CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

Arts Council of Greater Lansing, Inc.

Financial Statements

September 30, 2025 and 2024

with Independent Auditors' Report

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CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Arts Council of Greater Lansing, Inc.
Lansing, Michigan

Opinion

We have audited the accompanying financial statements of Arts Council of Greater Lansing, Inc. (a not-for-profit organization), which comprise the statements of financial position as of September 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows 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 Arts Council of Greater Lansing, Inc. as of September 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Arts Council of Greater Lansing, Inc. 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 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 Arts Council of Greater Lansing, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 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 Arts Council of Greater Lansing, Inc.'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 Arts Council of Greater Lansing, Inc.’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.

Clark, Schaefer, Hackett & Co.

East Lansing, Michigan
July 20, 2026

	2025	2024
Assets		
Current assets		
Cash and savings accounts	$ 134,368	206,233
Grants receivable	1,001	25,126
Prepaid expenses	-	9,946
	135,369	241,305
Other assets		
Property and equipment, net	-	32,320
Long-term endowments	374,289	469,747
Interest in assets held by foundation	1,392,446	1,284,270
	1,766,735	1,786,337
	$ 1,902,104	2,027,642
Liabilities and Net Assets		
Current Liabilities		
Accrued wages and related expenses	5,962	8,925
Accrued paid time off	5,902	5,672
Refundable advance	167,500	158,750
	179,364	173,347
Noncurrent liabilities:		
Grants payable	148,110	133,002
Net Assets		
Without donor restrictions	1,574,630	1,623,258
With donor restrictions	-	98,035
	1,574,630	1,721,293
	$ 1,902,104	2,027,642

See accompanying notes to the financial statements.

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support:			
Government grants	$ 86,750	159,345	246,095
All other grants and contracts	78,718	-	78,718
Change in beneficial interest in assets held by foundation	108,176	-	108,176
Investment returns, net	68,496	-	68,496
Contributions	28,105	-	28,105
Membership dues	6,389	-	6,389
Program service fees	11,117	-	11,117
Contributed services	500	-	500
Contributed materials	7,500	-	7,500
Interest income	18,128	-	18,128
Other income	1,284	-	1,284
Net assets released from restrictions	257,380	(257,380)	-
	672,543	(98,035)	574,508
Expenses:			
Program services	528,812	-	528,812
Supporting services:			
Management and general	91,863	-	91,863
Fundraising	68,850	-	68,850
	689,525	-	689,525
Loss on disposal of fixed assets	(31,646)	-	(31,646)
Change in net assets	(48,628)	(98,035)	(146,663)
Net assets at beginning of year	1,623,258	98,035	1,721,293
Net assets at end of year	$ 1,574,630	-	1,574,630

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support:			
Government grants	$ 185,329	85,972	271,301
All other grants and contracts	109,578	-	109,578
Change in beneficial interest in assets held by foundation	197,019	-	197,019
Investment returns, net	133,236	-	133,236
Contributions	13,410	-	13,410
Membership dues	9,418	-	9,418
Program service fees	7,103	44,535	51,638
Contributed services	500	-	500
Contributed materials	23,250	-	23,250
Interest income	14,606	-	14,606
Other income	1,191	-	1,191
Net Assets released from restrictions	188,012	(188,012)	-
	882,652	(57,505)	825,147
Expenses:			
Program services	582,111	-	582,111
Supporting services:			
Management and general	99,406	-	99,406
Fundraising	61,192	-	61,192
	742,709	-	742,709
Change in net assets	139,943	(57,505)	82,438
Net assets at beginning of year	1,483,315	155,540	1,638,855
Net assets at end of year	$ 1,623,258	98,035	1,721,293

See accompanying notes to the financial statements.

	Programs	Management and General	Fundraising	Total
Grants, organizations	$ 230,532	-	-	230,532
Grants, individuals	24,000	-	-	24,000
Community art projects	75,000	-	-	75,000
Salaries and wages	116,114	48,381	29,029	193,524
Retirement	4,133	1,723	1,034	6,890
Employee benefits	1,274	531	319	2,124
Payroll taxes	8,951	3,730	2,238	14,919
Professional services	9,350	6,800	850	17,000
Consulting	-	8,688	32,682	41,370
Advertising and promotion	679	611	68	1,358
Office expenses	14,503	8,460	1,209	24,172
Computer and IT expenses	6,997	4,081	583	11,661
Occupancy costs	8,856	5,166	738	14,760
Travel	1,205	703	100	2,008
Arts events and conferences	19,227	1,012	-	20,239
Depreciation	168	506	-	674
Insurance	323	971	-	1,294
In-kind expense, materials	7,500	-	-	7,500
In-kind expense, services	-	500	-	500
	$ 528,812	91,863	68,850	689,525

	Programs	Management and General	Fundraising	Total
Grants - organizations	$ 264,409	-	-	264,409
Grants - individuals	8,000	-	-	8,000
Community art projects	75,000	-	-	75,000
Salaries and wages	121,474	50,615	30,369	202,458
Retirement	4,026	1,678	1,007	6,711
Employee benefits	5,303	2,210	1,326	8,839
Payroll taxes	9,965	4,152	2,491	16,608
Professional services	6,875	5,000	625	12,500
Consulting	-	5,762	21,676	27,438
Advertising and promotion	3,385	3,047	339	6,771
Office expenses	17,679	10,313	1,473	29,465
Computer and IT expenses	9,749	5,686	812	16,247
Occupancy costs	12,629	7,366	1,052	21,047
Travel	267	156	22	445
Arts events and conferences	19,059	1,003	-	20,062
Depreciation	337	1,011	-	1,348
Insurance	302	907	-	1,209
Miscellaneous expense	402	-	-	402
In-kind expense - materials	23,250	-	-	23,250
In-kind expense - services	-	500	-	500
	$ 582,111	99,406	61,192	742,709

	2025	2024
Cash flows from operating activities:		
Changes in net assets	$ (146,663)	82,438
Adjustments to reconcile change in net assets		
to net cash provided by (used in) operating activities:		
Depreciation	674	1,348
Amortization of right of use assets	-	11,939
Loss on sale of fixed assets	31,646	-
Net change in interest in assets held by foundation	(108,176)	(197,019)
Net (gain) loss on investments	(18,985)	(83,824)
Changes in operating assets and liabilities:		
Grants receivable	24,125	155,808
Prepaid expenses	9,946	5,030
Accounts payable	-	(423)
Accrued wages and related expenses	(2,963)	(1,930)
Accrued paid time off	230	(3,772)
Grants payable	15,108	(93,556)
Refundable advance	8,750	-
Net cash used in operating activities	(186,308)	(123,961)
Cash flows from investing activities:		
Cash received from sale of investments	202,729	566,973
Cash paid for purchase of investments	(88,286)	(473,289)
Net cash provided by investing activities	114,443	93,684
Net change in cash accounts	(71,865)	(30,277)
Cash accounts at beginning of year	206,233	236,510
Cash accounts at end of year	$ 134,368	206,233

See accompanying notes to the financial statements.

1. ORGANIZATION AND ACCOUNTING POLICIES:

Organization

The Arts Council of Greater Lansing, Inc. (Arts Council, Organization) is organized to benefit the people of the greater Lansing area by promoting artistic expression and appreciation, coordinating cultural development of the arts, facilitating communication among arts organizations, advocating for arts within the community, and providing facilities as a center for the arts. The Arts Council is organized as a not-for-profit charitable organization under section 501(c)(3) and, as such, is exempt from federal and state income taxes on its related activities.

Major program descriptions

The Arts Council programs are grouped under three major program categories - Education and Professional Development, Arts Programming, and Arts Promotion and Advocacy.

Education and Professional Development consists of a multifaceted approach to supporting artists, students, and arts organizations throughout the community which provides professional development grants, group workshops, maintenance of online resources, and individual consultations and technical assistance.

Arts Programming provides art engagement opportunities for groups of all ages through temporary and permanent art installations throughout the region, sponsoring Arts Council exhibits, artists-in-residence in public schools, and scheduled events aimed at driving economic growth while fostering spontaneous creative experiences.

Arts Promotion and Advocacy spans several media outlets and community events. Endeavors include the 517 Art Search App, distributing print materials with lists of arts and cultural events, social media, website and mobile applications, and special events and fundraisers.

Basis of accounting and financial statement presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenue are classified based on the existence or absence of donor-imposed restrictions. Net assets with donor restrictions are net assets that are subject to donor-imposed restrictions either for a specific use, duration, or both. When a time restriction expires or a use restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions. Net assets with donor restrictions would be available for subsequent years' activities.

Cash and cash equivalents

Interest-bearing deposits and short-term investments with original maturities of three months or less are classified as cash equivalents. The Organization maintains its cash accounts in a federally insured institution. At times during the year, the account balances may exceed the federally insured limits. The Organization has not incurred any losses in connection with their deposits and believes it is not exposed to any significant credit risk regarding its cash and cash equivalents.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Advertising costs
The Arts Council incurs advertising costs for print media and billboards related to program, management and general, and fundraising functions. These costs are expensed in the period in which the advertising first takes place. Advertising and promotional expenses as of current and prior year end were 1,358 and 6,771, respectively.

Revenue, contributions, and receivables
Revenue sources primarily include grants from state and local governments, non-profit and for-profit organizations, public contributions, and fees for services.

Contributions of cash and other assets without donor stipulations concerning the use of such assets are reported as revenues of the net assets without donor restrictions. Contributions of cash or other assets to be used in accordance with donor stipulations are reported as revenues with donor restrictions. Contributions with donor restrictions whose restrictions are met in the same period as the contribution are reported within net assets without donor restrictions (see Note 11).

The expiration of a donor-imposed restriction on a contribution is recognized in the period in which the restriction expires and at that time the related resources are reclassified to net assets without donor restrictions. A restriction expires when the stipulated time period has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The Organization evaluates contributions for classification as conditional or unconditional. Unconditional contributions are reported as revenue and conditional contributions are reported as revenue only when all conditions have been met, or the conditions have been explicitly waived by the donor and the right of return or right of release ceases to exist. Conditional contributions are reported as refundable advances on the statement of financial position until the contribution is recognized as revenue. There were no conditional contributions as of September 30, 2025 and 2024.

Contributions and grants receivable that are expected to be collected within one year are recorded at their net realizable value. The Organization evaluates each receivable for collectability. All balances were determined to be collectible as of September 30, 2025 and 2024, therefore no allowances for uncollectible accounts have been recorded.

The Organization does special projects and events that represent an exchange transaction and are recorded at the time the event or service is performed. These revenues are recorded in the statements of activities as program service fees.

Contributed materials and services
The Organization recognizes contributed services at their fair value if the services have value to the Organization and require specialized skills, are provided by individuals possessing those skills, and would have been purchased if not provided by contributors. Contributed materials and services that are recorded in the accompanying statements of activities represent a variety of services and materials used primarily for the Holiday Glitter, the Creative Placemaking Summit, and artist promotion.

In addition to the contributed materials and services which have been recorded in the financial statements, the Arts Council benefits from volunteers whose services do not meet the criteria for recognition according to accounting principles generally accepted in the United States of America. The estimated value of these volunteers is $127,032 and $123,578 for the years ended September 30, 2025 and 2024, respectively, and includes such services as board member meetings, grant review panels, interns, and fundraising event volunteers.

Refundable advance
Refundable advances represent advance sponsorship receipts which have not yet been expended for an event to occur in the following fiscal year. Refundable advance for the years ended September 30, 2025 and 2024 was $167,500 and $158,750, respectively. Revenues and expenses related to these activities are reflected in the statements of activities in the period the event occurs.

Property and equipment
Leasehold improvements and equipment are capitalized at cost when the purchase price exceeds $5,000. If assets are contributed, they are capitalized at fair value if it is greater than $5,000. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. All capital assets were disposed of in the current year (see Note 2).

Investment income and expenses
Investments are carried at fair value (see Note 4), and investment income includes interest and dividends received and accrued, realized gains and losses, and unrealized gains and losses, net of direct expenses, all of which are reflected within investment returns, net, in the statements of activities.

Beneficial interest in assets held by foundation
The Arts Council accounts for assets that are contributed by the Arts Council to the Capital Region Community Foundation (CRCF) as an asset of the Arts Council if it has been specified as the beneficiary of those assets. All contributions of this type, and the activity associated with the asset held by CRCF, are reported at fair value as a beneficial interest in assets held by foundation in the statements of financial position, with the related changes in fair value reported in the statements of activities. The increase or decrease in this asset is due to transfers from the Arts Council, earnings or losses on the underlying investments, distributions, and fees during the year.

Liquidity
The Organization’s financial assets available within one year of the statements of financial position date for general expenditure are as follows:

	2025	2024
Cash and savings accounts	$ 134,368	206,233
Grants receivable	1,001	25,126
Total	135,369	231,359
Restricted by donors with time or purpose restrictions	-	98,035
Financial assets available to meet cash needs for general purposes within one year	$ 135,369	133,324

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Additionally, the Organization has a quasi-endowment of $374,289 (see Note 3). Although the Organization does not intend to spend from its quasi-endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from the quasi-endowment could be made available if necessary. See Note 11 for further information regarding the reclassification of restricted net assets as of year end 2024.

Leases
The Organization leases an office building on a month-to-month basis. Lease expense was $11,480 and $16,139 for the years ended September 30, 2025 and 2024, respectively.

Functional expenses
The costs of the Organization's programs and supporting services have been reported on a functional basis. This requires the allocation of certain costs among the various programs and supporting services based on estimates made by management. These estimates include allocations such as time and effort by employees, estimation of space used, or other similar allocation methods.

Subsequent events
The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through July 20, 2026, the date on which the financial statements were available to be issued.

Reclassifications
Certain reclassifications in the 2024 financial statements were made to conform with the 2025 presentation.

2. PROPERTY AND EQUIPMENT:

All assets were disposed of in the current year, resulting in a loss on disposal of fixed assets of $31,646 The details of property and equipment are presented below:

		2025	2024	Estimated Life
Equipment	$	-	24,354	3-10 Years
Leasehold improvements		-	52,561	39 Years
		-	76,915	
Accumulated depreciation		-	44,595	
Property and equipment, net	$	-	32,320	

3. ENDOWMENTS:

Capital Region Community Foundation
The Arts Council has made two transfers to CRCF naming itself as the beneficiary and represented by an interest in the assets held by CRCF. CRCF maintains these transfers separately and the Arts Council may elect to receive the earnings currently or have them reinvested. Upon the request of the Arts Council, distributions in excess of the net income of the fund may be made in any year if approved by the governing board of the CRCF. This arrangement conveys variance power to CRCF.

Merrill Lynch
The board designated a quasi-endowment fund consisting of investments primarily in publicly traded securities (see Note 4). The Organization has investments that are held and managed by Merrill Lynch (ML). The source of the funds was a bequest without donor restrictions.

The tables below present endowment net asset composition by type of fund and the changes in endowment net assets for the years ended September 30, 2025 and 2024, respectively.

		2025 Without Donor Restrictions	2024 Without Donor Restrictions
Board-designated endowment funds (ML)	$	374,289	469,747
Interest in assets held by foundation (CRCF)		1,392,446	1,284,270
Total Endowment funds	$	1,766,735	1,754,017
Change in endowment net assets			
Endowment net assets, beginning of year	$	1,754,017	1,566,859
Investment returns, net		(209,901)	(103,111)
Sale of investments		202,729	566,973
Purchase of investments		(88,286)	(473,723)
Change in beneficial interest in assets held by foundation		108,176	197,019
Endowment net assets, end of year	$	1,766,735	1,754,017

4. INVESTMENTS AND FAIR VALUE:

The Organization applies FASB ASC 820, Fair Value Measurements, which provides a framework for measuring fair value under US GAAP. ASC 820 applies to all financial instruments measured and reported on a fair value basis.

As defined in ASC 820, fair value is the price that would be received to sell an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization uses various methods, including market price, income and cost approaches. Based on these approaches, the Organization often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy, which assess the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

Level 1: Quoted prices for identical assets and liabilities traded in active exchange markets.

Level 2: Observable inputs other than Level 1, including quoted prices for similar assets or liabilities quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.

Level 3: Unobservable inputs supported by little or no market activity, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

Merrill Lynch
The Arts Council maintains an investment policy, the objective of which is to seek total returns that exceed inflation by at least 5% over a long-term basis and outperforms a balanced index over moving 5-year average. Actual results may vary from year to year. Consistent with its risk parameters, the Arts Council also sets guidelines for diversification of investments among various equities and fixed income investments. From the investments, the Arts Council intends to use approximately $26,000 annually to fund the Chris Clark Fellowship grants.

These investments are designated by the Board of Directors for long-term investment (quasi-endowment). Earnings thereon may be appropriated for current use. Such earnings totaled $12,000 and $76,000 for the years ended September 30, 2025 and 2024, respectively and is included within the net investment returns presented in the statement of activities.

Capital Region Community Foundation

The beneficial interest in assets held at CRCF have been valued at the fair value of the Arts Council's reciprocal share of the underlying investments held by CRCF as of September 30, 2025 and 2024, respectively, as reported by CRCF. CRCF values securities and other financial instruments on a recurring fair value basis of accounting. The estimated fair values of certain investments of CRCF, which includes securities for which prices are not readily available, are determined by the management of CRCF, and may not reflect amounts that could be realized upon immediate sale nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments. At December 31, 2025 (the most recently audited financial statements available), CRCF's investments are composed approximately of 80% equity mutual funds, 19% fixed income mutual funds, and 1% money market and certificates of deposit (recorded at cost). At December 31, 2024, CRCF's investments are composed approximately of 64% equity mutual funds, 35% fixed income mutual funds, and 1% money market and certificates of deposit (recorded at cost). The beneficial interest in assets held at the Foundation is not redeemable by the Arts Council unless approved by the board of CRCF as described in Note 3 with donor restrictions.

The following are the major categories of assets measured at fair value on a recurring basis for the years ended September 30, 2025 and 2024.

Description	2025 Total	Level 1	Level 2	Level 3
Mutual funds	$ 370,347	370,347	-	-
Total securities at fair value	370,347	370,347	-	-
Cash in brokerage accounts	3,942			
Long-term investments	374,289			
Interest in assets held by foundation	1,392,446	-	-	1,392,446
Assets at fair value	$ 1,766,735	370,347	-	1,392,446

Description	2024 Total	Level 1	Level 2	Level 3
Mutual funds	$ 463,394	463,394	-	-
Total securities at fair value	463,394	463,394	-	-
Cash in brokerage accounts	6,353			
Long-term investments	469,747			
Interest in assets held by foundation	1,284,270	-	-	1,284,270
Assets at fair value	$ 1,754,017	463,394	-	1,284,270

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (level 3) for the years ended September 30, 2025 and 2024.

	2025	2024
Balance at beginning of year	$ 1,284,270	1,087,251
Contributions	6,828	200
Interest	32,106	35,551
Realized gain	1,898	16,774
Unrealized gain	125,453	204,817
Distributions to the Council	(49,511)	(51,736)
Fees	(8,598)	(8,587)
Balance at end of year	$ 1,392,446	1,284,270

5. GRANTS PAYABLE:

The Organization receives funding that is designed to provide grants and support people and organizations that are focused on local artists or advancing the artists within the community. These grants are awarded and are due upon the recipient completing the full project and turning in the required documentation for reimbursement. The amount payable related to these grants for the years ended September 30, 2025 and 2024 was $148,110 and $133,002, respectively.

6. IN-KIND CONTRIBUTIONS:

The Organization received professional services and other printed materials totaling $8,000 and $23,750 for the years September 30, 2025 and 2024, respectively.

In-kind contributions included as support and expenses in the accompanying financial statements are as follows:

	2025		2024	
	Support	Expenses	Support	Expenses
Professional services	$ 500	500	$ 500	500
Printed materials	7,500	7,500	23,250	23,250
	$ 8,000	8,000	23,750	23,750

Billboards are used for advertising and are valued at fair market value. Printed materials are used for events and are valued at the published costs of the materials. Professional services are used for general and administrative activities and are valued at comparable market wages.

7. RETIREMENT PLAN:

The Arts Council maintains a 403(b) defined contribution retirement plan to which employees may contribute an annual maximum amount established by the Internal Revenue Service. The Arts Council will match up to 5% of the employees' gross compensation. Employer contributions for 2025 and 2024 were $6,890 and $6,710, respectively.

8. INCOME TAXES:

The Arts Council is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). It is not classified as a private foundation by the Internal Revenue Service. Contributions to the Arts Council are deductible within the limitations prescribed by the Internal Revenue Code.

The Arts Council evaluated all significant tax positions under a more likely than not threshold as required by U.S. GAAP. As of September 30, 2025 and 2024, the Arts Council does not believe that it has taken any tax positions that would require the recording of any additional tax liability, nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next twelve months. The Arts Council's income tax returns are subject to examination by the appropriate taxing jurisdictions. At September 30, 2025, the Arts Council's federal tax returns generally remain open for the last three years.

9. CONCENTRATIONS:

Approximately 80% of the Arts Council's support came from two sources for the years ended September 30, 2025. Approximately 76% of the Arts Council's support came from three sources for the year ended September 30, 2024. The loss of a significant grantor may adversely impact the Arts Council in the near term.

10. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets of $0 and $98,035 were restricted for the express purpose of making grants to organizations within Ingham County and expenditures related to the annual Placemaking Summit at September 30, 2025 and 2024 respectively. The Ingham County grant and the Placemaking Summit event were released from restrictions in the current year.

11. RECLASSIFICATIONS:

Certain reclassifications have been made to the 2024 financial statements to conform within the 2025 financial statement presentation. Such reclassifications resulted in an increase in 2024 ending net assets with donor restrictions of $44,535 and a decrease in 2024 ending net assets without donor restrictions of $44,535.