

# Studio in a School Association, Inc.

Consolidated Financial Statements  
and Supplementary Information  
Year Ended June 30, 2025

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



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

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Consolidated Financial Statements and Supplementary Information  
Year Ended June 30, 2025

# 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. (the Studio), which comprise the consolidated statement of financial position as of June 30, 2025, 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 the Studio as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 the Studio and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the 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 the 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 the 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 the 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.

### ***Supplementary Information***

Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedule of financial position as of June 30, 2025, and the consolidating schedule of activities, the Studio in a School NYC, LLC schedule of expenses by function and the Studio Institute, LLC schedule of expenses by function for the year ended June 30, 2025 are presented for the purposes 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. Such information has been subjected to the



auditing procedures applied in the audit of the consolidated financial statements and 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 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 the 2024 consolidated financial statements of Studio in a School Association, Inc. and our report, dated February 3, 2025, 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, 2024 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

*BDO USA, P.C.*

January 29, 2026

**Studio in a School Association, Inc.**  
**Consolidated Statement of Financial Position**  
**(with comparative totals for 2024)**

<i>June 30,</i>	2025	2024
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 3)	\$ 2,893,491	\$ 2,421,580
Short-term investments (Notes 3 and 5)	932,794	659,625
Investments, at fair value (Notes 3 and 5)	19,902,191	19,211,768
Accounts receivable, net of allowance for credit losses of \$15,957 (Note 3)	1,368,170	1,200,532
Contributions receivable, current portion (Notes 3 and 4)	879,435	708,710
Other assets	141,790	56,474
<b>Total Current Assets</b>	<b>26,117,871</b>	<b>24,258,689</b>
<b>Contributions Receivable, net of current portion</b> (Notes 3 and 4)	<b>225,000</b>	<b>200,000</b>
<b>Assets Limited as to Use</b> (Notes 5 and 7)	<b>386,196</b>	<b>354,904</b>
<b>Fixed Assets, Net</b> (Notes 3 and 6)	<b>95,966</b>	<b>95,501</b>
<b>Right-of-Use Assets, Operating Leases</b>	<b>59,039</b>	<b>78,280</b>
<b>Total Assets</b>	<b>\$ 26,884,072</b>	<b>\$ 24,987,374</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 236,355	\$ 136,553
Accrued payroll and related expenses	478,905	437,224
Deferred revenue	-	8,525
Operating lease liabilities, current portion (Note 13)	18,075	18,075
<b>Total Current Liabilities</b>	<b>733,335</b>	<b>600,377</b>
<b>Deferred Compensation</b> (Note 7)	<b>386,196</b>	<b>363,904</b>
<b>Operating Lease Liabilities, net of current portion</b> (Note 13)	<b>42,104</b>	<b>60,606</b>
<b>Total Liabilities</b>	<b>1,161,635</b>	<b>1,024,887</b>
<b>Commitments and Contingencies</b> (Notes 3, 7, 8, 9, 10, and 13)		
<b>Net Assets</b> (Notes 9 and 10)		
Without donor restrictions	16,990,004	14,793,458
With donor restrictions	8,732,433	9,169,029
<b>Total Net Assets</b>	<b>25,722,437</b>	<b>23,962,487</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 26,884,072</b>	<b>\$ 24,987,374</b>

*See accompanying notes to consolidated financial statements.*

# Studio in a School Association, Inc.

## Consolidated Statement of Activities (with comparative totals for 2024)

Year ended June 30,	2025	2024
<b>Changes in Net Assets Without Donor Restrictions</b>		
Operating revenue:		
Contributions:		
Foundations and trusts	\$ 2,062,027	\$ 2,299,950
Individuals	2,612,724	589,136
Corporations	151,884	25,397
Donated securities - individuals	1,394,880	410,834
Contributed nonfinancial assets	489,740	404,785
Special events, net of direct expenses of \$27,488	18,667	86,765
Government and other contracts and grants	2,751,550	2,221,647
Fees for services	437,203	568,961
Other revenue	126,451	371,358
Net investment return reported in operations	931,252	2,001,430
Net assets released from restriction (Note 9)	3,220,125	2,328,093
<b>Total Operating Revenue</b>	<b>14,196,503</b>	<b>11,308,356</b>
Operating expenses:		
Program services:		
Studio in a School NYC, LLC program services:		
Long-Term Partnership programs	1,609,252	1,636,139
Residency programs	2,575,779	2,372,705
Early Childhood programs	618,522	680,208
Artist and Professional Development programs	273,857	287,253
Exhibition programs	290,542	320,786
Studio Institute, LLC program services:		
Teen programs	2,040,664	1,367,545
College programs	1,320,967	668,974
Program services in other cities	528,155	770,623
Development projects and professional training	54,333	60,116
<b>Total Program Services</b>	<b>9,312,071</b>	<b>8,164,349</b>
Supporting services:		
Management and general	3,002,855	2,793,904
Fundraising	398,369	456,947
<b>Total Supporting Services</b>	<b>3,401,224</b>	<b>3,250,851</b>
<b>Total Operating Expenses</b>	<b>12,713,295</b>	<b>11,415,200</b>
<b>Change in Net Assets Without Donor Restrictions, before non-operating income (expenses)</b>	<b>1,483,208</b>	<b>(106,844)</b>
Non-operating income (expenses):		
Net investment income	1,428,294	2,111,265
Net investment return reported in operations	(714,956)	(1,083,955)
Prior-year income	-	1,981
<b>Total Non-Operating Income, Net</b>	<b>713,338</b>	<b>1,029,291</b>
<b>Change in Net Assets Without Donor Restrictions</b>	<b>2,196,546</b>	<b>922,447</b>

# Studio in a School Association, Inc.

## Consolidated Statement of Activities (with comparative totals for 2024)

<i>Year ended June 30,</i>	2025	2024
<b>Changes in Net Assets with Donor Restrictions (Notes 9 and 10)</b>		
Contributions:		
Foundations and trusts	\$ 2,388,172	\$ 3,513,000
Individuals	450	37,270
Donated securities	-	501,632
Government and other contracts and grants	-	49,500
Net assets released from restriction (Note 9)	(3,220,125)	(2,328,093)
Non-operating other income and expenses:		
Net investment income	611,203	248,723
Investment return released into operations (Note 9)	(216,296)	(917,475)
<b>Total Changes in Net Assets with Donor Restrictions</b>	<b>(436,596)</b>	<b>1,104,557</b>
<b>Change in Net Assets</b>	<b>1,759,950</b>	<b>2,027,004</b>
<b>Net Assets, beginning of year</b>	<b>23,962,487</b>	<b>21,935,483</b>
<b>Net Assets, end of year</b>	<b>\$ 25,722,437</b>	<b>\$ 23,962,487</b>

*See accompanying notes to consolidated financial statements.*

**Studio in a School Association, Inc.**  
**Consolidated Statement of Functional Expenses**  
**(with comparative totals for 2024)**

Year ended June 30,

	Program Services									Supporting Services			Total		
	Long-Term Partnership Programs	Residency Programs	Early Childhood Programs	Artist and Professional Development Programs	Exhibition Programs	Teen Programs	College Programs	Program Services in Other Cities	Development Projects and Professional Training	Total Program Services	Management and General	Fundraising	Total Supporting Services	2025	2024
<b>Salaries and Related Expenses</b>															
Salaries and wages	\$ 1,261,019	\$ 1,832,333	\$ 476,611	\$ 213,785	\$ 163,411	\$ 1,327,529	\$ 356,543	\$ 411,653	\$ 33,827	\$ 6,076,711	\$ 1,257,584	\$ 285,407	\$ 1,542,991	\$ 7,619,702	\$ 6,950,576
Employee benefits and payroll taxes	259,080	361,302	116,827	45,044	41,495	157,038	40,479	44,626	4,058	1,069,949	221,558	57,680	279,238	1,349,187	1,363,383
<b>Total Salaries and Related Expenses</b>	<b>1,520,099</b>	<b>2,193,635</b>	<b>593,438</b>	<b>258,829</b>	<b>204,906</b>	<b>1,484,567</b>	<b>397,022</b>	<b>456,279</b>	<b>37,885</b>	<b>7,146,660</b>	<b>1,479,142</b>	<b>343,087</b>	<b>1,822,229</b>	<b>8,968,889</b>	<b>8,313,959</b>
<b>Other Expenses</b>															
Consultants	26	131,574	-	5,119	29,211	90,721	99,383	24,693	6,334	387,061	743,702	5,252	748,954	1,136,015	652,355
Regranting	-	-	-	-	-	254,046	700,836	-	-	954,882	-	-	-	954,882	615,487
Program supplies	76,781	210,180	22,456	4,855	19,981	5,073	686	14,441	-	354,453	1,889	105	1,994	356,447	390,149
Grants to subrecipients	-	-	-	-	11,111	1,400	25,963	-	-	38,474	-	-	-	38,474	34,362
Stipendiary	-	-	-	-	-	5,940	45,460	200	-	51,600	-	-	-	51,600	69,228
Printing	413	1,159	27	584	9,746	1,072	1,090	2,080	-	16,171	30,760	6,869	37,629	53,800	68,142
Equipment rental and purchases	271	8,317	198	-	12	24,151	1,087	-	-	34,036	16,307	-	16,307	50,343	50,973
Accounting fees	-	-	-	-	-	-	-	-	-	-	109,052	-	109,052	109,052	88,897
Repairs and maintenance	-	-	-	-	-	-	-	139	-	139	6,147	-	6,147	6,286	72,330
Training, conferences, and meetings	-	-	100	-	-	1,800	125	-	114	2,139	17,145	-	17,145	19,284	14,742
Marketing and promotion	-	-	-	-	151	300	1,000	160	10,000	11,611	3,351	5,650	9,001	20,612	43,557
Occupancy	-	2,188	-	500	5,500	55,072	9,263	13,980	-	86,503	391,623	-	391,623	478,126	436,396
Travel and meals	11,404	27,747	2,303	3,728	2,051	101,763	29,257	13,392	-	191,645	13,878	17,023	30,901	222,546	165,877
Utilities	-	-	-	-	-	-	61	-	-	61	44,975	-	44,975	45,036	53,433
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	2,485	-	2,485	2,485	106,114
Telephone	18	-	-	-	174	692	147	-	-	1,031	25,359	-	25,359	26,390	23,787
Insurance	-	-	-	-	-	-	-	-	-	-	18,928	-	18,928	18,928	35,398
Dues, subscriptions, and memberships	240	681	-	22	7,557	-	7,777	50	-	16,327	85,002	1,200	86,202	102,529	101,945
Admission fees	-	140	-	220	-	13,728	1,810	-	-	15,898	-	2,400	2,400	18,298	10,139
Miscellaneous	-	158	-	-	142	339	-	2,741	-	3,380	12,098	10,783	22,881	26,261	45,448
Bad debt expense - contributions receivables	-	-	-	-	-	-	-	-	-	-	1,012	6,000	7,012	7,012	22,482
<b>Total Operating Expenses</b>	<b>\$ 1,609,252</b>	<b>\$ 2,575,779</b>	<b>\$ 618,522</b>	<b>\$ 273,857</b>	<b>\$ 290,542</b>	<b>\$ 2,040,664</b>	<b>\$ 1,320,967</b>	<b>\$ 528,155</b>	<b>\$ 54,333</b>	<b>\$ 9,312,071</b>	<b>\$ 3,002,855</b>	<b>\$ 398,369</b>	<b>\$ 3,401,224</b>	<b>\$ 12,713,295</b>	<b>\$ 11,415,200</b>

See accompanying notes to consolidated financial statements.

## Studio in a School Association, Inc.

### Consolidated Statement of Cash Flows (with comparative totals for 2024)

Year ended June 30,	2025	2024
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 1,759,950	\$ 2,027,004
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	2,485	106,114
Net realized and unrealized gain on investments	(1,624,483)	(1,917,086)
Donated securities	(1,394,880)	(410,834)
Bad debt expense related to contributions receivable	7,012	22,482
Non-cash lease expense	21,962	13,755
Provision for credit losses	(19,998)	36,511
Changes in assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	(147,640)	209,326
Contributions receivable	(202,737)	(292,232)
Other assets	(85,316)	69,769
Increase (decrease) in:		
Accounts payable and accrued expenses	99,802	52,898
Accrued payroll and related expenses	41,681	(25,011)
Deferred revenue	(8,525)	-
Deferred compensation	22,292	40,215
Principal reduction in operating lease liabilities	(21,223)	(13,354)
<b>Net Cash Used in Operating Activities</b>	<b>(1,549,618)</b>	<b>(80,443)</b>
<b>Cash Flows from Investing Activities</b>		
Assets limited as to use	(31,292)	(33,195)
Purchase of fixed assets	(2,950)	-
Purchase of investments	(414,967)	(2,043,413)
Proceeds from sale of investments	2,470,738	3,003,753
<b>Net Cash Provided by Investing Activities</b>	<b>2,021,529</b>	<b>927,145</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>471,911</b>	<b>846,702</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>2,421,580</b>	<b>1,574,878</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 2,893,491</b>	<b>\$ 2,421,580</b>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Right-of-use asset obtained in exchange for operating lease liability	\$ -	\$ 92,035

*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. Studio in a School Association, Inc. collaborates with and fosters the ability of teaching artists who provide programming and creative development for youth within and outside of schools. Studio in a School Association, Inc. fulfills this mission through two Limited Liability Companies (LLCs), formed in August 2016, that are wholly owned subsidiaries of Studio in a School Association, Inc. Studio in a School NYC, LLC (Studio NYC) offers programs for students in Pre-K through high school in New York City and State, and Studio Institute, LLC (Studio Institute) offers arts internship programs for high school students in New York City, and college students in multiple states in partnership with arts and cultural institutions. 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><li>• CASA</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>• Alumni Network</li><li>• Mentor Program</li></ul>

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

For over 45 years, Studio in a School NYC, LLC has connected professional artists with public school classrooms. Studio NYC 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 NYC creates sustainable art programs with a lasting impact in participating communities.

# Studio in a School Association, Inc.

## Notes to Consolidated Financial Statements

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In fiscal year 2025 (FY25), Studio NYC served 30,272 students and 2,827 teachers in 288 program sites and Early Childhood Centers with the following programs:

### *Long-Term Partnership Program*

Studio NYC's original program establishes a dedicated art studio in Title 1 elementary schools. Professional artists are placed in participating schools for a minimum of five years, creating a place for sequential visual arts instruction within the school's curriculum and culture.

### *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 offers 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 Einstein Fine Art Program, Christie's NYC, and local public libraries. Artwork is also exhibited at Studio's gallery: 1 East 53<sup>rd</sup> Street in varying shows throughout the year.

### *Artist and Professional Development*

Through group trainings and artist mentoring, Studio NYC creates and maintains a community of artists who teach to the highest standards. Studio NYC also provides a variety of professional development opportunities to New York City public school teachers and early childhood educators. Studio NYC also created a visual arts teaching and learning digital database where educators, families, and students 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, and assessment methods with arts and educational communities nationwide. In FY2025, Studio Institute programs provided in-depth services to more than 155 high school students and 99 college students in 9 cities and continued to provide 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 Institute

# Studio in a School Association, Inc.

## Notes to Consolidated Financial Statements

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provides programming to introduce New York City 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 school year in a part-time capacity.

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

### *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 seven other cities between 2016-2024. A second arts internship program for college students who are alumni of the high school arts internship program serves five cities offering arts administration focused engagement and work experiences to promote careers in the arts.

### *Development Projects and Professional Learning*

Studio Institute works with 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 Institute continued a multi-year partnership with the Cleveland Metropolitan School District and local community-based organizations. This work involved the training of local artists in providing quality visual arts classes.

## **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 intercompany transactions and 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.

### *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

# Studio in a School Association, Inc.

## Notes to Consolidated Financial Statements

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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 as net assets released from restrictions. 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. At June 30, 2025, the Studio has net assets with donor restrictions held in perpetuity of \$3,034,950. See Note 9 for further discussion on net assets with donor restrictions held in perpetuity.

*Without Donor Restrictions* - This class consists of the part of net assets that is not restricted by donor-imposed stipulations and are, therefore, available for the general operations of the Studio.

### ***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***

Accounting Standards Codification (ASC) 820, *Fair Value Measurement*, 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

# Studio in a School Association, Inc.

## Notes to Consolidated Financial Statements

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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.

### ***Investments, at Fair Value and Net Investment Income***

Investments are recorded at their fair values. 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. The Studio had no internal investment expenses for the year ended June 30, 2025.

### ***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. Contributions are nonexchange transactions in which no commensurate value is exchanged. Therefore, contributions fall under the purview of ASC 958, *Not-for-Profit Entities*.

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable 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. As of June 30, 2025, there were no conditional promises.

### ***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. Depreciation is computed using the straight-line method over the estimated useful lives, as follows:

<u>Asset Category</u>	<u>Useful Life (Years)</u>
Computer equipment	5
Furniture and fixtures	5
Artwork	5-10
Leasehold improvements	Lesser of useful life of asset or lease term

### ***Impairment of Long-Lived Assets***

The Studio reviews its long-lived assets, including fixed assets, 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, 2025, there have been no such losses.

# Studio in a School Association, Inc.

## Notes to Consolidated Financial Statements

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### *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 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 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 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.

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

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Revenue with customers is comprised of the following:

*June 30, 2025*

Government and other contracts and grants	\$ 2,751,550
Fees for services	437,203
Other revenue	126,451
<b>Total Revenue Subject to ASC 606</b>	<b>3,315,204</b>
<b>Total Revenue Not Subject to ASC 606</b>	<b>11,158,041</b>
<b>Total Revenue and Other Support</b>	<b>\$ 14,473,245</b>

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

*June 30, 2025*

	Receivables	Contract Assets	Contract Liabilities
Beginning of year	\$ 1,200,532	\$ -	\$ -
End of year	1,368,170	-	-

***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 GAAP. Under 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 not 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, 2025, 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.

***Comparative Financial Information***

The consolidated financial statements include certain prior-year summarized comparative information. 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 accounting principles generally accepted in the United States of America (GAAP). Accordingly, such

# Studio in a School Association, Inc.

## Notes to Consolidated Financial Statements

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information should be read in conjunction with Studio’s consolidated financial statements for the year ended June 30, 2024, from which summarized information was derived.

### *Use of Estimates*

The preparation of consolidated financial statements in conformity with 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.

### *Receivables and Credit Losses*

Accounts receivable is recorded at the reimbursable amount and do not bear interest. In evaluating the collectability of accounts receivable, the Studio analyzes its past history and identifies trends for each of its major payor sources to estimate the appropriate transaction price, allowance for credit losses, and provision for credit losses. Management regularly reviews data about these major payor sources in evaluating the sufficiency of the allowance for credit losses. Actual results could differ from those estimates.

Accounts receivable balances are further reduced by an allowance for current expected credit losses. The Studio has adopted the ASC 326 model in its consolidated financial statements.

The Studio reviews its accounts receivables on a regular basis and analyzes these balances for potential credit losses based on a “roll-rate” methodology. Under a “roll-rate” methodology, loss rates for each aging bucket take into account the migration of each balance through the various aging buckets to determine the appropriate credit loss rate for each bucket. The Studio considers other available external data and management’s reasonable outlook for business and economic conditions over the life of the receivables. In accordance with ASC 326-20-30-2, the Organization determined that similar risk characteristics existed for receivables with similar days outstanding, regardless of payor class, so the pools for the allowance for credit losses were calculated based on aging buckets.

Management anticipates that historic loss rates will be consistent during the next fiscal year and concluded that no adjustments to their methodology or inputs are required.

Management applies these forecasts to create the following credit loss matrix to calculate the allowance for credit losses at June 30, 2025:

### *June 30, 2025*

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<b>Balance</b> , beginning of period	\$	35,955
Write-offs charged against the allowance		(19,998)
<b>Balance</b> , end of period	\$	15,957

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# Studio in a School Association, Inc.

## Notes to Consolidated Financial Statements

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### 4. Contributions Receivable

Contributions receivable are recorded based on formal, written promises received from donors. Amounts due within one year are presented at face value, while amounts due in two to five years are discounted to present value. Management expects all contributions to be fully collected and, accordingly, no allowance for doubtful accounts has been provided as of June 30, 2025. At June 30, 2025, contributions receivable amounted to \$1,104,435.

*June 30, 2025*

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Amount due in:		
One year	\$	879,435
Two years or more		225,000
<b>Total</b>	<b>\$</b>	<b>1,104,435</b>

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### 5. Financial Instruments and Fair Value

Assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with ASC 820. See Note 3 for a discussion of the Studio's policies regarding this hierarchy.

The financial assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Studio's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy levels. There were no transfers between levels during 2025.

A description of the valuation techniques applied to the Studio's assets measured at fair value is as follows:

*Guaranteed Annuity* - This investment is stated at contract value, which approximates fair value. The contract value equals the accumulated cash contributions, interest credited to the account, less any withdrawals. These investments are classified as Level 2.

*Money-Market Fund* - This investment is comprised of a money-market fund that is reported at cost, which approximates fair value. These investments are classified as Level 1.

*Common Stock* - Common stocks are shares of companies listed on major stock exchanges, such as those on the New York Stock Exchange (NYSE) or NASDAQ valued using readily observable and quoted prices from active markets. Common Stocks are valued as Level 1 investments.

*Publicly Held Mutual Fund* - Publicly held mutual funds consist principally of equity, fixed income securities and money market funds carried at their aggregate market value, as determined by quoted market prices. The valuation of such investments is based on Level 1 inputs within the hierarchy used in measuring fair value.

*Private Equity Funds (NAV Based)* - These investments are made in private-equity funds which are valued based on the net asset value (NAV) of the interest owned by the Studio at year-end. Given the absence of market quotations, their fair value is estimated using information provided to the Studio by the investment managers and general partners. The values are based on estimates that require varying degrees of judgment and, for fund of funds investments, are primarily based on

# Studio in a School Association, Inc.

## Notes to Consolidated Financial Statements

financial data supplied by the investment managers of the underlying funds. Individual investment holdings within the alternative investments may include investments in both nonmarketable and market-traded securities. Nonmarketable securities may include equity in private companies, real estate, thinly traded securities, and other investment vehicles.

The investments may indirectly expose the Studio to the effects of securities lending; short sales of securities; and trading in futures and forward contracts, options, swap contracts, and other derivative products. While these consolidated financial statements contain varying degrees of risk, the Studio's exposure with respect to each such investment is limited to the amount of the Studio's investment in each of the respective funds. The financial statements of the investees are audited annually by nationally recognized firms of independent auditors. The Studio does not directly invest in the underlying securities of the investment funds and, due to restrictions on transferability and timing of withdrawals from the different funds, the amount ultimately realized upon liquidation could differ from reported values that are based on current conditions.

Assets, at fair value, consist of the following:

June 30, 2025

	Level 1	Level 2	Level 3	Balance
<b>Assets Limited as to Use:</b>				
Guaranteed Annuity	\$ -	\$ 386,196	\$ -	\$ 386,196
<b>Total Assets Limited as to Use, at fair value</b>	<b>-</b>	<b>386,196</b>	<b>-</b>	<b>386,196</b>
<b>Short-Term Investments and Investments</b>				
Money market fund	\$ 426,435	\$ -	\$ -	\$ 426,435
Common stock	506,359	-	-	506,359
Mutual fund	19,538,365	-	-	19,538,365
<b>Total Short-Term Investments and Investments, in the fair value hierarchy</b>	<b>\$ 20,471,159</b>	<b>\$ -</b>	<b>\$ -</b>	<b>20,471,159</b>
<b>Private Equity Funds (NAV based)</b>				<b>363,826</b>
<b>Total Short-Term Investments and Investments, at fair value</b>				<b>20,834,985</b>
<b>Total</b>				<b>\$ 21,221,181</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.

In accordance with GAAP, the Studio's disclosures include the category, fair value, redemption frequency, and redemption notice period for those assets whose fair value is estimated using the NAV per share as of June 30, 2025. For the Studio, such assets include investments in hedge funds.

# Studio in a School Association, Inc.

## Notes to Consolidated Financial Statements

The following table sets forth a summary of the Studio's investments with a reported NAV:

*June 30, 2025*

	Fair Value Estimated NAV Per Share				
	Fair Value**	Unfunded Commitment	Redemption Frequency	Other Redemption Restrictions	Redemption Notice Period
Private-equity fund	\$ 363,826	N/A	(a)	None noted	(b)

\*\*The fair values of the investments have been estimated using the NAV of the investment.

(a) Redemption not permitted. Distributions require liquidation of underlying assets. Limited exceptions subject to general partner approval.

### 6. Fixed Assets, Net

Fixed assets, net, consist of the following:

*June 30, 2025*

Computer equipment	\$	526,737
Furniture and fixtures		232,231
Leasehold improvements		671,596
Artwork		95,500
		1,526,064
Less: accumulated depreciation and amortization		(1,430,098)
	\$	95,966

Depreciation and amortization expense for the year ended June 30, 2025 was \$2,485.

### 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, 2025 amounted to \$386,196.

### 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, 2025, the amount charged to operations for employer contributions to the plan amounted to \$188,206.

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

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**9. Net Assets with Donor Restrictions**

Net assets with donor restrictions consisted of the following:

*June 30, 2025*

Program services:	
Investment income to be appropriated by governing board	\$ 2,711,528
Studio in a School NYC, LLC	526,362
Studio Institute, LLC	2,458,650
Other	943
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>\$ 8,732,433</b>

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

*June 30, 2025*

Program services:	
Studio in a School NYC, LLC	\$ 1,048,717
Studio Institute, LLC	2,171,408
<b>Total Program Services Released from Restriction</b>	<b>3,220,125</b>
Investment return appropriated by governing board	216,296
<b>Total Amount Released from Restriction</b>	<b>\$ 3,436,421</b>

**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

# Studio in a School Association, Inc.

## Notes to Consolidated Financial Statements

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

*June 30, 2025*

	Donor-Restricted Endowment Funds	Board-Designated Endowment Funds	Total Endowments
With donor restrictions	\$ 5,705,127	\$ -	\$ 5,705,127
Without donor restrictions	-	9,154,061	9,154,061
<b>Total Endowment Funds</b>	<b>\$ 5,705,127</b>	<b>\$ 9,154,061</b>	<b>\$ 14,859,188</b>

# Studio in a School Association, Inc.

## Notes to Consolidated Financial Statements

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

*Year ended June 30, 2025*

	Donor-Restricted Endowment Funds	Board-Designated Endowment Funds	Total Endowments
<b>Endowment Net Assets</b> , beginning of year	\$ 5,322,588	\$ 8,913,376	\$ 14,235,964
Net investment income	603,439	859,785	1,463,224
Transfers	(220,900)	-	(220,900)
Amounts appropriated for expenditure	-	(619,100)	(619,100)
<b>Endowment Net Assets</b> , end of year	\$ 5,705,127	\$ 9,154,061	\$ 14,859,188

### 11. Liquidity and Availability of Resources

*June 30, 2025*

Cash and cash equivalents	\$ 2,893,491
Short-term investments	932,794
Investments, at fair value	19,902,191
Accounts receivable, net of allowance for credit losses	1,368,170
Contributions receivable	879,435
<b>Total Financial Assets</b> , at year-end	25,976,081
Less: those unavailable for general expenditures, due to:	
Donor-imposed restrictions	(8,732,433)
Board-Designated Endowment Funds	(9,154,061)
<b>Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year</b>	<b>\$ 8,089,587</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 as well as Board-designated endowment funds 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

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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. Operating Leases

Studio has adopted the provisions of ASC 842, *Leases*. For leases with initial terms of greater than one year, the School records the related right-of-use (ROU) assets and liabilities at the present value of the remaining lease payments to be paid over the life of the related lease. Lease payments related to periods subject to renewal options are excluded from the amounts used to determine the present value of the remaining lease payments unless Studio is reasonably certain to exercise the option to extend the lease. The present value of the lease payments is calculated by utilizing the discount rate stated in the lease, when readily determinable. For leases for which a discount rate is not readily available, Studio has elected to use the risk-free rate. Studio has made an accounting policy election not to separate lease components from non-lease components in contracts when determining its lease payments for all of its asset classes, as permitted by ASC 842. As such, Studio accounts for the applicable non-lease components together with the related lease components when determining the ROU assets and liabilities. Studio has made an accounting policy election not to record leases with an initial term of less than one year as ROU assets and liabilities in the consolidated statement of financial position.

The following tables summarize information related to the lease assets and liabilities:

*Year ended June 30, 2025*

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<b>Lease Costs</b>		
Operating lease costs	\$	21,962
Short-term lease costs		11,858
<b>Total Lease Cost</b>	\$	33,820
<b>Right-of-use assets and liabilities:</b>		
Operating lease right-of-use assets, net of amortization	\$	59,039
Operating lease liabilities		60,179
Weighted-average remaining lease term - operating leases		3.39 years
Weighted-average discount rate - operating leases		3.96%

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# Studio in a School Association, Inc.

## Notes to Consolidated Financial Statements

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The following is a schedule of future minimum lease payments, including interest under the term of the leases, together with the present value of the net minimum lease payments, as June 30, 2025:

*Fiscal year ending June 30,*

2026	\$	20,285
2027		16,646
2028		17,145
2029		10,174
<b>Total Minimum Lease Payments</b>		<b>64,250</b>
Less: amounts representing interest		(4,071)
<b>Present Value of Net Minimum Lease Payments</b>		<b>\$ 60,179</b>

Rent expense for the year ended June 30, 2025 was \$478,126, which includes lease cost of \$33,820, in-kind rent of \$310,656, other equipment rent, space rent and off-site storage space rent of \$133,650 and is included in occupancy costs on the consolidated statement of functional expenses.

### 14. Related Party Transactions

Studio periodically receives donations from members of its Board of Directors, which Studio considers related party transactions. For the year ended June 30, 2025, Studio received a total of \$3,015,153 in donations from its Board members.

### 15. Subsequent Events

Studio's management has performed subsequent events procedures through January 29, 2026, 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 2024)**

June 30,

	Studio in a School Association, Inc.	Studio NYC, LLC	Studio Institute, LLC	Eliminations	Total	
					2025	2024
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ 164,839	\$ 433,551	\$ 2,295,101	\$ -	\$ 2,893,491	\$ 2,421,580
Short-term investments	820,373	55,448	56,973	-	932,794	659,625
Investments, at fair value	16,450,892	2,476	3,448,823	-	19,902,191	19,211,768
Accounts receivable, allowance for credit losses	(2,000)	1,360,516	9,654	-	1,368,170	1,200,532
Contributions receivable, current portion	500,000	161,435	218,000	-	879,435	708,710
Other assets	139,609	1,151	1,030	-	141,790	56,474
Intercompany receivable	1,991,029	942,743	2,001,712	(4,935,484)	-	-
<b>Total Current Assets</b>	<b>20,064,742</b>	<b>2,957,320</b>	<b>8,031,293</b>	<b>(4,935,484)</b>	<b>26,117,871</b>	<b>24,258,689</b>
<b>Contributions Receivable, net, of current portion</b>	<b>-</b>	<b>175,000</b>	<b>50,000</b>	<b>-</b>	<b>225,000</b>	<b>200,000</b>
<b>Assets Limited as to Use</b>	<b>386,196</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>386,196</b>	<b>354,904</b>
<b>Fixed Assets, Net</b>	<b>95,500</b>	<b>(353)</b>	<b>819</b>	<b>-</b>	<b>95,966</b>	<b>95,501</b>
<b>Right-of-Use Assets</b>						
<b>Operating Leases</b>	<b>-</b>	<b>49,700</b>	<b>9,339</b>	<b>-</b>	<b>59,039</b>	<b>78,280</b>
<b>Total Assets</b>	<b>\$20,546,438</b>	<b>\$ 3,181,667</b>	<b>\$ 8,091,451</b>	<b>\$(4,935,484)</b>	<b>\$ 26,884,072</b>	<b>\$ 24,987,374</b>
<b>Liabilities and Net Assets</b>						
<b>Current Liabilities</b>						
Accounts payable and accrued expenses	\$ 88,031	\$ 58,305	\$ 90,019	\$ -	\$ 236,355	\$ 136,553
Accrued payroll and related expenses	-	329,027	149,878	-	478,905	437,224
Deferred revenue	-	-	-	-	-	8,525
Intercompany payable	2,072,595	1,260,521	1,602,368	(4,935,484)	-	-
Operating lease liabilities, current portion	-	15,175	2,900	-	18,075	18,075
<b>Total Current Liabilities</b>	<b>2,160,626</b>	<b>1,663,028</b>	<b>1,845,165</b>	<b>(4,935,484)</b>	<b>733,335</b>	<b>600,377</b>
<b>Deferred Compensation</b>	<b>386,196</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>386,196</b>	<b>363,904</b>
<b>Operating Lease Liabilities, net of current portion</b>	<b>-</b>	<b>35,482</b>	<b>6,622</b>	<b>-</b>	<b>42,104</b>	<b>60,606</b>
<b>Total Liabilities</b>	<b>2,546,822</b>	<b>1,698,510</b>	<b>1,851,787</b>	<b>(4,935,484)</b>	<b>1,161,635</b>	<b>1,024,887</b>
<b>Commitments and Contingencies</b>						
<b>Net Assets</b>						
Without donor restrictions	12,237,458	968,193	3,784,353	-	16,990,004	14,793,458
With donor restrictions	5,762,158	514,964	2,455,311	-	8,732,433	9,169,029
<b>Total Net Assets</b>	<b>17,999,616</b>	<b>1,483,157</b>	<b>6,239,664</b>	<b>-</b>	<b>25,722,437</b>	<b>23,962,487</b>
<b>Total Liabilities and Net Assets</b>	<b>\$20,546,438</b>	<b>\$ 3,181,667</b>	<b>\$ 8,091,451</b>	<b>\$(4,935,484)</b>	<b>\$ 26,884,072</b>	<b>\$ 24,987,374</b>

# Studio in a School Association, Inc.

## Consolidating Schedule of Activities (with comparative totals for 2024)

Year ended June 30,

	Studio in a School Association, Inc.	Studio NYC, LLC	Studio Institute, LLC	Total	
				2025	2024
<b>Changes in Net Assets Without Donor Restrictions</b>					
Operating revenue:					
Contributions:					
Foundations and trusts	\$ -	\$ 711,399	\$ 1,350,628	\$ 2,062,027	\$ 2,299,950
Individuals	507,500	1,463,035	642,189	2,612,724	589,136
Corporations	-	48,600	103,284	151,884	25,397
Donated securities - individuals	1,007,626	203,783	183,471	1,394,880	410,834
Contributed nonfinancial assets	-	317,541	172,199	489,740	404,785
Special events, net of direct expenses	11,025	(1,897)	9,539	18,667	86,765
Government and other contracts and grants	-	2,751,550	-	2,751,550	2,221,647
Fees for services	-	316,799	120,404	437,203	568,961
Other revenue	(497,856)	437,014	187,293	126,451	371,358
Net investment return reported in operations	-	800,000	131,252	931,252	2,001,430
Net assets released from restriction	-	1,048,717	2,171,408	3,220,125	2,328,093
<b>Total Operating Revenue</b>	<b>1,028,295</b>	<b>8,096,541</b>	<b>5,071,667</b>	<b>14,196,503</b>	<b>11,308,356</b>
Operating expenses:					
Program services:					
Studio in a School NYC, LLC program services:					
Long-Term Partnership programs	-	1,609,252	-	1,609,252	1,636,139
Residency programs	-	2,575,779	-	2,575,779	2,372,705
Early Childhood programs	-	618,522	-	618,522	680,208
Artist and Professional Development programs	-	273,857	-	273,857	287,253
Exhibition programs	-	288,616	1,926	290,542	320,786
Studio Institute, LLC program services:					
Teens program	4,780	-	2,035,884	2,040,664	1,367,545
College programs	-	-	1,320,967	1,320,967	668,974
Program services in other cities	-	-	528,155	528,155	770,623
Development projects and professional training	-	-	54,333	54,333	60,116
<b>Total Program Services</b>	<b>4,780</b>	<b>5,366,026</b>	<b>3,941,265</b>	<b>9,312,071</b>	<b>8,164,349</b>
Supporting services:					
Management and general	110	2,163,063	839,682	3,002,855	2,793,904
Fundraising	-	315,868	82,501	398,369	456,947
<b>Total Supporting Services</b>	<b>110</b>	<b>2,478,931</b>	<b>922,183</b>	<b>3,401,224</b>	<b>3,250,851</b>
<b>Total Operating Expenses</b>	<b>4,890</b>	<b>7,844,957</b>	<b>4,863,448</b>	<b>12,713,295</b>	<b>11,415,200</b>
<b>Change in Net Assets Without Donor Restrictions, before non-operating income (expenses)</b>					
	1,023,405	251,584	208,219	1,483,208	(106,844)
Non-operating income (expenses):					
Net investment income	1,420,594	2,266	5,434	1,428,294	2,111,265
Net investment return reported in operations	(623,704)	-	(91,252)	(714,956)	(1,083,955)
Prior-year income	-	-	-	-	1,981
<b>Total Non-Operating Income, Net</b>	<b>796,890</b>	<b>2,266</b>	<b>(85,818)</b>	<b>713,338</b>	<b>1,029,291</b>
<b>Change in Net Assets Without Donor Restrictions</b>	<b>1,820,295</b>	<b>253,850</b>	<b>122,401</b>	<b>2,196,546</b>	<b>922,447</b>

# Studio in a School Association, Inc.

## Consolidating Schedule of Activities (with comparative totals for 2024)

Year ended June 30,

	Studio in a School Association, Inc.	Studio NYC, LLC	Studio Institute, LLC	Total	
				2025	2024
<b>Changes in Net Assets with Donor Restrictions</b>					
Contributions:					
Foundations and trusts	\$ -	\$ 280,000	\$ 2,108,172	\$ 2,388,172	\$ 3,513,000
Individuals	-	450	-	450	37,270
Donated securities	-	-	-	-	501,632
Government and other contracts and grants	-	-	-	-	49,500
Net assets released from restriction	-	(1,048,717)	(2,171,408)	(3,220,125)	(2,328,093)
Non-operating other income and expenses:					
Net investment income	617,863	(6,660)	-	611,203	248,723
Investment return released into operations	(216,296)	-	-	(216,296)	(917,475)
<b>Total Changes in Net Assets with Donor Restrictions</b>	<b>401,567</b>	<b>(774,927)</b>	<b>(63,236)</b>	<b>(436,596)</b>	<b>1,104,557</b>
<b>Change in Net Assets</b>	<b>2,221,862</b>	<b>(521,077)</b>	<b>59,165</b>	<b>1,759,950</b>	<b>2,027,004</b>
<b>Net Assets, beginning of year</b>	<b>15,777,753</b>	<b>2,004,235</b>	<b>6,180,499</b>	<b>23,962,487</b>	<b>21,935,483</b>
<b>Net Assets, end of year</b>	<b>\$ 17,999,615</b>	<b>\$ 1,483,158</b>	<b>\$ 6,239,664</b>	<b>\$ 25,722,437</b>	<b>\$ 23,962,487</b>

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

**Studio in a School NYC, LLC Schedule of Expenses by Function  
(with comparative totals for 2024)**

Year ended June 30,

	Program Services					Supporting Services			Total		
	Long-Term Partnership Programs	Residency Programs	Early Childhood Programs	Artist and Professional Development Programs	Exhibition Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	2025	2024
<b>Salaries and Related Expenses</b>											
Salaries and wages	\$ 1,261,019	\$ 1,832,333	\$ 476,611	\$ 213,785	\$ 163,411	\$ 3,947,159	\$ 837,585	\$ 224,964	\$ 1,062,549	\$ 5,009,708	\$ 5,072,107
Employee benefits and payroll taxes	259,080	361,302	116,827	45,044	41,495	823,748	174,193	50,771	224,964	1,048,712	1,097,580
<b>Total Salaries and Related Expenses</b>	<b>1,520,099</b>	<b>2,193,635</b>	<b>593,438</b>	<b>258,829</b>	<b>204,906</b>	<b>4,770,907</b>	<b>1,011,778</b>	<b>275,735</b>	<b>1,287,513</b>	<b>6,058,420</b>	<b>6,169,687</b>
<b>Other Expenses</b>											
Consultants	26	131,574	-	5,119	28,499	165,218	577,361	5,252	582,613	747,831	398,539
Program supplies	76,781	210,180	22,456	4,855	19,981	334,253	816	105	921	335,174	336,195
Grants to subrecipients	-	-	-	-	11,111	11,111	-	-	-	11,111	13,512
Printing	413	1,159	27	584	9,467	11,650	16,045	6,295	22,340	33,990	55,992
Equipment rental and purchases	271	8,317	198	-	12	8,798	14,412	-	14,412	23,210	21,246
Accounting fees	-	-	-	-	-	-	90,028	-	90,028	90,028	73,840
Repairs and maintenance	-	-	-	-	-	-	1,044	-	1,044	1,044	11,388
Training, conferences, and meetings	-	-	100	-	-	100	804	-	804	904	6,250
Marketing and promotion	-	-	-	-	151	151	2,326	5,085	7,411	7,562	12,294
Occupancy	-	2,188	-	500	4,565	7,253	298,961	-	298,961	306,214	291,119
Travel and meals	11,404	27,747	2,303	3,728	2,051	47,233	9,311	12,478	21,789	69,022	81,001
Utilities	-	-	-	-	-	-	28,718	-	28,718	28,718	37,724
Depreciation and amortization	-	-	-	-	-	-	1,993	-	1,993	1,993	105,950
Telephone	18	-	-	-	174	192	20,231	-	20,231	20,423	17,203
Insurance	-	-	-	-	-	-	15,710	-	15,710	15,710	29,380
Dues, subscriptions, and memberships	240	681	-	22	7,557	8,500	66,188	1,200	67,388	75,888	90,792
Admission fees	-	140	-	220	-	360	-	2,400	2,400	2,760	70
Miscellaneous	-	158	-	-	142	300	6,325	7,318	13,643	13,943	21,973
Bad debt expense - contributions receivable	-	-	-	-	-	-	1,012	-	1,012	1,012	22,466
<b>Total Expenses</b>	<b>\$ 1,609,252</b>	<b>\$ 2,575,779</b>	<b>\$ 618,522</b>	<b>\$ 273,857</b>	<b>\$ 288,616</b>	<b>\$ 5,366,026</b>	<b>\$ 2,163,063</b>	<b>\$ 315,868</b>	<b>\$ 2,478,931</b>	<b>\$ 7,844,957</b>	<b>\$ 7,796,621</b>

**Studio in a School Association, Inc.**  
**Studio Institute, LLC Schedule of Expenses by Function**  
**(with comparative totals for 2024)**

Year ended June 30,

	Program Services								Supporting Services	Total	
	Exhibition Programs	Teen Programs	College Programs	Program Services in Other Cities	Development Projects and Professional Training	Total Program Services	Management and General	Fundraising	Total Supporting Services	2025	2024
<b>Salaries and Related Expenses</b>											
Salaries and wages	\$ -	\$ 1,327,529	\$ 356,543	\$ 411,653	\$ 33,827	\$ 2,129,552	\$ 419,999	\$ 60,443	\$ 480,442	\$ 2,609,994	\$ 1,878,469
Employee benefits and payroll taxes	-	157,038	40,479	44,626	4,058	246,201	47,365	6,909	54,274	300,475	265,803
<b>Total Salaries and Related Expenses</b>	-	1,484,567	397,022	456,279	37,885	2,375,753	467,364	67,352	534,716	2,910,469	2,144,272
<b>Other Expenses</b>											
Consultants	712	90,721	99,383	24,693	6,334	221,843	166,341	-	166,341	388,184	253,816
Regranting	-	254,046	700,836	-	-	954,882	-	-	-	954,882	615,487
Program supplies	-	5,073	686	14,441	-	20,200	1,073	-	1,073	21,273	53,954
Grants to subrecipients	-	1,400	25,963	-	-	27,363	-	-	-	27,363	20,850
Stipendiary	-	5,940	45,460	200	-	51,600	-	-	-	51,600	69,228
Printing	279	1,072	1,090	2,080	-	4,521	14,715	574	15,289	19,810	12,150
Equipment rental and purchases	-	24,151	1,087	-	-	25,238	1,895	-	1,895	27,133	29,727
Accounting fees	-	-	-	-	-	-	19,024	-	19,024	19,024	15,057
Repairs and maintenance	-	-	-	139	-	139	5,103	-	5,103	5,242	60,942
Training, conferences, and meetings	-	1,800	125	-	114	2,039	16,341	-	16,341	18,380	8,492
Marketing and promotion	-	300	1,000	160	10,000	11,460	1,025	565	1,590	13,050	31,263
Occupancy	935	50,292	9,263	13,980	-	74,470	92,662	-	92,662	167,132	145,277
Travel and meals	-	101,763	29,257	13,392	-	144,412	4,567	4,545	9,112	153,524	84,875
Utilities	-	-	61	-	-	61	16,257	-	16,257	16,318	15,709
Depreciation and amortization	-	-	-	-	-	-	492	-	492	492	164
Telephone	-	692	147	-	-	839	5,128	-	5,128	5,967	6,584
Insurance	-	-	-	-	-	-	3,218	-	3,218	3,218	6,018
Dues, subscriptions, and memberships	-	-	7,777	50	-	7,827	18,814	-	18,814	26,641	11,153
Admission fees	-	13,728	1,810	-	-	15,538	-	-	-	15,538	10,070
Miscellaneous	-	339	-	2,741	-	3,080	5,663	3,465	9,128	12,208	23,468
Bad debt expense - contributions receivable	-	-	-	-	-	-	-	6,000	6,000	6,000	16
<b>Total Expenses</b>	\$ 1,926	\$ 2,035,884	\$ 1,320,967	\$ 528,155	\$ 54,333	\$ 3,941,265	\$ 839,682	\$ 82,501	\$ 922,183	\$ 4,863,448	\$ 3,618,572