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December 23, 2021

To the Board of Trustees and Managers
Springfield Area Arts Council

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Springfield Area Arts Council (a nonprofit organization), which comprise the statements of financial position as of September 30, 2021, and the related statements of activity and functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Springfield Area Arts Council as of September 30, 2021 and 2020 and the changes in net assets and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Respectfully submitted,


PEELMAN & DOLD, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
SPRINGFIELD, ILLINOIS

SPRINGFIELD AREA ARTS COUNCIL
Springfield, Illinois

STATEMENT OF FINANCIAL POSITION
For the Year Ended September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
<i>Current Assets:</i>		
Cash and cash equivalents	\$ 23,577	\$ 24,099
Pledges receivable	3,000	800
Prepaid expenses	568	
Total current assets	<u>27,145</u>	<u>24,899</u>
<i>Non-Current Assets:</i>		
Office furniture and equipment	5,956	5,956
Less accumulated depreciation	(4,922)	(4,721)
Total fixed assets - net	<u>1,034</u>	<u>1,235</u>
Cash designated	41,848	40,845
Purchased art work	5,687	5,687
Total non-current assets	<u>48,569</u>	<u>47,767</u>
TOTAL ASSETS	<u>75,714</u>	\$ <u>72,666</u>
LIABILITIES		
<i>Current Liabilities:</i>		
Payroll liabilities	\$ 902	\$ 1,120
Total current liabilities	<u>902</u>	<u>1,120</u>
NET ASSETS		
Without donor restrictions	18,960	26,546
With donor restrictions	55,852	45,000
Total net assets	<u>74,812</u>	<u>71,546</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>75,714</u>	\$ <u>72,666</u>

The notes to the financial statements are an integral part of this statement.

SPRINGFIELD AREA ARTS COUNCIL
Springfield, Illinois

STATEMENT OF ACTIVITY
For the Year Ended September 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue			
Federal and state government support	\$ 8,600	\$ 49,280	\$ 57,880
Contributions	4,702	31,950	36,652
Events	4,747		4,747
In-kind contributions	229		229
Program fees	1,715	3,100	4,815
Membership	5,725		5,725
Investment income	208		208
	<u>25,926</u>	<u>84,330</u>	<u>110,256</u>
Net assets released from restrictions	<u>73,478</u>	<u>(73,478)</u>	<u> </u>
Total support and revenue	<u>99,404</u>	<u>10,852</u>	<u>110,256</u>
Expenses			
Program Services			
Grant programs	12,700		12,700
Education and art programs	<u>71,754</u>		<u>71,754</u>
Total program services	<u>84,454</u>		<u>84,454</u>
Support Services			
Fundraising	8,181		8,181
Management and general	<u>14,355</u>		<u>14,355</u>
Total support services	<u>22,536</u>		<u>22,536</u>
Total expenses	<u>106,990</u>		<u>106,990</u>
Change in Net Assets	<u>(7,586)</u>	<u>10,852</u>	<u>3,266</u>
Net Assets – Beginning of Year	<u>26,546</u>	<u>45,000</u>	<u>71,546</u>
Net Assets – End of Year	<u>\$ 18,960</u>	<u>\$ 55,852</u>	<u>\$ 74,812</u>

The notes to the financial statements are an integral part of this statement.

SPRINGFIELD AREA ARTS COUNCIL
Springfield, Illinois

STATEMENT OF ACTIVITY
For the Year Ended September 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue			
Federal and state government support	\$	\$ 53,950	\$ 53,950
Local government support		5,000	5,000
Contributions	11,781	15,000	26,781
Events	15,948		15,948
In-kind contributions	10,950		10,950
Program fees	8,170		8,170
Membership	7,433		7,433
Raffle revenue	4,170		4,170
Investment income	196		196
	<u>58,648</u>	<u>73,950</u>	<u>132,598</u>
Net assets released from restrictions	<u>78,950</u>	(78,950)	<u> </u>
Total support and revenue	<u>137,598</u>	(5,000)	<u>132,598</u>
Expenses			
Program Services			
Grant programs	8,100		73,950
Education and art programs	<u>105,815</u>	<u> </u>	<u>49,384</u>
Total program services	113,915		123,334
Support Services			
Fundraising	14,972		11,204
Management and general	<u>10,399</u>	<u> </u>	<u>4,748</u>
Total support services	25,371		15,952
Total expenses	<u>139,286</u>	<u> </u>	<u>139,286</u>
Change in Net Assets	(1,688)	(5,000)	(6,688)
Net Assets – Beginning of Year	<u>28,234</u>	<u>50,000</u>	<u>78,234</u>
Net Assets – End of Year	<u>\$ 26,546</u>	<u>\$ 45,000</u>	<u>\$ 71,546</u>

The notes to the financial statements are an integral part of this statement.

SPRINGFIELD AREA ARTS COUNCIL
Springfield, Illinois

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2021

	<u>Program Services</u>		<u>Supporting Services</u>		<u>Total Expenses</u>
	<u>Grant Programs</u>	<u>Education and Art Services</u>	<u>Management & General</u>	<u>Fundraising</u>	
Salaries and payroll taxes	\$	\$ 25,315	\$ 5,063	\$ 3,376	\$ 33,754
Employee benefits		2,421	484	323	3,228
Artistic services		14,690			14,690
Professional fees - other		9,323	176	751	10,250
In-kind		50		179	229
Grants	12,700				12,700
Rent - office		5,479	1,096	731	7,306
Contracts		1,915			1,915
Travel and parking		38			38
Printing and copying		1,037	43	693	1,773
Telephone		1,963	392	262	2,617
Equipment rental		2,020			2,020
Dues and subscriptions		804	139	479	1,422
Computer and printer		2,705	186	124	3,015
Supplies - programs		1,756	21	111	1,888
Rent - venues		37	5	3	45
Postage and shipping		705		230	935
Accounting and auditing			5,804		5,804
Fees and penalties			16		16
Office - other			90		90
Catering and hospitality		69			69
Insurance		473	379	95	947
Supplies - office		562	16	11	589
Fundraising				734	734
Depreciation			201		201
Bank fees			192		192
Internet and website		392	52	79	523
Total	<u>\$ 12,700</u>	<u>\$ 71,754</u>	<u>\$ 14,355</u>	<u>\$ 8,181</u>	<u>\$106,990</u>

The notes to the financial statements are an integral part of this statement.

SPRINGFIELD AREA ARTS COUNCIL
Springfield, Illinois

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2020

	<u>Program Services</u>		<u>Supporting Services</u>		<u>Total Expenses</u>
	<u>Grant Programs</u>	<u>Education and Art Services</u>	<u>Management & General</u>	<u>Fundraising</u>	
Salaries and payroll taxes	\$	\$ 26,246	\$ 5,249	\$ 3,500	\$ 34,995
Employee benefits		2,009	402	268	2,679
Artistic services		25,985			25,985
Professional fees - other		7,979	135	5,408	13,522
In-kind		4,675		3,825	8,500
Grants	8,100				8,100
Rent - office		9,048	345	230	9,623
Contracts		4,950			4,950
Travel and parking		4,315			4,315
Lodging and meals		3,270			3,270
Printing and copying		2,229	188	269	2,686
Telephone		2,134	320	213	2,667
Equipment rental		2,300			2,300
Dues and subscriptions		1,699	200	100	1,999
Computer and printer		1,333	267	177	1,777
Supplies - programs		1,689		52	1,741
Rent - venues		1,562		48	1,610
Postage and shipping		1,039	45	422	1,506
Accounting and auditing			1,382		1,382
Fees and penalties		1,160			1,160
Office - other			1,024		1,024
Catering and hospitality		960		51	1,011
Insurance		479	383	95	957
Supplies - office		646	73	50	769
Fundraising				250	250
Depreciation			219		219
Bank fees			145		145
Internet and website		108	22	14	144
Total	\$ <u>8,100</u>	\$ <u>105,815</u>	\$ <u>10,399</u>	\$ <u>14,972</u>	\$ <u>139,286</u>

The notes to the financial statements are an integral part of this statement.

SPRINGFIELD AREA ARTS COUNCIL
Springfield, Illinois

STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 3,266	\$(6,688)
<i>Adjustments to reconcile change in nets assets to cash provided by operating activities:</i>		
Depreciation expense	201	219
(Increase) in designated cash	(1,003)	(129)
Decrease (Increase) in pledges receivable	(2,200)	1,700
Decrease (increase) in prepaid expenses	(568)	1,588
(Decrease) increase in account payable	()	(399)
(Decrease) increase in payroll liabilities	(218)	123
Net cash provided by operating activities	<u>(522)</u>	<u>(3,586)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	<u> </u>	<u>(106)</u>
Net cash used by investing activities	<u> </u>	<u>(106)</u>
Increase in cash and cash equivalents	(522)	<u>(3,692)</u>
CASH AND CASH EQUIVENLENTS – Beginning of Year	<u>24,099</u>	<u>27,791</u>
CASH AND CASH EQUIVENLENTS – End of Year	<u>\$ 23,577</u>	<u>\$ 24,099</u>

The notes to the financial statements are an integral part of this statement.