

**FREE ARTS FOR ABUSED CHILDREN
OF ARIZONA AND SUBSIDIARY**

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2018



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Free Arts for Abused Children of Arizona and Subsidiary
Phoenix, Arizona

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Free Arts for Abused Children of Arizona and Subsidiary, which comprise the consolidated statement of financial position as of September 30, 2018, and the related consolidated statement of activities, functional expenses, and cash flows for the year ended September 30, 2018, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Free Arts for Abused Children of Arizona and Subsidiary as of September 30, 2018 and changes in their net assets and their cash flows for the year ended September 30, 2018 in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The management's discussion and analysis on pages 3 to 4 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
May 6, 2019

**FREE ARTS FOR ABUSED CHILDREN OF ARIZONA AND SUBSIDIARY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2018**

Who is Free Arts?

Over the past 25 years, Free Arts for Abused Children of Arizona (Free Arts) proudly served more than 125,000 Arizona children. Free Arts operates with 15 staff members and delivers programming that is a unique combination of arts, a trauma informed curriculum and mentoring, to children who are living in foster care group homes, homeless shelters, domestic violence shelters, residential treatment centers, and unaccompanied minor shelters.

Free Arts core values are:

Resilience – Bravery – Connection – Creativity – Strength – Innovation

Road to Resilience

In 2018, Free Arts set a 10-year vision with five major goals:

- ***Be Recognized as the Leader for Resilience through the Arts***
- ***Expand to Statewide Programs with National Presence***
- ***Maintain Opportunities for Resilience for Alumni***
- ***Build Financial Strength to Fund our Future***
- ***Achieve Operational Excellence***

Some of our first steps achieved toward these big goals were piloting new programs with foster and kinship families, expanding our Free Arts Days serving refugee children, working with architects and contractors to design our building renovation, and planning for our 25th Anniversary year-long celebration. We are further developing our expertise at the intersection of 'Trauma Informed Care' and the arts. And, we are working to engage research partners to examine how to advance our programs to build resilience in the children we serve.

We head into our 25th year with excitement and enthusiasm – poised for significant growth and grounded in a strong foundation.

Free Arts Accomplishments

Over the course of participating in the 2018 Free Arts programs:

- 90% of children reported that they felt safe and supported
- 93% of children felt free to express themselves when creating art with a volunteer mentor
- 93% of the children developed or improved important social skills like coping and communications
- 98% of children demonstrated an increase in their ability to try new things and self-efficacy (the ability to believe you can accomplish a task)

"I remember attending my very first Free Arts Day when I was 13. I walked into the Phoenix Art Museum and there were 100 other kids from group homes and shelters there along with some of the happiest adults I'd ever seen! I also remember leaving that day feeling free, like I'd been able to show a part of myself that I'd been keeping hidden for a long time. I was able to be the real me! I met people

**FREE ARTS FOR ABUSED CHILDREN OF ARIZONA AND SUBSIDIARY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2018**

that first year of camp that really changed my life. I mean, I was really ready to end things for myself that year and then I found this group of people who had all been through similar situations and because they were sharing their stories, I felt safe to share mine. Because of that everything changed. I found my best friends and my reason for being.

- **Gordy, age 18, Free Arts Alumni**

In 2018, Free Arts:

- **Provided consistent services for 40+ partner social service agencies**
- **Served 7,933 abused and homeless children**
- Provided 198 programs
- Presented our first Art of Leadership Camp

"I get more out of Free Arts than I put into it. There is a lot of soul-searching, a lot of storytelling, and a lot of children finding that deep place inside of them."

- **Free Arts Weekly Volunteer Mentor**

Our vision is that every child who has experienced the trauma of abuse, neglect, and/or homelessness has access to resilience-building arts programs and caring adult volunteer mentors. In 2019, Free Arts will celebrate our 25th Anniversary. This year-long celebration will look back at our humble beginning and our growth into a powerful community organization. We are excited to share our past and our vision for the future, and Free Arts is excited to engage the community to help us realize this crucial vision.



Cathy Graham
President, Board of Directors



Alicia Sutton Campbell
Executive Director

**FREE ARTS FOR ABUSED CHILDREN OF ARIZONA AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2018**

ASSETS

Cash and Cash Equivalents	\$ 1,814,791
Grants Receivable, Net	193,717
Prepaid Expense	9,530
Property and Equipment, Net	<u>1,853,196</u>
Total Assets	<u><u>\$ 3,871,234</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable	\$ 8,541
Accrued Vacation	16,061
Capital Lease Obligation	<u>29,019</u>
Total Liabilities	53,621

NET ASSETS

Unrestricted:	
Undesignated	3,247,635
Board-Designated Operating Reserve	<u>32,549</u>
Total Unrestricted Net Assets	3,280,184
Temporarily Restricted	<u>537,429</u>
Total Net Assets	<u><u>3,817,613</u></u>
Total Liabilities and Net Assets	<u><u>\$ 3,871,234</u></u>

See accompanying Notes to Consolidated Financial Statements.

**FREE ARTS FOR ABUSED CHILDREN OF ARIZONA AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2018**

	Unrestricted	Temporarily Restricted	Total
PUBLIC SUPPORT AND REVENUE			
Contributions:			
Foundations	\$ 351,000	\$ -	\$ 351,000
Corporations	236,211	-	236,211
Individuals	807,714	-	807,714
United Way	119,035	-	119,035
Government Grants	163,428	17,570	180,998
In-Kind Contributions	175,603	-	175,603
Other Revenues	12,046	-	12,046
Total	1,865,037	17,570	1,882,607
Special Events:			
Corporate Sponsorships	125,500	-	125,500
Ticket Sales and Auctions	83,448	-	83,448
Cost of Direct Benefits	(5,942)	-	(5,942)
Total	203,006	-	203,006
Net Assets Released from Restriction	294,100	(294,100)	-
Total Public Support and Revenue	2,362,143	(276,530)	2,085,613
EXPENSES			
Program Services	1,202,768	-	1,202,768
General and Administrative	161,345	-	161,345
Fundraising	217,241	-	217,241
Total Expenses	1,581,354	-	1,581,354
Change in Net Assets from Operations	780,789	(276,530)	504,259
NONOPERATING			
Rent Revenue	31,152	-	31,152
Building Expense	(66,460)	-	(66,460)
Change in Net Assets from Nonoperating Activities	(35,308)	-	(35,308)
CHANGES IN NET ASSETS	745,481	(276,530)	468,951
Net Assets - Beginning of Year	2,534,703	813,959	3,348,662
NET ASSETS - END OF YEAR	\$ 3,280,184	\$ 537,429	\$ 3,817,613

See accompanying Notes to Consolidated Financial Statements.

**FREE ARTS FOR ABUSED CHILDREN OF ARIZONA AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2018**

	Total Program Services	Supporting Services		Total Supporting Services	Building Hope LLC Expenses	Total Functional Expenses
		General and Administrative	Fundraising			
EXPENSES						
Staff Salaries	\$ 511,911	\$ 106,455	\$ 96,596	\$ 203,051	\$ -	\$ 714,962
Payroll Taxes and Fees	43,236	9,211	9,207	18,418	-	61,654
Employee Benefits	36,085	5,619	7,456	13,075	-	49,160
Contract and Intern Employees	90,173	10,337	5,559	15,896	2,025	108,094
Other Professional Fees	-	16,877	-	16,877	-	16,877
Professional Artists' Fees	54,871	2	92	94	-	54,965
Art and Office Supplies	21,725	371	650	1,021	-	22,746
Printing	8,628	90	5,418	5,508	-	14,136
Operating Costs	242,071	6,561	46,333	52,894	99	295,064
Postage	1,790	91	539	630	-	2,420
Professional Development	23,814	1,290	8,650	9,940	-	33,754
Property Repair and Management Fees	-	-	-	-	63,413	63,413
Directors and Officers Liability Insurance	3,811	164	123	287	-	4,098
Telephone	4,199	181	135	316	-	4,515
Equipment Rental and Maintenance	19,076	593	455	1,048	923	21,047
Marketing and Promotion	12,654	514	19,856	20,370	-	33,024
Travel	9,328	650	1,914	2,564	-	11,892
In-Kind Materials, Services, and Art Camp Facilities	69,207	-	10,366	10,366	-	79,573
Interest Expense	-	-	2,096	2,096	-	2,096
Depreciation	50,189	2,339	1,796	4,135	-	54,324
Special Event Expenses	-	-	5,942	5,942	-	5,942
	<u>1,202,768</u>	<u>161,345</u>	<u>223,183</u>	<u>384,528</u>	<u>66,460</u>	<u>1,653,756</u>
Less: Expenses Netted Against Revenues on the Statement of Activities						
Special Event Expenses	-	-	(5,942)	(5,942)	-	(5,942)
Less: Expenses Listed as Nonoperating on the Statement of Activities	-	-	-	-	(66,460)	(66,460)
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 1,202,768</u>	<u>\$ 161,345</u>	<u>\$ 217,241</u>	<u>\$ 378,586</u>	<u>\$ -</u>	<u>\$ 1,581,354</u>

See accompanying Notes to Consolidated Financial Statements.

**FREE ARTS FOR ABUSED CHILDREN OF ARIZONA AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2018**

CASH FLOWS FROM OPERATING ACTIVITIES

Changes in Net Assets	\$ 468,951
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	54,324
Noncash Contributions of Property and Equipment	(96,030)
(Increase) Decrease in Assets:	
Grant Receivables, Net	512,031
Prepaid Expense	18,603
Increase (Decrease) in Liabilities:	
Accounts Payable	2,207
Net Cash Provided by Operating Activities	960,086

CASH FLOWS FROM FINANCING ACTIVITIES

Payments on Capital Lease Obligation	(21,946)
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NET INCREASE IN CASH AND CASH EQUIVALENTS

938,140

Cash and Cash Equivalents - Beginning of Year

876,651

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 1,814,791

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash Paid for Interest	\$ 2,241
Noncash Contributions of Property and Equipment	\$ 96,030

See accompanying Notes to Consolidated Financial Statements.

**FREE ARTS FOR ABUSED CHILDREN OF ARIZONA AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Free Arts for Abused Children of Arizona and Subsidiary (the Organization) was incorporated under the laws of the state of Arizona on October 9, 1993. Free Arts for Abused Children of Arizona is a nonprofit organization using the arts to build resilience in children who have experienced the trauma of abuse, neglect, or homelessness. Within our programs, mentors and artists create a safe environment where children can express themselves, learn new skills, build self-efficacy, and begin to heal. We reach these children through our partnerships with more than 40 social service agencies at over 100 sites across the Metro-Phoenix area. In the year ended September 30, 2018, 7,933 children living in group homes, residential treatment facilities, and shelters were served through the following programs: Weekly Mentor Program, Camp Series, Free Arts Days, and Professional Artist Series. Significant support is provided by contributions from foundations and individuals.

Free Arts Building Hope, LLC, was incorporated in the state of Arizona in 2017 and is 100% owned by Free Arts for Abused Children of Arizona. Free Arts Building Hope, LLC is a single member LLC established to hold title to the building and all building related activities.

Consolidated Financial Statements

The consolidated financial statements include the accounts of Free Arts for Abused Children of Arizona and Free Arts Building Hope, LLC (collectively referred to as the Organization). All of the financial activities and balances of these organizations are included in these consolidated financial statements. All significant interorganization accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for, nor restricted by, donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to capital expenditures, permanent endowment, or other long-term purposes of the Organization are excluded from this definition. The Organization maintains cash balances at financial institutions, which may at times exceed federally insured amounts.

Grants Receivable

Grants receivable expected to be collected within one year are recorded at net realizable value. Grants receivable expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the consolidated statement of activities. Management determines the allowance for grants receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. The grants receivables are considered by management to be fully collectible and accordingly, an allowance for doubtful accounts was not provided at September 30, 2018.

FREE ARTS FOR ABUSED CHILDREN OF ARIZONA AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment additions in excess of \$10,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, ranging from 5 to 30 years. When assets are sold or otherwise disposed of, the costs and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Organization reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment at September 30, 2018.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets — Net assets available for use in general operations. Unrestricted board-designated net assets consist of net assets designated by the board of directors for operating reserve.

Temporarily Restricted Net Assets — Net assets subject to donor restrictions that may or will be met by expenditures or actions of the Organization and/or the passage of time.

The Organization reports contributions restricted by donors, including contributions of property and equipment, as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets — Net assets whose use is limited by donor-imposed restrictions that neither expire but the passage of time nor can be fulfilled or otherwise removed but action of the Organization. The restrictions stipulate that resources be maintained permanently but permit the Organization to expend the income generated in accordance with the provisions of the agreements. The Organization does not have any permanently restricted net assets at September 30, 2018.

**FREE ARTS FOR ABUSED CHILDREN OF ARIZONA AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Revenue Recognition

Contributions are recognized when cash, securities, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Donated Services and In-Kind Contribution

Volunteers contribute significant amounts of time to the Organization's program services, administration, and fundraising and development activities; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by accounting principles generally accepted in the United States of America. Contributed goods are recorded at fair value at the date of donation and consist primarily of donated art supplies and facility space. The Organization records donated professional services at the respective fair values of the services received.

Income Taxes

Income taxes are not provided for in the financial statements, since the Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state provisions. The Organization is subject to both federal and state income taxes on income generated from unrelated business income, if any, conducted through the Organization.

The Organization follows the accounting standard for uncertain tax positions. As of September 30, 2018, the Organization recognized no liability for uncertain tax positions.

Advertising

The Organization uses advertising to promote their programs. The cost of advertising is expensed as incurred. Advertising costs totaled \$33,024 for the year ended September 30, 2018.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statement of activities. The consolidated statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management's estimate of employee hours devoted to each function or based on square footage.

The Organization has allocated joint costs in the year ended September 30, 2018 for program activities that are conducted with a fundraising appeal. For the year ended September 30, 2018, joint costs of approximately \$99,343 have been allocated among program and supporting services as follows: programs \$69,336 and fundraising \$30,007, respectively.

**FREE ARTS FOR ABUSED CHILDREN OF ARIZONA AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Management Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Subsequent Events

The Organization has evaluated subsequent events through May 6, 2019, which is the date the consolidated financial statements were available to be issued.

NOTE 2 GRANTS RECEIVABLE

Grants receivable include unconditional promises to give that have been discounted at a rate of 1.31% at September 30, 2018. The following is a summary of grants receivable at September 30, 2018:

Total Amounts Due in:	
One Year	\$ 195,657
Two to Five Years	-
Gross Grants Receivable	<u>195,657</u>
Less: Discount to Present Value	<u>(1,940)</u>
Grants Receivable, Net	<u><u>\$ 193,717</u></u>

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at September 30, 2018:

Land	\$ 167,500
Building	1,507,500
Leasehold Improvements	70,548
Furniture and Fixtures	27,254
Computer Equipment	99,731
Art Collection	7,345
Construction in Progress	96,030
Total	<u>1,975,908</u>
Less: Accumulated Depreciation	<u>(122,712)</u>
Total	<u><u>\$ 1,853,196</u></u>

FREE ARTS FOR ABUSED CHILDREN OF ARIZONA AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 4 IN-KIND SERVICES AND MATERIALS

The value of in-kind services contributed by volunteers but not recorded in the consolidated financial statements is as follows for the year ended September 30, 2018:

	Number of Volunteers	Number of Hours Donated	Value
Program	1,195	12,366	\$ 306,588
Administrative/Office	48	1,186	29,282
Fundraising	17	32	778
Total	<u>1,260</u>	<u>13,584</u>	<u>\$ 336,648</u>

The monetary value of volunteer hours reflected above is calculated at \$24.69 per hour per hour for the year ended September 30, 2018, respectively, as published in the 2016 Bureau of Labor Statistics data as published by *Independent Sector* in May 2018 and the annual Economic Report of the President (2012 Edition) as reported by *Independent Sector*, respectively.

In addition, the Organization recognizes contribution revenue for supplies and other resources received at their fair value. Those donated goods and services have been reported as follows during the year ended September 30, 2018.

	Programs	Management and General	Fundraising	Total
Art Supplies	\$ 14,234	\$ -	\$ -	\$ 14,234
Food	1,259	-	1,050	2,309
Tickets/Vouchers	2,536	-	3,114	5,650
Marketing	1,102	-	-	1,102
Office Supplies	-	-	-	-
Travel	-	-	-	-
Printing	-	-	-	-
Facility Location	37,492	-	2,551	40,043
Event Expense	2,434	-	3,651	6,085
Equipment	504	-	-	504
Professional Services	1,920	-	-	1,920
Total Program and Supported Service Expenses	<u>\$ 61,481</u>	<u>\$ -</u>	<u>\$ 10,366</u>	71,847
Airline Miles (Prepaid Expense)				7,726
Property and Equipment (Capitalized)				96,030
Total				<u>\$ 175,603</u>

NOTE 5 BOARD-DESIGNATED NET ASSETS

The Organization's board of directors has chosen to designate certain net assets as an operating reserve at September 30, 2018. Accordingly, board-designated net assets are \$32,549 at September 30, 2018.

**FREE ARTS FOR ABUSED CHILDREN OF ARIZONA AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 6 RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at September 30, 2018:

Implied Time and Use Restrictions of Foundations	<u><u>\$ 537,429</u></u>
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Net assets were released from restrictions as follows during the year ended September 30, 2018:

Expiration of Time Restrictions	\$ 22,688
Satisfaction of Purpose Restrictions:	
Parsons Foundation Building Renovation	5,141
Professional Artist Series	230,214
Piper Atlas	<u>36,057</u>
Total	<u><u>\$ 294,100</u></u>

NOTE 7 LEASES

The Organization is obligated under a capital lease for furniture which expires in October 2019. As of September 30, 2018, the cost of the leased furniture was \$66,721 and accumulated depreciation was \$16,680.

Future minimum lease payments remaining are:

<u>September 30,</u>	Amount
2019	\$ 23,996
2020	<u>5,999</u>
Total Minimum Lease Payments	29,995
Less: Amounts Representing Interest	<u>(976)</u>
Present Value of Net Minimum Lease Payments	<u><u>\$ 29,019</u></u>

As of September 30, 2018, the Organization had extended the agreement to lease space in its building to one unrelated party until January 2019. Future rental income from the leased space is expected to be \$10,384.

NOTE 8 RELATED PARTIES

Members who are able to directly influence decisions made by the board of directors are considered related parties. For the year ended September 30, 2018, the Organization received cash and in-kind donations from related parties totaling \$51,155.

NOTE 9 CONCENTRATIONS

Cash contributions totaling \$250,000 were received from a single donor for the year ended September 30, 2018, which represents 13% of total public support and revenue.

