

SNOW CITY ARTS FOUNDATION
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(With Independent Auditors' Report)

SNOW CITY ARTS FOUNDATION

TABLE OF CONTENTS

DECEMBER 31, 2021

| | <u>Pages</u> |
|-----------------------------------|--------------|
| INDEPENDENT AUDITORS' REPORT | 1-3 |
| FINANCIAL STATEMENTS: | |
| Statements of Financial Position | 4 |
| Statements of Activities | 5 |
| Statements of Functional Expenses | 6 |
| Statements of Cash Flows | 7 |
| Notes to the Financial Statements | 8-15 |



INDEPENDENT AUDITORS' REPORT

Board of Directors
Snow City Arts Foundation
Chicago, Illinois

Opinion

We have audited the accompanying financial statements of Snow City Arts Foundation ("Foundation"), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Snow City Arts Foundation as of December 31, 2021, and the changes in its net assets 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 Foundation'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 Foundation'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.

Other Matters

The financial statements of Snow City Arts Foundation for the year ended December 31, 2020, were audited by other auditors whose report dated July 23, 2021, expressed an unqualified opinion on those financial statements.

ICL, LLC

ICL, LLC
Chicago, IL

May 11, 2022

SNOW CITY ARTS FOUNDATION

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020

| | <u>2021</u> | <u>2020</u> |
|---|----------------------------|--------------------------|
| <u>ASSETS</u> | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 848,092 | \$ 567,634 |
| Accounts receivable | - | 6,410 |
| Pledges receivable | 194,500 | 45,254 |
| Prepays and deposits | 11,631 | 8,267 |
| Total current assets | <u>1,054,223</u> | <u>627,565</u> |
| Property and Equipment | | |
| Furniture and equipment | 45,429 | 45,429 |
| Website development and software | 6,781 | 6,781 |
| Less: accumulated depreciation and amortization | <u>(46,541)</u> | <u>(43,597)</u> |
| Net property and equipment | <u>5,669</u> | <u>8,613</u> |
| Total Assets | <u><u>\$ 1,059,892</u></u> | <u><u>\$ 636,178</u></u> |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| Current Liabilities | | |
| Accounts payable and accrued expenses | 21,314 | 18,692 |
| Deferred revenue | <u>52,433</u> | <u>35,394</u> |
| Total current liabilities | <u>73,747</u> | <u>54,086</u> |
| Total Liabilities | <u>73,747</u> | <u>54,086</u> |
| Net Assets | | |
| Net assets without donor restrictions | 673,830 | 454,425 |
| Net assets with donor restrictions | <u>312,315</u> | <u>127,667</u> |
| Total net assets | <u>986,145</u> | <u>582,092</u> |
| Total Liabilities and Net Assets | <u><u>\$ 1,059,892</u></u> | <u><u>\$ 636,178</u></u> |

See accompanying notes to the financial statements.

SNOW CITY ARTS FOUNDATION

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2021 AND 2020

| | <u>2021</u> | | | <u>2020</u> | | |
|---------------------------------------|--|--|--------------------------|--|--|--------------------------|
| | Net Assets Without Donor Restrictions | Net Assets With Donor Restrictions | Total | Net Assets Without Donor Restrictions | Net Assets With Donor Restrictions | Total |
| REVENUE AND SUPPORT: | | | | | | |
| Foundation and corporate grants | \$ 207,693 | \$ 395,000 | \$ 602,693 | \$ 171,404 | \$ 45,450 | \$ 216,854 |
| Government grants | 214,032 | - | 214,032 | 156,428 | 25,500 | 181,928 |
| Individual contributions | 71,738 | 24,623 | 96,361 | 68,201 | 18,233 | 86,434 |
| Program service fees | 142,835 | - | 142,835 | 192,877 | - | 192,877 |
| Program merchandise sales | 3,384 | - | 3,384 | 24,516 | - | 24,516 |
| Special events | - | - | - | - | - | - |
| Gross receipts | 92,243 | - | 92,243 | 128,158 | - | 128,158 |
| Less: direct fundraising expenses | (9,294) | - | (9,294) | (20,038) | - | (20,038) |
| Donated office space | 19,032 | - | 19,032 | 27,032 | - | 27,032 |
| Donated professional services | - | - | - | 16,600 | - | 16,600 |
| Other income | 876 | - | 876 | 3,212 | - | 3,212 |
| Interest income | 212 | - | 212 | - | - | - |
| Net assets released from restrictions | 234,975 | (234,975) | - | 180,780 | (180,780) | - |
| Total Revenue and Support | <u>977,726</u> | <u>184,648</u> | <u>1,162,374</u> | <u>949,170</u> | <u>(91,597)</u> | <u>857,573</u> |
| EXPENSES: | | | | | | |
| Program services | 506,917 | - | 506,917 | 639,233 | - | 639,233 |
| Supporting services: | | | | | | |
| Management and general | 108,505 | - | 108,505 | 119,522 | - | 119,522 |
| Fundraising | 142,899 | - | 142,899 | 188,694 | - | 188,694 |
| Total Expenses | <u>758,321</u> | <u>-</u> | <u>758,321</u> | <u>947,449</u> | <u>-</u> | <u>947,449</u> |
| CHANGE IN NET ASSETS | 219,405 | 184,648 | 404,053 | 1,721 | (91,597) | (89,876) |
| NET ASSETS, BEGINNING OF YEAR | <u>454,425</u> | <u>127,667</u> | <u>582,092</u> | <u>452,704</u> | <u>219,264</u> | <u>671,968</u> |
| NET ASSETS, END OF YEAR | <u><u>\$ 673,830</u></u> | <u><u>\$ 312,315</u></u> | <u><u>\$ 986,145</u></u> | <u><u>\$ 454,425</u></u> | <u><u>\$ 127,667</u></u> | <u><u>\$ 582,092</u></u> |

See accompanying notes to the financial statements.

SNOW CITY ARTS FOUNDATION

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2021 AND 2020

| | Program | Management and General | Fundraising | Total 2021 | Program | Management and General | Fundraising | Total 2020 |
|--------------------------------|-------------------|---------------------------|-------------------|-------------------|-------------------|---------------------------|-------------------|-------------------|
| Salaries and wages | \$ 373,530 | \$ 49,041 | \$ 73,132 | \$ 495,703 | \$ 468,236 | \$ 53,151 | \$ 108,507 | \$ 629,894 |
| Payroll taxes | 35,551 | 4,430 | 6,326 | 46,307 | 39,833 | 3,967 | 8,967 | 52,767 |
| Employee benefits | 10,553 | 5,338 | 4,686 | 20,577 | 27,652 | 7,926 | 7,947 | 43,525 |
| Professional development | 317 | 190 | 989 | 1,496 | 172 | 26 | 4,944 | 5,142 |
| Professional services | 12,928 | 3,486 | 28,364 | 44,778 | 34,062 | 5,814 | 18,297 | 58,173 |
| Professional services - inkind | - | - | - | - | 11,200 | 2,094 | 3,306 | 16,600 |
| Rent - inkind | 12,752 | 2,474 | 3,806 | 19,032 | 18,238 | 3,410 | 5,384 | 27,032 |
| Marketing and advertising | 1,742 | 160 | 1,056 | 2,958 | 236 | 175 | 2,270 | 2,681 |
| Information technology | 44,544 | 4,670 | 5,733 | 54,947 | 21,408 | 2,149 | 3,608 | 27,165 |
| Accounting | - | 26,600 | - | 26,600 | - | 27,472 | - | 27,472 |
| Dues and subscriptions | 1,018 | 166 | 1,350 | 2,534 | 1,657 | 234 | 383 | 2,274 |
| Conference and meetings | 800 | 388 | 200 | 1,388 | 828 | 128 | 284 | 1,240 |
| Travel | 44 | - | 54 | 98 | 549 | - | - | 549 |
| Insurance | - | 9,055 | - | 9,055 | - | 8,025 | - | 8,025 |
| Office and supplies | 6,466 | 2,124 | 15,524 | 24,114 | 5,906 | 4,355 | 14,556 | 24,817 |
| Merchandise | 343 | - | 1,090 | 1,433 | 1,371 | 66 | 9,404 | 10,841 |
| Exhibit storage | 4,356 | - | - | 4,356 | 5,050 | - | - | 5,050 |
| Depreciation and amortization | 1,973 | 383 | 589 | 2,945 | 2,835 | 530 | 837 | 4,202 |
| Total expenses | <u>\$ 506,917</u> | <u>\$ 108,505</u> | <u>\$ 142,899</u> | <u>\$ 758,321</u> | <u>\$ 639,233</u> | <u>\$ 119,522</u> | <u>\$ 188,694</u> | <u>\$ 947,449</u> |

See accompanying notes to the financial statements.

SNOW CITY ARTS FOUNDATION

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2021 AND 2020

| | <u>2021</u> | <u>2020</u> |
|--|--------------------------|--------------------------|
| Cash Flows From Operating Activities: | | |
| Change in net assets | \$ 404,053 | \$ (89,876) |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation and amortization | 2,945 | 4,202 |
| Change in assets and liabilities: | | |
| Accounts receivable | 6,410 | (3,035) |
| Pledges receivable | (149,246) | 130,250 |
| Prepays and deposits | (3,364) | (3,442) |
| Accounts payable and accrued liabilities | 2,621 | (4,208) |
| Deferred revenue | 17,039 | (19,355) |
| Net cash provided by operating activities | <u>280,458</u> | <u>14,536</u> |
| Cash Flows From Investing Activities: | | |
| Purchases of property and equipment | <u>-</u> | <u>(5,067)</u> |
| Net cash used in investing activities | <u>-</u> | <u>(5,067)</u> |
| Cash Flows From Financing Activities: | <u>-</u> | <u>-</u> |
| Net increase in cash and cash equivalents | 280,458 | 9,469 |
| Cash and cash equivalents, Beginning of Year | <u>567,634</u> | <u>558,165</u> |
| Cash and cash equivalents, End of Year | <u><u>\$ 848,092</u></u> | <u><u>\$ 567,634</u></u> |

See accompanying notes to the financial statements.

SNOW CITY ARTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 – NATURE OF ORGANIZATION

Snow City Arts Foundation (“Foundation”) is an Illinois not-for-profit organization established in 1998 to provide arts education and foster cultural enrichment for the benefit of children in hospitals. The Foundation receives donations from private foundations, corporations, and individuals to fund creative writing, musical visual arts, theater, and filmmaking programs.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows:

Basis of Accounting

The financial statements of Foundation have been prepared on the accrual basis of accounting in accordance with U.S. Generally Accepted Accounting Principles.

Accounting Policies

The Foundation follows accounting standards established by the Financial Accounting Standards Board (FASB) to ensure consistent reporting of financial condition, results of activities, and cash flows. Reference to Generally Accepted Accounting Principles (GAAP) in these footnotes is to the *FASB Accounting Standards Codification*, sometimes referred to as the Codification or ASC.

Financial Statement Presentation

The Foundation presents financial information pursuant to FASB Accounting Standards Codification *Not-for-Profit Entities: Presentation of Financial Statements (Subtopic 205)*, which establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified into distinct net asset categories according to externally (donor) imposed restrictions. In addition, the Foundation is required to present a statement of cash flows.

SNOW CITY ARTS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions are net assets without donor restrictions. These assets include the revenues and expenses of the primary operations of the Foundation. Donor restricted contributions and grants whose restrictions are met in the same reporting period are reported as net assets without donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor or grant-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time are classified as net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

The Foundation considers cash and cash equivalents to include checking, savings and money market accounts with maturities of less than one year.

Accounts Receivable

Accounts receivable are reported at fair value reduced by the allowance for doubtful accounts, if any. Based on a review of outstanding receivables, management determined that an allowance for doubtful accounts was not necessary at December 31, 2021 and 2020.

Pledges Receivable

Pledged receivable represents unconditional commitments made by donors. Pledges receivable that are expected to be collected in less than one year are reported at net realizable value. Pledges receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows. Amortization of the resulting discount is recognized as additional contribution revenue. Management determines a reserve for doubtful pledges receivable based on estimates of collectability with certain donors with past experience as well as a general reserve for the remaining amount. Based on a review of outstanding pledges receivables, management determined that an allowance for doubtful accounts was not necessary at December 31, 2021 and 2020.

SNOW CITY ARTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue Recognition - Contributions

All contributions are considered to be available for unrestricted use unless specified by the donor. Contributions are recognized as revenues when the contributions are awarded. Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair values at the date of donation.

Revenue from Contracts with Customers

The Foundation usually enters into contracts that have multiple performance obligations, one or more of which may be delivered subsequent to the delivery of other performance obligations. These performance obligations may include operating revenue from art program service fees, and curation services or sales of event tickets. Revenue for art program fees is recognized upon satisfactory deliverance of such services to customers. Revenue for events is recognized on the date of the special event.

The program service fees are comprised of art programs with five hospitals and are considered an exchange transaction. Program service fees are determined on a contract by contract basis during contract negotiations. They are recognized at the end of each month when the performance obligation of providing the month's services at the agreed upon locations are satisfied. Program service fees paid in advance are deferred to the calendar year to which they relate. Such amounts deferred are recognized in the following year.

Program merchandise sales consist of curation services offered to the Foundation's partner hospitals and the curation services are considered an exchange transaction. Program merchandise sales are determined on a sale by sale basis during sale negotiations. The transactions are recognized at the time the service has been provided and the respective product installed and this is when the performance obligation has been considered to have been met. No payments are received in advance.

The Foundation believes these policies best represents the pattern of transfers to customers. The Foundation allocates the transaction price based on the estimated relative standalone selling prices of the services or promised events underlying each performance obligation. The Foundation determines standalone selling prices based on the price at which the performance obligation is sold separately. The Foundation estimates the standalone selling price taking into account available information such as market conditions and internally approved standard pricing related to the performance obligations.

SNOW CITY ARTS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Property and Equipment

Property and equipment are recorded at cost. Additions and improvements to existing property and equipment and leasehold improvements over \$5,000 during the year are capitalized, while general maintenance and repairs are charged to expense. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the related assets as follows:

- Website development and software – 3 years
- Furniture and equipment – 5 years

Depreciation expense was \$2,945 and \$4,202 for the years ended December 31, 2021 and 2020, respectively.

Deferred Program Service Fees

The Foundation had contracts for its arts program with five hospitals for the years ended December 31, 2021 and 2020. All contracts are uniquely created and the applicable terms and fees vary. The art program fees for each hospital are billed on annual basis and are due in one lump sum payment. Deferred revenue represents the fees received in the current year that are applicable to the next year. Deferred revenue as of December 31, 2021 and 2020 was \$52,433 and \$35,394 respectively.

In-Kind Contributions

In-kind contributions are recorded at fair value at the date of the donation and include use of facilities. The value of in-kind contributions is reflected in the financial statements at the fair market value estimated by the donor. These contributions have been presented in the financial statements as support with an equal amount shown as expense.

Use of Estimates

The preparation of financial statements in conformity with U.S. Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

SNOW CITY ARTS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Tax-Exempt Status

The Foundation is a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code and follows the accounting standard on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance the Foundation may recognize the tax benefits from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Foundation and various positions related to potential sources of unrelated business taxable income.

There were no unrecognized tax benefits identified or recorded as liabilities for the reporting period presented in the financial statements. As of and for the year ended December 31, 2021, management has determined that there are no uncertain tax positions. The Foundation files Form 990 in the U.S. federal jurisdiction and the State of Illinois.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, receivables, prepaid expenses and deposits, accrued liabilities and deferred revenue approximate fair value because of the short-term maturity of these financial instruments.

Functional Allocation of Expenses

The costs of providing program services have been summarized on a functional basis in the statement of activities. Expenses that can be identified with program expenses are allocated directly according to their natural classification. Certain costs have been allocated to the respective areas benefited as follows:

| <u>Expenses</u> | <u>Method of Allocation</u> |
|---------------------|-----------------------------|
| Salary and benefits | Time and effort |
| Occupancy | Space Usage |

Reclassifications

Certain reclassifications have been made to the prior year amounts to conform to the presentation for the current year.

SNOW CITY ARTS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Subsequent Events

The Foundation has evaluated subsequent events for potential recognition and/or disclosures through May 11, 2022, the date the financial statements were available to be issued.

NOTE 3 – CONCENTRATION OF CREDIT RISK

The Foundation maintains its cash checking accounts, which from time to time may exceed the federally insured limits of \$250,000. The Foundation has not experienced any losses in such accounts and believes that it is not exposed to any significant risk on cash and cash equivalents.

NOTE 4 – IN-KIND CONTRIBUTIONS

The Foundation leases office space at no charge from the Rush University Medical Center. The Foundation also occasionally uses office space at no charge from the Lurie Children's Hospital. For each of the years ended December 31, 2021 and 2020, the estimated fair market value of the total donated office space was \$19,032 and \$27,032 respectively. During the years ended December 31, 2021 and 2020, the Foundation also received professional services at no charge that was valued at \$11,200 and \$16,600 respectively. Donations of other volunteer time and certain goods are not measurable.

NOTE 5 – PLEDGES RECEIVABLE

Pledges receivable represent unconditional promises to give. The Foundation anticipates the timing of the contribution fulfillment according to payment schedules specified by donors. The expected amounts to be received in future periods are as follows as of December 31, 2021 and 2020:

| | <u>2021</u> | <u>2020</u> |
|----------------------------------|-------------------|------------------|
| Receivables in one year or less | \$ 194,500 | \$ 45,254 |
| Receivables in two to four years | <u>-</u> | <u>-</u> |
| | <u>\$ 194,500</u> | <u>\$ 45,254</u> |

SNOW CITY ARTS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

(Continued)

NOTE 6 – LINE OF CREDIT

On April 23, 2022, the Foundation's existing \$50,000 line of credit with Wintrust Bank was extended to April 23, 2023. The interest is at one percentage point over prime plus a variable adjusted rate that is subject to change not to exceed four percent per annum. There were no outstanding borrowings under the line of credit as of December 31, 2021 and 2020.

NOTE 7 – EMPLOYEE BENEFIT PLAN

The Foundation maintains a Savings Incentive Match for Employees (SIMPLE) IRA Plan for the benefit of salaried and hourly employees. The Foundation will match employee contributions up to 3% of salary for eligible employees. The Foundation made contributions to the plan of \$2,788 and \$9,054 during the years ended December 31, 2021 and 2020, respectively.

NOTE 8 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures, that are, without donor or other restrictions limiting use, within one year as of December 31, 2021 and 2020 is as follows:

| | <u>2021</u> | <u>2020</u> |
|--|-----------------------|-----------------------|
| Financial assets: | | |
| Cash and cash equivalents | \$ 848,092 | \$ 567,634 |
| Accounts receivable | - | 6,410 |
| Pledges receivable | <u>194,500</u> | <u>45,254</u> |
| Total financial assets | <u>1,042,592</u> | <u>619,298</u> |
| Less: financial assets held to meet donor-imposed restrictions | (312,315) | (127,667) |
| Amount available for general expenditures within one year | <u>\$ 730,277</u> | <u>\$ 491,631</u> |

SNOW CITY ARTS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

(Continued)

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes as of December 31, 2021 and 2020:

| | <u>2021</u> | <u>2020</u> |
|--|-------------------|-------------------|
| Katie Kurcz Memorial Fund | \$ 68,715 | \$ 60,322 |
| General Operating Support | 65,000 | 35,254 |
| Arts Education for Children and Youth in Chicago Hospitals | 90,000 | 20,000 |
| Virtual Learning | 85,000 | - |
| Digitization Project | 3,600 | 12,091 |
| | <u>\$ 312,315</u> | <u>\$ 127,667</u> |

NOTE 10 – NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from restriction by incurring program expenses satisfying the restrictions specified by the grantors. Net assets released from restrictions totaled \$234,975 and \$180,780 during fiscal year 2021 and 2020, respectively.

NOTE 11 – NEW ACCOUNTING PRONOUNCEMENT

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This standard requires increased transparency and comparability among organizations by requiring them to recognize lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The provisions of this standard are effective for fiscal years beginning after December 15, 2021 and early adoption is permitted. Management is currently evaluating the impact of adopting this standard.

NOTE 12 – UNCERTAINTY

On March 11, 2020, the World Health Organization (WHO) recognized the novel strain of coronavirus, COVID-19, as a pandemic. This coronavirus outbreak has severely restricted the level of economic activity around the world. In response to this coronavirus outbreak, the governments of many countries, states, cities and other geographic regions have taken preventive or protective actions, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forgo their time outside of their homes. Temporary closures of businesses have been ordered and numerous other businesses have temporarily closed voluntarily. Given the uncertainty regarding the spread of this coronavirus, the related financial impact on the Foundation cannot be reasonably estimated at this time.