Activity and Significant Accounting Policies (Continued)**

***Revenue Recognition - Disaggregation of Revenue***

The following table disaggregates the Organization's revenue from contracts with customers based on the timing of satisfaction of performance obligations for the year ended December 31, 2022:

Revenue Recognized at a Point in Time	\$ 152,706
Revenue Recognized over Time	<u>0</u>
	<u><u>\$ 152,706</u></u>

***Functional Expense Allocation***

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The Organization allocates functional expenses mainly on the basis of estimates of time and effort.

***Income Taxes***

The Organization is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code; therefore, the financial statements do not include a provision for income taxes. The Organization reviews income tax positions taken or expected to be taken in income tax returns to determine if there are any income tax uncertainties. This includes positions that the entity is exempt from income taxes or not subject to income taxes on unrelated business income. The Organization recognizes tax benefits from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by taxing authorities, based on the technical merits of the positions.

The Organization has identified no significant income tax uncertainties. The Organization files information returns as a tax-exempt organization. Should that status be challenged in the future, all years since inception could be subject to review by the IRS.

**West Point Fellowship, Inc. DBA West Point School of Music**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended December 31, 2023**

**Note 1 - Principal Activity and Significant Accounting Policies (Continued)**

*Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted 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 reporting period. Actual results could differ from those estimates.

*Financial Instruments and Credit Risk*

The Organization manages deposit concentration risk by placing cash and certificates of deposit with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. As of December 31, 2023, the Organization held no deposits above federally insured limits. Credit risk associated with receivables and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from reputable donors highly supportive of the Organization's mission. When applicable, although the fair values of investments are subject to fluctuation on a year-to-year basis, the Organization believes that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

*Advertising costs*

The Organization uses advertising to promote its programs among the audiences it serves. The costs of advertising are expensed the first time the advertising takes place, except for direct-response advertising, which is capitalized and amortized over its expected period of future benefits. The Organization had no direct-response advertising during the year ended December 31, 2023.

**West Point Fellowship, Inc. DBA West Point School of Music**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended December 31, 2023**

**Note 2 - Receivables**

At December 31, 2023, receivables consist of the following and are estimated to be collected as follows:

Collectible During the 2024 Calendar Year	\$	163,397
Less: Discount to Net Present Value		0
Less: Allowance for Doubtful Accounts		0
Total Receivables, Net	<u>\$</u>	<u>163,397</u>

During the year ended December 31, 2023, the Organization entered into \$1,200,000 conditional grant agreements that consists of providing conditional funding through December 31, 2024. The outstanding balance of the conditional grants is \$817,422 as of December 31, 2023. A corresponding grants receivable has not been recorded on the statement of financial position for this amount as the conditional grants are contingent upon incurring qualifying expenditures. Conditional funding is recognized when the conditions on which they depend upon are substantially met.

**Note 3 - Fixed Assets**

At December 31, 2023, fixed assets comprise of the following:

Building	\$	717,197
Band Instruments		121,501
Epic Steel Orchestra		87,444
Repair Tools		67,155
Vehicles & Trailers		66,757
Studio Equipment		19,213
Band Instruments - Lease to Own		11,199
Building Improvements		4,126
Furniture and Fixtures		2,335
Computer Equipment		1,213
Total Fixed Assets		<u>1,098,140</u>
Less: Accumulated Depreciation		<u>(276,489)</u>
Total Fixed Assets, Net	<u>\$</u>	<u>821,651</u>

Depreciation expense amounts to \$55,393 for the year ended December 31, 2023.

**West Point Fellowship, Inc. DBA West Point School of Music**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended December 31, 2023**

**Note 4 - Notes Payable**

On September 28, 2022, the Organization purchased a property financed by a note payable of \$550,000 with the Illinois Facilities Fund. The note bears interest at 5.88% and matures on September 28, 2028 with a balloon payment of \$452,076 due upon maturity. The note is secured by the building and related improvements. As of December 31, 2023, the note payable has an outstanding balance of \$544,271.

On December 7, 2023, the Organization received a loan from the Illinois Facilities Fund in the amount of \$50,000. The note bears interest at 7.25% and matures on December 7, 2024, with a ballon payment of \$50,000 due upon maturity. The Organization repaid the full loan balance on August 20, 2024. As of December 31, 2023, the note payable has an outstanding balance of \$50,000.

Future principal and interest maturities that exist as of December 31, 2023 are as follow:

	Principal	Interest	Total
For the Year Ended December 31, 2024	\$ 61,463	\$ 47,411	\$ 108,874
2025	24,603	30,647	55,250
2026	26,088	29,162	55,250
2027	27,662	27,588	55,250
2028	454,455	4,438	458,893
	\$ 594,271	\$ 139,246	\$ 733,517

**Note 5 - Line of Credit**

The Organization maintains an \$50,000 line of credit with PNC Bank. Advances bear interest at 13.89% as of December 31, 2023. The line of credit is secured by the assets of the Organization. There were advances and repayments of \$60,000, respectively, during the calendar year ended December 31, 2023. The line of credit has a \$0 balance as of December 31, 2023.

The Organization maintains an \$54,200 line of credit with American Express. Advances bear interest at 7.00% as of December 31, 2023. The line of credit is secured by the assets of the Organization. There were advances and repayments of \$54,200, and \$35,862, respectively, during the calendar year ended December 31, 2023. The line of credit has a \$18,338 balance as of December 31, 2023.

**West Point Fellowship, Inc. DBA West Point School of Music**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended December 31, 2023**

**Note 6 - In-Kind Donations**

*Donated Services, Donated Goods, and Donated Space*

Donated services are recognized as revenues at their estimated fair value when they create or enhance nonfinancial assets, or they require specialized skills which would need to be purchased if they were not donated. Volunteers contribute significant amounts of time to the Organization’s program services, administration, and fundraising activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. No donated services was received by the Organization during the year ended December 31, 2023 that met the recognition criteria prescribed by generally accepted accounting principles.

Donated goods are recorded at fair value on the date of donation. No donated goods was received by the Organization during the year ended December 31, 2023.

Donated space is recorded at its estimated fair value on the date of donation. No donated space was received by the Organization during the year ended December 31, 2023.

**Note 7 - Net Asset Restrictions**

Net assets with donor restrictions are restricted for the following purposes or periods at December 31, 2023:

Subject to Expenditure for Specific Purpose:	
None	0
Total Subject to Expenditure for Specific Purpose	0
Subject to Passage of Time:	
For the Year Ended December 30, 2024	10,000
For the Year Ended December 30, 2025	10,000
For the Year Ended December 30, 2026	10,000
Total Subject to Passage of Time	30,000
Total Net Assets with Restrictions	\$ 30,000

**West Point Fellowship, Inc. DBA West Point School of Music**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended December 31, 2023**

**Note 7 - Net Asset Restrictions (Continued)**

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions or by the occurrence of the passage of time or other events specified by donors during the year ended December 31, 2023:

Purpose Restrictions Accomplished:	
None	\$ 0
Total Purpose Restrictions Accomplished	0
Time Restrictions Expired:	
For the Year Ended December 30, 2023	180,000
Total Time Restrictions Expired	180,000
Total Restrictions Released	\$ 180,000

**Note 8 - Liquidity and Availability of Financial Assets**

At December 31, 2023, the Organization has \$329,401 of financial assets, excluding non-spendable financial assets, available for general expenditures within one year of the balance sheet date. Of this amount, \$30,000 of financial assets are subject to donor timing or purpose restrictions, excluding general operation restrictions, expiring within one year. No other contractual restrictions exist that make current financial assets unavailable for general expenditure within one year of the balance sheet date. As of December 31, 2023, the Organization does not expect that its liquidity will deteriorate.

Financial assets available within one year of the balance sheet for general expenditures comprise of the following:

Financial Assets Available for General Expenditure:	
Cash	\$ 166,004
Grants Receivable	163,397
Total Financial Assets Available for General Expenditure	329,401
Less: Assets Subject to Donor Timing or Purpose Restrictions	
Excluding General Operation Restrictions	(30,000)
Total Financial Assets Available to Meet Cash Needs for General Use Within One Year	\$ 299,401

**West Point Fellowship, Inc. DBA West Point School of Music**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended December 31, 2023**

**Note 9 - Recently Implemented and Upcoming Accounting Pronouncements**

*Recently Implemented Accounting Pronouncements*

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326)* in relation to accounting for expected credit losses on financial instruments. The accounting pronouncement requires that measurement of expected credit losses be based on relevant information about past events, including historical experience, current conditions and reasonable and supportable forecasts that affect the collectability of the reported amount. While financial assets such as trade receivables, available-for-sale debt securities, guarantee contracts, loan commitments, and contract assets are within scope of ASU No. 2016-13, other assets such as contributions receivable, loans and receivables between entities under common control, and grants receivable are not within scope. The adoption of this accounting pronouncement had no material impact on the Organization's financial statements.

*Upcoming Accounting Pronouncements*

Significant upcoming accounting pronouncements relevant to the Organization have not been identified as of December 31, 2023.

**Note 10 - Subsequent Events**

The date to which events occurring after December 31, 2023, the date of the most recent balance sheet, have been evaluated for possible adjustment or disclosure is November 12, 2024, which is the date on which the financial statements were available to be issued.