THE UNION FOR CONTEMPORARY ART, INC.

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS’ REPORT

YEAR ENDED DECEMBER 31, 2021
## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDEPENDENT AUDITORS' REPORT</td>
<td>1-2</td>
</tr>
<tr>
<td>FINANCIAL STATEMENTS</td>
<td></td>
</tr>
<tr>
<td>Statement of Financial Position</td>
<td>3</td>
</tr>
<tr>
<td>Statement of Activities and Change in Net Assets</td>
<td>4</td>
</tr>
<tr>
<td>Statement of Functional Expenses</td>
<td>5</td>
</tr>
<tr>
<td>Statement of Cash Flows</td>
<td>6</td>
</tr>
<tr>
<td>Notes to Financial Statements</td>
<td>7-16</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITORS’ REPORT

Board of Directors
The Union for Contemporary Art, Inc.
Omaha, Nebraska

Opinion
We have audited the financial statements of The Union for Contemporary Art, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2021, the related statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization’s ability to continue as a going concern for one year after March 28, 2022.

Auditors’ Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.
In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

March 28, 2022
## ASSETS

### CURRENT ASSETS
- Cash and Cash Equivalents: $829,370
- Unconditional Promises to Give: $365,344
- Total Current Assets: $1,194,714

### PROPERTY AND EQUIPMENT
- Leasehold Improvements: $1,093,312
- Furniture and Equipment: $370,862
- Construction in Progress: $292,025
- Less Accumulated Depreciation: ($412,457)
- Total Property and Equipment: $1,343,742

### OTHER ASSETS
- Cash and Cash Equivalents - Restricted for Capital Projects: $811,895
- Unconditional Promises to Give - Restricted for Capital Projects: $750,000
- Total Other Assets: $1,561,895

### LIABILITIES AND NET ASSETS

### CURRENT LIABILITIES
- Accounts Payable: $110,497
- Accrued Wages and Vacation: $27,137
- Other Accrued Expenses: $3,285
- Total Current Liabilities: $140,919

### COMMITMENTS AND CONTINGENCIES
- -

### NET ASSETS
- Without Donor Restrictions
  - Undesignated: $1,556,283
  - Total Without Donor Restrictions: $1,556,283
- With Donor Restrictions
  - Purpose Restrictions: $1,287,805
  - Time Restricted for Future Periods: $1,115,344
  - Total With Donor Restrictions: $2,403,149
- Total Net Assets: $3,959,432

### Total Net Assets: $4,100,351

The accompanying notes to financial statements are an integral part of these statements.
# THE UNION FOR CONTEMPORARY ART, INC.
## STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
### YEAR ENDED DECEMBER 31, 2021

<table>
<thead>
<tr>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUES AND SUPPORT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions and Grants</td>
<td>$ 306,012</td>
<td>$ 2,376,751</td>
</tr>
<tr>
<td>Other Income</td>
<td>18,310</td>
<td>-</td>
</tr>
<tr>
<td>Paycheck Protection Program (PPP) Grant Revenue</td>
<td>142,774</td>
<td>-</td>
</tr>
<tr>
<td>Net Assets Released from Restriction</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Satisfaction of Program Restrictions</td>
<td>616,537</td>
<td>(616,537)</td>
</tr>
<tr>
<td>Expiration of Time Restrictions</td>
<td>533,423</td>
<td>(533,423)</td>
</tr>
<tr>
<td><strong>Total Operating Revenues and Support</strong></td>
<td>1,617,056</td>
<td>1,226,791</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>OPERATING EXPENSES</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Services</td>
<td>1,088,499</td>
<td>-</td>
</tr>
<tr>
<td>Management and General</td>
<td>241,281</td>
<td>-</td>
</tr>
<tr>
<td>Fundraising</td>
<td>149,428</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>1,479,208</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>CHANGES IN NET ASSETS</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>137,848</td>
<td>1,226,791</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>NET ASSETS - BEGINNING OF YEAR</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,418,435</td>
<td>1,176,358</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>NET ASSETS - END OF YEAR</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>1,556,283</td>
<td>$ 2,403,149</td>
</tr>
</tbody>
</table>

The accompanying notes to financial statements are an integral part of these statements.

- 4 -
<table>
<thead>
<tr>
<th>Program Services</th>
<th>Black Box Theatre</th>
<th>Abundance Garden</th>
<th>Co-Op Studios</th>
<th>Exhibition</th>
<th>Fellowship</th>
<th>Neighborhood Arts</th>
<th>Performing Arts</th>
<th>Youth Outreach</th>
<th>Replicas</th>
<th>Other</th>
<th>Total Program Services</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1,150,500</td>
<td>$691,000</td>
<td>$685,000</td>
<td>$2,400</td>
<td>$2,340</td>
<td>$2,290,000</td>
<td>$2,006,000</td>
<td>$1,060,000</td>
<td>$32,000</td>
<td>$1,000,000</td>
<td>$3,480,000</td>
</tr>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supporting Services</td>
<td>Management and General</td>
<td>Fundraising</td>
<td>Total Supporting Services</td>
<td>Totals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$2,280</td>
<td>$1,000</td>
<td>$3,280</td>
<td>$3,280</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$2,470</td>
<td>$1,000</td>
<td>$3,470</td>
<td>$3,470</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$4,750</td>
<td>$2,000</td>
<td>$6,750</td>
<td>$6,750</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

- Advertising: $2,280
- Catering and Event Expenses: $2,280
- Equipment Rental: $2,280
- Event Expenses: $2,280
- Related Expenses and Benefits: $2,280

- Art Supplies and Materials: $2,280
- Board Expenses: $2,280
- Building Expenses: $2,280
- Building Materials: $2,280

- Bank Charges and Fees: $2,280
- Commissions and Fees: $2,280
- Dues and Subscriptions: $2,280
- Education and Training: $2,280
- Food and Beverage: $2,280
- Gifts and Appreciation: $2,280
- Honorariums: $2,280
- Grants: $2,280
- Insurance: $2,280
- Interest: $2,280
- Legal and Professional Fees: $2,280
- Meals and Entertainment: $2,280
- Office Expenses: $2,280
- Outside Services: $2,280
- Payroll: $2,280
- Postage and Shipping: $2,280
- Promotion and Advertising: $2,280
- Repairs and Maintenance: $2,280
- Stationery and Printing: $2,280
- Supplies: $2,280
- Technical Expenses: $2,280
- Utilities: $2,280
- Depreciation: $2,280

- TOTAL FUNCTIONAL EXPENSES: $1,479,208

The accompanying notes to financial statements are an integral part of these statements.

- The Union for Contemporary Art, Inc.
- Statement of Functional Expenses
- For the Year Ended December 31, 2021

- Management and General: $2,280
- Fundraising: $2,280
- Total Supporting Services: $2,280
- Totals: $2,280
THE UNION FOR CONTEMPORARY ART, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES
Changes in Net Assets $ 1,364,639
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided By Operating Activities
Depreciation 12,102
(Increase) Decrease in Assets:
  Unconditional Promises to Give (157,849)
Increase (Decrease) in Liabilities:
  Accounts Payable 103,512
  Accrued Wages and Vacation (885)
  Other Accrued Expenses (2,505)
  Refundable Advance (12,500)
  Net Cash Provided By Operating Activities 1,306,514

CASH FLOWS FROM INVESTING ACTIVITIES
Purchase of Property and Equipment (298,581)
Net Cash Used In Investing Activities (298,581)

CASH FLOWS FROM FINANCING ACTIVITIES
Payments on Long-Term Debt (150,000)
Net Cash Used In Financing Activities (150,000)

Net Increase in Cash, Cash Equivalents and Restricted Cash and Cash Equivalents 857,933

CASH, CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR 714,754

CASH, CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS - END OF YEAR $ 1,572,687

Reconciliation of Cash, Cash Equivalents and Restricted Cash and Cash Equivalents to the Statement of Financial Position

Cash and Cash Equivalents $ 829,370
Cash and Cash Equivalents - Restricted for Construction 811,895
$ 1,641,265

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION
Interest Paid 2,981
NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of The Union for Contemporary Art, Inc. (the Organization) is presented to assist in understanding the Organization’s financial statements. The financial statements and notes are representations of the Organization’s management who are responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America (U.S. GAAP) and have been consistently applied in the preparation of the financial statements.

Reporting Entity

The Organization is a not-for-profit corporation organized to strengthen the cultural and social landscape of the community by using arts as a vehicle to inspire positive social change. The Organization supports the following major programs:

- **Abundance Garden** – An inviting community space for growing and gathering, sharing free and fresh produce with North Omaha neighbors.
- **Co-Op Studios** – Five Co-Op studios offer affordable access to professional artmaking equipment, resources, and development for Omaha-area artists.
- **Exhibition** – The Wanda D. Ewing Gallery promotes the work of local, regional, and international artists who are committed to producing art that is both innovative and socially engaged.
- **Fellowship** – The Inside/Outside Fellowship program provides studio space, resources, professional development and financial support to five emerging Omaha area artists every year.
- **Neighborhood Arts** – Increasing the visibility of the arts in North Omaha and inviting community participation in the development of neighborhood murals and other public art projects.
- **Performing Arts** – Curating thought-provoking theatre that reflects authentic and diverse narratives about experiences within the African diaspora.
- **Youth Outreach and Engagement** – Inspiring North Omaha children and teens to be agents for change in their lives and communities through arts education and civic engagement.
- **Populus Fund** – A new regranting initiative organized in order to support innovative artist projects throughout Omaha-Lincoln methods. Founded to provide essential support for projects that expand our understanding of how art exists in the world, address community needs, and exemplify new ways of working in, for, and with the public.
- **Black Box Theatre** – A new space for community gathering, fellowship and storytelling. This is a capital campaign renovation project that is anticipated to be complete in 2023.

The Organization supports other programs as well including “Undesign the Redline” and other miscellaneous public programs throughout the year.
NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

The Organization maintains its accounts on the accrual basis of accounting.

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets without donor restriction – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and change in net assets as released from restriction.

Use of Estimates

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

Measure of Operations

In the statement of activities and change in net assets, the Organization includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities.

Cash, Cash Equivalents and Restricted Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents designated for long-term purposes or received with donor-imposed restrictions limiting their use to long-term purposes are not considered cash or cash equivalents but are instead included as restricted cash and cash equivalents on the statement of financial position.
NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unconditional Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Unconditional promises to give expected to be collected in future years are recorded at the present value of their estimated future cash flows. Management reports promises to give net of allowance for uncollectible promises on its financial statements. The Organization considers promises to give to be 100% collectible; therefore, no allowance for uncollectible amounts has been established.

Property and Equipment

Property and equipment are recorded at cost. Expenditures for additions and betterments are capitalized; expenditures for maintenance and repairs are charged to expense as incurred. The cost of assets disposed and the related accumulated depreciation are eliminated from the accounts in the year of disposal. Gains or losses from property disposals are recognized in the year of disposal.

Depreciation is computed using the straight-line method over the following useful lives:

<table>
<thead>
<tr>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold Improvements</td>
</tr>
<tr>
<td>Furniture and Equipment</td>
</tr>
</tbody>
</table>

Construction in Progress represents assets paid for at year end but not yet completed or placed into service. As of December 31, 2021, the full balance is related to the Black Box Theatre project and costs associated with renovation.

Gifts of cash that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the acquired long-lived assets are placed into service. As of December 31, 2021, there is $292,025 in construction in progress that has not been released from restriction due to the assets not yet being placed into service.

Contributed property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as support with donor restriction. In the absence of such stipulations, contributions of property and equipment are recorded as support without donor restrictions.
Compensated Absences

Employees of the Organization are entitled to certain amounts of paid personal time off. In the event of termination, an employee is reimbursed for accumulated unused paid time off. The Organization’s policy is to recognize the cost of the compensated absences when actually earned by the employees and is included in the accompanying financial statements.

Revenue and Revenue Recognition

Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, “Revenue from Contracts with Customers” (“Topic 606”) applies to all contracts with customers, except for customers that are within the scope of other standards, such as leases, insurance, collaboration arrangements and financial instruments. Under Topic 606, the Organization recognizes revenue when a customer obtains controls of promised goods or services, in an amount that reflects the consideration which the Organization expects to receive in exchange for those goods or services.

To determine revenue recognition for arrangements that the Organization determines are within the scope of Topic 606, the Organization performs the following five steps: (i) identify the contract with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the Organization satisfies the performance obligation. The Organization only applies the five-step model to contracts when it is probable that it will collect the consideration it is entitled to in exchange for the goods and services it transfers to the customer.

At contract inception, once the contract is determined to be within the scope of Topic 606, the Organization assesses the goods or services promised within each contract and determines those that are performance obligations. The Organization then assesses whether each promised good or service is distinct and recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

A majority of the Organization’s revenue (contributions) are outside the scope of this standard. The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. All support and revenues are considered unrestricted unless stipulated by the donor or grantor.
NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs allocated among program and supporting services are based on management’s estimate of time and effort of programs benefited.

Advertising

The Organization uses advertising to promote its programs, recruit volunteer mentors, and raise awareness about community-based mentoring. Advertising costs are expensed as incurred. Advertising expense for the year ended December 31, 2021 was $4,950.

Income Taxes

The Organization has received exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation. As such, no provision for income taxes is reflected in the financial statements.

The Organization files Form 990, Return of Organization Exempt from Income Tax, in the U.S. Federal and state jurisdictions. As of December 31, 2021, the Organization has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Tax years subsequent to 2018 remain subject to examination by major tax jurisdictions.

The Organization has concluded that there are no significant uncertain tax positions requiring disclosure, and there are no material amounts of unrecognized tax benefits.

Subsequent Events

Management has evaluated subsequent events through March 28, 2022, which is the date the financial statements were available to be issued.

Upcoming Accounting Standard Pronouncements

The FASB issued ASU No. 2016-02, Leases (Topic 842): a revision of the 2010 ASU, Leases (Topic 840), which once again revises a previous change to lease accounting standards. The FASB will require an entity to classify the right to use a leased asset as an asset and the obligation to make lease payments as a liability. The revised ASU contains other factors in determining the proper recording of related expenses. The FASB also decided on a dual approach for lessee accounting, with lease classification determined in accordance with the principle in existing lease requirements (that is, determining whether a lease is effectively an installment purchase by the lessee). A lessee therefore would account for most existing capital/finance leases as Type A leases (that is, recognizing amortization of the right-of-use
NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Upcoming Accounting Standard Pronouncements (Continued)

(ROU) asset separately from interest on the lease liability) and most existing operating leases as Type B leases (that is, recognizing a single total lease expense). Both Type A leases and Type B leases result in the lessee recognizing a ROU asset and a lease liability. The new guidance is effective for fiscal years beginning after December 15, 2021.

In September 2020, the FASB issued ASU No. 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. This ASU is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organization. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. It also requires enhanced disclosures by category of gifts-in-kind. The amendments in this ASU should be applied on a retrospective basis and are effective for annual reporting periods beginning after June 15, 2021.

NOTE B – CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to credit risk consist of cash, and unconditional promises to give. The Organization maintains cash balances in financial institutions in which balances sometimes exceed the federally insured limits.

NOTE C – LIQUIDITY AND AVAILABILITY

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To manage any unanticipated liquidity needs, the Organization has credit cards that could be utilized.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position, comprise the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$829,370</td>
</tr>
<tr>
<td>Current Portion of Unconditional Promises to Give</td>
<td>365,344</td>
</tr>
<tr>
<td>Cash and Cash Equivalents – Restricted for Capital Projects</td>
<td>811,895</td>
</tr>
<tr>
<td>Unconditional Promises to Give – Restricted for Capital Projects</td>
<td>750,000</td>
</tr>
<tr>
<td>Total</td>
<td>2,756,609</td>
</tr>
</tbody>
</table>

Less those unavailable for general expenditure within one year, due to contractual or donor-imposed restrictions:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose Restricted Net Assets</td>
<td>(1,287,805)</td>
</tr>
<tr>
<td>Time Restricted Net Assets with Purpose Restrictions</td>
<td>(914,000)</td>
</tr>
<tr>
<td>Total</td>
<td>$554,804</td>
</tr>
</tbody>
</table>
NOTE D – UNCONDITIONAL PROMISES TO GIVE

The maturities of unconditional promises to give are as follows at December 31, 2021:

| Receivable in Less than One Year | $ 1,115,344 |

Although the full balance of unconditional promises to give are expected to be received within the next year, $750,000 of the balance is restricted for the construction of long-lived assets.

NOTE E – ECONOMIC INJURY DISASTER LOAN

On July 12, 2020, the Organization executed the standard loan document required for securing a loan (the “EIDL Loan”) from the U.S. Small Business Administration (SBA) under its Economic Injury Disaster Loan (“EIDL”) assistance program in light of the impact of the COVID-19 impact on the Organization. Pursuant to that certain Loan Authorization and Agreement (the “SBA Loan Agreement”), the principal amount of the EIDL Loan is up to $150,000, with proceeds to be used for working capital purposes. The Organization requested and received the full $150,000 for disbursement. Interest accrued at a rate of 2.75% per annum and only accrued on the funds actually advanced from the date of each advance. Installment payments, including principal and interest, were due monthly beginning July 21, 2021 in the amount of $641. Payments were applied to accrued interest first and then allocated to the principal balance. The balance of principal and interest was payable thirty years from the date of the promissory note. In 2021, the Organization paid off the balance in full.

NOTE F – PAYCHECK PROTECTION PROGRAM GRANT REVENUE

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates.

On December 27, 2020, President Trump signed into law the Consolidated Appropriations Act, 2021. The Act includes updated guidance for first-draw Paycheck Protection Program (PPP) loans taken out in 2020 and allows for first-draw PPP loan borrowers to apply for a second-draw PPP Loan. Similar to the first-draw PPP Loan, the second-draw PPP Loan is implemented by the Small Business Administration (“SBA”) with support from the Department of the Treasury. The second-draw PPP Loan provides funds to pay payroll costs, including benefits. Funds can also be used to pay mortgage interest, rent, utilities, worker protection costs related to COVID-19, uninsured property damage costs caused by looting or vandalism during 2020, and certain supplier costs and expenses for operations. In 2021, the Organization applied for a loan amount of $142,774 and was accepted to participate in the program.
NOTE F – PAYCHECK PROTECTION PROGRAM GRANT REVENUE (Continued)

The principal amount of the PPP Funding was subject to forgiveness under the Paycheck Protection Program upon the Organization’s request to the extent that the proceeds were used to pay expenses permitted by the Paycheck Protection Program. The Organization accounted for this transfer of assets as a conditional contribution and thus the full amount was recorded as a refundable advance until the conditions surrounding the funding were substantially met. The Organization concluded that conditions regarding qualification, certification, qualifying expenses, and any other SBA PPP program conditions had been met and applied for forgiveness in 2021. During the year ended December 31, 2021, the Organization was notified that full forgiveness was granted and the Organization recorded the amount as “Paycheck Protection Program (PPP) Grant Revenue” in the statement of activities and change in net assets.

NOTE G – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes or periods as of December 31, 2021:

<table>
<thead>
<tr>
<th>Purpose restrictions:</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promises to give which are unavailable for expenditure until due</td>
<td>$1,115,344</td>
</tr>
<tr>
<td>Purpose restrictions:</td>
<td></td>
</tr>
<tr>
<td>Youth Program</td>
<td>33,798</td>
</tr>
<tr>
<td>Performance Art Collective</td>
<td>57,639</td>
</tr>
<tr>
<td>Black Box Theatre*</td>
<td>1,103,920</td>
</tr>
<tr>
<td>Undesign the Redline</td>
<td>92,448</td>
</tr>
<tr>
<td>Net Assets with Donor Restrictions</td>
<td>$2,403,149</td>
</tr>
</tbody>
</table>

*There is currently $292,025 related to construction in progress included in this account that has not been released from restriction. Once the assets are placed into service, restrictions will be released.

Included in the $1,115,344 of time restricted net assets is $914,000 that is also restricted for specific programs as noted below. Once the funds are received, they will be moved to their respective program restriction.

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exhibition</td>
<td>$20,000</td>
</tr>
<tr>
<td>Fellowship</td>
<td>20,000</td>
</tr>
<tr>
<td>Co- Op Studios</td>
<td>24,000</td>
</tr>
<tr>
<td>Populus Fund</td>
<td>100,000</td>
</tr>
<tr>
<td>Black Box Theatre</td>
<td>750,000</td>
</tr>
<tr>
<td>Total</td>
<td>$914,000</td>
</tr>
</tbody>
</table>
NOTE H – ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restriction during the year ended December 31, 2021 by incurring expenses satisfying the following restricted purposes specified by donors:

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abundance Garden</td>
<td>$20,000</td>
</tr>
<tr>
<td>Co-Op Studios</td>
<td>34,121</td>
</tr>
<tr>
<td>Exhibition</td>
<td>30,500</td>
</tr>
<tr>
<td>Fellowship</td>
<td>74,693</td>
</tr>
<tr>
<td>Neighborhood Arts</td>
<td>1,000</td>
</tr>
<tr>
<td>Performing Arts</td>
<td>130,177</td>
</tr>
<tr>
<td>Youth Outreach and Engagement</td>
<td>144,607</td>
</tr>
<tr>
<td>Populus Fund</td>
<td>30,000</td>
</tr>
<tr>
<td>Black Box Theatre</td>
<td>13,580</td>
</tr>
<tr>
<td>Other Programs</td>
<td>22,758</td>
</tr>
<tr>
<td>Undesign the Redline</td>
<td></td>
</tr>
<tr>
<td>Radical Hearts COVID Initiative</td>
<td>86,753</td>
</tr>
<tr>
<td>Union Pride</td>
<td>17,000</td>
</tr>
<tr>
<td>Other</td>
<td>11,348</td>
</tr>
</tbody>
</table>

Time Restricted Net Assets Released: $533,423

Total Net Assets Released from Restrictions: $1,149,960

NOTE I – OPERATING LEASES

The Organization entered into a lease agreement for office space commencing on January 2, 2017 and set to expire in December 2026. The agreement provides for an optional extension for two consecutive additional periods of five years each upon written notice to the Landlord. The original lease agreement required the Organization to pay $2,000 per month for their office building until October of 2018 when an amendment was made to the lease agreement. The amendment removed the monthly rent requirement but shifted responsibility for all repairs and maintenance of the property to the Organization.

In 2021, the Organization entered into a lease agreement for real property commencing in June 2021 and set to expire in July 2031. The Organization is currently renovating the property and it will be used as a social gathering, theater and entertainment space once complete. The lease requires that the Organization pay for all repairs and maintenance of the property along with 100% of all utility costs for the Premises.

The total amount paid for Building Expenses and Repairs and Maintenance for the year ended December 31, 2021 was $43,305.
NOTE J – RETIREMENT PLAN

The Organization has a 401(k) defined contribution retirement plan (the Plan) that began in 2021. The Plan allows eligible employees to defer a portion of their annual compensation, pursuant to section 401(k) of the Internal Revenue Code. The Organization also makes a matching contribution to the Plan. The Organization’s matching contributions to the Plan were $18,100 for the year ended December 31, 2021.