



REPORT OF INDEPENDENT AUDITORS
AND CONSOLIDATED FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

ARTSFUND AND
ARTSFUND FOUNDATION

September 30, 2019 and 2018

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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, 2019 and 2018, 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, 2019 and 2018, 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.

Emphasis of a Matter

ArtsFund and ArtsFund Foundation adopted Accounting Standards Update (ASU) 2016-14, *Presenting Financial Statements for Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, information about liquidity and availability of resources, and methods used to allocate expenses. The adoption of this standard resulted in additional footnote disclosures and changes to the disclosures related to net assets. Our opinion is not modified with respect to this matter.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information on pages 24 through 27 is presented for purposes of additional analysis, and is not a required part of the 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.



Seattle, Washington
January 15, 2020

ArtsFund and ArtsFund Foundation
Consolidated Balance Sheets

ASSETS

	September 30,	
	2019	2018
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,290,031	\$ 2,605,207
Investments, at fair value	948,713	532,613
Pledges receivable, net	551,817	656,951
Charitable trust receivable	-	192,779
Prepaid expenses and other	207,034	233,020
	<u>3,997,595</u>	<u>4,220,570</u>
NONCURRENT ASSETS		
Long-term investments	20,611,941	20,930,604
Equipment and website, net	25,522	29,653
Land and building held-for-sale (Note 4), net	1,365,304	1,479,103
Charitable trust receivable, net of current portion	-	76,890
	<u>22,002,767</u>	<u>22,516,250</u>
Total noncurrent assets	<u>22,002,767</u>	<u>22,516,250</u>
Total assets	<u>\$ 26,000,362</u>	<u>\$ 26,736,820</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and other accrued liabilities	\$ 32,926	\$ 54,277
Grant obligations	568,740	728,379
	<u>601,666</u>	<u>782,656</u>
Total current liabilities	<u>601,666</u>	<u>782,656</u>
NET ASSETS		
Without donor restrictions	9,709,450	9,054,467
With donor restrictions	15,689,246	16,899,697
	<u>25,398,696</u>	<u>25,954,164</u>
Total net assets	<u>25,398,696</u>	<u>25,954,164</u>
Total liabilities and net assets	<u>\$ 26,000,362</u>	<u>\$ 26,736,820</u>

ArtsFund and ArtsFund Foundation
Consolidated Statement of Activities
Year Ended September 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Contributions	\$ 2,151,362	\$ 278,609	\$ 2,429,971
Donated services	45,265	-	45,265
Investment return	180,593	411,131	591,724
Other income	5,351	-	5,351
Net assets released from donor restrictions	<u>1,328,891</u>	<u>(1,328,891)</u>	<u>-</u>
Total support other than special event	<u>3,711,462</u>	<u>(639,151)</u>	<u>3,072,311</u>
Special event, net	58,637	-	58,637
Special event net assets released from donor restrictions	<u>25,000</u>	<u>(25,000)</u>	<u>-</u>
Net support from special event	<u>83,637</u>	<u>(25,000)</u>	<u>58,637</u>
Total support and revenues	<u>3,795,099</u>	<u>(664,151)</u>	<u>3,130,948</u>
EXPENSES AND GRANTS			
Program services	586,175	-	586,175
Supporting services			
Management and general	627,690	-	627,690
Fundraising	<u>374,185</u>	<u>-</u>	<u>374,185</u>
Total program and supporting services	1,588,050	-	1,588,050
Grants to beneficiaries	<u>1,732,210</u>	<u>546,300</u>	<u>2,278,510</u>
Total expenses and grants	<u>3,320,260</u>	<u>546,300</u>	<u>3,866,560</u>
CHANGE IN NET ASSETS BEFORE NONOPERATING REVENUE	<u>474,839</u>	<u>(1,210,451)</u>	<u>(735,612)</u>
NONOPERATING REVENUE AND EXPENSES			
Century Building rental income	334,361	-	334,361
Century Building rental expenses	<u>(132,347)</u>	<u>-</u>	<u>(132,347)</u>
Net rental income	<u>202,014</u>	<u>-</u>	<u>202,014</u>
Cultural Resource Collective contributions	61,658	-	61,658
Cultural Resource Collective expenses	<u>(83,528)</u>	<u>-</u>	<u>(83,528)</u>
Net Cultural Resource Collective expense	<u>(21,870)</u>	<u>-</u>	<u>(21,870)</u>
Total net nonoperating revenue (expense)	<u>180,144</u>	<u>-</u>	<u>180,144</u>
CHANGE IN NET ASSETS	654,983	(1,210,451)	(555,468)
NET ASSETS			
Beginning of year	<u>9,054,467</u>	<u>16,899,697</u>	<u>25,954,164</u>
End of year	<u>\$ 9,709,450</u>	<u>\$ 15,689,246</u>	<u>\$ 25,398,696</u>

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

	Without Donor Restrictions	With Donor Restrictions	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	1,012,870	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	<u>4,673,232</u>	<u>1,336,050</u>	<u>6,009,282</u>
Special event, net	94,085	25,000	119,085
Special event net assets released from restrictions	50,000	(50,000)	-
Net support from special event	<u>144,085</u>	<u>(25,000)</u>	<u>119,085</u>
Total support and revenues	<u>4,817,317</u>	<u>1,311,050</u>	<u>6,128,367</u>
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	<u>1,573,211</u>	<u>-</u>	<u>1,573,211</u>
Grants to beneficiaries	<u>2,519,449</u>	<u>-</u>	<u>2,519,449</u>
Total expenses and grants	<u>4,092,660</u>	<u>-</u>	<u>4,092,660</u>
CHANGE IN NET ASSETS BEFORE NONOPERATING REVENUE	<u>724,657</u>	<u>1,311,050</u>	<u>2,035,707</u>
NONOPERATING REVENUE AND EXPENSES			
Century Building rental income	364,374	-	364,374
Century Building rental expenses	(203,289)	-	(203,289)
Net rental income	<u>161,085</u>	<u>-</u>	<u>161,085</u>
Cultural Resource Collective contributions	53,850	-	53,850
Cultural Resource Collective expenses	(43,700)	-	(43,700)
Net Cultural Resource Collective revenue	<u>10,150</u>	<u>-</u>	<u>10,150</u>
CHANGE IN NET ASSETS	895,892	1,311,050	2,206,942
NET ASSETS			
Beginning of year	<u>8,158,575</u>	<u>15,588,647</u>	<u>23,747,222</u>
End of year	<u>\$ 9,054,467</u>	<u>\$ 16,899,697</u>	<u>\$ 25,954,164</u>

ArtsFund and ArtsFund Foundation
Consolidated Statement of Functional Expenses
Year Ended September 30, 2019

	Program Services	Supporting Services		Totals
		Management and General	Fundraising	
Personnel	\$ 398,849	\$ 271,901	\$ 223,790	\$ 894,540
Professional services	42,950	164,424	19,579	226,953
Events/meetings	4,790	3,084	50,410	58,284
Travel	2,872	792	1,447	5,111
Insurance	-	17,899	-	17,899
Occupancy	52,661	29,738	41,510	123,909
Communications	5,247	3,231	4,514	12,992
Office supplies/printing	24,935	6,633	4,606	36,174
Equipment	1,617	31,149	8,812	41,578
Dues and publications	1,625	1,871	-	3,496
Promotion/advertising	326	675	-	1,001
Fees and taxes	55	18,710	-	18,765
Arts events/miscellaneous	314	1,140	3,724	5,178
Bad debt	-	61,892	-	61,892
In-kind	19,052	10,420	15,793	45,265
Depreciation/amortization	-	4,131	-	4,131
Collaborations and partnerships	30,882	-	-	30,882
Total program and supporting services	586,175	627,690	374,185	1,588,050
Total grants to beneficiaries (none designated)	2,278,510	-	-	2,278,510
Total expenses and grants	\$ 2,864,685	\$ 627,690	\$ 374,185	\$ 3,866,560

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
Total grants to beneficiaries	2,519,449	-	-	2,519,449
Total expenses and grants including donor designations	\$ 3,136,665	\$ 406,236	\$ 549,759	\$ 4,092,660

ArtsFund and ArtsFund Foundation

Consolidated Statements of Cash Flows

	Years Ended September 30,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (555,468)	\$ 2,206,942
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	117,930	106,559
Net realized and unrealized gain on investments	(591,724)	(1,063,556)
Contributions restricted for endowments	(217)	(1,126,349)
Changes in operating assets and liabilities		
Pledges receivable	105,134	36,664
Charitable trust receivable	269,669	186,408
Prepaid expenses and other	25,986	(20,520)
Grant obligations	(159,639)	(33,746)
Accounts payable and other accrued liabilities	(21,351)	(4,743)
Net cash provided by (used in) operating activities	<u>(809,680)</u>	<u>287,659</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(3,057,861)	(6,077,048)
Proceeds from sale of investments	<u>3,552,148</u>	<u>5,830,150</u>
Net cash provided by (used in) investing activities	<u>494,287</u>	<u>(246,898)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from contributions restricted for endowments	217	1,145,448
Payments on note payable	<u>-</u>	<u>(612,570)</u>
Net cash provided by financing activities	<u>217</u>	<u>532,878</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(315,176)</u>	<u>573,639</u>
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>2,605,207</u>	<u>2,031,568</u>
End of year	<u>\$ 2,290,031</u>	<u>\$ 2,605,207</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the year for interest	<u>\$ 259</u>	<u>\$ 26,050</u>

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 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, 2019 and 2018, 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 donor 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), net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restriction. Interest return on net assets with donor restrictions earmarked for specific grants are classified as net assets with donor restrictions. The interest return is reclassified as net assets without donor restrictions 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.

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 \$80,000 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, 2019, represents the 50% of grants \$75,000 and over, totaling \$568,740. The balance of the grants payable as of September 30, 2018, represents the 50% of grants \$80,000 and over, totaling \$728,379.

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

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions that are general in nature or that are for operating purposes. Donor restricted contributions received that meet restriction in the same year are recorded as net assets without donor restrictions. A board-designated operating reserve was \$300,000 at September 30, 2019 and 2018, respectively. A board-designated Century Building reserve was \$140,123 at September 30, 2019 and 2018, respectively. The remaining board designated amounts of \$6,763,120 and \$6,215,280 at September 30, 2019 and 2018, respectively, are due to the Foundation endowments discussed in Note 11.

Net assets with donor restrictions – Net assets that are subject to donor-imposed time or use restrictions that have not been met or may never be spent by the Organization.

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.

ArtsFund and ArtsFund Foundation

Notes to Consolidated Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

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 or square footage related to each functional category.

<u>Expense</u>	<u>Method of Allocation</u>
Personnel	Time and Effort
Professional services	Time and Effort
Events/meetings	Time and Effort
Travel	Time and Effort
Insurance	Time and Effort
Occupancy	Square Footage
Communications	Time and Effort
Office supplies/printing	Time and Effort
Equipment	Time and Effort
Dues and publications	Time and Effort
Promotion/advertising	Time and Effort
Fees and taxes	Time and Effort
Arts events/miscellaneous	Time and Effort
Bad debt	Time and Effort
In-kind	Time and Effort
Depreciation/amortization	Time and Effort
Collaborations and partnerships	Time and Effort

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 net assets without donor restrictions, being held are as follows:

	<u>2019</u>	<u>2018</u>
Cultural Resource Collective	\$ 80,146	\$ 107,844

ArtsFund and ArtsFund Foundation

Notes to Consolidated Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

Accounting standards – The Organization adopted Accounting Standards Update (ASU) 2016-14, *Presenting Financial Statements for Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, information about liquidity and availability of resources, and methods used to allocate expenses. The adoption of this standard resulted in additional footnote disclosures and changes to the disclosures related to net assets.

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 15, 2020, which is the date the consolidated financial statements were available to be issued.

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.

ArtsFund and ArtsFund Foundation

Notes to Consolidated Financial Statements

Note 2 – Fair Value Measurement (continued)

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:

	2019			Total
	Level 1	Level 2	Level 3	
Money market funds	\$ 948,714	\$ -	\$ -	\$ 948,714
Fixed income				
Investment Grade Taxable	4,126,140	-	-	4,126,140
International Developed Bonds	233,428	-	-	233,428
Global High Yield Taxable	216,802	-	-	216,802
Equities				
Consumer discretionary	582,334	-	-	582,334
Consumer staples	496,995	-	-	496,995
Energy	154,760	-	-	154,760
Financials	1,081,764	-	-	1,081,764
Health care	817,000	-	-	817,000
Industrials	792,420	-	-	792,420
Information technology	1,073,200	-	-	1,073,200
Materials	217,476	-	-	217,476
Real estate	552,413	-	-	552,413
Telecommunication services	348,835	-	-	348,835
Utilities	209,300	-	-	209,300
Other equities	8,763,655	-	-	8,763,655
Hedge Funds Specific Strategy	366,680	-	-	366,680
Commodities	578,738	-	-	578,738
	<u>\$ 21,560,654</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,560,654</u>

ArtsFund and ArtsFund Foundation
Notes to Consolidated Financial Statements

Note 2 – Fair Value Measurement (continued)

	2018			Total
	Level 1	Level 2	Level 3	
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>

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 final payment of the trust was made during fiscal year 2019.

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.

ArtsFund and ArtsFund Foundation

Notes to Consolidated Financial Statements

Note 2 – Fair Value Measurement (continued)

The Organization's policy is to recognize transfers in and out of Level 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, 2019 and 2018.

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

	<u>2019</u>	<u>2018</u>
Net realized and unrealized gain	\$ 206,677	\$ 1,063,556
Interest and dividends	516,098	479,536
Management fees	<u>(131,051)</u>	<u>(135,812)</u>
	<u>\$ 591,724</u>	<u>\$ 1,407,280</u>

For the years ended September 30, change in fair value of the Level 3 asset – charitable trust receivable consisted of the following:

	<u>2019</u>	<u>2018</u>
Beginning balance	\$ 269,669	\$ 456,077
Adjustment for present value	-	19,099
Distributions	<u>(269,669)</u>	<u>(205,507)</u>
Ending balance	<u>\$ -</u>	<u>\$ 269,669</u>

Note 3 – Pledges Receivable and Charitable Trust Receivable

Pledges receivable consist of the following at September 30:

	<u>2019</u>	<u>2018</u>
Amounts due in less than one year	\$ 603,817	\$ 708,951
Allowance for doubtful accounts	<u>(52,000)</u>	<u>(52,000)</u>
	<u>\$ 551,817</u>	<u>\$ 656,951</u>

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 was 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 was to receive the remainder amount of the trust's assets. As of September 30, 2019, the remaining balance was paid in full and the trust was closed.

ArtsFund and ArtsFund Foundation

Notes to Consolidated Financial Statements

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

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

	2019	2018
Equipment	\$ 402,092	\$ 402,092
Website design	193,868	193,868
	595,960	595,960
Less accumulated depreciation/amortization	(570,438)	(566,307)
Total fixed assets	\$ 25,522	\$ 29,653

Depreciation for the years ended September 30, 2019 and 2018, was \$117,930 and \$105,956, respectively. Amortization was \$0 and \$603 for the years ended September 30, 2019 and 2018, respectively.

Land and building held for sale are as follows at September 30, 2019:

	2019	2018
Land held-for-sale	\$ 1,162,963	\$ 1,162,963
Building and improvements held-for-sale	2,151,381	2,151,381
	3,314,344	3,314,344
Less accumulated depreciation/amortization	(1,949,040)	(1,835,241)
Total assets held-for-sale	\$ 1,365,304	\$ 1,479,103

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, the Buyer has deposited in escrow an additional \$25,000 each month thereafter. The total amount in the escrow account was \$1,025,000 as of September 30, 2019. Closing is scheduled for July 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 note was 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.

ArtsFund and ArtsFund Foundation

Notes to Consolidated Financial Statements

Note 6 – Lease Commitments

Office lease – The Organization entered into a new office lease effective July 30, 2019, with an approximate lease commencement date of January 1, 2020. Future minimum lease payments under noncancelable lease for the years ending September 30 approximate:

2020	\$	76,303
2021		109,725
2022		120,750
2023		126,369
2024		130,144
Thereafter		<u>306,272</u>
	\$	<u>869,563</u>

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

2020	\$	5,040
2021		5,040
2022		5,040
2023		5,040
2024		<u>840</u>
	\$	<u>21,000</u>

Rental expense under operating leases for the years ended September 30, 2019 and 2018, was \$15,339 and \$15,639, respectively.

Note 7 – Rental Income

Future minimum lease revenues expected to be received under noncancelable operating lease agreements relating to the Century Building through expected date of the building sale is approximately \$83,400.

Rental income under operating leases for the years ended September 30, 2019 and 2018, was \$301,840 and \$278,779, respectively. Income from tenant parking was \$25,219 and \$33,120 for each of the years ended September 30, 2019 and 2018, respectively. Other recoverable costs and cash receipts from tenants and public parking was \$7,302 and \$52,475 for each of the years ended September 30, 2019 and 2018, respectively.

ArtsFund and ArtsFund Foundation

Notes to Consolidated Financial Statements

Note 8 – Concentrations

One donor contributed 13% and 25% of total contributions received during the fiscal years ended September 30, 2019 and 2018, respectively. At September 30, 2019 and 2018, there was a receivable concentration of 54% and 46% from one donor, respectively.

Note 9 – Related Party Transactions

Contribution revenue from board members included in the consolidated statements of activities approximates \$599,000 and \$402,000 for the years ended September 30, 2019 and 2018, respectively. Balances outstanding of approximately \$40,000 and \$17,000 from board members are included in pledges receivable in the accompanying consolidated balance sheets for the years ended September 30, 2019 and 2018, respectively.

Note 10 – 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, 2019 and 2018, were \$19,689 and \$19,815, respectively.

Note 11 – Endowment Policies

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

ArtsFund and ArtsFund Foundation

Notes to Consolidated Financial Statements

Note 11 – Endowment Policies (continued)

Endowment net assets consist of the following as of September 30, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 6,472,974	\$ -	\$ 6,472,974
Donor-restricted endowment funds	-	15,087,680	15,087,680
Total endowment funds	\$ 6,472,974	\$ 15,087,680	\$ 21,560,654
Endowment net assets, October 1, 2018	\$ 6,215,280	\$ 15,517,606	\$ 21,732,886
Investment return			
Net realized and unrealized gain	59,645	142,491	202,136
Interest and dividends	156,024	360,076	516,100
Management fees and taxes	(39,615)	(91,436)	(131,051)
Total investment return	176,054	411,131	587,185
Contributions	217	3,066	3,283
Appropriation of endowment assets for expenditure	297,823	(297,823)	-
Release for expenditure	(216,400)	(546,300)	(762,700)
Endowment net assets, September 30, 2019	\$ 6,472,974	\$ 15,087,680	\$ 21,560,654

Endowment net assets consist of the following as of September 30, 2018:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 6,215,280	\$ -	\$ 6,215,280
Donor-restricted endowment funds	-	15,517,606	15,517,606
Total endowment funds	\$ 6,215,280	\$ 15,517,606	\$ 21,732,886
Endowment net assets, October 1, 2017	\$ 5,505,476	\$ 15,122,463	\$ 20,627,939
Investment return			
Net realized and unrealized gain	288,192	748,144	1,036,336
Interest and dividends	142,988	360,373	503,361
Management fees and taxes	(40,165)	(95,647)	(135,812)
Total investment return	391,015	1,012,870	1,403,885
Contributions	1,128,262	-	1,128,262
Appropriation of endowment assets for expenditure	(1,427,200)	-	(1,427,200)
Release for expenditure	617,727	(617,727)	-
Endowment net assets, September 30, 2018	\$ 6,215,280	\$ 15,517,606	\$ 21,732,886

ArtsFund and ArtsFund Foundation
Notes to Consolidated Financial Statements

Note 11 – Endowment Policies (continued)

Foundation endowments consisted of the following at September 30:

	2019	2018
Board designated endowment funds with donor restrictions		
The Ned and Kayla Skinner Artistic Enrichment Fund		
D. E. "Ned" Skinner Endowment Fund	\$ 2,350,425	\$ 2,377,831
Kathryn L. Skinner Charitable Lead Trust	3,804,994	3,535,738
Kathryn L. Skinner Charitable Lead Trust Receivable	-	269,669
Kreielsheimer Fund	2,231,173	2,257,077
Peter F. Donnelly Merit Fund	1,709,176	1,729,049
The John Brooks Williams and John H. Bauer Endowment for Theatre	1,486,020	1,503,294
Ackerley Excellence Fund	1,204,094	1,218,494
Guendolen Carkeek Plestcheeff Decorative & Design Arts Fund	1,138,222	1,151,436
Kreielsheimer Music Fund	490,023	495,685
Kreielsheimer Theatre Fund	467,838	473,376
Judi Beck and Tom Alberg Fund	-	292,594
Roland M. Trafton Endowment Fund	144,420	146,165
Jean T. Fukuda Memorial Fund	61,295	67,198
	15,087,680	15,517,606
Board designated endowment funds without donor restrictions	6,472,974	6,215,280
Total Foundation endowments	\$ 21,560,654	\$ 21,732,886

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.

ArtsFund and ArtsFund Foundation

Notes to Consolidated Financial Statements

Note 11 – Endowment Policies (continued)

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 16-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, 2019 and 2018, the Foundation distributed 4.0% and 4.5%, respectively, of the 16-quarter and 12-quarter, respectively, rolling market average of the endowment funds. The distribution for the Kreielsheimer Remainder Foundation endowment funds was 4.0% and 4.5% of the endowment balance for March 31, 2019 and 2018, respectively. 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, 2019 and 2018, there were no funds with a deficiency.

ArtsFund and ArtsFund Foundation

Notes to Consolidated Financial Statements

Note 12 – Liquidity and Availability

At September 30, 2019, the Organization had financial assets on hand totaling \$3,350,438, which included cash and cash equivalents of \$2,798,621, and accounts receivables of \$551,817. None of the financial assets available for use are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the consolidated balance sheet date.

ArtsFund continues to maintain cash reserves of \$440,000 and may only be used upon approval by the ArtsFund Board of Trustees. In addition, the Trustees have appointed an Investment Committee to establish active cash and investment policies in anticipation of the sale of Century Building in July 2020. These may coincide with similar policies already established by the Board of Directors for ArtsFund Foundation.

Supplementary Information

ArtsFund and ArtsFund Foundation
Schedule of Grants to Beneficiaries and Distributions of Designated Gifts
Year Ended September 30, 2019

Seattle Art Museum	\$ 202,650
Pacific Northwest Ballet**	198,760
Seattle Symphony Orchestra	173,970
Seattle Opera	160,710
Seattle Repertory Theatre	123,550
Henry Art Gallery	116,730
5th Avenue Theatre	90,810
ACT Theatre	89,200
Seattle Theatre Group	77,510
Seattle Children's Theatre	76,300
Village Theatre**	75,480
Tacoma Arts Live (Broadway Center)	63,700
Wing Luke Asian Museum	60,850
Tacoma Art Museum	52,380
Seattle Shakespeare Company	51,130
On the Boards	41,770
Spectrum Dance Theatre	32,480
Town Hall Association	29,460
Seattle Repertory Jazz Orchestra	27,190
Nordic Museum	25,310
Earshot Jazz Society	24,190
Seattle Chamber Music Society	24,170
Artist Trust	22,760
NAAM	21,680
Vera Project	21,440
Intiman Theatre	20,690
MoPOP (EMP)	20,590
Richard Hugo House	20,150
Book-It Repertory Theatre	16,870
SIFF	16,070
Symphony Tacoma	15,510
Seattle Arts & Lectures	15,410
Meany Center (UW World)	14,800
Seattle Men's/Women's Chorus	12,690
Frye Art Museum	12,130
Museum of Glass	11,550
Pilchuck Glass School*	11,000
Seattle Youth Symphony Orchestra*	11,000
Jack Straw Productions	10,690
Burke Museum	10,600
Seattle Public Theater	10,070
Velocity Dance Center	8,630
Northwest Film Forum	8,180
Taproot Theatre Company	8,130
Tacoma Musical Playhouse	8,000
Hilltop Artists	7,500
Early Music Seattle	7,120

ArtsFund and ArtsFund Foundation
Schedule of Grants to Beneficiaries
and Distributions of Designated Gifts (continued)
Year Ended September 30, 2019

Tacoma Opera	\$ 6,620
Seattle Pro Musica	6,150
Bellevue Arts Museum	5,440
Three Dollar Bill Cinema	5,270
Art with Heart	5,000
Reel Grrls	5,000
Sanctuary Art Center	5,000
Totem Star	5,000
American Asian Performing Arts Theatre	5,000
Chinese Arts and Music Association	5,000
Densho	5,000
Pratidhwani	5,000
Seattle Asian American Film Festival c/o Shunpike	5,000
Tasveer	5,000
Vashon Center for the Arts	4,120
The Northwest School*	4,100
Arts Corps	4,000
Kirkland Performance Center*	3,200
Northwest Sinfonietta	2,710
Whim W'Him	2,630
Coyote Central	2,500
Red Eagle Soaring	2,500
Seattle JazzED	2,500
Seattle Music Partners	2,500
Youth In Focus	2,500
Seattle Chinese Chorus	2,500
SIS Productions c/o ReAct Theatre	2,500
The Central District Forum for Arts & Ideas	2,500
Jet City Improv	1,600
Auburn Symphony Orchestra	1,110
	\$ 2,278,510
	\$ 2,278,510

*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, 2019

ASSETS

	ArtsFund	ArtsFund Foundation	Total
CURRENT ASSETS			
Cash and cash equivalents	\$ 2,290,031	\$ -	\$ 2,290,031
Investments, at fair value	-	948,713	948,713
Pledges receivable, net	551,817	-	551,817
Prepaid expenses and other	207,034	-	207,034
Total current assets	3,048,882	948,713	3,997,595
NONCURRENT ASSETS			
Long-term investments	-	20,611,941	20,611,941
Equipment and web design, net	25,522	-	25,522
Land and building held-for-sale	1,365,304	-	1,365,304
Total noncurrent assets	1,390,826	20,611,941	22,002,767
Total assets	\$ 4,439,708	\$ 21,560,654	\$ 26,000,362

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES			
Accounts payable and other accrued liabilities	\$ 32,926	\$ -	\$ 32,926
Grants obligations	568,740	-	568,740
Total current liabilities	601,666	-	601,666
NET ASSETS			
Without donor restrictions	3,236,476	6,472,974	9,709,450
With donor restrictions	601,566	15,087,680	15,689,246
Total net assets	3,838,042	21,560,654	25,398,696
Total liabilities and net assets	\$ 4,439,708	\$ 21,560,654	\$ 26,000,362

ArtsFund and ArtsFund Foundation
Consolidating Statement of Activities
Year Ended September 30, 2019

	ArtsFund		ArtsFund Foundation		Eliminations	Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions		
SUPPORT AND REVENUES						
Contributions	\$ 2,151,145	\$ 275,543	\$ 217	\$ 3,066	\$ -	\$ 2,429,971
Donated services and supplies	45,265	-	-	-	-	45,265
Investment return	4,539	-	176,054	411,131	-	591,724
Other income	30,351	-	-	-	(25,000)	5,351
Net assets released from donor restrictions	1,031,068	(1,031,068)	297,823	(297,823)	-	-
Total support other than special event	3,262,368	(755,525)	474,094	116,374	(25,000)	3,072,311
Special event, net	58,637	-	-	-	-	58,637
Special event net assets released from donor restrictions	25,000	(25,000)	-	-	-	-
Net support from special event	83,637	(25,000)	-	-	-	58,637
Total support and revenues	3,346,005	(780,525)	474,094	116,374	(25,000)	3,130,948
EXPENSES AND GRANTS						
Program services	586,175	-	-	-	-	586,175
Supporting services						
Management and general	627,690	-	25,000	-	(25,000)	627,690
Fundraising	374,185	-	-	-	-	374,185
Total program and supporting services	1,588,050	-	25,000	-	(25,000)	1,588,050
Grants to beneficiaries	1,540,810	-	191,400	546,300	-	2,278,510
Less donor designations to other organizations	-	-	-	-	-	-
Total expenses and grants	3,128,860	-	216,400	546,300	(25,000)	3,866,560
CHANGE IN NET ASSETS BEFORE NONOPERATING REVENUE (EXPENSES) REVENUE (EXPENSES)	217,145	(780,525)	257,694	(429,926)	-	(735,612)
NET NONOPERATING REVENUE						
Century Building, net	202,014	-	-	-	-	202,014
Cultural Resource Collective, Building for the Arts, net	(21,870)	-	-	-	-	(21,870)
Total net nonoperating revenue (expense)	180,144	-	-	-	-	180,144
CHANGE IN NET ASSETS	397,289	(780,525)	257,694	(429,926)	-	(555,468)
NET ASSETS						
Beginning of year	2,839,187	1,382,091	6,215,280	15,517,606	-	25,954,164
End of year	<u>\$ 3,236,476</u>	<u>\$ 601,566</u>	<u>\$ 6,472,974</u>	<u>\$ 15,087,680</u>	<u>\$ -</u>	<u>\$ 25,398,696</u>

