

# **Studio in a School Association, Inc.**

## **Consolidated Financial Statements and Supplemental Schedules Year Ended June 30, 2023**

**Studio in a School Association, Inc.**

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Consolidated Financial Statements and Supplemental Schedules  
Year Ended June 30, 2023

# 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

### ***Opinion***

We have audited the consolidated financial statements of Studio in a School Association, Inc.; Studio in a School NYC, LLC; and Studio Institute, LLC (collectively referred to as Studio), which comprise the consolidated statement of financial position as of June 30, 2023, and 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Studio as of June 30, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

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

### ***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Studio's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.



### ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Studio'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Studio'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***

#### ***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedule of financial position on page 27, the consolidating schedule of activities on pages 28-29, and the schedules of expenses by function for both wholly owned affiliates on pages 30 and 31 are presented for the purpose of additional analysis and are not required parts 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 GAAS. 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 2022 consolidated financial statements and our report, dated May 1, 2023 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, 2022 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

*BDO USA, P.C.*

April 30, 2024

**Studio in a School Association, Inc.**  
**Consolidated Statement of Financial Position**  
**(with comparative totals for 2022)**

<i>June 30,</i>	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 3)	\$ 1,574,878	\$ 1,897,357
Short-term investments (Note 5)	384,299	366,429
Investments, at fair value (Note 5)	18,119,515	16,245,441
Accounts receivable, net (Note 3)	1,446,369	1,594,694
Contributions receivable, net, current portion (Notes 3 and 4)	638,960	1,587,595
Other assets	126,243	314,588
<b>Total Current Assets</b>	<b>22,290,264</b>	<b>22,006,104</b>
<b>Contributions Receivable, Net</b> , less current portion (Notes 3 and 4)	-	220,064
<b>Assets Limited as to Use</b> (Notes 5 and 7)	<b>321,708</b>	<b>351,850</b>
<b>Fixed Assets, Net</b> (Note 6)	<b>201,615</b>	<b>334,679</b>
<b>Total Assets</b>	<b>\$ 22,813,587</b>	<b>\$ 22,912,697</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 83,655	\$ 96,457
Accrued payroll and related expenses	462,235	369,569
Loans payable (Note 15)	-	88,664
Deferred revenue	8,525	8,525
<b>Total Current Liabilities</b>	<b>554,415</b>	<b>563,215</b>
<b>Deferred Compensation</b> (Note 7)	<b>323,689</b>	<b>351,850</b>
<b>Total Liabilities</b>	<b>878,104</b>	<b>915,065</b>
<b>Commitments and Contingencies</b> (Notes 3, 4, 5, 7, 8, 9, 11, and 13)		
<b>Net Assets</b> (Notes 9 and 10)		
Without donor restrictions	13,862,868	11,865,781
With donor restrictions	8,072,615	10,131,851
<b>Total Net Assets</b>	<b>21,935,483</b>	<b>21,997,632</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 22,813,587</b>	<b>\$ 22,912,697</b>

*See accompanying notes to consolidated financial statements.*

# Studio in a School Association, Inc.

## Consolidated Statement of Activities (with comparative totals for 2022)

Year ended June 30,	2023	2022
<b>Changes in Net Assets Without Donor Restrictions</b>		
Operating revenue:		
Contributions:		
Foundations and trusts	\$ 1,208,917	\$ 1,407,021
Individuals	500,932	491,976
Donated securities - individuals	268,932	309,352
Corporations	23,200	48,774
Government and other contracts and grants	2,838,718	2,759,630
Fees for services	507,231	302,095
Other revenue	249,813	20,700
Operating transfer of Gala proceeds	120,000	(120,000)
Special events:		
Gala gross receipts	2,735,897	-
Less: direct cost to donors	(762,895)	-
<b>Net Gala Revenue</b>	<b>1,973,002</b>	<b>-</b>
Net investment return reported in operations	1,494,507	910,000
Net assets released from restriction (Note 9)	2,993,393	1,291,958
<b>Total Operating Revenue</b>	<b>12,178,645</b>	<b>7,421,506</b>
Operating expenses:		
Program services:		
Studio in a School NYC, LLC program services:		
Long Term program	1,735,224	1,472,209
Residency	2,149,186	2,223,220
Early Childhood program	717,415	605,906
Artist and Professional Development program	228,983	149,684
Exhibitions	343,829	213,294
Studio Institute, LLC program services:		
Teen programs	1,105,979	763,442
College programs	701,799	357,500
Program services in other cities	619,904	457,183
Development projects and professional training	50,700	41,423
<b>Total Program Services</b>	<b>7,653,019</b>	<b>6,283,861</b>
Supporting services:		
Management and general	2,006,429	1,784,578
Fundraising	437,520	338,628
<b>Total Operating Expenses</b>	<b>10,096,968</b>	<b>8,407,067</b>
<b>Change in Net Assets Without Donor Restrictions, before non-operating income (expenses)</b>	<b>2,081,677</b>	<b>(985,561)</b>
Non-operating income (expenses):		
Net investment income (loss)	1,219,714	(2,043,449)
Net investment return reported in operations	(1,296,807)	(613,450)
Forgiveness of debt (Note 15)	-	1,221,795
Prior-year expenses	(7,497)	-
<b>Total Non-Operating Expenses</b>	<b>(84,590)</b>	<b>(1,435,104)</b>
<b>Change in Net Assets Without Donor Restrictions</b>	<b>1,997,087</b>	<b>(2,420,665)</b>



## Studio in a School Association, Inc.

### Consolidated Statement of Activities (with comparative totals for 2022)

<i>Year ended June 30,</i>	<b>2023</b>	<b>2022</b>
<b>Changes in Net Assets with Donor Restrictions (Notes 9 and 10)</b>		
Contributions:		
Foundations and trusts	\$ 422,436	\$ 2,402,817
Individuals	18,500	124,813
Corporations	-	154,900
Donated securities	150,478	-
Net assets released from restriction (Note 9)	(2,993,393)	(1,291,958)
Operating transfer of Gala proceeds	(120,000)	120,000
Net investment income (loss)	660,443	(1,234,172)
Investment return released into operations (Note 9)	(197,700)	(296,550)
<b>Total Changes in Net Assets with Donor Restrictions</b>	<b>(2,059,236)</b>	<b>(20,150)</b>
<b>Change in Net Assets</b>	<b>(62,149)</b>	<b>(2,440,815)</b>
<b>Net Assets, beginning of year</b>	<b>21,997,632</b>	<b>24,438,447</b>
<b>Net Assets, end of year</b>	<b>\$ 21,935,483</b>	<b>\$ 21,997,632</b>

*See accompanying notes to consolidated financial statements.*

**Studio in a School Association, Inc.**  
**Consolidated Statement of Functional Expenses**  
**(with comparative totals for 2022)**

Year ended June 30,

	Program Services									Supporting Services		Total		
	Long-Term Program	Residency	Early Childhood Program	Artist and Professional Development Program	Exhibitions	Teen Programs	College Programs	Program Services in Other Cities	Development Projects and Professional Training	Total Program Services	Management and General	Fundraising	2023	2022
<b>Salaries and Related Expenses</b>														
Salaries and wages	\$ 1,362,556	\$ 1,479,701	\$ 540,418	\$ 182,873	\$ 177,492	\$ 734,057	\$ 116,780	\$ 435,479	\$ 34,062	\$ 5,063,418	\$ 1,056,857	\$ 340,563	\$ 6,460,838	\$ 5,411,693
Employee benefits and payroll taxes	250,266	283,883	107,419	35,199	35,219	92,327	15,313	58,550	4,541	882,717	191,229	65,706	1,139,652	940,535
<b>Total Salaries and Related Expenses</b>	<b>1,612,822</b>	<b>1,763,584</b>	<b>647,837</b>	<b>218,072</b>	<b>212,711</b>	<b>826,384</b>	<b>132,093</b>	<b>494,029</b>	<b>38,603</b>	<b>5,946,135</b>	<b>1,248,086</b>	<b>406,269</b>	<b>7,600,490</b>	<b>6,352,228</b>
<b>Other Expenses</b>														
Consultants	638	114,869	938	1,881	41,333	46,969	55,255	31,576	2,800	296,259	149,833	2,500	448,592	604,676
Regranting	-	-	-	-	-	136,500	482,311	-	-	618,811	-	-	618,811	279,176
Program supplies	95,666	181,291	50,692	3,064	24,131	9,637	1,672	28,927	183	395,263	4,306	-	399,569	382,762
Grants to subrecipients	-	-	-	-	12,774	-	22,625	-	-	35,399	5,000	-	40,399	30,359
Stipendiary	-	-	-	-	-	3,823	750	4,470	-	9,043	-	-	9,043	19,000
Printing	292	9,682	-	-	27,792	301	122	859	-	39,048	31,278	4,072	74,398	76,569
Equipment rental and purchases	-	98	-	-	-	15,158	-	4,361	-	19,617	11,575	2,274	33,466	43,037
Accounting fees	-	-	-	-	-	-	-	-	-	-	126,440	-	126,440	104,047
Repairs and maintenance	-	15	-	-	40	-	-	169	-	224	20,411	-	20,635	41,725
Training, conferences, and meetings	-	498	40	2,436	-	-	50	-	-	3,024	1,858	-	4,882	1,219
Marketing and promotion	-	-	-	-	-	-	-	2,522	-	2,522	14,958	-	17,480	15,167
Occupancy	-	-	-	-	10,692	6,540	-	4,644	-	21,876	55,395	-	77,271	53,207
Travel and meals	16,853	14,501	2,606	2,585	4,506	45,968	5,146	29,134	40	121,339	19,697	49	141,085	63,368
Utilities	-	-	-	-	-	-	-	-	-	-	47,666	-	47,666	36,187
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	138,153	-	138,153	108,520
Telephone	-	-	-	-	37	161	252	228	1,996	2,674	31,084	-	33,758	25,295
Insurance	-	-	-	-	-	-	-	-	-	-	30,748	2,156	32,904	29,395
Dues, subscriptions, and memberships	340	3,540	200	945	7,266	9,206	1,500	571	253	23,821	39,837	14,907	78,565	82,547
Admission fees	-	-	-	-	-	2,827	-	-	-	2,827	61	-	2,888	-
Miscellaneous	102	332	-	-	2,547	2,496	23	754	-	6,254	30,043	5,293	41,590	49,134
Bad debts	8,511	60,776	15,102	-	-	9	-	17,660	6,825	108,883	-	-	108,883	9,449
<b>Total Operating Expenses</b>	<b>\$ 1,735,224</b>	<b>\$ 2,149,186</b>	<b>\$ 717,415</b>	<b>\$ 228,983</b>	<b>\$ 343,829</b>	<b>\$ 1,105,979</b>	<b>\$ 701,799</b>	<b>\$ 619,904</b>	<b>\$ 50,700</b>	<b>\$ 7,653,019</b>	<b>\$ 2,006,429</b>	<b>\$ 437,520</b>	<b>\$10,096,968</b>	<b>\$ 8,407,067</b>

See accompanying notes to consolidated financial statements.

## Studio in a School Association, Inc.

### Consolidated Statement of Cash Flows (with comparative totals for 2022)

<i>Year ended June 30,</i>	<b>2023</b>	<b>2022</b>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ (62,149)	\$ (2,440,815)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	138,153	108,520
Donated securities	(768,121)	(309,352)
Net realized and unrealized loss (gains) on investments	(1,709,092)	3,382,181
Bad debts	108,883	9,449
Forgiveness of debt - Paycheck Protection Program	-	(1,221,795)
Discount on contributions receivable	-	(13,817)
Pledge receivable written off	28,563	31,784
Changes in assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	119,762	(1,393,835)
Contributions receivable	1,059,816	(832,009)
Other assets	188,345	(259,925)
Increase (decrease) in:		
Accounts payable and accrued expenses	(12,802)	(17,503)
Accrued payroll and related expenses	92,666	73,411
Deferred revenue	-	8,525
Deferred compensation	(28,161)	19,002
<b>Net Cash Used in Operating Activities</b>	<b>(844,137)</b>	<b>(2,856,179)</b>
<b>Cash Flows from Investing Activities</b>		
Assets limited as to use	30,142	(19,002)
Purchase of fixed assets	(5,089)	(324,876)
Purchase of investments	(612,547)	(114,237)
Proceeds from sale of investments	1,197,816	1,789,804
<b>Net Cash Provided by Investing Activities</b>	<b>610,322</b>	<b>1,331,689</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from loans payable - loan from board member	(88,664)	-
<b>Net Cash Used in Financing Activities</b>	<b>(88,664)</b>	<b>-</b>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(322,479)</b>	<b>(1,524,490)</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>1,897,357</b>	<b>3,421,847</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 1,574,878</b>	<b>\$ 1,897,357</b>

*See accompanying notes to consolidated financial statements.*

# Studio in a School Association, Inc.

## Notes to Consolidated Financial Statements

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### 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 in a School Association, Inc. 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 offers programs for students in Pre-K through high school, and Studio Institute, LLC 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, LLC	Studio Institute, LLC
<ul style="list-style-type: none"><li>• Long-Term Partnership program</li><li>• Early Childhood program</li><li>• Pre-K/Kindergarten Residency</li><li>• Pre-Kindergarten/Alumni Mentoring Residency</li><li>• Residency program:<ul style="list-style-type: none"><li>○ 14-week and six-week</li><li>○ After-School programs</li><li>○ Arts Partnership programs</li><li>○ Multi-Language Learners program</li></ul></li><li>• Art and Activism program</li><li>• Artist and Art Teacher Professional Development</li></ul>	<ul style="list-style-type: none"><li>• Curriculum development/documentation</li><li>• Dissemination of Studio methods and programs</li><li>• Teen: portfolio classes, college prep, apprenticeships, internships, and college scholarships</li><li>• College: summer internships (Arts Intern and Arts Mentors)</li><li>• Large-Scale Professional Development programs</li><li>• Citywide and National Professional Development</li></ul>

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#### ***Studio in a School NYC, LLC Programming***

For over 45 years, Studio’s programs in New York City have connected professional artists with 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 and 3D design. Studio creates sustainable art programs with a lasting impact in participating communities. Most of these programs are now managed by Studio in a School NYC, LLC.

In fiscal year 2023 (FY23), Studio in a School NYC, LLC served 23,663 students and 2,089 teachers in 172 program sites and Early Childhood Centers with the following programs:

#### ***Long-Term Program***

Studio’s original program establishes a dedicated art studio in Title 1 elementary schools. Professional artists are placed in participating schools for minimum of 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

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### *Early Childhood Program*

This program is a discovery-based visual arts program providing 3K, 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 Program*

This program offers visual arts residences of varied lengths, tailor-made for each school and community-based organization. Sites choose this flexible Pre-K through 12<sup>th</sup>-grade program to serve the needs of specific student populations, such as multilingual learners or students with disabilities.

### *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, such as Montefiore Hospital Art Gallery Program and Christie's NYC. Artwork is also exhibited at Studio's gallery: 1 East 53<sup>rd</sup> Street.

### *Artist and Professional Development*

Through group trainings and artist mentoring, Studio creates and maintains a community of artists who teach to the highest standards. Studio also provides a variety of professional development opportunities to New York City public school teachers and early childhood educators. In FY23, Studio NYC created a visual arts teaching and learning digital database where educators, families, and students can download lesson plans, creative activities, and art-making inspiration for all.

### *Studio Institute, LLC Programming*

Studio Institute, LLC 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. Despite pandemic-related challenges, in FY2023, Studio Institute programs provided in-depth services to more than 226 high school and college students in nine cities and launched new school and community initiatives in Newark and Cleveland, serving and supporting children, families, and educators.

### *Teen Programs*

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 provides programming to introduce NYC teens to the variety of arts careers possible and mentor them in their first jobs at museums, cultural institutions, and summer camps across the city. Select interns were invited to continue paid internships during the schoolyear in a part-time capacity. During the pandemic, Studio Institute, LLC has been able to provide technology to teens and transfer these programs into virtual and hybrid formats, offering online mentoring, training, and paid internships.

Studio intensives are advanced visual arts workshops in studios that were offered for free on Saturdays to assist high school students in realizing their professional and personal goals and pursuit

# Studio in a School Association, Inc.

## Notes to Consolidated Financial Statements

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of advanced art study. These services were realized through online courses and small group portfolio reviews.

In FY23, more than 170 high school students participated in the Institute's internships and classes.

### *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; Memphis in 2019; and Baltimore and Chicago in winter 2021. In response to the COVID-19 pandemic, the Arts Intern program continued virtual and hybrid internships. Based on the success of the pilot schoolyear internship, the program was continued in FY23. There were 48 college students served through the combined programs.

### *Professional Learning and Development Projects*

Studio Institute, LLC works with local school and community organizations to develop site-based programs to meet local needs. In fiscal year 2022, Studio launched a special curriculum in art-making for two-year-olds as part of the long-standing partnership with Early and Head Start sites in Newark. Studio also expanded into residency partnerships with new sites in Essex County, New Jersey and Greenwich, Connecticut. Studio Institute, LLC continued a multi-year partnership with Cleveland Metropolitan Schools District; this work involved training of local artists in providing quality visual arts classes. More than 1400 students and 239 teachers at 18 schools and community organizations in four cities were served by Studio Institute, LLC programs in FY23.

## **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.

### *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 consolidated statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a consolidated statement of activities.

# Studio in a School Association, Inc.

## Notes to Consolidated Financial Statements

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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 otherwise 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.

### ***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* - Valuation is 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

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### *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, 2023.

### *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.

### *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:

<u>Asset Category</u>	<u>Years</u>
Computer equipment	5
Furniture and fixtures	5
Leasehold improvements	5-10



# Studio in a School Association, Inc.

## Notes to Consolidated Financial Statements

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### *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, 2023, there have been no such losses.

### *Revenue Recognition*

#### *Government Grants and Contracts Revenue*

Studio receives reimbursement under contracts with various federal, state, and local government agencies. The majority of the contracts are expense-reimbursement contracts in which Studio is reimbursed for the allowable expenses incurred under the contract in the operation of the applicable programs. Certain income from government agencies is recognized when expenses are incurred under approved contracts. These contracts are primarily budget-based and revenue is determined by allowable expenditures in contract periods. Costs are subject to audit by third-party payors and changes, if any, are recognized in the year known.

Some of the contracts are classified as fee-for-service or performance-based contracts, in which Studio is reimbursed based on units of service (i.e., number of enrolled classrooms). Revenue is recognized under fee-for-service grants when the services are provided.

#### *Fee-for-Service Revenue*

Studio also provides fee-for-service work. Fee-for-service is recorded at the amount that reflects the consideration to which Studio expects to be entitled in exchange for providing services. These amounts are due from third-party payors (including government programs), and others, and include an estimate for variable consideration for retroactive revenue adjustments due to rate changes, settlement of audits and disallowances, reviews, and investigations. Generally, Studio submits fee-for-service invoices to third-party payors after the services are performed.

Revenue is recognized as performance obligations are satisfied over time based on actual charges incurred in relation to total expected (or actual) charges. Studio measures revenue from the commencement of services to the continuation of services, and until services are no longer required. Studio believes that this method provides a reasonable representation of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation.

As substantially all of its performance obligations relate to established rate agreements with a duration of less than one year, Studio has elected, as part of its adoption of the new revenue standard, to apply the optional exemption provided in Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

In accordance with Accounting Standards Codification (ASC) 606, contract assets are to be recognized when an entity has the right to receive consideration in exchange for goods or services that have been transferred to a customer when that right is conditional on something other than the passage of time. Studio does not recognize contract assets as the right to receive consideration

# Studio in a School Association, Inc.

## Notes to Consolidated Financial Statements

is unconditional in accordance with the passage of time criteria. Also, in accordance with ASC 606, contract liabilities are to be recognized when an entity is obligated to transfer goods or services for which consideration has already been received.

Revenue with customers is comprised of the following:

*June 30, 2023*

Government and other contracts and grants	\$	2,838,718
Fee for service		507,231
Other revenue		249,813
<b>Total Revenue Subject to ASC 606</b>		<b>3,595,765</b>
<b>Total Revenue Not Subject to ASC 606</b>		<b>6,439,057</b>
<b>Total Revenue and Other Support</b>	<b>\$</b>	<b>10,034,819</b>

Receivables and contract balances from contracts with customers are as follows:

*June 30, 2023*

	Receivables	Contract Assets	Contract Liabilities
Beginning of year	\$ 1,594,694	\$ -	\$ -
End of year	1,446,369	-	-

### *Allowance for Doubtful Accounts*

Accounts and grants receivable are reported at their outstanding unpaid principal balances and may be reduced by an allowance for doubtful accounts. Studio provides an allowance for doubtful accounts for accounts receivable after the initial recording of revenue under Topic 606 that are specifically identified by management as to their uncertainty in regard to collectability. While management uses the best information available to make its evaluation, future adjustments to the allowance may be necessary if there are significant changes in economic conditions. During the fiscal year ended June 30, 2023, doubtful accounts totaling \$28,563 were written off. Studio in a School NYC, LLC added an additional allowance for doubtful accounts of \$50,000.

### *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

# Studio in a School Association, Inc.

## Notes to Consolidated Financial Statements

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June 30, 2023, 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 in a School Association, Inc. is the single member. These LLCs are considered to be disregarded entities and are not recognized for tax 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 entity. 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, 2022, from which summarized information was derived.

### ***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.

### ***Recently Adopted Accounting Pronouncements***

#### ***Leases (Topic 842)***

In February 2016, the Financial Accounting Standards Board (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 consolidated statement of activities. The new standard is effective for fiscal year

# Studio in a School Association, Inc.

## Notes to Consolidated Financial Statements

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beginning after December 15, 2021, including interim periods within those fiscal year. 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. Topic 842 was effective for Studio on July 1, 2022. The adoption of Topic 842 had no material effect on the operations of Studio.

### ***Accounting Pronouncements Issued but Not Yet Adopted***

#### *Financial Instruments - Credit Losses*

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The new credit-loss standard changes the impairment model for most financial assets and certain other instruments. For trade and other receivables, contract assets recognized as a result of applying ASC 606, loans, and certain other instruments, entities will be required to use new forward-looking “expected-loss” model that generally will result in earlier recognition of credit losses than under today’s incurred-loss model. ASU 2016-13 is effective for annual periods beginning after December 15, 2022. Management has determined that there is no impact of this ASU on its consolidated financial statements.

### **4. Contributions Receivable, Net**

At June 30, 2023, the net present value of contributions receivable was \$638,960. All of which is collectable within one year. As of the date of the consolidated financial statements, \$227,000 has been subsequently collected.

### **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. 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 accordance with U.S. GAAP.

**Studio in a School Association, Inc.**  
**Notes to Consolidated Financial Statements**

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

*June 30, 2023*

	Fair Value Measurement at Reporting Date			Balance
	Level 1	Level 2	Level 3	
Investments:				
Short-term investments	\$ 384,299	\$ -	\$ -	\$ 384,299
Privately held mutual fund:				
Multi-asset fund	-	17,798,912	-	17,798,912
Private-equity funds at NAV	-	-	-	320,603
<b>Total Investments</b> , in the fair value hierarchy	<b>\$ 384,299</b>	<b>\$ 17,798,912</b>	<b>\$ -</b>	<b>18,503,814</b>
Assets limited as to use:				
Guaranteed annuity				321,708
<b>Total Assets Limited as to Use</b>				<b>321,708</b>
<b>Total</b>				<b>\$ 18,825,522</b>

\* 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 FY2023.

## 6. Fixed Assets, Net

Fixed assets, net, consist of the following:

*June 30, 2023*

Computer equipment	\$ 523,787
Furniture and fixtures	232,231
Leasehold improvements	671,596
Artwork	95,500
	1,523,114
Less: accumulated depreciation and amortization	(1,321,499)
	<b>\$ 201,615</b>

Depreciation expense for the year ended June 30, 2023 was \$138,153.

# Studio in a School Association, Inc.

## Notes to Consolidated Financial Statements

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### 7. Deferred Compensation Arrangements

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, 2023 amounted to \$321,708.

### 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, 2023, the amount charged to operations for employer contributions to the plan amounted to \$149,483.

### 9. Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following:

*June 30, 2023*

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Future periods	\$ 200,000
Program services:	
Investment income to be appropriated by governing board	2,309,643
Studio in a School NYC, LLC	1,296,496
Studio Institute, LLC	1,230,578
Other	948
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
<b>Total</b>	<b>\$ 8,072,615</b>

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

*June 30, 2023*

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Program services:	
Studio in a School Association, Inc.	\$ 340,613
Studio in a School NYC, LLC	1,135,600
Studio Institute, LLC	1,517,180
<b>Total Program Services Released from Restriction</b>	<b>2,993,393</b>
Investment loss appropriated by governing board	(197,700)
<b>Total Amount Released from Restriction</b>	<b>\$ 2,795,693</b>

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# Studio in a School Association, Inc.

## Notes to Consolidated Financial Statements

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### 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 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.

# Studio in a School Association, Inc.

## Notes to Consolidated Financial Statements

The following table represents the endowment net asset composition by type of fund:

*June 30, 2023*

	Donor-Restricted Endowment Funds	Board-Designated Endowment Funds	Total Endowments
With donor restrictions	\$ 5,307,919	\$ -	\$ 5,307,919
Without donor restrictions	-	8,194,233	8,194,233
<b>Total Endowment Funds</b>	<b>\$ 5,307,919</b>	<b>\$ 8,194,233</b>	<b>\$ 13,502,152</b>

The following table represents the reconciliation of changes in endowment net assets:

*Year ended June 30, 2023*

	Donor-Restricted Endowment Funds	Board-Designated Endowment Funds	Total Endowments
<b>Endowment Net Assets</b> , beginning of year	\$ 4,901,391	\$ 8,236,781	\$ 13,138,172
Additional investments	-	707,867	707,867
Net investment income	604,228	870,739	1,474,967
Transfers	(197,700)	(923,260)	(1,120,960)
Amounts appropriated for expenditure	-	(697,894)	(697,894)
<b>Endowment Net Assets</b> , end of year	<b>\$ 5,307,919</b>	<b>\$ 8,194,233</b>	<b>\$ 13,502,152</b>

### 11. Liquidity and Availability of Resources

*June 30, 2023*

Cash and cash equivalents	\$ 1,574,878
Short-term investments	384,299
Investments, at fair value	18,119,515
Accounts receivable, net	1,446,369
Contributions receivable, net	638,960
<b>Total Financial Assets</b> , at year-end	<b>22,164,021</b>
Less those unavailable for general expenditures, due to:	
Donor-imposed restrictions	7,922,137
<b>Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year</b>	<b>\$ 14,241,884</b>

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.



# Studio in a School Association, Inc.

## Notes to Consolidated Financial Statements

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### 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.

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 year ended June 30, 2023 amounted to \$77,271. At June 30, 2023, the aggregate minimum annual rental commitments under these leases are as follows:

<i>Year ending June 30,</i>		
2024	\$	12,729
<b>Total</b>	<b>\$</b>	<b>12,729</b>

### 14. Related Party Transactions

Studio periodically receives donations from members of its Board of Directors, which Studio considers related party transactions. For its fiscal year ended June 30, 2023, Studio received a total of \$1,412,103 in donations from its Board members.

Please refer to Note 15 for the loan from a Board member.

### 15. Loans Payable

#### *Loan from Board Member*

In April 2020, a Board member of Studio in a School Association, Inc. loaned \$193,663 and \$42,512 to Studio in a School NYC, LLC and Studio Institute, LLC, 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. As of June 30, 2023, the loan balance was paid off.

**Studio in a School Association, Inc.**  
**Notes to Consolidated Financial Statements**

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**16. Subsequent Events**

Studio's management has performed subsequent events procedures through April 30, 2024, which is the date the consolidated financial statements were available to be issued, and there were no subsequent events requiring adjustment to the consolidated financial statements or disclosures as stated herein.

## Supplemental Schedules

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**Studio in a School Association, Inc.**  
**Consolidating Schedule of Financial Position**  
**(with comparative totals for 2022)**

June 30,

	Studio in a School Association, Inc.	Studio NYC, LLC	Studio Institute, LLC	Eliminations	Total	
					2023	2022
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ 141,593	\$ 339,101	\$ 1,094,184	\$ -	\$ 1,574,878	\$ 1,897,357
Short-term investments	371,042	-	13,257	-	384,299	366,429
Investments, at fair value	14,876,203	683,129	2,560,183	-	18,119,515	16,245,441
Accounts receivable, net	-	1,333,773	112,596	-	1,446,369	1,594,694
Contributions receivable, net, current portion	202,750	362,573	73,637	-	638,960	1,587,595
Other assets	-	97,652	28,591	-	126,243	314,588
Intercompany receivable	684,215	19,998	1,344,677	(2,048,890)	-	-
<b>Total Current Assets</b>	<b>16,275,803</b>	<b>2,836,226</b>	<b>5,227,125</b>	<b>(2,048,890)</b>	<b>22,290,264</b>	<b>22,006,104</b>
<b>Contributions Receivable, Net, less current portion</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>220,064</b>
<b>Assets Limited as to Use</b>	<b>321,708</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>321,708</b>	<b>351,850</b>
<b>Fixed Assets, Net</b>	<b>95,500</b>	<b>106,115</b>	<b>-</b>	<b>-</b>	<b>201,615</b>	<b>334,679</b>
<b>Total Assets</b>	<b>\$ 16,693,011</b>	<b>\$ 2,942,341</b>	<b>\$ 5,227,125</b>	<b>\$ (2,048,890)</b>	<b>\$ 22,813,587</b>	<b>\$ 22,912,697</b>
<b>Liabilities and Net Assets</b>						
<b>Current Liabilities</b>						
Accounts payable and accrued expenses	\$ -	\$ 46,697	\$ 36,958	\$ -	\$ 83,655	\$ 96,457
Accrued payroll and related expenses	-	327,081	135,154	-	462,235	369,569
Loans payable	-	-	-	-	-	88,664
Deferred revenue	8,525	-	-	-	8,525	8,525
Intercompany payable	691,215	324,196	1,033,479	(2,048,890)	-	-
<b>Total Current Liabilities</b>	<b>699,740</b>	<b>697,974</b>	<b>1,205,591</b>	<b>(2,048,890)</b>	<b>554,415</b>	<b>563,215</b>
<b>Deferred Compensation</b>	<b>323,689</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>323,689</b>	<b>351,850</b>
<b>Total Liabilities</b>	<b>1,023,429</b>	<b>697,974</b>	<b>1,205,591</b>	<b>(2,048,890)</b>	<b>878,104</b>	<b>915,065</b>
<b>Commitments and Contingencies</b>						
<b>Net Assets</b>						
Without donor restrictions	11,135,065	(36,447)	2,764,250	-	13,862,868	11,865,781
With donor restrictions	4,534,517	2,280,814	1,257,284	-	8,072,615	10,131,851
<b>Total Net Assets</b>	<b>15,669,582</b>	<b>2,244,367</b>	<b>4,021,534</b>	<b>-</b>	<b>21,935,483</b>	<b>21,997,632</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 16,693,011</b>	<b>\$ 2,942,341</b>	<b>\$ 5,227,125</b>	<b>\$ (2,048,890)</b>	<b>\$ 22,813,587</b>	<b>\$ 22,912,697</b>

# Studio in a School Association, Inc.

## Consolidating Schedule of Activities (with comparative totals for 2022)

Year ended June 30,

	Studio in a School Association, Inc.			Total	
		Studio NYC, LLC	Studio Institute, LLC	2023	2022
<b>Changes in Net Assets Without Donor Restrictions</b>					
Operating revenue:					
Contributions:					
Foundations and trusts	\$ -	\$ 749,102	\$ 459,815	\$ 1,208,917	\$ 1,407,021
Individuals	-	436,055	64,877	500,932	491,976
Donated securities - individuals	-	134,466	134,466	268,932	309,352
Corporations	-	19,451	3,749	23,200	48,774
Operating transfer of Gala proceeds	-	-	120,000	120,000	(120,000)
Gala gross receipts	2,735,897	-	-	2,735,897	-
Less: direct cost to donors	(762,895)	-	-	(762,895)	-
<b>Net Gala Revenue</b>	<b>1,973,002</b>	<b>-</b>	<b>-</b>	<b>1,973,002</b>	<b>-</b>
Government and other contracts and grants	-	2,757,220	81,498	2,838,718	2,759,630
Fees for services	-	306,142	201,089	507,231	302,095
Other revenue	83	174,820	74,910	249,813	20,700
Net investment return reported in operations	-	1,143,915	350,592	1,494,507	910,000
Net assets released from restriction	340,613	1,135,600	1,517,180	2,993,393	1,291,958
<b>Total Operating Revenue</b>	<b>2,313,698</b>	<b>6,856,771</b>	<b>3,008,176</b>	<b>12,178,645</b>	<b>7,421,506</b>
Operating expenses:					
Program services:					
Studio in a School NYC, LLC program services:					
Long-Term program	-	1,735,224	-	1,735,224	1,472,209
Residency	-	2,149,186	-	2,149,186	2,223,220
Early Childhood program	-	717,415	-	717,415	605,906
Artist and Professional Development program	-	228,983	-	228,983	149,684
Exhibitions	-	342,060	1,769	343,829	213,294
Studio Institute, LLC program services:					
Teens program	-	-	1,105,979	1,105,979	763,442
College programs	-	-	701,799	701,799	357,500
Program services in other cities	-	-	619,904	619,904	457,183
Development projects and professional training	-	-	50,700	50,700	41,423
<b>Total Program Services</b>	<b>-</b>	<b>5,172,868</b>	<b>2,480,151</b>	<b>7,653,019</b>	<b>6,283,861</b>
Supporting services:					
Management and general	-	1,571,433	434,996	2,006,429	1,784,578
Fundraising	210	379,712	57,598	437,520	338,628
<b>Total Operating Expenses</b>	<b>210</b>	<b>7,124,013</b>	<b>2,972,745</b>	<b>10,096,968</b>	<b>8,407,067</b>
<b>Change in Net Assets Without Donor Restrictions, before non-operating income (expenses)</b>					
	2,313,488	(267,242)	35,431	2,081,677	(985,561)
Non-operating income (expenses):					
Net investment income (loss)	909,664	37,845	272,205	1,219,714	(2,043,449)
Net investment return reported in operations	(1,051,392)	-	(245,415)	(1,296,807)	(613,450)
Forgiveness of debt	-	-	-	-	1,221,795
Prior-year expenses	(7,497)	-	-	(7,497)	-
<b>Total Non-Operating Income (Expenses)</b>	<b>(149,225)</b>	<b>37,845</b>	<b>26,790</b>	<b>(84,590)</b>	<b>(1,435,104)</b>
<b>Change in Net Assets Without Donor Restrictions</b>	<b>2,164,263</b>	<b>(229,397)</b>	<b>62,221</b>	<b>1,997,087</b>	<b>(2,420,665)</b>

# Studio in a School Association, Inc.

## Consolidating Schedule of Activities (with comparative totals for 2022)

Year ended June 30,

	Studio in a School Association, Inc.	Studio NYC, LLC	Studio Institute, LLC	Total	
				2023	2022
<b>Changes in Net Assets with Donor Restrictions</b>					
Contributions:					
Foundations and trusts	\$ 11,936	\$ 382,500	\$ 28,000	\$ 422,436	\$ 2,402,817
Individuals	-	17,400	1,100	18,500	124,813
Corporations	-	-	-	-	154,900
Donated securities	-	-	150,478	150,478	-
Net assets released from restriction	(540,613)	(1,035,600)	(1,417,180)	(2,993,393)	(1,291,958)
Operating transfer of Gala proceeds	-	-	(120,000)	(120,000)	120,000
Non-operating other income (loss) and expenses:					
Net investment income (loss)	609,254	51,189	-	660,443	(1,234,172)
Investment return released into operations	(197,700)	-	-	(197,700)	(296,550)
<b>Total Changes in Net Assets with Donor Restrictions</b>	<b>(117,123)</b>	<b>(584,511)</b>	<b>(1,357,602)</b>	<b>(2,059,236)</b>	<b>(20,150)</b>
<b>Change in Net Assets</b>	<b>2,047,140</b>	<b>(813,908)</b>	<b>(1,295,381)</b>	<b>(62,149)</b>	<b>(2,440,815)</b>
<b>Net Assets, beginning of year</b>	<b>13,622,442</b>	<b>3,058,275</b>	<b>5,316,915</b>	<b>21,997,632</b>	<b>24,438,447</b>
<b>Net Assets, end of year</b>	<b>\$ 15,669,582</b>	<b>\$ 2,244,367</b>	<b>\$ 4,021,534</b>	<b>\$ 21,935,483</b>	<b>\$ 21,997,632</b>

**Studio in a School Association, Inc.**

**Studio in a School NYC, LLC Schedule of Expenses by Function  
(with comparative totals for 2022)**

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	2023	2022
<b>Salaries and Related Expenses</b>										
Salaries and wages	\$ 1,362,556	\$ 1,479,701	\$ 540,418	\$ 182,873	\$ 177,492	\$ 3,743,040	\$ 765,145	\$ 294,386	\$ 4,802,571	\$ 4,182,065
Benefits and payroll taxes	250,266	283,883	107,419	35,199	35,219	711,986	152,418	59,549	923,953	777,558
<b>Total Salaries and Related Expenses</b>	<b>1,612,822</b>	<b>1,763,584</b>	<b>647,837</b>	<b>218,072</b>	<b>212,711</b>	<b>4,455,026</b>	<b>917,563</b>	<b>353,935</b>	<b>5,726,524</b>	<b>4,959,623</b>
<b>Other Expenses</b>										
Consultants	638	114,869	938	1,881	41,333	159,659	128,751	2,500	290,910	492,189
Program supplies	95,666	181,291	50,692	3,064	23,231	353,944	4,056	-	358,000	362,946
Grants to subrecipients	-	-	-	-	12,774	12,774	5,000	-	17,774	1,759
Printing	292	9,682	-	-	27,792	37,766	27,870	4,072	69,708	68,153
Equipment rental and purchases	-	98	-	-	-	98	8,014	2,274	10,386	38,183
Accounting fees	-	-	-	-	-	-	105,077	-	105,077	88,158
Repairs and maintenance	-	15	-	-	40	55	20,411	-	20,466	39,365
Training, conferences, and meetings	-	498	40	2,436	-	2,974	1,858	-	4,832	289
Marketing and promotion	-	-	-	-	-	-	10,883	-	10,883	4,585
Occupancy	-	-	-	-	9,842	9,842	39,339	-	49,181	33,926
Travel and meals	16,853	14,501	2,606	2,585	4,487	41,032	18,951	(15)	59,968	31,943
Utilities	-	-	-	-	-	-	37,129	-	37,129	26,592
Depreciation and amortization	-	-	-	-	-	-	138,153	-	138,153	108,502
Telephone	-	-	-	-	37	37	21,452	-	21,489	13,340
Insurance	-	-	-	-	-	-	27,184	-	27,184	24,440
Dues, subscriptions, and memberships	340	3,540	200	945	7,266	12,291	38,620	12,644	63,555	67,530
Admission fees	-	-	-	-	-	-	50	-	50	-
Miscellaneous	102	332	-	-	2,547	2,981	21,072	4,302	28,355	40,396
Bad debts	8,511	60,776	15,102	-	-	84,389	-	-	84,389	9,449
<b>Total Expenses</b>	<b>\$ 1,735,224</b>	<b>\$ 2,149,186</b>	<b>\$ 717,415</b>	<b>\$ 228,983</b>	<b>\$ 342,060</b>	<b>\$ 5,172,868</b>	<b>\$ 1,571,433</b>	<b>\$ 379,712</b>	<b>\$ 7,124,013</b>	<b>\$ 6,411,368</b>

**Studio in a School Association, Inc.**  
**Studio Institute, LLC Schedule of Expenses by Function**  
**(with comparative totals for 2022)**

Year ended June 30,

	Program Services					Supporting Services			Total	
	Exhibitions	Teen Programs	College Programs	Program Services in Other Cities	Development Projects and Professional Training	Total Program Expenses	Management and General	Fundraising	2023	2022
<b>Salaries and Related Expenses</b>										
Salaries and wages	\$ -	\$ 734,057	\$ 116,780	\$ 435,479	\$ 34,062	\$ 1,320,378	\$ 291,712	\$ 46,177	\$ 1,658,267	\$ 1,229,628
Benefits and payroll taxes	-	92,327	15,313	58,550	4,541	170,731	38,811	6,157	215,699	162,977
<b>Total Salaries and Related Expenses</b>	-	826,384	132,093	494,029	38,603	1,491,109	330,523	52,334	1,873,966	1,392,605
<b>Other Expenses</b>										
Consultants	-	46,969	55,255	31,576	2,800	136,600	21,082	-	157,682	112,487
Regranting	-	136,500	482,311	-	-	618,811	-	-	618,811	279,176
Program supplies	900	9,637	1,672	28,927	183	41,319	250	-	41,569	19,816
Grants to subrecipients	-	-	22,625	-	-	22,625	-	-	22,625	28,600
Stipendiary	-	3,823	750	4,470	-	9,043	-	-	9,043	19,000
Printing	-	301	122	859	-	1,282	3,408	-	4,690	8,416
Equipment rental and purchases	-	15,158	-	4,361	-	19,519	3,561	-	23,080	4,854
Accounting fees	-	-	-	-	-	-	21,363	-	21,363	15,889
Repairs and maintenance	-	-	-	169	-	169	-	-	169	2,360
Training, conferences, and meetings	-	-	50	-	-	50	-	-	50	930
Marketing and promotion	-	-	-	2,522	-	2,522	4,075	-	6,597	10,582
Occupancy	850	6,540	-	4,644	-	12,034	16,056	-	28,090	19,281
Travel and meals	19	45,968	5,146	29,134	40	80,307	746	64	81,117	31,425
Utilities	-	-	-	-	-	-	10,537	-	10,537	9,595
Depreciation and amortization	-	-	-	-	-	-	-	-	-	18
Telephone	-	161	252	228	1,996	2,637	9,632	-	12,269	11,955
Insurance	-	-	-	-	-	-	3,564	2,156	5,720	4,955
Dues, subscriptions, and memberships	-	9,206	1,500	571	253	11,530	1,217	2,263	15,010	15,017
Admission fees	-	2,827	-	-	-	2,827	11	-	2,838	-
Miscellaneous	-	2,496	23	754	-	3,273	8,971	781	13,025	8,738
Bad debts	-	9	-	17,660	6,825	24,494	-	-	24,494	-
<b>Total Expenses</b>	\$ 1,769	\$ 1,105,979	\$ 701,799	\$ 619,904	\$ 50,700	\$ 2,480,151	\$ 434,996	\$ 57,598	\$ 2,972,744	\$ 1,995,699