



REPORT OF INDEPENDENT AUDITORS
AND CONSOLIDATED FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

**ARTSFUND AND
ARTSFUND FOUNDATION**

September 30, 2018 and 2017



MOSSADAMS

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Report of Independent Auditors

To the Audit Committee of the Board of Trustees
ArtsFund and ArtsFund Foundation

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of ArtsFund and ArtsFund Foundation (collectively, the Organization), which comprise the consolidated balance sheets as of September 30, 2018 and 2017, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of ArtsFund and ArtsFund Foundation as of September 30, 2018 and 2017, their changes in net assets, and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were performed for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplementary information on pages 22 through 25 is presented for purposes of additional analysis, and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

A handwritten signature in dark ink, appearing to read "Moss Adams LLP", is written in a cursive, flowing style.

Seattle, Washington
January 22, 2019

ArtsFund and ArtsFund Foundation
Consolidated Balance Sheets

ASSETS

	September 30,	
	2018	2017
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,605,207	\$ 2,031,568
Investments	532,613	594,892
Pledges receivable, net	656,951	693,615
Charitable trust receivable	192,779	193,054
Prepaid expenses and other	233,020	212,500
Total current assets	<u>4,220,570</u>	<u>3,725,629</u>
NONCURRENT ASSETS		
Long-term investments	20,930,604	19,576,970
Equipment and website, net	29,653	1,615,315
Land and building held-for-sale (Note 4), net	1,479,103	-
Charitable trust receivable, net of current portion	<u>76,890</u>	<u>263,023</u>
Total noncurrent assets	<u>22,516,250</u>	<u>21,455,308</u>
Total assets	<u><u>\$ 26,736,820</u></u>	<u><u>\$ 25,180,937</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and other accrued liabilities	\$ 54,277	\$ 59,020
Grant obligations	728,379	762,125
Current portion of note payable	<u>-</u>	<u>13,096</u>
Total current liabilities	<u>782,656</u>	<u>834,241</u>
NOTE PAYABLE, net of current portion	<u>-</u>	<u>599,474</u>
Total liabilities	<u>782,656</u>	<u>1,433,715</u>
NET ASSETS		
Unrestricted	2,399,064	2,212,976
Unrestricted - board-designated	<u>6,655,403</u>	<u>5,945,599</u>
Total unrestricted net assets	9,054,467	8,158,575
Temporarily restricted	3,182,451	2,131,673
Permanently restricted	<u>13,717,246</u>	<u>13,456,974</u>
Total net assets	<u>25,954,164</u>	<u>23,747,222</u>
Total liabilities and net assets	<u><u>\$ 26,736,820</u></u>	<u><u>\$ 25,180,937</u></u>

ArtsFund and ArtsFund Foundation
Consolidated Statement of Activities
Year Ended September 30, 2018

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUES				
Contributions	\$ 3,024,040	\$ 1,516,022	\$ -	\$ 4,540,062
Less donor designations to other organizations	(8,875)	-	-	(8,875)
Donated services and supplies	67,671	-	-	67,671
Investment return	394,410	752,598	260,272	1,407,280
Other income	3,144	-	-	3,144
Net assets released from restrictions	1,192,842	(1,192,842)	-	-
Total support other than special event	4,673,232	1,075,778	260,272	6,009,282
Special event, net	94,085	25,000	-	119,085
Net assets released from restrictions	50,000	(50,000)	-	-
Net support from special event	144,085	(25,000)	-	119,085
Total support and revenues	4,817,317	1,050,778	260,272	6,128,367
EXPENSES AND GRANTS				
Program services	617,216	-	-	617,216
Supporting services				
Management and general	406,236	-	-	406,236
Fundraising	549,759	-	-	549,759
Total program and supporting services	1,573,211	-	-	1,573,211
Grants to beneficiaries	2,528,324	-	-	2,528,324
Total expenses and grants including donor designations	4,101,535	-	-	4,101,535
Less donor designations to other organizations	(8,875)	-	-	(8,875)
Total expenses and grants	4,092,660	-	-	4,092,660
CHANGE IN NET ASSETS BEFORE NONOPERATING REVENUE	724,657	1,050,778	260,272	2,035,707
NONOPERATING REVENUE AND EXPENSES				
Century Building rental income	364,374	-	-	364,374
Century Building rental expenses	(203,289)	-	-	(203,289)
Net rental income	161,085	-	-	161,085
Cultural Resource Collective contributions	53,850	-	-	53,850
Cultural Resource Collective expenses	(43,700)	-	-	(43,700)
Net Cultural Resource Collective revenue	10,150	-	-	10,150
CHANGE IN NET ASSETS	895,892	1,050,778	260,272	2,206,942
NET ASSETS				
Beginning of year	8,158,575	2,131,673	13,456,974	23,747,222
End of year	\$ 9,054,467	\$ 3,182,451	\$ 13,717,246	\$ 25,954,164

ArtsFund and ArtsFund Foundation
Consolidated Statement of Activities
Year Ended September 30, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUES				
Contributions	\$ 4,691,268	\$ 459,524	\$ -	\$ 5,150,792
Less donor designations to other organizations	(10,442)	-	-	(10,442)
Donated services	33,461	-	-	33,461
Investment return	681,979	1,504,334	240,007	2,426,320
Other income	24,443	-	-	24,443
Net assets released from restrictions	1,381,051	(1,381,051)	-	-
Total support other than special event	6,801,760	582,807	240,007	7,624,574
Special event, net	144,839	25,000	-	169,839
Net assets released from restrictions	50,000	(50,000)	-	-
Net support from special event	194,839	(25,000)	-	169,839
Total support and revenues	6,996,599	557,807	240,007	7,794,413
EXPENSES AND GRANTS				
Program services	624,991	-	-	624,991
Supporting services				
Management and general	386,441	-	-	386,441
Fundraising	604,634	-	-	604,634
Total program and supporting services	1,616,066	-	-	1,616,066
Grants to beneficiaries	2,519,350	-	-	2,519,350
Total expenses and grants including donor designations	4,135,416	-	-	4,135,416
Less donor designations to other organizations	(10,442)	-	-	(10,442)
Total expenses and grants	4,124,974	-	-	4,124,974
CHANGE IN NET ASSETS BEFORE NONOPERATING REVENUE	2,871,625	557,807	240,007	3,669,439
NONOPERATING REVENUE AND EXPENSES				
Century Building rental income	375,575	-	-	375,575
Century Building rental expenses	(203,278)	-	-	(203,278)
Net rental income	172,297	-	-	172,297
Cultural Resource Collective contributions	56,500	-	-	56,500
Cultural Resource Collective expenses	(16,163)	-	-	(16,163)
Net Cultural Resource Collective revenue	40,337	-	-	40,337
CHANGE IN NET ASSETS	3,084,259	557,807	240,007	3,882,073
NET ASSETS				
Beginning of year	5,074,316	1,573,866	13,216,967	19,865,149
End of year	\$ 8,158,575	\$ 2,131,673	\$ 13,456,974	\$ 23,747,222

See accompanying notes.

ArtsFund and ArtsFund Foundation
Consolidated Statement of Functional Expenses
Year Ended September 30, 2018

	Program Services	Supporting Services		Totals
		Management and General	Fundraising	
Personnel	\$ 391,727	\$ 180,028	\$ 330,659	\$ 902,414
Professional services	63,180	89,155	16,713	169,048
Events/meetings	39,669	2,869	52,517	95,055
Travel	4,008	631	2,798	7,437
Insurance	-	19,511	-	19,511
Occupancy	48,519	27,162	38,359	114,040
Communications	6,476	2,955	5,929	15,360
Office supplies/printing	13,040	1,463	7,415	21,918
Equipment	14,892	7,319	25,231	47,442
Dues and publications	3,215	831	2,055	6,101
Promotion/advertising	95	13	225	333
Fees and taxes	345	36,712	265	37,322
Arts events/miscellaneous	1,817	509	3,162	5,488
Bad debt	-	34,240	-	34,240
In-kind	2,733	508	64,431	67,672
Depreciation/amortization	-	2,330	-	2,330
Collaborations and partnerships	27,500	-	-	27,500
 Total program and supporting services	 617,216	 406,236	 549,759	 1,573,211
 Grants - undesignated	 2,519,449	 -	 -	 2,519,449
Grants - designated by donors to other organizations	8,875	-	-	8,875
 Total grants to beneficiaries	 2,528,324	 -	 -	 2,528,324
 Total expenses and grants including donor designations	 \$ 3,145,540	 \$ 406,236	 \$ 549,759	 \$ 4,101,535

ArtsFund and ArtsFund Foundation
Consolidated Statement of Functional Expenses
Year Ended September 30, 2017

		Supporting Services		
	Program Services	Management and General	Fundraising	Totals
Personnel	\$ 398,223	\$ 194,377	\$ 447,593	\$ 1,040,193
Professional services	53,777	58,115	3,572	115,464
Events/meetings	55,264	1,800	58,387	115,451
Travel	8,298	774	3,498	12,570
Insurance	-	13,825	-	13,825
Occupancy	45,749	23,807	40,153	109,709
Communications	6,369	2,351	6,666	15,386
Office supplies/printing	23,328	2,513	13,676	39,517
Equipment	17,510	8,569	25,088	51,167
Dues and publications	3,181	762	1,986	5,929
Fees and taxes	155	16,494	-	16,649
Arts events/miscellaneous	3,259	-	-	3,259
Bad debt	-	53,713	-	53,713
In-kind	9,878	4,618	4,015	18,511
Depreciation/amortization	-	4,723	-	4,723
 Total program and supporting services	 624,991	 386,441	 604,634	 1,616,066
Grants - undesignated	2,508,908	-	-	2,508,908
Grants - designated by donors to other organizations	10,442	-	-	10,442
 Total grants to beneficiaries	 2,519,350	 -	 -	 2,519,350
 Total expenses and grants including donor designations	 <u>\$ 3,144,341</u>	 <u>\$ 386,441</u>	 <u>\$ 604,634</u>	 <u>\$ 4,135,416</u>

ArtsFund and ArtsFund Foundation **Consolidated Statements of Cash Flows**

	Years Ended September 30,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,206,942	\$ 3,882,073
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	106,559	120,658
Net realized and unrealized gain on investments	(1,063,556)	(2,141,951)
Contributions restricted for endowments	(1,126,349)	(2,400,000)
Changes in operating assets and liabilities		
Pledges receivable	36,664	(292,683)
Prepaid expenses and other	(20,520)	(171,960)
Grant obligations	(33,746)	(3,491)
Accounts payable and other accrued liabilities	(4,743)	(61,694)
Net cash provided by (used in) operating activities	101,251	(1,069,048)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of equipment, building improvements, and website design	-	(4,000)
Purchases of investments	(6,077,048)	(16,843,787)
Proceeds from sale of investments	5,830,150	14,628,141
Net cash used in investing activities	(246,898)	(2,219,646)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from contributions restricted for endowments	1,331,856	2,592,119
Proceeds from borrowings on debt	-	615,000
Payments on note payable	(612,570)	(403,544)
Net cash provided by financing activities	719,286	2,803,575
NET CHANGE IN CASH AND CASH EQUIVALENTS	573,639	(485,119)
CASH AND CASH EQUIVALENTS		
Beginning of year	2,031,568	2,516,687
End of year	\$ 2,605,207	\$ 2,031,568
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the year for interest	\$ 26,050	\$ 14,536

ArtsFund and ArtsFund Foundation

Notes to Consolidated Financial Statements

Note 1 – Summary of Significant Accounting Policies

Description of business – ArtsFund is a not-for-profit corporation whose mission is to strengthen the community by supporting the arts through leadership, advocacy, and grantmaking in the Puget Sound area. Its vision is a dynamic and world-class arts and cultural sector where the arts are accessible to all and valued as a central and critical component to a healthy society. ArtsFund solicits contributions from corporations, individuals, and foundations to provide grants as well as assistance on business operations, governance, and leadership to various arts organizations. ArtsFund takes a leadership role on broader initiatives that foster the future of the arts in the community by increasing the community's connection to the arts and awareness of the value of the arts, as well as ensuring that the arts sector reflects and represents the broader and evolving community by engaging culturally diverse communities and individuals, younger generations, and underserved populations in the arts.

ArtsFund owns and manages an office building called the Century Building, located at 10 Harrison Street in Seattle, Washington. ArtsFund leases the office spaces to generate revenue to further its not-for-profit purpose of providing grants to arts organizations.

On May 21, 1997, ArtsFund established The ArtsFund Foundation (the Foundation), a not-for-profit Washington foundation, with ArtsFund as the sole supported organization. In 2010, the Articles of Incorporation of the Foundation were amended to add certain other supported 501(c)(3) organizations. The purpose of the Foundation is to manage ArtsFund's long-term investments and the endowment. The Foundation is managed by a separate Board of Trustees that reports to ArtsFund's Board of Trustees at regularly scheduled meetings. It is the policy of the Foundation each year to transfer a portion of board-designated unrestricted endowment assets, as well as temporarily restricted endowment assets per donor restrictions, with the intent that such funds be distributed to (1) various arts groups as determined by the Allocation Committee of the Board of Trustees and (2) other not-for-profit art organizations as specified by donors.

Principles of consolidation – The consolidated financial statements include the activities of ArtsFund and the Foundation (collectively, the Organization). All significant intercompany accounts and transactions have been eliminated in the accompanying consolidated financial statements.

Use of estimates – The preparation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) 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 consolidated financial statements and the reported amounts of contributions, pledges, revenues, expenses, and grants during the reporting period. Actual results could differ from those estimates.

Cash equivalents – The Organization considers all highly liquid investments with original maturities of less than three months to be cash equivalents. Cash equivalents at September 30, 2018 and 2017, include money market accounts and certificates of deposit. The Organization places its cash deposits and short-term investments in accounts with major financial institutions that, at times, may exceed federally insured limits.

ArtsFund and ArtsFund Foundation

Notes to Consolidated Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

Investments – Investments are carried at fair value, which is determined using quoted market prices. Realized and unrealized gains and losses are reflected in the consolidated statements of activities in investment return. Interest and dividends are included in investment return as earned. Investment return is net of fees related to the management of the Foundation's investments.

Contributions – Contributions, which include unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until the conditions are substantially met. The gifts of cash and other assets are reported as restricted support if they are pledged or received with donor stipulations that limit the use of the donation. When a donor restriction expires (i.e., when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of activities as net assets released from restriction. Interest return on permanently restricted net assets earmarked for specific grants are classified as temporarily restricted revenue. The interest return is reclassified as unrestricted net assets and reported in the consolidated statements of activities as net assets released from restriction when grants are made. Donated securities and property are recorded at their fair value at the time of donation.

Pledges receivable – Contributions to be collected in future years are recorded at fair value when the promise is made based on a discounted cash flow model. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible accounts is recorded using an estimated percentage of outstanding contributions receivable. This estimate is compared to historical averages to determine its reasonableness.

Charitable trust receivable – The Organization is the beneficiary of a trust administered by a third-party trustee. The trust invests in temporary cash investments and mutual funds. The Organization's beneficiary interest receivable is recorded at its estimated fair value based on the use of present value techniques and the trust administrator's annual estimated fair value based on unobservable inputs. See Note 2 for further consideration of valuation inputs.

Donated services – Volunteers contribute substantial time to ArtsFund, primarily for contribution solicitation. The value of this contributed time is not reflected in the consolidated financial statements because it does not meet the specific criteria in accordance with GAAP. Donated business services, such as advertising, accounting, and legal services, are recorded as support and expense at estimated fair value.

Rental income – Leases are negotiated and executed with standard commercial provisions and at prevailing market rates. Such leases generally call for rents to increase over the periods of the leases. ArtsFund recognizes income from the rental of office space in the Century Building on a straight-line basis when there is a significant increase over the lease term.

ArtsFund and ArtsFund Foundation

Notes to Consolidated Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

Land, building, equipment, and website design – Land, building, equipment, and website design are recorded at cost, or, if donated, fair value at the date of donation. All acquisitions of property and equipment in excess of \$2,000 and an estimated useful life exceeding one year are capitalized. Depreciation is computed on the building, equipment, and website design using the straight-line method and the following estimated useful lives:

Building and improvements	20 years
Equipment	3 to 10 years
Website design	3 years

The land and building are classified as assets held-for-sale due to the pending sale contract disclosed in Note 4.

Grants to beneficiaries and grant obligations – ArtsFund's grant-making process is conducted by the allocation committee, comprised of corporate and private grant-making experts. Based on grant applications and interviews, they systematically rate each art organization against the same key evaluation points. In June, the ArtsFund's Board of Trustees approves the slate of grant recommendations. Grants less than \$75,000 are paid in full in June; other grants are paid 50% in June, 25% in October, and 25% in February. Designated gifts for specific art organizations are paid periodically throughout the year as cash is received. The balance of the grants payable as of September 30, 2018, represents the 50% of grants \$75,000 and over, totaling \$728,379. The balance of the grants payable as of September 30, 2017, represents the 50% of grants \$75,000 and over, of \$744,585 and designated gifts of \$17,540.

Net assets – A description of the three net asset categories follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed restrictions that are general in nature or that are for operating purposes. Temporarily restricted contributions received that meet restriction in the same year are recorded as unrestricted. A board-designated operating reserve was \$300,000 at September 30, 2018 and 2017, respectively. A board-designated Century Building reserve was \$140,123 at September 30, 2018 and 2017, respectively. The remaining board-designated amounts of \$6,215,280 and \$5,505,476 at September 30, 2018 and 2017, respectively, are due to the Foundation endowments discussed in Note 12.

Temporarily restricted net assets – Net assets that are subject to donor-imposed time or use restrictions that have not been met.

Permanently restricted net assets – Net assets that may never be spent by the Organization.

ArtsFund and ArtsFund Foundation

Notes to Consolidated Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

Income taxes – ArtsFund and the Foundation are not-for-profit corporations exempt from federal income tax, except for unrelated business income under Section 501(c)(3) of the Internal Revenue Code. In addition, ArtsFund and the Foundation have been classified as entities that are not private foundations within the meaning of Section 509(a) and qualify for deductible contributions as provided in Section 170(b)(1)(A)(vi). Unrelated business income tax, if any, is insignificant and no tax provision has been made in the accompanying consolidated financial statements.

The Organization recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Organization files an exempt organization return and applicable unrelated business income tax return in the U.S. federal jurisdiction.

Functional allocation of expenses – Expenses are allocated to program and supporting services based on management's percentage estimates of time and expenses related to each functional category.

Operating and nonoperating activity – Operating activities represent support and revenues and expenses solely related to the Organization's primary activities for the direct purpose of fulfilling its mission. Nonoperating activities include the Century Building net rental income calculated as rental income less rental expenses, which are reduced for an imputed amount that the Organization would have incurred as rent for its office space.

The revenues and expenses related to areas of activity where the Organization serves as a fiscal agent to provide database services for cultural groups in this community are included in nonoperating activities. The fiscal agent activity is reported showing only the current year's cash flow activities without any previous balances being carried forward. As of September 30, the balances of unspent funds, which are included in unrestricted net assets, being held are as follows:

	2018	2017
Cultural Resource Collective	\$ 107,844	\$ 97,694

Subsequent events – Subsequent events are events or transactions that occur after the consolidated balance sheet date but before consolidated financial statements are issued. The Organization recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated balance sheets, including the estimates inherent in the process of preparing the consolidated financial statements. The Organization's consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the consolidated balance sheets but arose after the consolidated balance sheet date and before the consolidated financial statements are available to be issued. The Organization has evaluated subsequent events through January 22, 2019, which is the date the consolidated financial statements were available to be issued.

ArtsFund and ArtsFund Foundation

Notes to Consolidated Financial Statements

Note 2 – Fair Value Measurement

The Organization applies the authoritative guidance for Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements.

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 inactive markets, 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.

Assets that are measured at fair value on a recurring basis are categorized using the three levels of the fair value hierarchy as follows as of September 30:

	2018			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 532,613	\$ -	\$ -	\$ 532,613
Fixed income				
Government and agency	633,687	-	-	633,687
Asset backed (govt & agency)	653,339	-	-	653,339
Mutual funds fixed	2,947,575	-	-	2,947,575
Other fixed income	200,054	-	-	200,054
Equities				
Consumer discretionary	593,817	-	-	593,817
Consumer staples	480,934	-	-	480,934
Energy	262,813	-	-	262,813
Financials	1,138,452	-	-	1,138,452
Health care	811,150	-	-	811,150
Industrials	806,016	-	-	806,016
Information technology	1,266,143	-	-	1,266,143
Materials	232,870	-	-	232,870
Real estate	39,659	-	-	39,659
Telecommunication services	112,563	-	-	112,563
Utilities	136,305	-	-	136,305
Mutual funds - equity	1,356,228	-	-	1,356,228
Other equities	8,499,886	-	-	8,499,886
Mutual funds balanced	632,060	-	-	632,060
Real estate	127,053	-	-	127,053
Charitable trust receivable	-	-	269,669	269,669
	<u>\$ 21,463,217</u>	<u>\$ -</u>	<u>\$ 269,669</u>	<u>\$ 21,732,886</u>

ArtsFund and ArtsFund Foundation

Notes to Consolidated Financial Statements

Note 2 – Fair Value Measurement (continued)

	2017			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 594,892	\$ -	\$ -	\$ 594,892
Fixed income				
Investment grade taxable	3,311,843	-	-	3,311,843
Global high yield taxable	401,315	-	-	401,315
Equities				
Consumer discretionary	493,976	-	-	493,976
Consumer staples	505,098	-	-	505,098
Energy	304,215	-	-	304,215
Financials	1,223,599	-	-	1,223,599
Health care	779,473	-	-	779,473
Industrials	809,963	-	-	809,963
Information technology	1,348,440	-	-	1,348,440
Materials	203,835	-	-	203,835
Real estate	552,151	-	-	552,151
Telecommunication services	36,104	-	-	36,104
Utilities	119,278	-	-	119,278
Other equities	8,886,055	-	-	8,886,055
Tangible assets				
Commodities	601,625	-	-	601,625
Charitable trust receivable	-	-	456,077	456,077
	<u>\$ 20,171,862</u>	<u>\$ -</u>	<u>\$ 456,077</u>	<u>\$ 20,627,939</u>

The underlying investment securities are exposed to various risks, such as interest rate, market volatility, and credit risks. Due to the level of risk associated with certain investment securities and investment contracts, and the level of uncertainty related to changes in the value of the investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect account balances and the amounts reported in the consolidated financial statements.

The Level 3 asset consists of a charitable trust receivable administered by an outside trustee. The fair value of the underlying trust asset is determined using information provided by the trustee. The fair value of the charitable trust receivable is determined based upon the net present value of the Organization's proportional interest in the fair value of the underlying trust assets. Adjustments to the charitable trust receivable reflect changes in the fair value, life expectancy, and discount rate and are included as investment returns in the consolidated statements of activities. There have been no changes in the fair value methodologies used at September 30, 2018 and 2017. The trust term of the charitable trust receivable at origination was assumed to be 15 years through 2020. The discount rate used at September 30, 2018 and 2017, was 5%.

ArtsFund and ArtsFund Foundation

Notes to Consolidated Financial Statements

Note 2 – Fair Value Measurement (continued)

The Organization's management determines the fair value measurement policies and procedures in consultation with the Organization's investment advisors. These policies and procedures are reassessed at least annually to determine whether the current valuation techniques are still appropriate. At that time, the unobservable inputs used in the fair value measurements are evaluated and adjusted, as necessary, based on current market conditions and other third-party information.

The Organization's policy is to recognize transfers in and out of Level 1, 2, or 3 as of the actual date of the event or change in circumstances that caused the transfer. There were no transfers between levels for the years ended September 30, 2018 and 2017.

The following table discloses the summary of changes in the fair value of Level 1 investment assets:

	2018	2017
Net realized and unrealized gain	\$ 1,063,556	\$ 2,141,951
Interest and dividends	479,536	401,705
Management fees	(135,812)	(117,336)
	<u>\$ 1,407,280</u>	<u>\$ 2,426,320</u>

For the years ended September 30, change in fair value of the Level 3 investment consisted of the following:

	2018	2017
Beginning balance	\$ 456,077	\$ 599,792
Adjustment for present value	19,099	48,404
Distributions	(205,507)	(192,119)
Ending balance	<u>\$ 269,669</u>	<u>\$ 456,077</u>

Note 3 – Pledges Receivable and Charitable Trust Receivable

Pledges receivable consist of the following at September 30:

	2018	2017
Amounts due in less than one year	\$ 708,951	\$ 745,615
Allowance for doubtful accounts	(52,000)	(52,000)
	<u>\$ 656,951</u>	<u>\$ 693,615</u>

ArtsFund and ArtsFund Foundation

Notes to Consolidated Financial Statements

Note 3 – Pledges Receivable and Charitable Trust Receivable (continued)

During 2005, the Foundation received a contribution as the beneficiary of an irrevocable charitable trust that is held by an independent trustee. Under the terms of the split interest agreement, the Foundation is to receive distributions over the 15-year term of the trust. All distributions must be placed in the endowment fund and income earned on the endowment fund must be used to provide grants to organizations designated by the donor. At the end of the term, the donor's estate is to receive the remainder amount of the trust's assets. The fair value of future distributions is \$269,669 and \$456,077 at September 30, 2018 and 2017, respectively, and is recorded as a charitable trust receivable and permanently restricted net asset in the consolidated financial statements. At September 30, 2018 and 2017, the balance of the contribution was calculated using Level 3 inputs within the fair value hierarchy (Note 2), which includes the value of underlying trust assets, the 15-year term of the trust, a return rate of 4%, and a discount rate of 5%.

Note 4 – Land, Building, Equipment, and Website Design

Capital assets summarized by major classification are as follows at September 30:

	2018	2017
Land	\$ -	\$ 1,162,963
Building and improvements	-	2,157,458
Equipment	402,092	402,092
Website design	193,868	193,868
	595,960	3,916,381
Less accumulated depreciation/amortization	(566,307)	(2,301,066)
Total fixed assets	<u>\$ 29,653</u>	<u>\$ 1,615,315</u>

Depreciation for the years ended September 30, 2018 and 2017, was \$105,956 and \$119,854, respectively. Amortization was \$603 and \$804 for the years ended September 30, 2018 and 2017, respectively.

Land and building held for sale at September 30, 2018:

Land held-for-sale	\$ 1,162,963
Building and improvements held-for-sale	2,151,381
	3,314,344
Less accumulated depreciation	(1,835,241)
Total assets held-for-sale	<u>\$ 1,479,103</u>

ArtsFund and ArtsFund Foundation

Notes to Consolidated Financial Statements

Note 4 – Land, Building, Equipment, and Website Design (continued)

ArtsFund is the current owner of the building and underlying real property located at 10 Harrison Street, Seattle, Washington. ArtsFund executed a contract dated May 31, 2018, to sell said property for \$10,000,000. Buyer deposited \$500,000 of nonrefundable earnest money in escrow upon waiver of contingencies on July 19, 2018. Per the terms of the sale agreement, Buyer has deposited in escrow an additional \$25,000 each month thereafter for a total amount of \$625,000 as of January 2019. Closing is scheduled for January 2020, unless otherwise agreed to by the parties.

Note 5 – Note Payable

In July 2017, ArtsFund refinanced its outstanding principal loan and signed a new promissory note for \$615,000 with the same financial institution. The proceeds were used to pay off the existing promissory note with a previous maturity of February 2021 and an interest rate of 4.75%. The new note bears interest at 4.75% and is collateralized by the Century building and assignments of rents from the Century Building. The note was paid off in full as of September 30, 2018.

Note 6 – Classical KING FM 98.1 and Beethoven

In 1994, Priscilla Bullitt Collins and Harriet Stimson Bullitt transferred ownership of an operating radio station, Classical KING FM 98.1, to Beethoven, a not-for-profit organization. The board of Beethoven includes seven members with a representative from ArtsFund. The purpose of Beethoven is to advance the appreciation and performance of opera, symphonic, and chamber music in the Puget Sound Region.

In the past, the estimated profits from the ongoing operations of Classical KING FM 98.1 were distributed through Beethoven, with one-third each going to ArtsFund, Seattle Opera Association, and Seattle Symphony Orchestra. The distribution from Beethoven in the years ended September 30, 2018 and 2017, was \$25,000.

Note 7 – Lease Commitments

ArtsFund leases certain equipment under noncancelable operating leases. Future minimum lease payments under noncancelable operating leases for the years ending September 30 approximate:

2019	\$ 15,550
2020	9,940
2021	360
	<hr/>
	\$ 25,850
	<hr/>

Rental expense under operating leases for the years ended September 30, 2018 and 2017, was \$15,639 and \$19,277, respectively.

ArtsFund and ArtsFund Foundation

Notes to Consolidated Financial Statements

Note 8 – Rental Income

Future minimum lease revenues expected to be received under noncancelable operating lease agreements relating to the Century Building for the years ending September 30 approximate:

2019	\$ 225,364
2020	94,774
	<hr/>
	\$ 320,138
	<hr/>

Rental income under operating leases for the years ended September 30, 2018 and 2017, was \$278,779 and \$276,919, respectively. Income from tenant parking was \$33,120 and \$38,180 for each of the years ended September 30, 2018 and 2017, respectively. Other recoverable costs and cash receipts from tenants and public parking was \$52,475 and \$60,476 for each of the years ended September 30, 2018 and 2017, respectively.

Note 9 – Concentrations

One donor contributed 25% of total contributions received during the fiscal years ended September 30, 2018 and 2017. At September 30, 2018, there was a receivable concentration of 46% from one donor. At September 30, 2017, there was a receivable concentration of 44% from one donor.

Note 10 – Related Party Transactions

Contribution revenue from board members included in the consolidated statements of activities approximates \$402,000 and \$373,000 for the years ended September 30, 2018 and 2017, respectively. Balances outstanding of approximately \$17,000 and \$25,000 from board members are included in pledges receivable in the accompanying consolidated balance sheets for the years ended September 30, 2018 and 2017, respectively.

Note 11 – Retirement Plan

ArtsFund sponsors a 403(b) plan (the Plan) for the benefit of all ArtsFund employees. The Plan provides for a 100% match of the first 3% of compensation (as defined by the Plan) that is deferred into the Plan by a participant who worked at least 20 hours a week during the year. Participants are 100% vested in the ArtsFund match. Total matching expenses incurred under the Plan for the years ended September 30, 2018 and 2017, were \$19,815 and \$22,604, respectively.

ArtsFund and ArtsFund Foundation

Notes to Consolidated Financial Statements

Note 12 – Endowment Policies

In accordance with GAAP and the Uniform Prudent Management of Institutional Funds Act (UPMIFA), investment earnings on permanently restricted net assets, including realized and unrealized capital gains, are classified as temporarily restricted net assets until they are appropriated for distribution to ArtsFund in a manner consistent with the standard of prudence prescribed by UPMIFA.

Endowment net assets consist of the following as of September 30:

September 30, 2018	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Board-designated endowment funds	\$ 6,215,280	\$ -	\$ -	\$ 6,215,280
Donor-restricted endowment funds	-	1,800,360	13,717,246	15,517,606
Total endowment funds	<u>\$ 6,215,280</u>	<u>\$ 1,800,360</u>	<u>\$ 13,717,246</u>	<u>\$ 21,732,886</u>
Endowment net assets, October 1, 2017	\$ 5,505,476	\$ 1,665,489	\$ 13,456,974	\$ 20,627,939
Investment return				
Net realized and unrealized gain	312,017	729,045	19,099	1,060,161
Interest and dividends	119,163	360,373	-	479,536
Management fees and taxes	(40,165)	(95,647)	-	(135,812)
Total investment return	<u>391,015</u>	<u>993,771</u>	<u>19,099</u>	<u>1,403,885</u>
Contributions	<u>1,128,262</u>	<u>-</u>	<u>-</u>	<u>1,128,262</u>
Appropriation of endowment assets for expenditure	<u>(1,427,200)</u>	<u>-</u>	<u>-</u>	<u>(1,427,200)</u>
Transfer of net assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Release for expenditure	617,727	(617,727)	-	-
Transfer for inflation adjustment	<u>-</u>	<u>(241,173)</u>	<u>241,173</u>	<u>-</u>
Endowment net assets, September 30, 2018	<u>\$ 6,215,280</u>	<u>\$ 1,800,360</u>	<u>\$ 13,717,246</u>	<u>\$ 21,732,886</u>

ArtsFund and ArtsFund Foundation

Notes to Consolidated Financial Statements

Note 12 – Endowment Policies (continued)

September 30, 2017	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Board-designated endowment funds	\$ 5,505,476	\$ -	\$ -	\$ 5,505,476
Donor-restricted endowment funds	-	1,665,489	13,456,974	15,122,463
Total endowment funds	<u>\$ 5,505,476</u>	<u>\$ 1,665,489</u>	<u>\$ 13,456,974</u>	<u>\$ 20,627,939</u>
Endowment net assets, October 1, 2016	\$ 2,535,863	\$ 709,632	\$ 13,216,967	\$ 16,462,462
Investment return				
Net realized and unrealized gain	605,510	1,488,037	48,404	2,141,951
Interest and dividends	106,180	295,525	-	401,705
Management fees and taxes	(55,668)	(87,625)	-	(143,293)
Total investment return	<u>656,022</u>	<u>1,695,937</u>	<u>48,404</u>	<u>2,400,363</u>
Contributions	<u>2,404,014</u>	<u>-</u>	<u>-</u>	<u>2,404,014</u>
Appropriation of endowment assets for expenditure	<u>(638,900)</u>	<u>-</u>	<u>-</u>	<u>(638,900)</u>
Transfer of net assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Release for expenditure	548,477	(548,477)	-	-
Transfer for inflation adjustment	<u>-</u>	<u>(191,603)</u>	<u>191,603</u>	<u>-</u>
Endowment net assets, September 30, 2017	<u>\$ 5,505,476</u>	<u>\$ 1,665,489</u>	<u>\$ 13,456,974</u>	<u>\$ 20,627,939</u>

Foundation endowments consisted of the following at September 30:

	2018	2017
Permanently restricted		
The Ned and Kayla Skinner Artistic Enrichment Fund		
D. E. "Ned" Skinner Endowment Fund	\$ 2,943,143	\$ 2,061,643
Kathryn L. Skinner Charitable Lead Trust	2,100,815	2,888,266
Kathryn L. Skinner Charitable Lead Trust Receivable	473,262	456,077
Kreielsheimer Fund	1,994,826	1,957,631
Peter F. Donnelly Merit Fund	1,527,883	1,499,394
The John Brooks Williams and John H. Bauer Endowment for Theatre	1,327,579	1,302,826
Ackerley Excellence Fund	1,058,583	1,038,845
Guendolen Carkeek Plestcheeff Decorative & Design Arts Fund	989,465	971,015
Kreielsheimer Music Fund	438,001	429,834
Kreielsheimer Theatre Fund	425,244	417,315
Judi Beck and Tom Alberg Fund	255,000	255,000
Roland M. Trafton Endowment Fund	128,954	126,549
Jean T. Fukuda Memorial Fund	54,491	52,579
	<u>13,717,246</u>	<u>13,456,974</u>
Temporarily restricted		
Accumulated earnings on investments	1,800,360	1,665,489
Unrestricted - board-designated	<u>6,215,280</u>	<u>5,505,476</u>
Total Foundation endowments	<u>\$ 21,732,886</u>	<u>\$ 20,627,939</u>

Note 12 – Endowment Policies (continued)

Return objectives and risk parameters – The Foundation investment policy requires diversification of the investments among equity (target of 68% and no less than 53% and no more than 83% at market value), fixed income (target of 23% and no less than 15% and no more than 40% at market value), and alternative investments (target of 9% and no less than 0% and no more than 20%) securities so as to provide a balance that will enhance total return while avoiding undue risk concentration in any single asset class or investment category.

Certain endowments have an annual inflation adjustment made from temporarily restricted funds to permanently restricted funds based on the Consumer Price Index (CPI) as stipulated by the donor to protect the original gift against inflation.

Distribution policy – The overall objective of the distribution policy is to produce distributions to the Organization, as well as to preserve the real value of the endowment funds through time by growth of principal. The investment policy defines a spending target rate of 4.0% of the 12-quarter rolling average market value of the endowment ending March 31 of the subject fiscal year. In accordance with UPMIFA, the Board of Trustees of the Foundation considers the following factors when determining (1) the amounts to be distributed to the Organization in accordance with donor intent and (2) the amounts to be accumulated in the endowment funds in accordance with donor intent:

- The duration and preservation of the endowment fund;
- The purposes of the organization 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 Organization; and
- The investment policies of the Organization.

For the years ended September 30, 2018 and 2017, the Foundation distributed 4.5% and 4.0%, respectively, of the 12-quarter rolling market average of the endowment funds, except for those endowments from the Kreielsheimer Remainder Foundation, which were received in December 2010. The distribution for the Kreielsheimer Remainder Foundation endowment funds was 4.5% of the March 31, 2018 and 2017, endowment balance. The spending policy is determined on a year-to-year basis by the board for each fund within the endowment.

The board has set the following guidelines with respect to any distribution:

- Retain discretion to not make a distribution if the board believes that the distribution would affect the viability of future distributions.
- Retain discretion to make a distribution that would cause the fair value of assets to fall below the original value of gifts donated, if the board believes that to do so would be consistent with UPMIFA and would be consistent with express donors' intent and otherwise prudent in the circumstances.
- Reserve the right to not pay out in any given year.

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level to be held in perpetuity. These deficiencies may result from unfavorable market fluctuations and/or from distributions to ArtsFund that were deemed prudent by the board and consistent with the donors' intent. In accordance with GAAP, deficiencies of this nature do not reduce permanently restricted net assets, but are reported in unrestricted net assets. For the years ended September 30, 2018 and 2017, there were no funds with a deficiency.

Supplementary Information

ArtsFund and ArtsFund Foundation
Schedule of Grants to Beneficiaries
and Distributions of Designated Gifts
Year Ended September 30, 2018

Pacific Northwest Ballet**	\$ 217,241
Seattle Art Museum	215,633
Seattle Symphony Orchestra	190,519
Seattle Opera	176,029
Seattle Repertory Theatre	140,927
Henry Art Gallery	120,072
5th Avenue Theatre	112,537
Village Theatre**	97,057
Seattle Children's Theatre	96,457
ACT Theatre	96,299
Seattle Theatre Group	81,032
Broadway Center	68,572
Seattle Shakespeare Company	59,097
Tacoma Art Museum	53,714
Wing Luke Asian Museum	45,177
Town Hall Association	41,837
Seattle Chamber Music Society	40,237
On the Boards	34,657
Multicultural Access Project Grants	32,500
MoPOP (EMP)	27,537
Spectrum Dance Theatre	26,441
Book-It Repertory Theatre	26,012
Seattle Repertory Jazz Orchestra	24,649
Earshot Jazz Society	23,114
Seattle Arts & Lectures	21,407
Richard Hugo House	21,121
Artist Trust	20,403
Seattle Men's/Women's Chorus	19,897
Symphony Tacoma	18,665
SIFF	17,591
Nordic Heritage Museum	17,407
Meany Center (UW World)	17,197
Taproot Theatre Company	12,417
Seattle Chamber Music Society	12,196
Pilchuck Glass School*	12,192
Seattle Youth Symphony Orchestra*	12,192
On the Boards	12,191
Velocity Dance Center	12,106
Jack Straw Productions	11,990
Burke Museum	11,607
Frye Art Museum	10,547

ArtsFund and ArtsFund Foundation
Schedule of Grants to Beneficiaries
and Distributions of Designated Gifts (continued)
Year Ended September 30, 2017

Early Music Guild	10,529
Vera Project	10,315
Seattle Art Museum	10,000
Wing Luke Museum	10,000
Intiman Theatre	9,964
Tacoma Musical Playhouse	9,510
Northwest Film Forum	8,932
Seattle Pro Musica	8,240
Tacoma Opera	7,590
KEXP	7,500
Seattle JazzED	7,500
Burke Museum	7,500
MOHAI	7,500
Artist Trust	7,330
Museum of Glass	6,804
Bellevue Arts Museum	5,947
Vashon Center for the Arts	5,899
Three Dollar Bill Cinema	5,832
Arts Corps	5,000
Coyote Central	5,000
Red Eagle Soaring	5,000
Youth In Focus	5,000
Bellevue Art Museum	5,000
Nordic Heritage Museum	5,000
Nordic Heritage Museum	4,866
Tacoma Art Museum	4,621
The Northwest School*	4,521
Jet City Improv (Wing It)	4,471
Seattle Public Theater	4,328
Kirkland Performance Center*	3,591
Northwest Sinfonietta	3,551
Seattle Music Partners	2,500
Auburn Symphony Orchestra	1,635
	<hr/>
	<u><u>\$ 2,519,449</u></u>

*Kreielsheimer Remainder Fund only

**Includes a grant designated by donor

Grants are allocated on a year-to-year basis with no guarantee of ongoing support. Grants are funded by the annual fund, earnings from the endowment funds, and special grants from corporate donors.

*The Foundation received a grant of a number of endowment funds from the Kreielsheimer Remainder Foundation, which dissolved on December 31, 2010. These endowment funds are designated for distribution to specific art organizations. One of the specified art organizations ceased operations as of July 31, 2011. In December 2011, the Foundation board determined to redistribute this endowment fund to art organizations that have similar operations in classical music.

ArtsFund and ArtsFund Foundation
Consolidating Balance Sheet
September 30, 2018

ASSETS

	ArtsFund	ArtsFund Foundation	Total
CURRENT ASSETS			
Cash and cash equivalents	\$ 2,605,207	\$ -	\$ 2,605,207
Investments	-	532,613	532,613
Pledges receivable, net	656,951	-	656,951
Charitable trust receivable	-	192,779	192,779
Prepaid expenses and other	233,020	-	233,020
Total current assets	3,495,178	725,392	4,220,570
NONCURRENT ASSETS			
Long-term investments	-	20,930,604	20,930,604
Equipment and website, net	29,653	-	29,653
Land and building held-for-sale	1,479,103	-	1,479,103
Charitable trust receivable, net of current portion	-	76,890	76,890
Total noncurrent assets	1,508,756	21,007,494	22,516,250
Total assets	\$ 5,003,934	\$ 21,732,886	\$ 26,736,820

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES			
Accounts payable and other accrued liabilities	\$ 54,277	\$ -	\$ 54,277
Grants obligations	728,379	-	728,379
Total current liabilities	782,656	-	782,656
NET ASSETS			
Unrestricted	2,839,187	6,215,280	9,054,467
Temporarily restricted	1,382,091	1,800,360	3,182,451
Permanently restricted	-	13,717,246	13,717,246
Total net assets	4,221,278	21,732,886	25,954,164
Total liabilities and net assets	\$ 5,003,934	\$ 21,732,886	\$ 26,736,820

ArtsFund and ArtsFund Foundation
Consolidating Statement of Activities
Year Ended September 30, 2018

	ArtsFund		ArtsFund Foundation				
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	Permanently Restricted	Eliminations	Total
SUPPORT AND REVENUES							
Contributions	\$ 1,897,691	\$ 1,516,022	\$ 1,126,349	\$ -	\$ -	\$ -	\$ 4,540,062
Less donor designations to other organizations	(8,875)	-	-	-	-	-	(8,875)
Donated services and supplies	67,671	-	-	-	-	-	67,671
Investment return	1,482	-	392,928	752,598	260,272	-	1,407,280
Other income	28,144	-	-	-	-	(25,000)	3,144
Net assets released from restrictions	575,115	(575,115)	617,727	(617,727)	-	-	-
Total support other than special event	2,561,228	940,907	2,137,004	134,871	260,272	(25,000)	6,009,282
Special event, net	94,085	25,000	-	-	-	-	119,085
Net assets released from restrictions	50,000	(50,000)	-	-	-	-	-
Net support from special event	144,085	(25,000)	-	-	-	-	119,085
EXPENSES AND GRANTS							
Program services	617,216	-	-	-	-	-	617,216
Supporting services							
Management and general	406,236	-	-	-	-	-	406,236
Fundraising	549,759	-	25,000	-	-	(25,000)	549,759
Total program and supporting services	1,573,211	-	25,000	-	-	(25,000)	1,573,211
Grants to beneficiaries	1,126,124	-	1,402,200	-	-	-	2,528,324
Less donor designations to other organizations	(8,875)	-	-	-	-	-	(8,875)
Total expenses and grants	2,690,460	-	1,427,200	-	-	(25,000)	4,092,660
CHANGE IN NET ASSETS BEFORE NONOPERATING REVENUE (EXPENSES)	14,853	915,907	709,804	134,871	260,272	-	2,035,707
NET NONOPERATING REVENUE							
Century Building, net	161,085	-	-	-	-	-	161,085
Cultural Resource Collective, net	10,150	-	-	-	-	-	10,150
Total net nonoperating revenue (expense)	171,235	-	-	-	-	-	171,235
CHANGE IN NET ASSETS	186,088	915,907	709,804	134,871	260,272	-	2,206,942
NET ASSETS							
Beginning of year	2,653,099	466,184	5,505,476	1,665,489	13,456,974	-	23,747,222
End of year	\$ 2,839,187	\$ 1,382,091	\$ 6,215,280	\$ 1,800,360	\$ 13,717,246	\$ -	\$ 25,954,164

