

Studio in a School Association, Inc.

Consolidated Financial Statements and Supplemental Schedules Year Ended June 30, 2020

Studio in a School Association, Inc.

Consolidated Financial Statements and Supplemental Schedules
Year Ended June 30, 2020

Studio in a School Association, Inc.

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Independent Auditor's Report

The Board of Directors
Studio in a School Association, Inc.
New York, New York

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Studio in a School Association, Inc. (Studio), which comprise the consolidated statement of financial position as of June 30, 2020, the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated statement of financial position of Studio in a School Association, Inc. as of June 30, 2020, and the changes in its net assets, functional expenses and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedule of financial position on page 26, the consolidating schedule of activities on pages 26 and 27, and the schedules of expenses by function for both wholly owned affiliates on pages 29 and 30 are presented for the purpose of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and to certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements, or to the consolidated financial statements themselves, and to other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Studio's 2019 consolidated financial statements and our report, dated October 29, 2019, expressed an unmodified opinion on those audited consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

BDO USA, LLP

October 30, 2020

Studio in a School Association, Inc.

Consolidated Statement of Financial Position (with comparative totals for 2019)

<i>June 30,</i>	2020	2019
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,190,586	\$ 1,782,696
Short-term investments (Note 5)	196,126	343,641
Investments, at fair value (Note 5)	16,786,010	16,135,749
Accounts receivable, net	359,691	878,025
Contributions receivable, current portion (Note 4)	1,497,280	558,267
Other assets	33,773	38,246
Total Current Assets	21,063,466	19,736,624
Contributions Receivable, Net , less current portion (Note 4)	806,283	770,642
Assets Limited as to Use (Notes 5 and 7)	909,783	1,025,937
Fixed Assets, Net (Note 6)	128,166	131,142
Total Assets	\$ 22,907,698	\$ 21,664,345
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 58,993	\$ 122,561
Accrued payroll and related expenses	226,548	173,195
Loans payable (Note 14)	1,278,508	-
Deferred revenue	-	35,250
Total Current Liabilities	1,564,049	331,006
Deferred Compensation (Note 7)	863,247	963,437
Total Liabilities	2,427,296	1,294,443
Commitments and Contingencies (Notes 3 and 13)		
Net Assets (Notes 9 and 10)		
Without donor restrictions	11,935,361	12,471,593
With donor restrictions	8,545,041	7,898,309
Total Net Assets	20,480,402	20,369,902
Total Liabilities and Net Assets	\$ 22,907,698	\$ 21,664,345

See accompanying notes to consolidated financial statements.

Studio in a School Association, Inc.

Consolidated Statement of Activities (with comparative totals for 2019)

<i>Year ended June 30,</i>	2020	2019
Changes in Net Assets Without Donor Restrictions		
Operating revenue:		
Contributions:		
Foundations and trusts	\$ 904,686	\$ 1,000,600
Individuals	1,166,642	697,201
Corporations	77,590	19,278
Government and other contracts and grants	1,604,128	2,529,107
Fees for services	373,702	442,978
Other revenue	27,110	328,500
Net investment return reported in operations	550,000	525,000
Operating transfer of past Gala proceeds	350	-
Net assets released from restriction (Note 9)	1,289,970	1,226,219
Total Operating Revenue	5,994,178	6,768,883
Operating expenses:		
Program services:		
Studio in a School NYC program services:		
Long-term program	1,379,823	1,399,523
Residency	1,536,729	1,801,747
Early childhood program	493,476	466,615
Artist and professional development program	182,139	166,201
Exhibitions	69,659	101,020
Studio Institute program services:		
Teen programs	894,574	787,491
College programs	335,750	558,488
Program services in other cities	349,513	190,459
AEMDD	-	220,561
Development projects and professional training	197,850	154,382
Total Program Services	5,439,513	5,846,487
Supporting services:		
Management and general	1,333,123	982,744
Fundraising	340,198	378,349
Total Operating Expenses	7,112,834	7,207,580
Change in Net Assets Without Donor Restrictions, before nonoperating income (expenses)	(1,118,656)	(438,697)
Nonoperating income (expenses):		
Net investment income	955,824	706,130
Net investment return reported in operations	(370,400)	(335,800)
Gain on sale of fixed asset	(3,000)	-
Total Nonoperating Income	582,424	370,330
Change in Net Assets Without Donor Restrictions	(536,232)	(68,367)
Changes in Net Assets with Donor Restrictions (Note 9)		
Contributions:		
Foundations and trusts	1,446,703	1,928,628
Individuals	524	8,934
Corporations	155,916	-
Government and other contracts and grants	45,000	-
Net assets released from restriction (Note 9)	(1,289,970)	(1,226,219)
Net investment income	468,159	356,113
Investment return released into operations (Note 10)	(179,600)	(189,200)
Change in Net Assets with Donor Restrictions (Notes 9 and 10)	646,732	878,256
Change in Net Assets	110,500	809,889
Net Assets, beginning of year	20,369,902	19,560,013
Net Assets, end of year	\$ 20,480,402	\$ 20,369,902

See accompanying notes to consolidated financial statements.

Studio in a School Association, Inc.

**Consolidated Statement of Functional Expenses
(with comparative totals for 2019)**

Year ended June 30,	Program Services									Supporting Services			Total	
	Long-Term Program	Residency	Early Childhood Program	Artist and Professional Development	Exhibitions	Teen Programs	College Programs	Program Services in Other Cities	Development Projects and Professional Training	Total Program Services	Management and General	Fundraising	2020	2019
Salaries and Related Expenses														
Salaries and wages	\$ 1,085,958	\$ 1,158,122	\$ 366,164	\$ 136,567	\$ 27,769	\$ 617,128	\$ 122,641	\$ 259,710	\$ 147,398	\$ 3,921,457	\$ 623,174	\$ 237,882	\$ 4,782,513	\$ 4,847,331
Employee benefits and payroll taxes	202,327	215,290	67,682	25,153	5,049	77,334	15,300	32,433	18,389	658,957	101,505	40,455	800,917	819,539
Total Salaries and Related Expenses	1,288,285	1,373,412	433,846	161,720	32,818	694,462	137,941	292,143	165,787	4,580,414	724,679	278,337	5,583,430	5,666,870
Other Expenses														
Consultants	34,155	57,916	26,555	12,418	13,068	15,963	28,626	13,735	24,758	227,194	233,005	39,381	499,580	306,175
Regranting	-	-	-	-	-	95,780	118,128	-	-	213,908	-	-	213,908	363,065
Program supplies	52,032	67,603	31,841	2,142	5,696	6,716	(672)	15,296	2,262	182,916	346	-	183,262	295,653
Grants to subrecipients	-	-	-	-	7,000	-	43,174	-	-	50,174	-	-	50,174	69,750
Stipendiary	-	-	-	-	-	-	6,175	600	-	6,775	-	-	6,775	29,153
Printing	612	513	50	-	1,966	20,514	55	691	301	24,702	25,702	1,933	52,337	38,852
Equipment rental and purchases	-	-	-	-	-	367	121	759	20	1,267	(495)	-	772	22,170
Accounting fees	-	-	-	-	-	-	-	-	-	-	66,754	-	66,754	57,886
Repairs and maintenance	-	-	-	-	1,771	-	-	-	-	1,771	1,660	-	3,431	246
Training, conferences and meetings	-	475	250	-	-	3,100	300	450	212	4,787	335	119	5,241	5,034
Marketing and promotion	-	-	-	-	-	1,366	1,001	217	-	2,584	1,447	497	4,528	5,069
Occupancy	-	-	-	733	4,150	5,613	333	6,366	-	17,195	32,671	-	49,866	42,665
Travel and meals	4,619	3,014	934	4,991	2,252	35,021	306	18,536	633	70,306	8,603	34	78,943	127,900
Utilities	-	-	-	-	-	-	-	-	-	-	29,427	-	29,427	31,964
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	10,507	-	10,507	7,175
Telephone	-	80	-	-	-	206	16	272	3,620	4,194	16,265	-	20,459	22,716
Insurance	-	-	-	-	-	-	-	-	-	-	22,845	-	22,845	20,408
Dues, subscriptions and memberships	120	240	-	-	938	10,700	-	108	122	12,228	6,728	19,255	38,211	26,134
Admission fees	-	-	-	-	-	3,699	174	-	-	3,873	-	-	3,873	9,518
Miscellaneous	-	270	-	135	-	1,067	72	340	135	2,019	9,077	642	11,738	59,177
Bad debts	-	33,206	-	-	-	-	-	-	-	33,206	143,567	-	176,773	-
Total Operating Expenses	\$ 1,379,823	\$ 1,536,729	\$ 493,476	\$ 182,139	\$ 69,659	\$ 894,574	\$ 335,750	\$ 349,513	\$ 197,850	\$ 5,439,513	\$ 1,333,123	\$ 340,198	\$ 7,112,834	\$ 7,207,580

See accompanying notes to consolidated financial statements.

Studio in a School Association, Inc.

Consolidated Statement of Cash Flows (with comparative totals for 2019)

<i>Year ended June 30,</i>	2020	2019
Cash Flows from Operating Activities		
Change in net assets	\$ 110,500	\$ 809,889
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	10,507	7,175
Donated securities	(531,931)	-
Realized gain on investments	(646,633)	(639,218)
Unrealized gain on investments	(459,180)	(63,272)
Bad debt expense	176,773	31,276
Change in discount on contributions receivable	(14,313)	54,358
Changes in assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	374,767	134,365
Contributions receivable	(993,547)	(881,586)
Other assets	4,473	9,395
Increase (decrease) in:		
Accounts payable and accrued expenses	(63,568)	56,753
Accrued payroll and related expenses	53,353	19,575
Deferred revenue	(35,250)	35,250
Deferred compensation	(100,190)	69,391
Net Cash Used in Operating Activities	(2,114,239)	(356,649)
Cash Flows from Investing Activities		
Assets limited as to use	116,154	(69,391)
Purchase of fixed assets	(7,531)	(30,029)
Purchase of investments	(385,205)	(637,027)
Proceeds from sale of investments	1,520,203	1,114,850
Net Cash Provided by Investing Activities	1,243,621	378,403
Cash Flows from Financing Activities		
Proceeds from loans payable - Loan from board member	236,175	-
Proceeds from loans payable - Payroll Protection Program	1,042,333	-
Net Cash Provided by Financing Activities	1,278,508	-
Net Increase in Cash and Cash Equivalents	407,890	21,754
Cash and Cash Equivalents, beginning of year	1,782,696	1,760,942
Cash and Cash Equivalents, end of year	\$ 2,190,586	\$ 1,782,696

See accompanying notes to consolidated financial statements.

Studio in a School Association, Inc.

Notes to Consolidated Financial Statements

1. Nature of the Organization

Studio in a School Association, Inc. is a nonprofit organization whose mission is to foster the creative and intellectual development of youth through quality visual arts programs directed by arts professionals. It collaborates with and develops the ability of those who provide or support arts programming and creative development for youth both in and outside of schools. Studio fulfills this mission through two Limited Liability Companies (LLCs), which were formed in August 2016, that are wholly owned subsidiaries of Studio in a School Association, Inc.- Studio in a School NYC, LLC, which offers programs for students in Pre-K through high school, and Studio Institute, LLC, which shares professional learning, partnership programs, arts internships, and research grants in local and national forums. Studio in a School Association, Inc., Studio in a School NYC, LLC and Studio Institute, LLC are hereafter collectively referred to as “Studio”.

Programs are split between the two LLCs, as follows:

Studio in a School NYC	Studio Institute
<ul style="list-style-type: none">• Long-Term Program• Early Childhood Program• Pre-K/Kindergarten Residency• Pre-Kindergarten Mentoring Residency• Residency Program<ul style="list-style-type: none">○ 14-week and six-week○ After-School Programs○ Arts Partnership Programs○ Multi-Language Learners Program• Artist and Professional Development	<ul style="list-style-type: none">• Curriculum development/documentation• Dissemination of Studio methods and programs• Teen: portfolio classes, college prep, apprenticeships, internships, and college scholarships• College: summer internships (Arts Intern and Arts Mentors)• Arts Education Research• Large-Scale Professional Development programs• Citywide and National Professional Development

Studio in a School NYC, LLC Programming

For over 40 years, Studio’s programs in New York City have placed professional artists in public school classrooms. Studio introduces visual arts to young learners from high-need communities and continues to nurture their talents as they grow. Students explore a full range of media, including drawing, painting, sculpture, collage, printmaking and 2D design. Studio creates sustainable art programs that have lasting impact in participating communities. Most of these core programs are now conducted under the management of Studio in a School NYC, LLC.

In fiscal year 2020 (FY20), Studio in a School NYC, LLC served approximately 31,400 children and youth in 193 program sites with the following programs:

Long-Term

Studio’s original program establishes a dedicated art studio in Title 1 elementary schools. It places professional artists in participating schools for at least five years, creating a place for sequential visual arts instruction within the school’s curriculum and culture.

Studio in a School Association, Inc.

Notes to Consolidated Financial Statements

Early Childhood

This program is a discovery-based visual arts program providing Pre-K and Kindergarten students with hands-on visual art instruction and offering their teachers intensive training in teaching visual arts to three, four, and five-year-old students.

Residency

This program offers visual arts residences of varied lengths, tailor-made for each school and community-based organization. Sites select this flexible Pre-K through 12th grade program to serve the needs of specific grades or the entire school.

Additional programs of Studio in a School NYC, LLC include:

Exhibitions

Every Studio program culminates in a special site-based exhibition, and many sites participate in Studio's exhibition collaborations with cultural institutions throughout New York City. Artwork is also exhibited at Studio's two gallery spaces: the Westside Art Studio and 1 East 53rd Street.

Artist and Professional Development

Through group trainings and artists mentoring, Studio creates and maintains a community of artists who teach to the highest standards.

Studio Institute, LLC Programming

Studio Institute shares tested innovations, visual arts curricula, classroom program models, professional development models, arts internships, research grants, and assessment methods with arts and educational communities nationwide. In FY20 Institute programs served more than 200 high school and college students in six cities, launched new initiatives in Memphis, Newark and Cleveland, and conducted professional learning for more than 1000 educators.

Teen Programs

Studio intensives are advanced visual arts workshops in Studio's Westside art studio offered free on Saturdays and during school breaks.

Teen apprenticeships and summer internship programs enable high school students to learn about careers in the arts, while gaining important academic and workplace skills. Young adults often face great challenges as they transition from school to the workplace. To address this, Studio serves over 125 students, inspires them to pursue arts careers, and mentors them in their first jobs at museums, cultural institutions and summer camps across the city.

To support the broader field of visual arts education, Studio offers college scholarships to graduating high school seniors.

Studio in a School Association, Inc.

Notes to Consolidated Financial Statements

College Programs

Through the Arts Intern Program, college students with demonstrated financial need learn about careers in the arts. Paid summer internships in cultural institutions are complemented with regular visits to participating institutions and offer behind-the-scenes looks at museum operations, presentations by senior staff and curators, and panels featuring young museum professionals. The Arts Intern Program was developed in New York City and expanded to Philadelphia in 2016 and to Cleveland, Boston and Providence in 2017. In FY20, the program expanded to Memphis, providing 67 internships at 47 cultural institutions across six U.S. cities.

In FY20, Arts Intern provided internships at the Venice Biennale's U.S. Pavilion for eight American college students. This unique cultural outreach initiative was accomplished through a partnership with the Madison Square Park Conservancy and made possible by the Bureau of Educational and Cultural Affairs of the U.S. State Department.

Studio Institute also offers summer employment to college students who serve as Arts Mentors for high school students in the summer internship programs.

Arts Education Model Development and Dissemination (AEMDD) Grant

In FY20, Studio Institute disseminated results and shared resources from the completed United States Department of Education (US DOE)-funded research project.

Professional Learning and Development Projects

Studio Institute leads large-scale professional development programs for teachers, art instructors and community organizations. Curriculum and resources are developed to support these professional learning programs. In FY20, Studio Institute began a partnership in Newark with Studio artists and facilitators leading workshop sessions on art-making and how to engage young learners for a large network of early childhood centers. Also Studio Institute began a multi-year partnership with Cleveland Metropolitan Schools District; this work involved recruitment and training of local artists. In-school residencies with local artist instructors continued in Memphis. Throughout FY20 Studio Institute led the visual arts component of New York City Department of Education (NYC DOE)'s professional learning program for pre-K teachers and administrators (Create PD).

2. Principles of Consolidation

The consolidated financial statements include the accounts of Studio in a School Association, Inc., Studio in a School NYC, LLC, and Studio Institute LLC. Studio in a School NYC, LLC and Studio Institute, LLC are wholly owned subsidiaries of Studio in a School Association, Inc. In consolidation, all significant interfund balances have been eliminated.

3. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements of Studio have been prepared on the accrual basis. In the consolidated statement of financial position, assets and liabilities are presented in order of liquidity or conversion to cash and their maturity resulting in the use of cash, respectively.

Studio in a School Association, Inc.

Notes to Consolidated Financial Statements

Consolidated Financial Statement Presentation

The classification of a not-for-profit organization's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the classes of net assets—with donor restrictions and without donor restrictions—be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

These classes are defined as follows:

With Donor Restrictions - This class consists of net assets resulting from contributions and other inflows of assets whose use by Studio is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of Studio, pursuant to those stipulations. When such stipulations end or are fulfilled, such donor-restricted net assets are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities. Net assets resulting from contributions and other inflows of assets whose use by Studio is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or other removed by actions of Studio are classified as net assets with donor restrictions - perpetual in nature.

Without Donor Restrictions - This class consists of the part of net assets that is not restricted by donor-imposed stipulations.

Risks and Uncertainties

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

As a result of COVID-19 outbreak, Studio has incurred, and are expected to incur for the foreseeable future, incremental and other COVID-19 pandemic-related expenses. COVID-19 related expenses consist of additional costs that Studio is incurring to protect its employees, contractors and customers, and to support social-distancing requirements resulting from the COVID-19 pandemic. These costs include, but are not limited to, new or added benefits provided to employees, the purchase of additional personal protection equipment and disinfecting supplies, additional facility cleaning services, initiated programs and communications to customers on utility response, and increased technology expenses to support remote working, where possible.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full impact that the pandemic will have on Studio's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce.

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security Act (the CARES Act) was enacted. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property.

Studio in a School Association, Inc.

Notes to Consolidated Financial Statements

The CARES Act also appropriated funds for the United States Small Business Administration Paycheck Protection Program (PPP) loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by the COVID-19 outbreak. See Note 14 for additional information about Studio's PPP loans.

Studio did not defer or delay any timely payment of payroll taxes during the quarter April 1, 2020 through June 30, 2020.

Management continues to examine the impact that the COVID-19 outbreak and CARES Act may have on its business. Management is currently unable to determine any additional impact on its financial condition, results of operation or liquidity. Although Studio cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have a material adverse effect on Studio's results of future operations, financial position, and liquidity in fiscal year 2021.

Cash and Cash Equivalents

Studio considers all liquid investment instruments purchased with an original maturity of three months or less to be cash equivalents.

Fair Value Measurements

U.S. generally accepted accounting principles (U.S. GAAP) establish a three-level hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that inputs that are most observable be used when available. Observable inputs are those that market participants operating within the same marketplace as Studio would use in pricing Studio's assets or liabilities based on independently derived and observable market data. Unobservable inputs are inputs that cannot be sourced from a broad active market in which assets or liabilities identical or similar to those of Studio are traded. Studio estimates the price of any assets for which there are only unobservable inputs by using assumptions that market participants that have investments in the same or similar assets would use, as determined by the money managers for each investment, based on best information available in the circumstances.

The input hierarchy is broken down into three levels based on the degree to which the exit price is independently observable or determinable, as follows:

Level 1 - Valuation is based on quoted market prices in active markets for identical assets or liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 - Valuations are based on: (a) quoted prices for similar assets or liabilities in active markets, (b) quoted prices for identical or similar assets or liabilities in inactive markets, (c) inputs other than quoted prices that are observable for the asset or liability, and (d) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Valuation is based on inputs that are unobservable and reflect management's best estimate of what market participants would use as fair value.

Studio in a School Association, Inc.

Notes to Consolidated Financial Statements

Investments at Fair Value

Investments consist of both publicly traded and privately held mutual funds and investments in private-equity funds. Publicly traded mutual funds are stated at fair value based upon quoted market prices, which represent the net asset values (NAV) held by Studio at year-end. The privately held mutual fund is stated at its unit value, as provided by its investment manager. Detailed information surrounding the underlying investments of the fund is provided by the investment manager and the fund can be liquidated daily.

Studio's investments in private-equity funds have no readily determined market value and are valued at fair value, as estimated by the general partners. Because of the inherent uncertainty of valuation, it is reasonably possible that estimated values may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material. In addition, certain investments may also have risk associated with their concentrations of investments in one geographic region and in certain industries. The private-equity funds' ability to liquidate certain of its investments may be inhibited since the issues may be privately held or the private-equity funds may own a relatively large portion of the issuer's equity securities.

Net Investment Income

Investment income is recognized when earned and consists of interest, dividends, and both realized and unrealized gains and losses. Dividends are recorded on the ex-dividend date. Purchases and sales are recorded on a trade basis. Net investment income is net of direct external expenses. Studio had no internal investment expenses for the year ended June 30, 2020.

Contributions and Promises to Give

Contributions and promises to give are recorded as revenue when either unsolicited cash is received or when the donor makes an unconditional promise to give. Contributions and promises to give are classified as either with or without donor-restricted support.

Unconditional promises to give that are expected to be collected within one year are recorded at their net realized value. Unconditional promises to give that are expected to be collected in future years are recorded at present value of estimated future value of cash flows. Conditional promises to give are not included as support until such time as the conditions are substantially met. Securities and tangible property received as a gift or bequest are reflected at fair value at the date of the gift.

Accounts Receivable

Accounts and grants receivable are reported at their outstanding unpaid principal balances reduced by an allowance for doubtful accounts. Studio estimates the allowance for doubtful accounts based on historical bad debts, factors related to specific customers' ability to pay and current economic trends. Studio writes off accounts and grants receivable against the allowance when a balance is determined to be uncollectable. For the year ended June 30, 2020, an allowance for doubtful accounts totaling \$86,369 was recorded by Studio. During the fiscal year ended June 30, 2020, Studio incurred total bad debt expenses of \$176,773.

Studio in a School Association, Inc.

Notes to Consolidated Financial Statements

Fixed Assets

Fixed assets are carried at cost, less accumulated depreciation, or, if donated artwork, the appraised value at the time of donation. No depreciation is taken on donated artwork. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful lives of assets. Depreciation is computed using the straight-line method over the estimated useful lives, as follows:

	Years
Computer equipment	5
Furniture and fixtures	5
Leasehold improvements	5-10

Impairment of Long-Lived Assets

U.S. GAAP requires Studio to review long-lived assets, including equipment and artwork, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. For the year ended June 30, 2020, there have been no such losses.

Revenue Recognition

Revenue from governmental contracts and grants is recognized as the expenditures for each contract or grant is incurred. All contract or grant monies received in excess of revenue earned are recorded as deferred revenue on the consolidated statement of financial position. Fees for service are recognized as earned in accordance with contractual provisions. Contributions and promises to give are recorded as revenue when either cash is received or when donors make a promise to give. Contributions and promises to give are classified within public support and revenue as with or without donor restrictions.

Income Taxes

Studio was incorporated in the State of New York and is exempt from federal, state and local income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and therefore has made no provision for income taxes in the accompanying consolidated statement of financial position. In addition, Studio has not taken an unsubstantiated tax position that would require provision of a liability under U.S. GAAP. Under U.S. GAAP, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not the position will be sustained upon examination by a taxing authority. Studio does not believe there are any material uncertain tax positions and, accordingly, has not recognized any liability for unrecognized tax benefits. Studio has filed Internal Revenue Service (IRS) Form 990, as required, and all other applicable returns in jurisdictions when it is required. For the year ended June 30, 2020, there was no income that was subject to unrelated business income tax, and there were no interest or penalties recorded or included in the consolidated financial statements.

Studio in a School NYC LLC and Studio Institute LLC are single-member LLCs in which Studio is the single member. These LLCs are considered to be disregarded entities and are not recognized for tax

Studio in a School Association, Inc.

Notes to Consolidated Financial Statements

purposes as entities separate from Studio. As such, their income and expenses are reported as part of Studio's annual filings.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized by functional basis in the consolidated statement of activities. Accordingly, certain administrative costs have been allocated among the programs and supporting services based on benefits received. See additional information in Note 12 regarding allocations.

Comparative Financial Information

The consolidated financial statements include certain prior-year summarized comparative information. With respect to the consolidated statement of activities, the prior-year information is presented in total, not by net asset class. With respect to the consolidated statement of functional expenses, the prior-year expenses are presented by expense classification in total rather than functional category. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with Studio's consolidated financial statements for the year ended June 30, 2019, from which summarized information was derived.

Reclassifications

Certain prior-year balances have been reclassified to conform to the fiscal year 2020 presentation.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentration of Credit Risk

The financial instruments that potentially subject Studio to concentration of credit risk consist primarily of cash and cash equivalent accounts in financial institutions that, from time to time, exceed the Federal Deposit Insurance Corporation limit. Studio has not experienced any losses in such accounts, and management does not believe Studio is exposed to any significant credit risk on cash and cash equivalents.

Accounting Pronouncements Adopted

Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The update clarifies and improves current guidance by providing criteria for determining whether the resource provider is receiving commensurate value in return for the resources transferred, which, depending on the outcome, determines whether the organization follows contribution guidance or exchange transactions

Studio in a School Association, Inc.

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guidance in the revenue recognition and other applicable standards. The update also provides a more robust framework for determining whether a contribution is conditional or unconditional and for distinguishing a donor-imposed condition from a donor-imposed restriction. The guidance is effective for Studio's fiscal year ended June 30, 2020, and the adoption of this update did not have a material impact on Studio's consolidated financial statements.

Statement of Cash Flows (Topic 230): Restricted Cash

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. ASU 2016-18 requires entities to show the changes in the total of cash, cash equivalents, restricted cash and restricted cash equivalents in the statement of cash flows. As a result, entities will no longer present transfers between cash and cash equivalents and restricted cash and restricted cash equivalents in the statement of cash flows. The guidance is effective for Studio's fiscal year ended June 30, 2020 and has applied the retrospective transition method for each period presented.

Accounting Pronouncements Issued but Not Yet Adopted

Revenue from Contracts with Customers (Topic 606)

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In June 2020, the FASB issued ASU 2020-05, which defers the effective date of ASU 2014-09, making it effective for annual reporting periods beginning after December 15, 2019, and for interim reporting periods within annual reporting periods beginning after December 15, 2020. Management is currently evaluating the impact of the adoption of the new standard on the consolidated financial statements.

Leases (Topic 842)

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. Management is currently evaluating the impact of the adoption of the new standard on the consolidated financial statements.

Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which creates a new credit impairment standard for financial assets measured at amortized cost and available-for-sale debt securities. The

Studio in a School Association, Inc.

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ASU requires financial assets measured at amortized cost (including loans, trade receivables and held-to-maturity debt securities) to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses. The ASU requires that credit losses on available-for-sale debt securities be presented as an allowance rather than as a direct write-down. The measurement of credit losses for newly recognized financial assets (other than certain purchased assets) and subsequent changes in the allowance for credit losses are recorded in the statement of income as the amounts expected to be collected change. The ASU is effective for fiscal years beginning after December 15, 2020. Early adoption is permitted for fiscal years beginning after December 15, 2018. Management is currently evaluating the impact of adopting this new guidance on its consolidated financial statements.

4. Contributions Receivable, Net

At June 30, 2020, the net present value of contributions receivable was \$2,303,563. Net present value for contributions received during the year ended June 30, 2020 was calculated using a discounted rate equal to a ten-year U.S. treasury bond rate. The discount rate used in the calculation was 2%.

Net present value of contributions receivable is summarized below:

<i>June 30,</i>	<i>2020</i>
Total contributions receivable	\$ 2,376,814
Discount on contributions receivable	(40,045)
Allowance on contributions receivable	(33,206)
Net Present Value of Contributions Receivable	\$ 2,303,563
Amounts due in:	
One year	\$ 1,497,280
Two years or more	806,283
	\$ 2,303,563

5. Financial Instruments and Fair Value

Studio's short-term investments are comprised of a money-market fund that is reported at cost, which approximates fair value. Publicly traded mutual funds are valued at the NAV of shares held by Studio. The mutual funds are traded at quoted prices through the National Securities Clearing Corporation and can be redeemed on a daily basis. Management believes the most appropriate classification for these investments is Level 1.

The privately held mutual fund is stated at its unit value, as provided by the investment manager. Since these holdings may not trade on a daily basis, the investment manager prepares estimates of fair value measurements for these securities using relevant market information, benchmark curves, benchmarking of similar securities, sector grouping and matrix pricing. These investments are classified as Level 2.

Private-equity funds are reported at fair value, as estimated by the general partners. These investments, which are valued at NAV, have not been classified in the fair value hierarchy in

Studio in a School Association, Inc.

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accordance with ASU 2015-07, *Disclosures for Investments in Certain Entities That Calculate Net Asset Value Per Share (or Its Equivalent)*.

Assets, measured at fair value on a recurring basis, consist of the following:

June 30, 2020

	Fair Value Measurement at Reporting Date Using			Balance
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments:				
Short-term investments	\$ 196,126	\$ -	\$ -	\$ 196,126
Privately held mutual fund:				
Multi-asset fund	-	16,315,678	-	16,315,678
Private-equity funds at NAV*	-	-	-	470,332
Total Investments	196,126	16,315,678	-	16,982,136
Assets limited as to use:				
Guaranteed annuity	-	-	-	294,616
Publicly traded mutual funds:				
Intermediate bond funds	318,788	-	-	318,788
Multi-asset fund	230,697	-	-	230,697
Guaranteed income fund	65,682	-	-	65,682
Total Assets Limited as to Use	615,167	-	-	909,783
Total	\$ 811,293	\$ 16,315,678	\$ -	\$ 17,891,919

* Certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statement of financial position.

The valuation methods described in Notes 3 and 5 may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although Studio believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There were no transfers between levels during fiscal year 2020.

Studio in a School Association, Inc.

Notes to Consolidated Financial Statements

6. Fixed Assets, Net

Fixed assets, net, consist of the following:

<i>June 30,</i>		2020
Computer equipment	\$	518,698
Furniture and fixtures		154,231
Leasehold improvements		424,720
Artwork		95,500
		1,193,149
Less: accumulated depreciation and amortization		(1,064,983)
	\$	128,166

Depreciation expense for the year ended June 30, 2020 was \$10,507.

7. Deferred Compensation Arrangements

Studio entered into a deferred compensation arrangement with a key executive in 2000. The arrangement grants the opportunity for the executive to purchase certain of Studio's investments at 25% of the fair market value of the investments at the inception of the arrangement. The arrangement is effective for a 20-year period from the date of inception and, at June 30, 2020, the arrangement was fully vested. Investments associated with the arrangement are comprised of publicly traded mutual funds and are reported on the consolidated financial statements as assets limited as to use. The changes in fair value of the investments are included in the change in net assets. Included in the deferred compensation consolidated financial statement line item as a liability is \$568,631 for the year ended June 30, 2020. The fair value of the investments at June 30, 2020 was \$615,167, less the exercise price to be paid by the executive of \$62,500.

Studio sponsors a non-qualified deferred compensation plan under which a select group of employees may make voluntary contributions that defer a portion of their compensation. Studio does not match such contributions. Studio holds the funds in a trust, which is recorded at its fair value as an asset and a corresponding liability. The value of the asset and liability as of June 30, 2020 was \$294,616.

8. Employee Benefit Plan

Studio maintains a defined contribution plan covering all eligible employees under Section 403(b) of the Code. Under the plan, Studio provides a 5% contribution on behalf of all eligible employees. For the year ended June 30, 2020 the amount charged to operations for employer contributions to the plan amounted to \$100,309.

Studio in a School Association, Inc.

Notes to Consolidated Financial Statements

9. Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following:

<i>June 30,</i>		2020
Future periods	\$	760,430
Program services:		
Investment income to be appropriated by governing board		2,035,814
Studio in a School NYC		934,958
Studio Institute		1,746,500
Other		32,389
Perpetual in nature:		
National Endowment for the Arts and Matching Contributions		450,000
LLWW Foundation		10,000
The Wallace Foundation		1,900,000
The Agnes Gund Endowment for Teen Visual Arts Development and Mentoring		674,950
Total	\$	8,545,041

Net assets released from restrictions due to fulfillment of their purpose or time restriction consisted of the following programs:

<i>June 30,</i>		2020
Program services:		
Studio in a School Association	\$	200,000
Studio in a School NYC		384,500
Studio Institute		705,470
Total Program Services Released from Restriction		1,289,970
Investment income appropriated by governing board		179,600
Total Amounts Released from Restriction	\$	1,469,570

10. Endowment Net Asset Classification

Studio's endowment funds consist of investments that are board-designated and donor-restricted. Studio follows the requirements of the New York Prudent Management of Institutional Funds Act (NYPMIFA). A portion of donor-restricted assets includes funds that Studio must hold in perpetuity.

The following applies to the endowment funds:

Interpretation of Relevant Law

The spending of endowment funds by a not-for-profit corporation in the State of New York is currently governed by NYPMIFA. Studio has interpreted NYPMIFA as allowing the governing board of Studio to make available for expenditure as much of an endowment fund, including principal, as the governing board finds prudent, taking into consideration the uses, benefits, purposes and duration

Studio in a School Association, Inc.

Notes to Consolidated Financial Statements

for which the fund was established. The governing board must act in good faith and must consider various factors, if relevant, when making decisions, including Studio's investment policy, purposes of Studio and the fund, and general economic conditions. As a result of the interpretation, Studio classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent donor fund, (b) the original value of subsequent gifts to the permanent donor fund and (c) accumulations to the permanent donor fund made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The investment income earned on the accumulations to the restricted donor funds is classified based on donor stipulations as either with or without donor-restricted net assets until the donor-imposed restrictions have been met.

Investment and Spending Policies

Studio has adopted investment and spending policies for endowment funds that attempt to provide a stream of returns that would be utilized to fund various programs while seeking to maintain the purchasing power of the assets. The endowment funds are invested in vehicles such as a privately held mutual fund and private-equity funds that are intended to produce moderate-to-high rates of return while assuming a moderate-to-low level of investment risk.

Studio may appropriate endowment investment returns for distribution each year up to 5% of the ending market value of the endowment fund over the previous three years and considers the following factors in making a determination to appropriate or accumulate donor-restricted and board-designated endowment funds:

- The duration and preservation of the funds
- Availability of other funding sources
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation/depreciation of investments
- Purposes of donor-restricted fund

The following tables represent the endowment net asset composition by type of fund:

June 30, 2020

	Donor-Restricted Endowment Funds	Board-Designated Endowment Funds	Total Endowments
With donor restrictions	\$ 5,040,325	\$ -	\$ 5,040,325
Without donor restrictions	-	8,049,257	8,049,257
Total Endowment Funds	\$ 5,040,325	\$ 8,049,257	\$ 13,089,582

Studio in a School Association, Inc.

Notes to Consolidated Financial Statements

The following tables represent the reconciliation of changes in endowment net assets:

Year ended June 30, 2020

	Donor-Restricted Endowment Funds	Board-Designated Endowment Funds	Total Endowments
Opening	\$ 4,801,621	\$ 7,724,217	\$ 12,525,838
Net investment income	418,304	695,440	1,113,744
Amounts appropriate for expenditure	(179,600)	(370,400)	(550,000)
End of Year	\$ 5,040,325	\$ 8,049,257	\$ 13,089,582

11. Liquidity and Availability of Resources

<i>June 30,</i>	2020
Cash and cash equivalents	\$ 2,190,586
Short-term investments	196,126
Investments at fair value	16,786,010
Accounts receivable, net	359,691
Current portion of contributions receivable	1,497,280
Total Financial Assets, at year-end	21,029,693
Less: those unavailable for general expenditures within one year, due to:	
Donor-imposed restrictions:	
Purpose restricted expected to be spent in fiscal year 2021	7,784,611
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 13,245,082

As part of Studio'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. In addition, Studio invests cash in excess of daily requirements in investments. Investments, further discussed in Note 5, include short-term money market funds, mutual funds, and private-equity funds. Only those donor-imposed restricted amounts that are expected to be spent within the next year are deducted from financial assets.

12. Methods Used for Allocation of Expenses

The cost of providing Studio's programs and other activities has been summarized on a functional basis in the consolidated statement of activities and consolidated statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited based upon predetermined allocation rates, as determined by management. Management and general expenses include those costs that are not directly identifiable with any specific program, but that provide for the overall support and direction of Studio. Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. Studio generally does not conduct its fundraising activities in conjunction with its other activities.

Studio in a School Association, Inc.

Notes to Consolidated Financial Statements

Certain categories of expenses are attributable to one or more programmatic or supporting functions of Studio. Those expenses include depreciation and amortization, the administrative and executive offices, telephone expenses, personnel costs and general third-party processing expenses, and the information technology department. These expenses are attributable to more than one function and are allocated to Studio's programmatic functions for financial reporting purposes using square footage or head count allocation methodologies.

13. Commitments and Contingencies

Studio is obligated under noncancelable operating leases for its administrative offices, program services facilities and storage space expiring at various dates through January 2024. Total rent expense for the years ended June 30, 2020 amounted to \$30,678. At June 30, 2020, the aggregate minimum annual rental commitments under these leases are as follows:

Year ending June 30,		
2021	\$	11,746
2022		12,101
2023		12,464
2024		7,395
Total	\$	43,706

14. Loans Payable

Small Business Administration - Paycheck Protection Program Loan

In April 2020, Studio in a School NYC and Studio Institute applied and received approval for loans under the PPP administered by the United States Small Business Administration. As mentioned in Note 2, the PPP was legislated as part of the CARES Act and is a program designed to provide a direct incentive for small businesses to keep their workers on the payroll. The loan may be partially or fully forgiven if businesses keep employee head counts and wages stable. As of June 30, 2020 Studio in a School NYC and Studio Institute had PPP loan balances of \$804,923 and \$237,410, respectively. The loans are serviced by JP Morgan Chase Bank and, if not forgiven, have an interest rate of 0.98% and would mature in April 2022. Management believes the PPP loans will be fully forgiven.

Loan from Board Member

In April 2020, a board member of Studio in a School Association loaned \$193,663 and \$42,512 to Studio in a School NYC and Studio Institute, respectively to cover the cost of a payroll at the onset of the NYC school closings. The loans are not interest bearing and have no set repayment terms or maturity date.

15. Subsequent Events

Studio's management has performed subsequent events procedures through October 30, 2020, which is the date the financial statements were available to be issued, and there were no subsequent events requiring adjustment to the financial statements or disclosures as stated herein.

Supplemental Schedules

Studio in a School Association, Inc.
Consolidating Schedule of Financial Position
(with comparative totals for 2019)

Year ended June 30,

	Studio in a School Association	Studio NYC	Studio Institute	Eliminations	Total	
					2020	2019
Assets						
Current Assets						
Cash and cash equivalents	\$ 313,042	\$ 937,105	\$ 940,439	\$ -	\$ 2,190,586	\$ 1,782,696
Short-term investments	196,126	-	-	-	196,126	343,641
Investments, at fair value	13,960,738	591,469	2,233,803	-	16,786,010	16,135,749
Accounts receivable, net	-	347,912	11,779	-	359,691	878,025
Contributions receivable, current portion	-	438,780	1,058,500	-	1,497,280	558,267
Other assets	-	31,878	1,895	-	33,773	38,246
Intercompany receivable	-	511,137	64,805	(575,942)	-	-
Total Current Assets	14,469,906	2,858,281	4,311,221	(575,942)	21,063,466	19,736,624
Contributions Receivable, Net, less current portion	760,430	45,853	-	-	806,283	770,642
Assets Limited as to Use	909,783	-	-	-	909,783	1,025,937
Fixed Assets, Net	95,500	32,560	106	-	128,166	131,142
Total Assets	\$16,235,619	\$ 2,936,694	\$ 4,311,327	\$ (575,942)	\$22,907,698	\$21,664,345
Liabilities and Net Assets						
Current Liabilities						
Accounts payable and accrued expenses	\$ -	\$ 20,967	\$ 38,026	\$ -	\$ 58,993	\$ 122,561
Accrued payroll and related expenses	-	159,595	66,953	-	226,548	173,195
Loans payable	-	998,586	279,922	-	1,278,508	-
Deferred revenue	-	-	-	-	-	35,250
Intercompany payable	575,942	-	-	(575,942)	-	-
Total Current Liabilities	575,942	1,179,148	384,901	(575,942)	1,564,049	331,006
Deferred Compensation	863,247	-	-	-	863,247	963,437
Total Liabilities	1,439,189	1,179,148	384,901	(575,942)	2,427,296	1,294,443
Net Assets						
Without donor restrictions	8,991,945	822,586	2,120,830	-	11,935,361	12,471,593
With donor restrictions	5,804,485	934,960	1,805,596	-	8,545,041	7,898,309
Total Net Assets	14,796,430	1,757,546	3,926,426	-	20,480,402	20,369,902
Total Liabilities and Net Assets	\$16,235,619	\$ 2,936,694	\$ 4,311,327	\$ (575,942)	\$22,907,698	\$21,664,345

Studio in a School Association, Inc.

Consolidating Schedule of Activities (with comparative totals for 2019)

Year ended June 30,

	Studio in a School Association	Studio NYC	Studio Institute	Total	
				2020	2019
Changes in Net Assets Without Donor Restrictions					
Operating revenue:					
Contributions:					
Foundations and trusts	\$ -	\$ 499,941	\$ 404,745	\$ 904,686	\$ 1,000,600
Individuals	3,500	937,141	226,001	1,166,642	697,201
Corporations	-	77,479	111	77,590	19,278
Government and other contracts and grants	-	1,523,688	80,440	1,604,128	2,529,107
Fees for services	-	301,510	72,192	373,702	442,978
Other revenue	(105,000)	124,310	7,800	27,110	328,500
Net investment return reported in operations	-	550,000	-	550,000	525,000
Operating transfer of past Gala proceeds	(400,000)	279,773	120,577	350	-
Net assets released from restriction	-	384,500	905,470	1,289,970	1,226,219
Total Operating Revenue	(501,500)	4,678,342	1,817,336	5,994,178	6,768,883
Operating expenses:					
Program services:					
Studio in a School NYC program services:					
Long-term program	-	1,379,823	-	1,379,823	1,399,523
Residency	-	1,536,729	-	1,536,729	1,801,747
Early childhood program	-	493,476	-	493,476	466,615
Artist and professional development program	-	182,139	-	182,139	166,201
Exhibitions	-	69,659	-	69,659	101,020
Studio Institute program services:					
Teens Program	-	-	894,574	894,574	787,491
College Programs	-	-	335,750	335,750	558,488
Program services in other cities	-	-	349,513	349,513	190,459
AEMDD	-	-	-	-	220,561
Development projects and professional training	-	-	197,850	197,850	154,382
Total Program Services	-	3,661,826	1,777,687	5,439,513	5,846,487
Supporting services:					
Management and general	-	954,539	378,584	1,333,123	982,744
Fundraising	-	282,173	58,025	340,198	378,349
Total Operating Expenses	-	4,898,538	2,214,296	7,112,834	7,207,580
Change in Net Assets Without Donor Restrictions,					
before nonoperating income (expenses)	\$ (501,500)	(220,196)	(396,960)	(1,118,656)	(438,697)

Studio in a School Association, Inc.
Consolidating Schedule of Activities (continued)
(with comparative totals for 2019)

Year ended June 30,

	Studio in a School Association	Studio NYC	Studio Institute	Total	
				2020	2019
Nonoperating income (expenses):					
Net investment income	\$ 766,685	\$ 252	\$ 188,887	\$ 955,824	\$ 706,130
Net investment return reported in operations	(370,400)	-	-	(370,400)	(335,800)
Gain on sale of fixed asset	(3,000)	-	-	(3,000)	-
Other intercompany expenses	2,231	(1,526)	(705)	-	-
Total Nonoperating Income (Loss)	395,516	(1,274)	188,182	582,424	370,330
Change in Net Assets Without Donor Restrictions	(105,984)	(221,470)	(208,778)	(536,232)	(68,367)
Changes in Net Assets with Donor Restrictions					
Contributions:					
Foundations and trusts	13,817	100,496	1,332,390	1,446,703	1,928,628
Individuals	-	524	-	524	8,934
Corporations	-	155,916	-	155,916	-
Government and other contracts and grants	-	45,000	-	45,000	-
Net assets released from restriction	(200,000)	(384,500)	(705,470)	(1,289,970)	(1,226,219)
Net investment income	420,746	47,413	-	468,159	356,113
Investment return released into operations	(179,600)	-	-	(179,600)	(189,200)
Change in Net Assets with Donor Restrictions	54,963	(35,151)	626,920	646,732	878,256
Change in Net Assets	\$ (51,021)	\$ (256,621)	\$ 418,142	\$ 110,500	\$ 809,889

Studio in a School Association, Inc.

Studio in a School NYC Schedule of Expenses by Function (with comparative totals for 2019)

Year ended June 30,

	Program Services					Supporting Services		Total		
	Long-Term Program	Residency	Early Childhood Program	Artist and Professional Development Program	Exhibitions	Total Program Expenses	Management and General	Fundraising	2020	2019
Salaries and Related Expenses										
Salaries and wages	\$ 1,085,958	\$ 1,158,122	\$ 366,164	\$ 136,567	\$ 27,769	\$ 2,774,580	\$ 359,613	\$ 189,054	\$ 3,323,247	\$ 3,590,905
Benefits and payroll taxes	202,327	215,290	67,682	25,153	5,049	515,501	65,384	34,373	615,258	663,165
Total Salaries and Related Expenses	1,288,285	1,373,412	433,846	161,720	32,818	3,290,081	424,997	223,427	3,938,505	4,254,070
Other Expenses										
Consultants	34,155	57,916	26,555	12,418	13,068	144,112	198,723	39,381	382,216	162,247
Program supplies	52,032	67,603	31,841	2,142	5,696	159,314	791	-	160,105	267,764
Grants to subrecipients	-	-	-	-	7,000	7,000	-	-	7,000	9,000
Printing	612	513	50	-	1,966	3,141	20,035	1,703	24,879	28,445
Equipment rental and purchases	-	-	-	-	-	-	(4,934)	-	(4,934)	20,259
Accounting fees	-	-	-	-	-	-	59,984	-	59,984	52,097
Repairs and maintenance	-	-	-	-	1,771	1,771	1,660	-	3,431	2,654
Training, conferences and meetings	-	475	250	-	-	725	335	119	1,179	1,664
Marketing and promotion	-	-	-	-	-	-	1,255	-	1,255	3,154
Occupancy	-	-	-	733	4,150	4,883	22,198	-	27,081	25,352
Travel and meals	4,619	3,014	934	4,991	2,252	15,810	7,945	34	23,789	34,189
Utilities	-	-	-	-	-	-	21,933	-	21,933	22,417
Depreciation and amortization	-	-	-	-	-	-	10,204	-	10,204	6,107
Telephone	-	80	-	-	-	80	14,399	-	14,479	14,464
Insurance	-	-	-	-	-	-	19,025	-	19,025	18,367
Dues, subscriptions and memberships	120	240	-	-	938	1,298	6,141	16,995	24,434	14,038
Miscellaneous	-	270	-	135	-	405	6,281	514	7,200	52,603
Bad debts	-	33,206	-	-	-	33,206	143,567	-	176,773	-
Total Expenses	\$ 1,379,823	\$ 1,536,729	\$ 493,476	\$ 182,139	\$ 69,659	\$ 3,661,826	\$ 954,539	\$ 282,173	\$ 4,898,538	\$ 4,988,891

Studio in a School Association, Inc.
Studio Institute Schedule of Expenses by Function
(with comparative totals for 2019)

Year ended June 30,

	Program Services				Total Program Expenses	Supporting Services		Total	
	Teen Programs	College Programs	Program Services in Other Cities	Development Projects and Professional Training		Management and General	Fundraising	2020	2019
Salaries and Related Expenses									
Salaries and wages	\$ 617,128	\$ 122,641	\$ 259,710	\$ 147,398	\$ 1,146,877	\$ 263,561	\$ 48,828	\$ 1,459,266	\$ 1,256,426
Benefits and payroll taxes	77,334	15,300	32,433	18,389	143,456	36,121	6,082	185,659	156,374
Total Salaries and Related Expenses	694,462	137,941	292,143	165,787	1,290,333	299,682	54,910	1,644,925	1,412,800
Other Expenses									
Consultants	15,963	28,626	13,735	24,758	83,082	34,282	-	117,364	143,932
Regranting	95,780	118,128	-	-	213,908	-	-	213,908	363,065
Program supplies	6,716	(672)	15,296	2,262	23,602	(445)	-	23,157	27,889
Grants to subrecipients	-	43,174	-	-	43,174	-	-	43,174	60,750
Stipendiary	-	6,175	600	-	6,775	-	-	6,775	29,153
Printing	20,514	55	691	301	21,561	5,667	230	27,458	10,407
Equipment rental and purchases	367	121	759	20	1,267	4,439	-	5,706	1,911
Accounting fees	-	-	-	-	-	6,770	-	6,770	5,789
Repairs and maintenance	-	-	-	-	-	-	-	-	(2,408)
Training, conferences and meetings	3,100	300	450	212	4,062	-	-	4,062	3,370
Marketing and promotion	1,366	1,001	217	-	2,584	192	497	3,273	1,915
Occupancy	5,613	333	6,366	-	12,312	10,473	-	22,785	17,312
Travel and meals	35,021	306	18,536	633	54,496	658	-	55,154	93,710
Utilities	-	-	-	-	-	7,494	-	7,494	9,547
Depreciation and amortization	-	-	-	-	-	303	-	303	1,068
Telephone	206	16	272	3,620	4,114	1,866	-	5,980	8,252
Insurance	-	-	-	-	-	3,820	-	3,820	2,041
Dues, subscriptions and memberships	10,700	-	108	122	10,930	587	2,260	13,777	12,095
Admission fees	3,699	174	-	-	3,873	-	-	3,873	9,518
Miscellaneous	1,067	72	340	135	1,614	2,796	128	4,538	6,573
Total Expenses	\$ 894,574	\$ 335,750	\$ 349,513	\$ 197,850	\$ 1,777,687	\$ 378,584	\$ 58,025	\$ 2,214,296	\$ 2,218,689