

FLAGSTAFF ARTS COUNCIL

FINANCIAL STATEMENTS

JUNE 30, 2020

**TOGETHER WITH INDEPENDENT
AUDITOR'S REPORT**

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FINANCIAL STATEMENTS
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Flagstaff Arts Council

I have audited the accompanying financial statements of Flagstaff Arts Council (a nonprofit organization) which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended.

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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 auditor's 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

To the Board of Directors of
Flagstaff Arts Council
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Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Flagstaff Arts Council as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, consisting of several fluid, overlapping strokes that form a stylized, somewhat abstract shape.

Flagstaff, Arizona
December 2, 2020

Flagstaff Arts Council
Statement of Financial Position
June 30, 2020

	WITHOUT DONOR <u>RESTRICTIONS</u>	WITH DONOR <u>RESTRICTIONS</u>	<u>TOTAL</u> 6/30/2020
ASSETS			
Current Assets			
Cash & Cash Equivalents	\$ 100,028		\$ 100,028
Accounts Receivable	4,119		4,119
Investments - Current	3,739	\$ 7,092	10,831
Art Collection	10,000		10,000
Pledges Receivable - Current	10,681		10,681
Prepaid Expenses	<u>3,377</u>	<u>180,000</u>	<u>183,377</u>
Total Current Assets	131,944	187,092	319,036
Property & Equipment			
Furniture and Equipment	41,088		41,088
Leasehold Improvements	16,843		16,843
Less: Accumulated Depreciation	<u>(33,558)</u>		<u>(33,558)</u>
Net Property and Equipment	24,373	-	24,373
Other Assets			
Pledges Receivable - Long Term	2,000		2,000
Investments		<u>20,000</u>	<u>20,000</u>
Total Other Assets	<u>2,000</u>	<u>20,000</u>	<u>22,000</u>
TOTAL ASSETS	<u><u>\$ 158,317</u></u>	<u><u>\$ 207,092</u></u>	<u><u>\$ 365,409</u></u>
LIABILITIES			
Current Liabilities			
Accounts Payable & Accrued Expenses	\$ 25,815		\$ 25,815
Payroll & Related Liabilities	18,567		18,567
Notes Payable, Current Portion	26,986		26,986
PPP Loan Payable, Current Portion	21,066		21,066
Deferred Revenue	<u>6,741</u>		<u>6,741</u>
Total Current Liabilities	99,175	-	99,175
Long Term Liabilities			
PPP Loan Payable, Net of Current Portion	<u>26,834</u>		<u>26,834</u>
Total Long Term Liabilities	<u>26,834</u>	-	<u>26,834</u>
TOTAL LIABILITIES	126,009	-	126,009
NET ASSETS	<u>32,308</u>	<u>\$ 207,092</u>	<u>239,400</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 158,317</u></u>	<u><u>\$ 207,092</u></u>	<u><u>\$ 365,409</u></u>

See accompanying notes and independent auditor's report.

Flagstaff Arts Council
Statement of Activities and Changes in Net Assets
For Year Ended June 30, 2020

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL 6/30/2020</u>
CHANGES IN NET ASSETS:			
Support & Revenue			
Contract Services:			
Government	\$ 597,025		\$ 597,025
Other	5,500		5,500
Memberships	48,006		48,006
Special Events (net of direct expenses of \$189,403)	42,760		42,760
Activities and Events	40,413		40,413
Donations	31,266		31,266
Sponsorships	11,508		11,508
Facility Rentals	8,052		8,052
Commissions	6,122		6,122
Advertising	5,593		5,593
Net Investment Return	2,920		2,920
	<u>799,165</u>	<u>-</u>	<u>799,165</u>
NET ASSETS RELEASED FROM RESTRICTIONS			
Net Assets Released	<u>180,000</u>	<u>(180,000)</u>	<u>-</u>
	<u>180,000</u>	<u>(180,000)</u>	<u>-</u>
TOTAL SUPPORT, REVENUE, & NET ASSETS RELEA:	<u>979,165</u>	<u>(180,000)</u>	<u>799,165</u>
Expenses			
Programs Services	853,634		853,634
Management & General	92,913		92,913
Fundraising	32,491		32,491
	<u>979,038</u>	<u>-</u>	<u>979,038</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES			
CHANGES IN NET ASSETS	127	(180,000)	(179,873)
NET ASSETS AT BEGINNING OF YEAR	<u>32,181</u>	<u>387,092</u>	<u>419,273</u>
NET ASSETS AT END OF YEAR	<u>\$ 32,308</u>	<u>\$ 207,092</u>	<u>\$ 239,400</u>

See accompanying notes and independent auditor's report.

Flagstaff Arts Council
Statement of Functional Expenses
For the Year Ended June 30, 2020

	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total 6/30/2020</u>
EXPENSES:				
Grant Expense	\$ 438,600			\$ 438,600
Salaries & Wages	165,913	\$ 33,918	\$ 6,374	206,205
Lease Expense	144,000	28,800	7,200	180,000
Employee Related	33,928	6,786	1,696	42,410
Information Technology	14,736	2,947	737	18,420
Professional & Outside Services	7,923	2,455	4,500	14,878
Facility Repair & Maintenance	11,542	2,308	577	14,427
Advertising			10,103	10,103
Utilities	7,060	1,412	353	8,825
Artist Fees	6,807			6,807
Equipment Rental & Maintenance	5,112	1,022	256	6,390
Insurance		4,727		4,727
Travel	3,319	663	166	4,148
Bank Charges	2,738	548	137	3,423
Interest	-	2,781		2,781
Miscellaneous and Other	2,627			2,627
Printing and Postage		1,513		1,513
Bad Debt Expense	1,490			1,490
Dues and Subscriptions		1,465		1,465
Supplies	1,089	218	54	1,361
Total Expenses Before Depreciation	846,884	91,563	32,153	970,600
Depreciation	6,750	1,350	338	8,438
Total Expenses - 6/30/2020	<u>\$ 853,634</u>	<u>\$ 92,913</u>	<u>\$ 32,491</u>	<u>\$ 979,038</u>

See accompanying notes and independent auditor's report.

Flagstaff Arts Council
Statement of Cash Flows
For the Year Ended June 30, 2020

	Total 6/30/2020
Cash Flow from Operating Activities:	
Change in Net Assets	\$ (179,873)
Adjustments to Reconcile Change in Net Assets to Net Cash Flow from Operating Activities:	
Depreciation	8,439
Change in Accounts Receivable	867
Change in Prepaid Expenses	1,948
Change in Pledges Receivable	(12,681)
Change in Prepaid Lease In-Kind	180,000
Change in Accounts Payable & Accrued Expenses	13,672
Change in Payroll & Related Liabilities	9,516
Change in Deferred Revenue	5,188
Net Cash Flow from Operating Activities	27,076
Cash Flow from Investing Activities:	
(Purchases) of Investments	(2,675)
(Purchases) of Leasehold Improvements	(1,039)
(Purchases) of Furniture and Equipment	(25,461)
Net Cash Flow from Investing Activities	(29,175)
Cash Flow from Financing Activities:	
Borrowings on Notes Payable	26,986
Borrowings on PPP Loan Payable	47,900
Net Cash Flow from Financing Activities	74,886
Increase in Cash and Cash Equivalents	72,787
Cash & Cash Equivalents - Beginning of Year	27,241
Cash & Cash Equivalents - End of the Year	\$ 100,028
Supplemental Disclosure of Cash Information:	
Cash Paid During the Year for Interest	\$ 2,781

See accompanying notes and independent auditor's report.

FLAGSTAFF ARTS COUNCIL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE A – NATURE OF OPERATIONS

Organization

Flagstaff Arts Council (the organization) is a nonprofit corporation; formed under the laws of the State of Arizona, and in accordance with the IRS determination letter dated June 12, 1984. The corporation was founded in 1984, and legally changed it's name to Flagstaff Arts Council in accordance with the amendment to the articles of incorporation dated July 23, 2009. The organization's mission is to enhance the spectrum and quality of cultural experiences available to residents and visitors to our community.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements have been prepared on the accrual basis of accounting in conformity with generally accepted accounting principles as promulgated by the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (FASB) *Accounting Standards Codification (ASC), Not-for-Profit Entities – Presentation of Financial Statements (ASC 958-205)*, as amended by ASU 2016-14 – *Presentation of Financial Statements of Not-for-Profit Entities*. Under ASU 2016-14 the organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

As of June 30, 2020, cash consisted of cash on hand and deposits with financial institutions. The corporation considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Receivables

Receivables are stated at the amount that management expects to collect on balances outstanding at year end. Management considers accounts receivable at June 30, 2020 to be fully collectible and no allowance for doubtful accounts is considered necessary.

Advertising

Advertising costs are expensed in the period incurred. Advertising expense for the year ended June 30, 2020 was \$10,103.

FLAGSTAFF ARTS COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status

The corporation qualifies as tax-exempt under Section 501 (c)(3) of the Internal Revenue Code and therefore, has no provision for federal income taxes. Flagstaff Arts Council, Inc.'s Form 990, Return of Organization Exempt from Income Tax, for the years ending June 30, 2019, 2018, and 2017 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

Revenue Recognition

Contributions are recorded as increases in with donor restricted net assets or without donor restricted net assets depending on the nature of donor restrictions, if any. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction is met or expires in the reporting period in which the contributions are recognized. All other donor restricted support is reported as an increase in with donor restricted assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Revenue from contracts with customers is recognized in accordance with the provisions of ASC-606. Revenue from contracts with customers for the year ended June 30, 2020 was \$597,025.

Cost Allocation

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

Property and Equipment

Property and equipment are stated at historical cost. Depreciation is provided using the straight-line method over the estimated useful life of the related asset. Furnishings and equipment are depreciated over an estimated useful life of 4 years. Expenditures for maintenance and repair are charged to operating expense. Renewals and betterments that materially extend the life of the assets and have an original cost in excess of \$1,000 are capitalized.

NOTE C – ACCOUNTS RECEIVABLE

Accounts receivable consists primarily of amounts due from customers for services. Management considers accounts receivable at June 30, 2020 to be fully collectible and no allowance for doubtful accounts is considered necessary. The balance of accounts receivable at June 30, 2020 was \$4,119.

FLAGSTAFF ARTS COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE D – PLEDGES RECEIVABLE

Pledges receivable at June 30, 2020, consisted of unconditional promises to give and are due as follows:

<u>Year Ended</u>	<u>Pledges Receivable</u>
June 30, 2021	\$ 10,681
June 30, 2022	1,000
June 30, 2023	<u>1,000</u>
Total	<u>\$ 12,681</u>

No present value discount is provided as the amount is immaterial at current interest rates. No allowance for collectability is provided to reduce pledges to estimated net realizable value, as all pledges are considered fully collectible.

NOTE E – ART COLLECTION

The Flagstaff Arts Council owns a private collection of visual art, all of which was donated to the organization. For the year ended June 30, 2020, the unrestricted art collection is stated at appraised value of \$10,000.

NOTE F – INVESTMENTS

As of June 30, 2020, the Organization held \$30,831 in a privately managed money market mutual fund. The investment is carried at current fair value at year end. Detail of net investment income (loss) from all sources for the year ended June 30, 2020 is as follows:

	<u>2020</u>
Interest & Dividend Income	\$ 1,534
Unrealized Gains/(Losses)	<u>1,386</u>
Net Investment (Loss)/Income	<u>\$ 2,920</u>

NOTE G – PROPERTY & EQUIPMENT

Detail of property and equipment at June 30, 2020, is as follows:

	<u>6/30/2020</u>
Furniture and Equipment	\$ 41,088
Leasehold Improvements	16,843
Less: Accumulated Depreciation	<u>(33,558)</u>
Net: Property & Equipment	<u>\$ 24,373</u>

Depreciation expense for the year ended June 30, 2020 was \$8,438.

FLAGSTAFF ARTS COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE H – PREPAID IN-KIND LEASE

The organization receives a donation of facilities in-kind from Coconino County, under a five year lease commencing July 1, 2016 and ending June 30, 2021. The estimated fair rental value of the facility is \$180,000 per annum, or \$900,000 over the 60 month period of the lease. Prepaid lease expense under the agreement was \$180,000 as of June 30, 2020. The asset is considered donor restricted for purpose. Scheduled maturities of prepaid lease expense as of June 30, 2020, are as follows:

Year Ending June 30	
2021	\$ <u>180,000</u>
Total	\$ <u><u>180,000</u></u>

NOTE I – DEFERRED REVENUE

Deferred revenue consists of revenue received in advance of services provided. Deferred revenue at June 30, 2020 was \$6,741.

NOTE J – PPP LOAN PAYABLE

On April 16, 2020, the organization entered into an agreement to borrow funds under the Paycheck Protection Program. Under the terms of the agreement, the debt bears interest at 1% per annum, payable in eighteen monthly installments of \$2,695.67, beginning November 16, 2020, final payment due April 16, 2022. The debt is to be forgiven if the proceeds are expended for payroll and other operating expenses in accordance with terms of the COVID Relief Act.

Future maturities of the loan payable at June 30, 2020 were as follows:

June 30,	
2021	\$ 21,066
2022	<u>26,834</u>
Total Notes Payable	\$ <u><u>47,900</u></u>
Less Current Portion	<u>(21,066)</u>
Notes Payable, Net of Current	\$ <u><u>26,834</u></u>

FLAGSTAFF ARTS COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE K – NOTES PAYABLE

	<u>2020</u>
On August 15, 2019, the organization entered into an unsecured note payable. Original principal of the note was \$5,000, payable to a related party. The outstanding balance bears interest at 4.0%, with quarterly principal and interest payments due August 15, 2020 through May 15, 2023 of \$457.85 each. Loan was prepaid in August, 2020.	\$ 5,000
On August 15, 2019, the organization entered into an unsecured note payable. Original principal of the note was \$10,000, payable to a related party. The outstanding balance bears interest at 4.0%, with quarterly principal and interest payments due August 15, 2020 through May 15, 2023 of \$457.85 each. Loan was prepaid in August, 2020.	10,000
On August 13, 2019, the organization entered into a note payable secured by equipment. Original principal of the note was \$14,708.02. The outstanding balance bears interest at 14.02%, with 48 monthly and interest payments due September 13, 2019 through October 13, 2013 of \$370.79 each. Loan was prepaid in August, 2020.	<u>11,986</u>
Total Notes Payable, All Current	<u><u>\$ 26,986</u></u>

Future maturities of the notes payable at June 30, 2020 were as follows:
June 30,

2021	<u>\$ 26,986</u>
Total Notes Payable	<u><u>\$ 26,986</u></u>

Interest expense on the notes payable was \$2,781 for the year ended June 30, 2020.

NOTE L – RESTRICTED ENDOWMENT FUND

In 2009, an endowment was established for the benefit of the Flagstaff Arts Council. Under the terms of the endowment, the original principle of the fund is restricted in perpetuity. Income from the investment of endowment assets is available for support of the Viola Awards Program. The original principal of the endowment was \$20,000. The balance of \$7,092 is considered a donor restricted net asset as of June 30, 2020.

FLAGSTAFF ARTS COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE M – GRANT EXPENSES

For the year ended June 30, 2020, Flagstaff Arts Council donated funds in support of Northern Arizona arts and cultural enhancements as follows:

	<u>2020</u>
Alpine Community Theatre	\$ 4,300
Arboretum of Flagstaff	27,500
Arizona Historical Society	32,000
Artists Coalition of Flagstaff	7,200
Ballet Folklorico de Colores	9,100
Canyon Movement Company	11,000
Capoeira Amizade	4,000
Coconino Community College	750
Dark Skies Aerial	9,500
Elden Pueblo	4,000
Episcopal Church of the Epiphany	2,500
Flag Shakespeare	14,000
Flagstaff Arts and Music Education	3,000
Flagstaff Community Band	3,000
Flagstaff Dark Skies Coalition	3,500
Flagstaff Festival Of Science	13,250
Flagstaff Foundry	1,000
Flagstaff Friends of Traditional Music	24,500
Flagstaff Light Opera	3,000
Flagstaff Mountain Film Festival	5,000
Flagstaff Symphony Orchestra	35,500
Grand Canyon Guitar Society	3,000
Grand Canyon Salsa Festival	1,000
Heritage Square Trust	2,000
Hozhoni Foundation	6,000
Human Nature Dance Theatre	7,500
Living Traditions Presentations	2,000
Lowell Observatory	37,500
Master Chorale of Flagstaff	10,000
Museum of Northern Arizona	33,000
Northern Arizona Book Festival	3,000
Northern Arizona Celtic Heritage Society	8,000
Northern Arizona Pride Association	14,000
Orchestra Northern Arizona	6,500
Southside Community Association	4,000
Theatrikos	40,500
Tyntertopia	15,000
USA Dance	1,000
Willow Bend Environmental Education Center	<u>27,000</u>
Total Payment to Local Not For Profits	<u>\$438,600</u>

FLAGSTAFF ARTS COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE N – ECONOMIC DEPENDENCY

The organization's primary revenue source is service fees from the City of Flagstaff. Total revenue received from that source was \$562,525, or 57% and of total revenues for the year ended June 30, 2020. The organization is economically dependent on these fees in order to maintain current service levels. However, as 81% of these funds are passed on to local service providers, management does not believe other service levels would be impacted significantly.

NOTE O – GRANT COMPLIANCE

The organization's operations include a contract for services, funded by the City of Flagstaff. The operations of the organization are subject to the administrative directives and rules and regulations of the City contract; such administrative directives, rules and regulations may be subject to change. Changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply. Any disallowed claims, due to audit or adjustment, including amount already collected, may constitute a liability. The amount, if any, of fees that may be disallowed cannot be determined at this time, although management expects such amounts, if any, to be immaterial.

NOTE P – RISK MANAGEMENT

The organization is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the organization carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss in excess of insurance coverage can be reasonably estimated. There has been no loss in excess of insurance in the past three years.

NOTE Q – DATE OF MANAGEMENT'S REVIEW

Subsequent events have been evaluated by management through December 2, 2020. The date the report was available to be issued was December 2, 2020.

FLAGSTAFF ARTS COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE R – FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States of America define fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Additionally, the inputs used to measure fair value are prioritized based on a three-level hierarchy. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

Level 1 - Quoted prices in active markets for identical assets and liabilities.

Level 2 - Observable inputs other than quoted prices included in Level 1. Assets and liabilities included in this level are valued using dealer and broker quotations, bid prices, quoted prices for similar assets and liabilities in active markets, or other inputs that are observable or can be corroborated by observable market data.

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. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

Recurring Fair Value Measurements

In accordance with accounting principles generally accepted in the United States of America, certain assets and liabilities are required to be recorded at fair value on a recurring basis. For the Flagstaff Arts Council, the only assets and liabilities that are adjusted to fair value on a recurring basis are investments in equity and debt securities classified as trading or available-for-sale and derivative instruments. The following tables summarize those assets and liabilities measured on a recurring basis as of June 30, 2020 (in thousands):

	<u>June 30, 2020</u>			Netting Adjustment	Fair Value Measurement
	Level 1	Level 2	Level 3		
Assets					
Investments	\$ 31	-	-	-	\$ 31
Total Assets	\$ 31	-	-	-	\$ 31

FLAGSTAFF ARTS COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Gross realized and unrealized gains and losses on Level 3 assets and liabilities were not significant for the year ended June 30, 2020.

Nonrecurring Fair Value Measurements

In addition to assets and liabilities that are recorded at fair value on a recurring basis, the Company records assets and liabilities at fair value on a non-recurring basis as required by accounting principles generally accepted in the United States of America. Generally, assets are recorded at fair value on a nonrecurring basis as a result of impairment charges. There were no assets and liabilities recorded on a nonrecurring basis as of June 30, 2020.

NOTE S – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the organization’s financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	<u>June 30, 2020</u>
Financial Assets at year-end	\$ 134,978
Less those unavailable for general expenditures within one year, due to:	
Donor-restricted to Viola Awards Program	(27,092)
Deferred Revenue	<u>(6,741)</u>
 Financial assets available to meet cash needs for general expenditure within one year	 <u>\$ 101,145</u>

As part of the organization’s liquidity management, it invests cash in excess of daily requirements in short-term investments, typically, bank savings accounts.