

**ARTSCONNECTION, INC.**

**FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY INFORMATION**

**AUGUST 31, 2018 AND 2017**

**ARTSCONNECTION, INC.**

**TABLE OF CONTENTS**

|                                                                 | <b>Page</b> |
|-----------------------------------------------------------------|-------------|
| Independent Auditors' Report .....                              | 1-2         |
| Financial Statements                                            |             |
| Statements of Financial Position .....                          | 3           |
| Statements of Activities .....                                  | 4           |
| Statements of Cash Flows .....                                  | 5           |
| Notes to Financial Statements .....                             | 6-11        |
| Supplementary Information                                       |             |
| Independent Auditors' Report on Supplementary Information ..... | 13          |
| Schedule of Functional Expenses .....                           | 14          |



**LUTZ AND CARR**

CERTIFIED PUBLIC ACCOUNTANTS, LLP

551 FIFTH AVENUE - SUITE 400, NEW YORK, NY 10176

212-697-2299 FAX: 212-949-1768

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
ArtsConnection, Inc.

We have audited the accompanying financial statements of ArtsConnection, Inc. (a nonprofit corporation), which comprise the statements of financial position as of August 31, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of ArtsConnection, Inc. as of August 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Lotz + Carr, LLP*

New York, New York  
November 25, 2019

**ARTSCONNECTION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AUGUST 31, 2018 AND 2017**

|                                                                                   | <b>2018</b>        | <b>2017</b>        |
|-----------------------------------------------------------------------------------|--------------------|--------------------|
| <b>Assets</b>                                                                     |                    |                    |
| Cash and cash equivalents (Notes 1b and 9a)                                       | \$ 505,172         | \$ 339,297         |
| Unconditional promises to give (Notes 1c, 3 and 9b)                               |                    |                    |
| Unrestricted                                                                      | 135,813            | 367,708            |
| Restricted to future periods and programs                                         | 498,034            | 1,469,926          |
| Accounts receivable                                                               | 235,429            | 43,555             |
| Prepaid expenses and other assets (Note 10b)                                      | 182,969            | 240,324            |
| Property and equipment, at cost, net of accumulated depreciation (Notes 1d and 4) | 3,060              | 36,933             |
| Security deposit                                                                  | 36,900             | 36,900             |
| <br>                                                                              |                    |                    |
| <b>Total Assets</b>                                                               | <b>\$1,597,377</b> | <b>\$2,534,643</b> |
| <br>                                                                              |                    |                    |
| <b>Liabilities and Net Assets</b>                                                 |                    |                    |
| Liabilities                                                                       |                    |                    |
| Accounts payable and accrued expenses (Note 10b)                                  | \$ 347,585         | \$ 344,561         |
| Loans payable (Note 5)                                                            | 300,000            | 400,000            |
| Deferred revenue (Note 1e)                                                        | 31,450             | 21,000             |
| Total Liabilities                                                                 | 679,035            | 765,561            |
| <br>                                                                              |                    |                    |
| Commitments and Contingency (Notes 6 and 10)                                      |                    |                    |
| <br>                                                                              |                    |                    |
| Net Assets                                                                        |                    |                    |
| Unrestricted                                                                      |                    |                    |
| Cash reserve (Note 2a)                                                            | 255,350            | 255,247            |
| Other (deficit)                                                                   | (185,292)          | (387,341)          |
| Total Unrestricted                                                                | 70,058             | (132,094)          |
| Temporarily restricted (Note 2b)                                                  | 743,034            | 1,795,926          |
| Permanently restricted (Note 2c)                                                  | 105,250            | 105,250            |
| Total Net Assets                                                                  | 918,342            | 1,769,082          |
| <br>                                                                              |                    |                    |
| <b>Total Liabilities and Net Assets</b>                                           | <b>\$1,597,377</b> | <b>\$2,534,643</b> |

See notes to financial statements.

## ARTSCONNECTION, INC.

## STATEMENTS OF ACTIVITIES

YEARS ENDED AUGUST 31, 2018 AND 2017

|                                                     | <u>2018</u>        | <u>2017</u>        |
|-----------------------------------------------------|--------------------|--------------------|
| <b>Changes in Unrestricted Net Assets</b>           |                    |                    |
| Revenue, Gains and Other Support                    |                    |                    |
| Contributions                                       | \$1,106,667        | \$1,502,467        |
| Benefit income                                      | 1,416,131          | 855,336            |
| Less: Direct benefit expenses                       | (133,379)          | (118,876)          |
| Program fees                                        | 1,599,789          | 1,134,978          |
| Ticket sales                                        | 26,442             | 32,912             |
| Donated services and materials (Note 7)             | 478,260            | 565,441            |
| Interest income                                     | 103                | 62                 |
|                                                     | <u>4,494,013</u>   | <u>3,972,320</u>   |
| Net assets released from restrictions               |                    |                    |
| Satisfaction of time and program restrictions       | <u>1,652,914</u>   | <u>1,528,960</u>   |
| Total Revenue, Gains and Other Support              | <u>6,146,927</u>   | <u>5,501,280</u>   |
| Expenses                                            |                    |                    |
| Program Services                                    |                    |                    |
| School and professional development                 | 3,569,282          | 3,249,579          |
| Teen programs                                       | <u>1,180,976</u>   | <u>1,229,190</u>   |
| Total Program Services                              | <u>4,750,258</u>   | <u>4,478,769</u>   |
| Supporting Services                                 |                    |                    |
| Management and general                              | 408,030            | 404,834            |
| Fundraising                                         | <u>786,487</u>     | <u>617,472</u>     |
| Total Supporting Services                           | <u>1,194,517</u>   | <u>1,022,306</u>   |
| Total Expenses                                      | <u>5,944,775</u>   | <u>5,501,075</u>   |
| Increase in Unrestricted Net Assets                 | <u>202,152</u>     | <u>205</u>         |
| <b>Changes in Temporarily Restricted Net Assets</b> |                    |                    |
| Contributions                                       | 600,022            | 826,712            |
| Net assets released from restrictions               | <u>(1,652,914)</u> | <u>(1,528,960)</u> |
| Decrease in Temporarily Restricted Net Assets       | <u>(1,052,892)</u> | <u>(702,248)</u>   |
| Decrease in net assets                              | (850,740)          | (702,043)          |
| Net assets, beginning of year                       | <u>1,769,082</u>   | <u>2,471,125</u>   |
| <b>Net Assets, End of Year</b>                      | <u>\$ 918,342</u>  | <u>\$1,769,082</u> |

See notes to financial statements.

## ARTSCONNECTION, INC.

## STATEMENTS OF CASH FLOWS

YEARS ENDED AUGUST 31, 2018 AND 2017

|                                                                                                      | <u>2018</u>              | <u>2017</u>              |
|------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| <b>Cash Flows From Operating Activities</b>                                                          |                          |                          |
| Decrease in net assets                                                                               | \$ (850,740)             | \$ (702,043)             |
| Adjustments to reconcile decrease in net assets to net cash provided (used) by operating activities: |                          |                          |
| Depreciation and amortization                                                                        | 33,873                   | 33,549                   |
| Forgiveness of loan and interest                                                                     | (104,577)                | -                        |
| (Increase) decrease in:                                                                              |                          |                          |
| Unconditional promises to give                                                                       | 1,203,787                | 632,784                  |
| Accounts receivable                                                                                  | (191,874)                | 5,378                    |
| Prepaid expenses and other assets                                                                    | 57,355                   | (131,938)                |
| Increase (decrease) in:                                                                              |                          |                          |
| Accounts payable and accrued expenses                                                                | 7,601                    | 25,570                   |
| Deferred revenue                                                                                     | 10,450                   | (1,652)                  |
| Net Cash Provided (Used) By Operating Activities                                                     | <u>165,875</u>           | <u>(138,352)</u>         |
| <b>Cash Flows From Investing Activities</b>                                                          |                          |                          |
| Acquisition of property and equipment                                                                | <u>-</u>                 | <u>(3,912)</u>           |
| <b>Cash Flows From Financing Activities</b>                                                          |                          |                          |
| Proceeds from loans payable and line of credit                                                       | 471,900                  | 617,360                  |
| Repayment of loans payable and line of credit                                                        | <u>(471,900)</u>         | <u>(467,360)</u>         |
| Net Cash Provided By Financing Activities                                                            | <u>-</u>                 | <u>150,000</u>           |
| Net increase in cash and cash equivalents                                                            | 165,875                  | 7,736                    |
| Cash and cash equivalents, beginning of year                                                         | <u>339,297</u>           | <u>331,561</u>           |
| <b>Cash and Cash Equivalents, End of Year</b>                                                        | <u><u>\$ 505,172</u></u> | <u><u>\$ 339,297</u></u> |
| <b>Supplemental Disclosure</b>                                                                       |                          |                          |
| Interest paid                                                                                        | <u><u>\$ 25,045</u></u>  | <u><u>\$ 28,296</u></u>  |

See notes to financial statements.

**ARTSCONNECTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2018 AND 2017**

**Note 1 - Organization and Summary of Significant Accounting Policies**

a - Organization

ArtsConnection, Inc. (the "Organization") is a dedicated arts-in-education organization. For forty years, it has worked to reinstate the arts as a vital part of the public school curriculum while training and employing professional visual and performing artists to teach and perform in the schools. Founded in 1979, ArtsConnection rose to the challenge by providing high quality arts programming to the City's schools following the fiscal crisis of the 1970's, when budget cuts virtually eliminated arts education from the schools.

ArtsConnection's work has been recognized as a national model by the US Department of Education and the National Endowment for the Arts. ArtsConnection has been a recipient of the Governor's Arts Award in recognition of its contributions to the cultural life of New York State.

Over 80% of ArtsConnection's work takes place in New York City public elementary, middle and high school classrooms. ArtsConnection develops individualized arts programs for each of the 100+ schools it works with annually based on input from school administrators, teachers and parents. Together, ArtsConnection and their school partners examine the skills and strategies children need to succeed academically and socially, and identify qualities within arts visual and performing arts instruction that can strengthen this achievement.

ArtsConnection programs draw upon a roster of 150 individual artists and ensembles in all arts disciplines, which represent the cultural diversity of New York City. The majority of this work are classroom-based residencies averaging 10-25 sessions per residency. To ensure the effectiveness of these programs, all residencies include significant time for planning and reflection, allowing artists and teachers to come together to set goals and assess the program's progress. Professional development for both teaching artists and classroom teachers facilitates these collaborations, building teachers understanding of the artistic process and its relevance to other learning, as well as expanding artists' knowledge of pedagogy and school culture. Evaluation and assessment is built into all of ArtsConnection's programming.

In addition to these activities, over the past decade, ArtsConnection has developed signature programs that use the arts to: foster early childhood literacy through the study of puppetry; promote language acquisition among elementary and middle school English Language Learners through dance and theatre instruction, and build personal and cognitive skills in children on the autism spectrum through training in musical theatre.



**ARTSCONNECTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2018 AND 2017**

**Note 1 - Organization and Summary of Significant Accounting Policies (continued)**

a - Organization (continued)

In March 2010, High 5 Tickets to the Arts, a thirteen-year old, not-for-profit organization which provided \$5 tickets to performing and visual arts events for middle and high school students and afterschool educational programs in arts criticism, was legally merged with ArtsConnection. The merger has led to the development of an array of Teen Programs in the arts, expanding ArtsConnection's outreach to teenagers and increasing its programmatic activities during out of school time.

b - Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments, purchased with a maturity of three months or less, to be cash equivalents.

c - Unconditional Promises to Give and Contributions

Contributions are recognized when the donor makes a promise to give to the Organization, that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

d - Property and Equipment

Purchased property and equipment are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Property and equipment are depreciated using the straight-line method over the estimated useful life of the related asset.

e - Deferred Revenue

Deferred revenue includes program fees relating to future periods and are recognized in the period the programs take place.

f - Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

g - Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**ARTSCONNECTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2018 AND 2017**

**Note 1 - Organization and Summary of Significant Accounting Policies (continued)**

h - Subsequent Events

The Organization has evaluated subsequent events through November 25, 2019, the date that the financial statements are considered available to be issued.

i - Tax Status

ArtsConnection, Inc. is a not-for-profit corporation, exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

j - New Accounting Pronouncement

In August 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-14, *"Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities."* The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two net asset classes now entitled "net assets without donor restrictions" and "net assets with donor restrictions;" (b) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources; (c) requiring that all nonprofits present an analysis of expenses by function and nature and disclose the methods used to allocate costs; and (d) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. ASU 2016-14 is effective for fiscal years beginning after December 15, 2017, with early adoption permitted. The Organization is currently evaluating the impact of ASU 2016-14 for its year ending August 31, 2019 financial statements.

**Note 2 - Restrictions on Assets**

a - Cash Reserve

During fiscal year 2001, the Board of Directors of the Organization resolved to establish a cash reserve fund which may be borrowed at the discretion of the Executive Director (up to \$100,000). During fiscal years 2006 and 2007, the Rockefeller Brothers Fund contributed \$150,000 towards the reserve. Income earned on these funds and the permanently restricted cash reserve funds are to be added to this cash reserve.

b - Temporarily Restricted Net Assets

Temporarily restricted net assets at August 31, 2018 and 2017 are designated for future operations and programs.

**ARTSCONNECTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2018 AND 2017**

**Note 2 - Restrictions on Assets (continued)**

c - Permanently Restricted Net Assets

Permanently restricted net assets consist of New York State Council on the Arts challenge grants and matching funds for institutional stabilization (cash reserve). The Organization must maintain a permanent cash reserve fund, from which it may borrow on a revolving basis to meet its cash flows requirements. Any such borrowing must be repaid within two years of the initial borrowing. Income earned on the funds is available for general operating support. The Organization is in compliance with the borrowing requirements of the permanent cash reserve fund.

**Note 3 - Unconditional Promises to Give**

Unconditional promises to give are due as follows:

|                                 | <u>2018</u>      | <u>2017</u>        |
|---------------------------------|------------------|--------------------|
| Due in less than one year       | \$615,270        | \$1,715,097        |
| Due in one to three years       | <u>20,000</u>    | <u>130,000</u>     |
|                                 | 635,270          | 1,845,097          |
| Less: Discount to present value | <u>(1,423)</u>   | <u>(7,463)</u>     |
|                                 | <u>\$633,847</u> | <u>\$1,837,634</u> |

Uncollectible promises are expected to be insignificant. Unconditional promises to give for periods due after one year are discounted to net present value using a discount rate of 3%.

**Note 4 - Property and Equipment**

Property and equipment consist of the following at August 31:

|                                | <u>Life</u> | <u>2018</u>      | <u>2017</u>      |
|--------------------------------|-------------|------------------|------------------|
| Furniture and equipment        | 3-5 years   | \$125,526        | \$125,526        |
| Website                        | 3 years     | 40,000           | 40,000           |
| Leasehold improvements         | 10 years    | <u>44,622</u>    | <u>44,622</u>    |
|                                |             | 210,148          | 210,148          |
| Less: Accumulated depreciation |             | <u>(207,088)</u> | <u>(173,215)</u> |
|                                |             | <u>\$ 3,060</u>  | <u>\$ 36,933</u> |

Depreciation and amortization expense for the years ended August 31, 2018 and 2017 was \$33,873 and \$33,549, respectively.

**ARTSCONNECTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2018 AND 2017**

**Note 5 - Loans Payable**

- a - The Organization has a revolving line of credit with JPMorgan Chase Bank that provides for borrowings up to \$300,000. Borrowings on the line of credit bear interest at 4.48% plus the prime rate. As of August 31, 2018, the Organization does not have balance due.
- b - The Organization has a loan outstanding with a Board member due on January 31, 2021 that bears interest at 1.97% per annum. As of August 31, 2018 and 2017, the Organization has a balance due of \$300,000 and \$400,000, respectively.

Interest expense for the years ended August 31, 2018 and 2017 was \$33,015 and \$32,873, respectively.

**Note 6 - Commitments and Contingency**

- a - The Organization occupies office space under a sublease which provides for a base annual rental of \$187,788, annual increases of 3.5% and additional rent based on increases in real estate taxes. The lease provides for minimum annual payments as follows:

| <u>Year Ending August 31,</u>         |           |
|---------------------------------------|-----------|
| 2019                                  | \$194,361 |
| 2020                                  | 194,361   |
| 2021                                  | 194,361   |
| 2022                                  | 194,361   |
| Thereafter, through November 30, 2022 | 48,590    |

Rent expense for the years ended August 31, 2018 and 2017 was \$199,463 and \$192,718, respectively.

- b - Government supported projects are subject to audit by the granting agency.
- c - In July, 2009, High 5 Tickets to the Arts, Inc. (acquired by the Organization) entered into an agreement with Ticketmaster Entertainment, Inc. ("Ticketmaster") to provide to High 5 the service of processing the online sale of tickets for High 5's programs through Ticketmaster's website. The initial term of the agreement is forty-eight months and can be renewed for two successive one-year terms. For every ticket sold through the website during the term of the agreement, Ticketmaster is authorized to collect and retain 4% of the amount collected from each buyer as a service fee. The agreement may be terminated by the Organization for any reason upon forty-five days written notice to Ticketmaster.

**ARTSCONNECTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2018 AND 2017**

**Note 7 - Donated Services and Materials**

The Organization received donated services in connection with its program and supporting services as follows:

|                                   | <u>2018</u>      | <u>2017</u>      |
|-----------------------------------|------------------|------------------|
| Theatre tickets                   | \$420,535        | \$507,933        |
| Gala costs                        | 25,325           | 25,108           |
| Program space rental and supplies | <u>32,400</u>    | <u>32,400</u>    |
| Total                             | <u>\$478,260</u> | <u>\$565,441</u> |

**Note 8 - Functional Allocation of Expenses**

The cost of providing the various program and supporting services has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and the supporting services.

**Note 9 - Concentrations**

- a - The Organization maintains its cash balances in a financial institution located in New York City. The cash balances, at times, may exceed federally insured limits.
- b - At August 31, 2018 and 2017, 61% and 35%, respectively, of the unconditional promises to give is from one government agency.

**Note 10 - Retirement Plans**

- a - The Organization has a 403(b) retirement plan for all eligible employees who may elect to make voluntary contributions. The Organization does not contribute to the plan.
- b - A deferred compensation (Sec. 457(b)) plan has been established for an officer of the Organization. The assets of this plan remain the property of the Organization until distributed to the officer or the officer's beneficiary at retirement or severance from employment. At August 31, 2018 and 2017, \$107,923 and \$76,046 in deferred compensation is included in other assets and accrued expenses in the accompanying statement of financial position, respectively.

**SUPPLEMENTARY INFORMATION**



**LUTZ AND CARR**

CERTIFIED PUBLIC ACCOUNTANTS, LLP

551 FIFTH AVENUE - SUITE 400, NEW YORK, NY 10176

212-697-2299 FAX: 212-949-1768

**INDEPENDENT AUDITORS' REPORT  
ON SUPPLEMENTARY INFORMATION**

To the Board of Directors of  
ArtsConnection, Inc.

We have audited the financial statements of ArtsConnection, Inc. as of and for the years ended August 31, 2018 and 2017, and our report thereon dated November 25, 2019, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Functional Expenses for the year ended August 31, 2018 with comparative totals for 2017 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

*Lutz + Carr, LLP*

New York, New York  
November 25, 2019

## ARTSCONNECTION, INC.

## SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED AUGUST 31, 2018 WITH COMPARATIVE TOTALS FOR 2017

|                                                     | Program Services                    |                    |                    | Supporting Services    |                   |                    | 2018               | 2017               |
|-----------------------------------------------------|-------------------------------------|--------------------|--------------------|------------------------|-------------------|--------------------|--------------------|--------------------|
|                                                     | School and Professional Development | Teen Programs      | Total              | Management and General | Fundraising       | Total              | Total Expenses     | Total Expenses     |
| Salaries, taxes, benefits and artists fees          | \$ 2,807,275                        | \$ 371,879         | \$3,179,154        | \$ 333,718             | \$ 434,540        | \$ 768,258         | \$3,947,412        | \$3,662,869        |
| Professional fees                                   | 305,126                             | 68,929             | 374,055            | 8,858                  | 89,177            | 98,035             | 472,090            | 328,311            |
| Donated performance tickets                         | -                                   | 420,535            | 420,535            | -                      | -                 | -                  | 420,535            | 507,933            |
| Occupancy                                           | 166,021                             | 38,816             | 204,837            | 36,230                 | 47,365            | 83,595             | 288,432            | 274,187            |
| Telephone and internet                              | 11,606                              | 2,761              | 14,367             | 2,656                  | 3,458             | 6,114              | 20,481             | 23,101             |
| Equipment rental                                    | 22,514                              | 3,456              | 25,970             | 3,934                  | 5,121             | 9,055              | 35,025             | 24,901             |
| Office supplies and expenses                        | 24,014                              | 4,323              | 28,337             | 4,787                  | 11,722            | 16,509             | 44,846             | 45,018             |
| Program supplies                                    | 82,275                              | 137,370            | 219,645            | 130                    | 1,856             | 1,986              | 221,631            | 202,340            |
| Postage and messengers                              | 2,629                               | 10,093             | 12,722             | 628                    | 1,220             | 1,848              | 14,570             | 17,817             |
| Transportation                                      | 17,804                              | 4,360              | 22,164             | 112                    | 834               | 946                | 23,110             | 15,591             |
| Meetings and conferences                            | 53,718                              | 29,857             | 83,575             | 229                    | 2,174             | 2,403              | 85,978             | 80,294             |
| Indirect benefit expenses                           | -                                   | -                  | -                  | -                      | 157,618           | 157,618            | 157,618            | 83,009             |
| Printing and duplicating                            | 1,382                               | 3,221              | 4,603              | 218                    | 6,745             | 6,963              | 11,566             | 8,568              |
| Payroll, credit card and bank fees                  | 15,613                              | 5,129              | 20,742             | 3,728                  | 4,854             | 8,582              | 29,324             | 32,021             |
| Interest expense                                    | 18,765                              | 3,936              | 22,701             | 4,481                  | 5,833             | 10,314             | 33,015             | 32,873             |
| Scholarships and awards                             | -                                   | 53,365             | 53,365             | -                      | -                 | -                  | 53,365             | 77,300             |
| Miscellaneous                                       | 21,288                              | 18,907             | 40,195             | 3,724                  | 7,985             | 11,709             | 51,904             | 51,393             |
| Total expenses before depreciation and amortization | 3,550,030                           | 1,176,937          | 4,726,967          | 403,433                | 780,502           | 1,183,935          | 5,910,902          | 5,467,526          |
| Depreciation and amortization                       | 19,252                              | 4,039              | 23,291             | 4,597                  | 5,985             | 10,582             | 33,873             | 33,549             |
| Total Expenses, 2018                                | <u>\$ 3,569,282</u>                 | <u>\$1,180,976</u> | <u>\$4,750,258</u> | <u>\$ 408,030</u>      | <u>\$ 786,487</u> | <u>\$1,194,517</u> | <u>\$5,944,775</u> |                    |
| Total Expenses, 2017                                | <u>\$ 3,249,579</u>                 | <u>\$1,229,190</u> | <u>\$4,478,769</u> | <u>\$ 404,834</u>      | <u>\$ 617,472</u> | <u>\$1,022,306</u> |                    | <u>\$5,501,075</u> |

See independent auditors' report on supplementary information.