FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021
ARTSBOSTON, INC.

Contents
August 31, 2022 and 2021

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Independent Auditor’s Report

To the Board of Directors of ArtsBoston, Inc.:

Opinion

We have audited the financial statements of ArtsBoston, Inc. (a Massachusetts corporation, not for profit) (the Agency), which comprise the statements of financial position as of August 31, 2022 and 2021, and the related statements of activities and changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ArtsBoston, Inc. as of August 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 13 to the financial statements, the Agency has suffered recurring negative operating results without donor restrictions. Management’s evaluation of the events and conditions and management’s plans to mitigate these matters are also described in Note 13. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about the Agency’s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.
Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 Agency’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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which raise substantial doubt about the Agency'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.

AAFCPA’s, Inc.

Boston, Massachusetts
December 8, 2022
## ARTSBOSTON, INC.

 Statements of Financial Position  
 August 31, 2022 and 2021

### Assets

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$381,845</td>
<td>$</td>
<td>$381,845</td>
<td>$229,820</td>
<td>$14,945</td>
<td>$244,765</td>
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<tr>
<td>Accounts receivable</td>
<td>20,785</td>
<td>20,785</td>
<td>7,600</td>
<td>145,000</td>
<td>-</td>
<td>145,000</td>
</tr>
<tr>
<td>Grants and contributions receivable</td>
<td>12,500</td>
<td>202,500</td>
<td>145,000</td>
<td>12,500</td>
<td>202,500</td>
<td>215,000</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>11,400</td>
<td>11,400</td>
<td>13,962</td>
<td>145,000</td>
<td>-</td>
<td>145,000</td>
</tr>
<tr>
<td>Total current assets</td>
<td>426,530</td>
<td>190,000</td>
<td>616,530</td>
<td>396,382</td>
<td>14,945</td>
<td>411,327</td>
</tr>
</tbody>
</table>

| Property and Equipment:               |                                 |                               |            |                                 |                              |            |
| BosTix building and improvements - Faneuil Hall | 452,065                        | -                             | 452,065    | 452,065                         | -                            | 452,065    |
| BosTix building and improvements - Copley | 257,321                        | -                             | 257,321    | 257,321                         | -                            | 257,321    |
| Ticketing and other software, equipment and furniture | 141,907                        | -                             | 138,394    | 138,394                         | -                            | 138,394    |
| Less - accumulated depreciation       | 851,293                         | -                             | 847,780    | 847,780                         | -                            | 847,780    |
| Net property and equipment            | 641,814                         | -                             | 610,887    | 610,887                         | -                            | 610,887    |
| Total assets                          | $636,009                        | $190,000                      | $826,009   | $633,275                        | $14,945                      | $648,220   |

### Liabilities and Net Assets

| Current Liabilities:                  |                                 |                               |            |                                 |                              |            |
| Current portion of note payable       | 7,051                           | -                             | 7,051      | -                               | -                            | -          |
| Accounts payable                      | 223,859                         | -                             | 223,859    | 112,189                         | -                            | 112,189    |
| Accrued expenses                      | 38,360                          | -                             | 38,360     | 34,914                          | -                            | 34,914     |
| Deferred revenue                      | 87,995                          | -                             | 87,995     | 90,338                          | -                            | 90,338     |
| Total current liabilities             | 357,265                         | -                             | 237,441    | 237,441                         | -                            | 237,441    |

| Note Payable, net of current portion  | 142,949                         | -                             | 150,000    | 150,000                         | -                            | 150,000    |
| Total liabilities                     | 500,214                         | -                             | 387,441    | 387,441                         | -                            | 387,441    |

| Net Assets:                           |                                 |                               |            |                                 |                              |            |
| Without donor restrictions:           |                                 |                               |            |                                 |                              |            |
| Operating                             | (73,684)                        | -                             | (73,684)   | 8,941                           | -                            | 8,941      |
| Property and equipment                | 209,479                         | -                             | 209,479    | 236,893                         | -                            | 236,893    |
| Total without donor restrictions      | 135,795                         | -                             | 135,795    | 245,834                         | -                            | 245,834    |

| With donor restrictions               |                                 |                               |            |                                 |                              |            |
| Total net assets                      | 135,795                         | 190,000                       | 325,795    | 245,834                         | 14,945                       | 260,779    |

| Total liabilities and net assets      | $636,009                        | $190,000                      | $826,009   | $633,275                        | $14,945                      | $648,220   |

The accompanying notes are an integral part of these statements.
ARTSBOSTON, INC.

Statement of Activities and Changes in Net Assets
For the Year Ended August 31, 2022
(With Summarized Comparative Totals for the Year Ended August 31, 2021)

<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restrictions</th>
<th>2022</th>
<th>Without Donor Restrictions</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Operating</td>
<td>Property and Equipment</td>
<td>Total</td>
<td>With Donor Restrictions</td>
</tr>
<tr>
<td>Public Support and Earned Revenue:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public support:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions and private grants</td>
<td>$ 276,428</td>
<td>$ -</td>
<td>$ 276,428</td>
<td>$ 190,000</td>
</tr>
<tr>
<td>Government grants</td>
<td>274,046</td>
<td>-</td>
<td>274,046</td>
<td>-</td>
</tr>
<tr>
<td>In-kind revenue</td>
<td>131,210</td>
<td>-</td>
<td>131,210</td>
<td>-</td>
</tr>
<tr>
<td>Net assets released from purpose restrictions</td>
<td>14,945</td>
<td>-</td>
<td>14,945</td>
<td>(14,945)</td>
</tr>
<tr>
<td>Total public support</td>
<td>696,629</td>
<td>-</td>
<td>696,629</td>
<td>175,055</td>
</tr>
<tr>
<td>Earned revenue:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising sales and sponsorships</td>
<td>221,140</td>
<td>-</td>
<td>221,140</td>
<td>-</td>
</tr>
<tr>
<td>Capacity building / member services</td>
<td>116,490</td>
<td>-</td>
<td>116,490</td>
<td>-</td>
</tr>
<tr>
<td>BosTix - online and in-person service charges</td>
<td>92,037</td>
<td>-</td>
<td>92,037</td>
<td>-</td>
</tr>
<tr>
<td>Marketing - trade</td>
<td>16,500</td>
<td>-</td>
<td>16,500</td>
<td>-</td>
</tr>
<tr>
<td>Interest and other</td>
<td>1,575</td>
<td>-</td>
<td>1,575</td>
<td>-</td>
</tr>
<tr>
<td>Total earned revenue</td>
<td>447,742</td>
<td>-</td>
<td>447,742</td>
<td>-</td>
</tr>
<tr>
<td>Member ticket activity:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member ticket sales</td>
<td>110,041</td>
<td>-</td>
<td>110,041</td>
<td>-</td>
</tr>
<tr>
<td>Member ticket reimbursements</td>
<td>(110,041)</td>
<td>-</td>
<td>(110,041)</td>
<td>-</td>
</tr>
<tr>
<td>Total member ticket activity</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total public support and earned revenue</td>
<td>1,144,371</td>
<td>-</td>
<td>1,144,371</td>
<td>175,055</td>
</tr>
<tr>
<td>Expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ticketing</td>
<td>359,801</td>
<td>28,488</td>
<td>388,289</td>
<td>-</td>
</tr>
<tr>
<td>Advertising</td>
<td>145,334</td>
<td>424</td>
<td>145,758</td>
<td>-</td>
</tr>
<tr>
<td>Capacity building / member services</td>
<td>380,909</td>
<td>728</td>
<td>381,637</td>
<td>-</td>
</tr>
<tr>
<td>Total program services</td>
<td>886,044</td>
<td>29,640</td>
<td>915,684</td>
<td>-</td>
</tr>
<tr>
<td>Supporting services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General and administrative</td>
<td>92,399</td>
<td>923</td>
<td>93,322</td>
<td>-</td>
</tr>
<tr>
<td>Fundraising</td>
<td>131,943</td>
<td>364</td>
<td>132,307</td>
<td>-</td>
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<tr>
<td>Total supporting services</td>
<td>224,342</td>
<td>1,287</td>
<td>225,629</td>
<td>-</td>
</tr>
<tr>
<td>Total expenses</td>
<td>1,110,386</td>
<td>30,927</td>
<td>1,141,313</td>
<td>-</td>
</tr>
<tr>
<td>Changes in net assets from operations</td>
<td>33,985</td>
<td>(30,927)</td>
<td>3,058</td>
<td>175,055</td>
</tr>
<tr>
<td>Non-Operating Expense:</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Rent</td>
<td>(113,097)</td>
<td>-</td>
<td>(113,097)</td>
<td>-</td>
</tr>
<tr>
<td>Changes in net assets</td>
<td>(79,112)</td>
<td>(30,927)</td>
<td>(110,039)</td>
<td>175,055</td>
</tr>
<tr>
<td>Net Assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>8,941</td>
<td>236,893</td>
<td>245,834</td>
<td>14,945</td>
</tr>
<tr>
<td>Transfer of net assets</td>
<td>(3,513)</td>
<td>3,513</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>End of year</td>
<td>$ (73,684)</td>
<td>$ 209,479</td>
<td>$ 135,795</td>
<td>$ 190,000</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these statements.
ARTSBOSTON, INC.

Statement of Activities and Changes in Net Assets
For the Year Ended August 31, 2021

<table>
<thead>
<tr>
<th>Property and Equipment</th>
<th>Operating</th>
<th>Total</th>
<th>Without Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Support and Earned Revenue:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public support:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions and private grants</td>
<td>$ 152,730</td>
<td>$ -</td>
<td>$ 152,730</td>
<td>$ 14,945</td>
</tr>
<tr>
<td>Government grants</td>
<td>277,732</td>
<td>-</td>
<td>277,732</td>
<td>-</td>
</tr>
<tr>
<td>In-kind revenue</td>
<td>87,490</td>
<td>-</td>
<td>87,490</td>
<td>-</td>
</tr>
<tr>
<td>Net assets released from purpose restrictions</td>
<td>20,828</td>
<td>-</td>
<td>20,828</td>
<td>(20,828)</td>
</tr>
<tr>
<td>Total public support</td>
<td>538,780</td>
<td>-</td>
<td>538,780</td>
<td>(5,883)</td>
</tr>
<tr>
<td>Earned revenue:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising sales and sponsorships</td>
<td>82,213</td>
<td>-</td>
<td>82,213</td>
<td>-</td>
</tr>
<tr>
<td>Capacity building / member services</td>
<td>80,492</td>
<td>-</td>
<td>80,492</td>
<td>-</td>
</tr>
<tr>
<td>BosTix - online and in-person service charges</td>
<td>12,005</td>
<td>-</td>
<td>12,005</td>
<td>-</td>
</tr>
<tr>
<td>Marketing - trade</td>
<td>13,700</td>
<td>-</td>
<td>13,700</td>
<td>-</td>
</tr>
<tr>
<td>Interest and other</td>
<td>133</td>
<td>-</td>
<td>133</td>
<td>-</td>
</tr>
<tr>
<td>Total earned revenue</td>
<td>188,543</td>
<td>-</td>
<td>188,543</td>
<td>-</td>
</tr>
<tr>
<td>Total public support and earned revenue</td>
<td>727,323</td>
<td>-</td>
<td>727,323</td>
<td>(5,883)</td>
</tr>
</tbody>
</table>

| Expenses:              |           |       |                            |       |
| Program services:      |           |       |                            |       |
| Ticketing              | 318,938   | 28,257| 347,195                    | -     | 347,195   |
| Advertising            | 150,199   | 330   | 150,529                    | -     | 150,529   |
| Capacity building / member services | 290,154 | 564 | 290,718 | - | 290,718 |
| Total program services | 759,291   | 29,151| 788,442                    | -     | 788,442   |
| Supporting services:   |           |       |                            |       |
| Fundraising            | 91,033    | 282   | 91,315                     | -     | 91,315    |
| Total supporting services | 199,248 | 659 | 199,907                    | -     | 199,907   |
| Total expenses         | 958,539   | 29,810| 988,349                    | -     | 988,349   |
| Changes in net assets  | (231,216) | (29,810)| (261,026)                  | (5,883) | (266,909) |

| Net Assets:            |           |       |                            |       |
| Beginning of year      | 249,029   | 257,831| 506,860                    | 20,828 | 527,688   |
| Transfer of net assets | (8,872)   | -     | (8,872)                    | -     | -         |
| End of year            | $ 8,941   | $ 236,893 | $ 245,834                  | $ 14,945 | $ 260,779 |

The accompanying notes are an integral part of these statements.
**Cash Flows from Operating Activities:**  
Changes in net assets $65,016 $ (266,909)  
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:  
- Depreciation 30,927 29,810  
Changes in operating assets and liabilities:  
- Accounts receivable (13,185) (5,500)  
- Grants and contributions receivable (57,500) (23,000)  
- Prepaid expenses 2,562 10,126  
- Accounts payable 111,670 77,689  
- Accrued expenses 3,446 14,447  
- Deferred revenue (2,343) 6,359  
Net cash provided by (used in) operating activities $140,593 $(156,978)  

**Cash Flows from Investing Activities:**  
Acquisition of property and equipment $(3,513) $(8,872)  

**Cash Flows from Financing Activities:**  
Payment of line of credit - $(149,451)  
Proceeds from note payable - 150,000  
Net cash provided by financing activities - 549  

**Net Change in Cash and Cash Equivalents**  
137,080 $(165,301)  

**Cash and Cash Equivalents:**  
Beginning of year 244,765 410,066  
End of year $381,845 $244,765  

**Supplemental Disclosure of Cash Flow Information:**  
Cash paid for interest $ - $1,658
## Statement of Functional Expenses

For the Year Ended August 31, 2022

(With Summarized Comparative Totals for the Year Ended August 31, 2021)

### Program Services

<table>
<thead>
<tr>
<th>Personnel and Related:</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$33,507</td>
<td>$34,983</td>
</tr>
<tr>
<td>Contracted services</td>
<td>$90,797</td>
<td>$51,366</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>$14,184</td>
<td>$9,394</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>$12,264</td>
<td>$1,573</td>
</tr>
<tr>
<td>Total personnel and related</td>
<td>$98,716</td>
<td>$50,984</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Expenses:</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing</td>
<td>$70,745</td>
<td>$86,400</td>
</tr>
<tr>
<td>Marketing - in-kind</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Professional fees</td>
<td>$1,140</td>
<td>$1,573</td>
</tr>
<tr>
<td>Legal - in-kind</td>
<td>$13,025</td>
<td>$27,582</td>
</tr>
<tr>
<td>Occupancy</td>
<td>$25,455</td>
<td>$1,573</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$5,227</td>
<td>$2,608</td>
</tr>
<tr>
<td>AAI TRG fees</td>
<td>$7,628</td>
<td>$1,573</td>
</tr>
<tr>
<td>Technology</td>
<td>$7,628</td>
<td>$2,608</td>
</tr>
<tr>
<td>Program supplies/Audience Lab</td>
<td>$197</td>
<td>$1,573</td>
</tr>
<tr>
<td>Marketing - trade</td>
<td>$16,500</td>
<td>$16,500</td>
</tr>
<tr>
<td>Telephone and equipment</td>
<td>$9,211</td>
<td>$13,070</td>
</tr>
<tr>
<td>License fees</td>
<td>$9,637</td>
<td>$2,608</td>
</tr>
<tr>
<td>Equity, diversity and inclusion</td>
<td>$10,800</td>
<td>$3,674</td>
</tr>
<tr>
<td>Ticketing systems</td>
<td>$3,348</td>
<td>$8,994</td>
</tr>
<tr>
<td>Credit card and bank charges</td>
<td>$5,187</td>
<td>$9,557</td>
</tr>
<tr>
<td>Program - in-kind</td>
<td>$6,500</td>
<td>$6,500</td>
</tr>
<tr>
<td>Interest</td>
<td>$1,441</td>
<td>$3,051</td>
</tr>
<tr>
<td>Conferences and meetings</td>
<td>$4</td>
<td>$1,287</td>
</tr>
<tr>
<td>Office expense</td>
<td>$580</td>
<td>$389</td>
</tr>
<tr>
<td>Total other expenses</td>
<td>$261,085</td>
<td>$303,474</td>
</tr>
</tbody>
</table>

### Supporting Services

<table>
<thead>
<tr>
<th>Personnel and Related:</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$33,507</td>
<td>$34,983</td>
</tr>
<tr>
<td>Contracted services</td>
<td>$90,797</td>
<td>$51,366</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>$14,184</td>
<td>$9,394</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>$12,264</td>
<td>$1,573</td>
</tr>
<tr>
<td>Total personnel and related</td>
<td>$98,716</td>
<td>$50,984</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Expenses:</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing</td>
<td>$70,745</td>
<td>$86,400</td>
</tr>
<tr>
<td>Marketing - in-kind</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Professional fees</td>
<td>$1,140</td>
<td>$1,573</td>
</tr>
<tr>
<td>Legal - in-kind</td>
<td>$13,025</td>
<td>$27,582</td>
</tr>
<tr>
<td>Occupancy</td>
<td>$25,455</td>
<td>$1,573</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$5,227</td>
<td>$2,608</td>
</tr>
<tr>
<td>AAI TRG fees</td>
<td>$7,628</td>
<td>$1,573</td>
</tr>
<tr>
<td>Technology</td>
<td>$7,628</td>
<td>$2,608</td>
</tr>
<tr>
<td>Program supplies/Audience Lab</td>
<td>$197</td>
<td>$1,573</td>
</tr>
<tr>
<td>Marketing - trade</td>
<td>$16,500</td>
<td>$16,500</td>
</tr>
<tr>
<td>Telephone and equipment</td>
<td>$9,211</td>
<td>$13,070</td>
</tr>
<tr>
<td>License fees</td>
<td>$9,637</td>
<td>$2,608</td>
</tr>
<tr>
<td>Equity, diversity and inclusion</td>
<td>$10,800</td>
<td>$3,674</td>
</tr>
<tr>
<td>Ticketing systems</td>
<td>$3,348</td>
<td>$8,994</td>
</tr>
<tr>
<td>Credit card and bank charges</td>
<td>$5,187</td>
<td>$9,557</td>
</tr>
<tr>
<td>Program - in-kind</td>
<td>$6,500</td>
<td>$6,500</td>
</tr>
<tr>
<td>Interest</td>
<td>$1,441</td>
<td>$3,051</td>
</tr>
<tr>
<td>Conferences and meetings</td>
<td>$4</td>
<td>$1,287</td>
</tr>
<tr>
<td>Office expense</td>
<td>$580</td>
<td>$389</td>
</tr>
<tr>
<td>Total other expenses</td>
<td>$261,085</td>
<td>$303,474</td>
</tr>
</tbody>
</table>

### Total Expenses

<table>
<thead>
<tr>
<th>Program Services</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>General and Administrative Services</td>
<td>$34,983</td>
<td>$51,366</td>
</tr>
<tr>
<td>Fundraising</td>
<td>$9,394</td>
<td>$7,516</td>
</tr>
<tr>
<td>Total Supporting Services</td>
<td>$43,377</td>
<td>$58,882</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$425,777</td>
<td>$364,368</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Supporting Services</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>General and Administrative Services</td>
<td>$86,349</td>
<td>$104,404</td>
</tr>
<tr>
<td>Fundraising</td>
<td>$9,207</td>
<td>$9,207</td>
</tr>
<tr>
<td>Total Supporting Services</td>
<td>$95,556</td>
<td>$113,611</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$503,474</td>
<td>$459,019</td>
</tr>
</tbody>
</table>

### Depreciation

<table>
<thead>
<tr>
<th>Depreciation</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Expenses</td>
<td>$388,289</td>
<td>$988,349</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these statements.
## Statement of Functional Expenses

For the Year Ended August 31, 2021

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Supporting Services</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ticketing</td>
<td>Advertising</td>
<td>Capacity Building / Member Services</td>
</tr>
<tr>
<td><strong>Personnel and Related:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>$ 67,390</td>
<td>$ 96,067</td>
<td>$ 137,246</td>
</tr>
<tr>
<td>Contracted services</td>
<td>31,006</td>
<td>5,850</td>
<td>5,850</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>8,544</td>
<td>12,983</td>
<td>18,507</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>5,210</td>
<td>7,453</td>
<td>10,657</td>
</tr>
<tr>
<td><strong>Total personnel and related</strong></td>
<td>112,150</td>
<td>122,353</td>
<td>172,260</td>
</tr>
<tr>
<td><strong>Other Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketing</td>
<td>34,857</td>
<td>-</td>
<td>13,635</td>
</tr>
<tr>
<td>Marketing - in-kind</td>
<td>45,990</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Professional fees</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Legal - in-kind</td>
<td>11,900</td>
<td>4,900</td>
<td>8,400</td>
</tr>
<tr>
<td>Occupancy</td>
<td>59,964</td>
<td>15,920</td>
<td>27,290</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>3,560</td>
<td>1,155</td>
<td>16,651</td>
</tr>
<tr>
<td>AAI TRG fees</td>
<td>-</td>
<td>-</td>
<td>20,140</td>
</tr>
<tr>
<td>Technology</td>
<td>8,749</td>
<td>2,756</td>
<td>4,770</td>
</tr>
<tr>
<td>Program supplies/Audience Lab</td>
<td>299</td>
<td>-</td>
<td>7,000</td>
</tr>
<tr>
<td>Marketing - trade</td>
<td>13,700</td>
<td>-</td>
<td>13,700</td>
</tr>
<tr>
<td>Telephone and equipment</td>
<td>8,902</td>
<td>1,497</td>
<td>2,566</td>
</tr>
<tr>
<td>License fees</td>
<td>8,000</td>
<td>-</td>
<td>8,000</td>
</tr>
<tr>
<td>Equity, diversity and inclusion</td>
<td>-</td>
<td>-</td>
<td>12,400</td>
</tr>
<tr>
<td>Ticketing systems</td>
<td>2,074</td>
<td>854</td>
<td>2,810</td>
</tr>
<tr>
<td>Credit card and bank charges</td>
<td>2,003</td>
<td>689</td>
<td>2,106</td>
</tr>
<tr>
<td>Program - in-kind</td>
<td>6,500</td>
<td>-</td>
<td>6,500</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Office expense</td>
<td>290</td>
<td>75</td>
<td>126</td>
</tr>
<tr>
<td><strong>Total other expenses</strong></td>
<td>206,788</td>
<td>27,846</td>
<td>117,894</td>
</tr>
<tr>
<td><strong>Total expenses before depreciation</strong></td>
<td>318,938</td>
<td>150,199</td>
<td>290,154</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td>28,257</td>
<td>330</td>
<td>564</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>$ 347,195</td>
<td>$ 150,529</td>
<td>$ 290,718</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these statements.
1. OPERATIONS AND NONPROFIT STATUS

ArtsBoston, Inc. (the Agency) is a nonprofit service organization with a mission to create powerful relationships between arts organizations, the public, and every stakeholder in our civic life to build an arts sector that represents the true character and diversity of Greater Boston. Founded in 1975, the Agency leads innovative collaborative programs and services that expand audiences, strengthen community, and advocate for the immense value that the arts, culture, and creativity bring to the residents of Greater Boston.

The Agency's members include 146 Greater Boston arts organizations (as of 2022), spanning theater and dance companies, multidisciplinary presenters, music organizations, museums, and more. Members benefit from marketing support; discounted advertising on the Agency’s digital platforms and outdoor ticket booths at Boston’s Copley Square and Faneuil Hall; capacity building and professional development; EDI training and planning resources; and opportunities to connect and collaborate across organizations.

Core programs/operational areas include:

**Arts Marketing:**

The online ArtsBoston Calendar is Greater Boston’s most comprehensive online compilation of performances, exhibitions, festivals, and free events, featuring 3,600+ cultural organizations and 6,000+ events each year. The Calendar, the Agency’s BosTix discount ticket program, advertising at the Agency’s ticket booths in Copley Square and Faneuil Hall, and email and social media promotions offer an integrated marketing platform for members, reaching 150,000+ arts-attending households annually. In the fall of 2021, the Agency restarted BosTix after a pandemic hiatus and has leveraged the Calendar to support arts organizations as they reopen and rebuild audiences, with new search-by-neighborhood functionality and spotlights on Boston neighborhoods added in 2022.

**Research and Advocacy:**

The Agency’s current research is focused on qualitative data gathering to support advocacy for resilient recovery for the cultural sector. From 2020-2022, the Agency coordinated a Boston cohort for the Audience Outlook Monitor (AOM), an international longitudinal study that surveyed 40,000+ Greater Boston arts attending households, providing key data to inform audience engagement and reopening strategies during the COVID-19 pandemic. Since 2011, the ArtsBoston Audience Initiative (AAI) has helped Greater Boston arts organizations better understand and grow their audiences. With 1.4 million unique households in its database, AAI facilitates list exchanges, provides data on demographics and histories of arts attendance, and supports engagement of diverse audiences. The Arts Factor, a landmark study (2014, updated 2019) illustrates the arts and culture sector’s potent impact in driving economic growth, attracting and retaining a talented workforce, and attracting visitors from across the globe to Greater Boston.

**Network for Arts Administrators of Color:**

NAACBoston was launched at the Agency in 2016 to provide platforms for connection and learning, foster professional growth, and widen the leadership pipeline. With free membership open to all self-identifying BIPOC arts administrators and artists in Greater Boston, NAACBoston has grown from 40 members at its launch to 447 members in 2022, with resources including a member directory, an active listserv, member events, and a highly regarded cohort-based Mentorship and Sponsorship program that connects early, mid-career, and established arts professionals.
1. **OPERATIONS AND NONPROFIT STATUS (Continued)**

The Agency is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Agency is also exempt from state income taxes. Donors may deduct contributions made to the Agency within the requirements of the IRC and related regulations.

2. **SIGNIFICANT ACCOUNTING POLICIES**

   **Basis of Presentation**

   The Agency prepares its financial statements in accordance with generally accepted accounting standards and principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

   **Accounting Principle Adoption**

   In September 2020, the FASB issued Accounting Standards Update (ASU) 2020-07, Not-for-Profit Entities (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 is intended to increase the transparency of contributed nonfinancial assets (donated goods and services) for not-for-profit entities through enhancements to presentation and disclosure. The amendments in this ASU do not change the recognition and measurement requirements of donated goods and services. During fiscal year 2022, the Agency adopted ASU 2020-07. The adoption of this ASU did not impact the Agency’s net asset classes, changes in net assets, or cash flows for the year ended August 31, 2022. This ASU has been applied retrospectively to all periods presented.

   **Estimates**

   The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

   **Cash and Cash Equivalents**

   Cash and cash equivalents consist of checking and money market accounts. These accounts are all considered to be cash and cash equivalents for the purpose of the statements of cash flows.

   **Accounts, Grants and Contributions Receivables and Allowance for Doubtful Accounts**

   Accounts, grants and contributions receivables are recorded at the invoiced amounts and do not bear interest. The allowance for doubtful accounts is recorded based on management’s analysis of specific accounts and their estimate of amounts that may be uncollectible, if any. There was no allowance for doubtful accounts deemed necessary as of August 31, 2022 and 2021.

   **Net Assets**

   **Net Assets Without Donor Restrictions**

   Net assets without donor restrictions are those net resources that bear no external restrictions and are generally available for use by the Agency. The Agency has grouped its net assets without donor restrictions into operating and property and equipment resources.
2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (Continued)

Net Assets With Donor Restrictions

Net assets with donor restrictions represent amounts received or committed by donors with purpose and/or time restrictions that have not yet been met. Net assets with donor restrictions consist of the following as of August 31:

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subject to time restriction</td>
<td>$ 190,000</td>
<td>$ -</td>
</tr>
<tr>
<td>Subject to expenditure for specific purpose:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audience Outlook Monitor</td>
<td>-</td>
<td>$ 14,945</td>
</tr>
<tr>
<td></td>
<td>$ 190,000</td>
<td>$ 14,495</td>
</tr>
</tbody>
</table>

Revenue Recognition

Grants and Contributions

In accordance with ASC Subtopic 958-605, Revenue Recognition, the Agency must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include a measurable performance-related barrier or other measurable barriers, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that the Agency should not consider probability of compliance with the barrier when determining if such awards are conditional and they should be reported as conditional grant advance liabilities until such conditions are met.

Grants and contributions are recorded as revenue and net assets without donor restrictions when unconditionally committed by the donor. The Agency reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions. Grants and contributions received with donor-imposed conditions that are met in the same year are reported as grants and contributions without donor restrictions and an increase in net assets without donor restrictions.

Earned Revenue

The Agency generally measures revenue for qualifying exchange transactions based on the amount of consideration the Agency expects to be entitled for the transfer of goods and services to customers, then recognizes this revenue when or as the Agency satisfies its performance obligations under a contract, except in transactions where U.S. GAAP provides other applicable guidance. The Agency sells tickets and other services on behalf of participating arts and cultural organizations. BosTix online and in-person service charges are recognized at the point of sale when control of the ticket is transferred to the customer. The Agency collected on behalf of and remitted to participating members, $110,041 for the year ended August 31, 2022. Due to the halt of in-person arts and cultural performances, the Agency had no ticket sales for the year ended August 31, 2021. The Agency acts as the agent for such ticket sales, and accordingly, any revenues are presented net of the related expense to remit the value of the ticket to the seller.
2. **SIGNIFICANT ACCOUNTING POLICIES** (Continued)

   **Revenue Recognition** (Continued)

   **Earned Revenue** (Continued)

   There were no accounts payable - member reimbursements for the years ended August 31, 2022 and 2021.

   Capacity building / member services revenue is recognized ratably over the membership term, which coincides with the fiscal year, as the performance obligations are satisfied over time. The Agency has estimated that 100% of the membership dues represents the fair value of the benefits received by members and is considered an exchange transaction, and therefore, accounted for under ASC Topic 606, *Revenue from Contracts with Customers*.

   Advertising sales and sponsorships are recognized ratably over the term of the contract, which coincides with the length of time an advertisement is displayed.

   The Agency engages in trades of marketing services, whereby the Agency’s programs are promoted in various formats by media and other companies. In exchange, the Agency provides the media and other companies with promotional advertising in the Agency’s promotional channels. Revenue is recognized ratably over the term of the contract, which coincides with the length of time of the related marketing campaign, which can range from a few weeks to a few months. The value of these services of $16,500 and $13,700 for the years ended August 31, 2022 and 2021, respectively, is reflected as marketing - trade revenue and marketing - trade expense in the accompanying financial statements. All other revenue is recognized as earned.

   The timing of revenue recognition, billings and cash collections may result in billed accounts receivable and deferred revenue (contract liabilities) in the accompanying statements of financial position. Deferred revenue consists of member services/fees paid in advance of the membership year, prepaid content syndication, advertising, and unused gift certificates. These are recognized as revenue as member services are provided, posters and advertising are displayed, and gift certificates are redeemed.

   **In-Kind Services**

   Services donated by organizations are recorded at fair value at the date of donation. The Agency records donated services, including legal, marketing and program services at the respective fair value of the services received. Donated services do not have donor-imposed restrictions and are utilized in the Agency’s programs and are not monetized. The amount of donated services recorded as revenue and expense was $131,210 and $87,490 for the years ended August 31, 2022 and 2021, respectively.

   **Expense Allocation**

   Expenses related directly to a program are distributed to that program, while other expenses are allocated to programs based upon management’s estimate of the percentage attributable to each function. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are compensation, benefits, and contracted services, which are allocated on the basis of estimates of time and effort; occupancy and depreciation, which are allocated on a square footage basis; and ticketing systems, technology, marketing, supplies and telephone costs, which are allocated based on a usage study conducted annually.
2. **SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Advertising Costs**

The Agency expenses advertising costs as they are incurred. Paid advertising expense, which is included in marketing in the accompanying statements of functional expenses for the year ended August 31, 2021, was approximately $2,000. No paid advertising expense was incurred for the year ended August 31, 2022.

**Income Taxes**

The Agency accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statements regarding a tax position taken or expected to be taken in a tax return. The Agency has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at August 31, 2022 and 2021. The Agency’s information returns are subject to examination by the Federal and state jurisdictions.

**Fair Value Measurements**

The Agency follows the accounting and disclosure standards pertaining to ASC Topic, *Fair Value Measurements*, for qualifying assets and liabilities. Fair value is defined as the price that the Agency would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

The Agency uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the Agency. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available.

The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

- **Level 1**: Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.
- **Level 2**: Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.
- **Level 3**: Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability’s level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. All of the Agency’s qualifying assets and liabilities are valued using Level 1 inputs.
2. **SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Statements of Activities and Changes in Net Assets**

Transactions deemed by management to be ongoing, major, or central to the provision of program services are reported as public support and earned revenue and expenses in the accompanying statements of activities and changes in net assets. Non-operating expense includes rent expense in which the Agency is seeking forgiveness for (see Note 3).

**Subsequent Events**

Subsequent events have been evaluated through December 8, 2022, which is the date the financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the financial statements.

3. **LEASE COMMITMENTS**

The Agency leases office space under an agreement that expires in June 2024. The Agency moved out of the office space in July 2021, all staff currently work remote. Monthly rent was $8,541 for the first three years and increased to $8,772 for the remaining two years, plus electricity costs. Total rent expense was $113,097 and $108,860, which is shown as non-operating expense in the accompanying statement of activities and changes in net assets for the year ended August 31, 2022, and included in occupancy in the accompanying statement of functional expenses for the year ended August 31, 2021, respectively. The Agency is also responsible for certain operating costs as defined in the lease agreement. The Agency vacated this space in July 2021. During fiscal years 2022 and 2021, the Agency did not make any of the monthly rent payments and is seeking forgiveness of $205,035 and $108,860, due to the landlord, which is included in accounts payable at August 31, 2022 and 2021, respectively.

4. **LICENSE AGREEMENT**

The Agency renewed their license agreements for certain properties at Copley Square Park and Faneuil Hall Marketplace for their BosTix booths that expire on December 31, 2022 and September 30, 2030, respectively, unless earlier terminated in accordance with the terms of the agreement.

5. **NOTE PAYABLE**

In October 2020, the Agency applied for and was awarded an Economic Injury Disaster Loan (EIDL) of $150,000 from the Small Business Administration (SBA) as a response to the COVID-19 pandemic. The proceeds were used to pay off the balance of the line of credit during fiscal year 2021. The note bears interest at 2.75% per annum. Repayment of the loan is deferred twenty-four months from the date of the agreement and is due in equal principal and interest payments through maturity, which is thirty years from the date of the agreement. Accrued interest was $8,363 and $4,125 as of August 31, 2022 and 2021, respectively, which is included in accrued expenses in the accompanying statements of financial position. The loan is secured by all business assets. The loan agreement does not contain any covenants.

Future minimum principal payments of the note payable are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>$ 7,051</td>
</tr>
<tr>
<td>2024</td>
<td>$ 7,692</td>
</tr>
<tr>
<td>2025</td>
<td>$ 7,692</td>
</tr>
<tr>
<td>2026</td>
<td>$ 7,692</td>
</tr>
<tr>
<td>2027</td>
<td>$ 7,692</td>
</tr>
</tbody>
</table>
6. **LINE OF CREDIT**

At August 31, 2022 and 2021, the Agency had a $187,000 revolving line of credit with a bank, which is secured by all business assets. Interest on borrowings is payable monthly at the prime rate as published in the *Wall Street Journal* (5.50% and 3.25% at August 31, 2022 and 2021, respectively), plus 1%. Principal is due on demand. The line of credit renews annually in October, subject to bank approval. There was no outstanding balance as of August 31, 2022 and 2021. The line of credit agreement letter contains various covenants. The Agency was in compliance with these covenants as of August 31, 2022 and 2021.

7. **CONCENTRATION OF CREDIT RISK**

The Agency maintains its cash balances in Massachusetts banks. The Federal Deposit Insurance Corporation (FDIC) insures balances at each bank up to certain amounts. At certain times during the year, cash balances exceeded the insured amounts. The Agency has not experienced any losses in such accounts. The Agency believes it is not exposed to any significant credit risk on its cash and cash equivalents.

The following funders reflect significant concentrations of grants and contributions receivable as of August 31:

<table>
<thead>
<tr>
<th>Funder</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>74%</td>
<td>- %</td>
</tr>
<tr>
<td>B</td>
<td>20%</td>
<td>- %</td>
</tr>
<tr>
<td>C</td>
<td>5%</td>
<td>28%</td>
</tr>
<tr>
<td>D</td>
<td>- %</td>
<td>34%</td>
</tr>
<tr>
<td>E</td>
<td>- %</td>
<td>34%</td>
</tr>
</tbody>
</table>

As of August 31, 2022 and 2021, 13% and 18%, respectively, of public support and earned revenue was received from one donor.

8. **RELATED PARTY TRANSACTIONS**

As of August 31, 2022 and 2021, four and five members, respectively, of the Agency’s Board of Directors are key executives of organizations who use the Agency for the sale of discounted tickets to their shows and events, as well as advertising for the organizations’ events. The Agency earned service fees of $9,073 during fiscal year 2022 based on tickets sold for these organizations. The Agency did not earn any service fees during fiscal year 2021 as there were no tickets sold. These members abstain from voting on matters relating to their respective employers.

9. **RETIREMENT PLAN**

The Agency maintains a qualified IRC Section 401(k) plan, which covers substantially all employees who have completed one year of service and are at least 21 years of age. Employees may make contributions to the 401(k) plan up to the maximum allowed by law. The Agency’s Board of Directors may elect to make a discretionary matching contribution, determined annually. The Agency did not make any contribution to this plan in fiscal years 2022 and 2021.
10. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Agency’s financial assets available within one year from the statements of financial position date for general operating expenses are as follows as of August 31:

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 381,845</td>
<td>$ 229,820</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>20,785</td>
<td>7,600</td>
</tr>
<tr>
<td>Grants and contributions receivable</td>
<td>12,500</td>
<td>145,000</td>
</tr>
<tr>
<td>Contributions and private grants with donor restrictions</td>
<td>190,000</td>
<td>14,945</td>
</tr>
</tbody>
</table>

Financial assets available to meet cash needs for general expenditures within one year

|                        | $ 605,130 | $ 397,365 |

The Agency’s financial assets are available for use to cover its obligations as they become due. The Agency has financial assets equal to approximately seven and six months of operating expenses (excluding depreciation, marketing - trade, marketing - in-kind, legal - in-kind and program in-kind) as of August 31, 2022 and 2021, respectively. In addition, the Agency has a line of credit agreement (see Note 6) which allows for additional borrowings up to $187,000.

11. CONDITIONAL GRANTS

On January 31, 2021, the Agency applied for, and was awarded, a second forgivable loan of $105,332 from the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief and Economic Security Act (CARES Act). The funds were used to pay certain payroll costs, including benefits, as well as utilities during the covered period as defined in the CARES Act. The Agency believed there was not more than a remote chance this loan would not be forgiven, and therefore, it was accounted for as a conditional grant under ASC Subtopic 958-605. It is determined that this grant was conditional upon certain performance requirements and the incurrence of eligible expenses. Amounts received were recognized as revenue as the Agency had incurred expenditures in compliance with the loan application and CARES Act requirements. For the year ended August 31, 2021, the Agency recognized $105,332 of grant revenue, which is included in government grants in the accompanying fiscal year 2021 statement of activities and changes in net assets. As of November 24, 2021, the Agency has received full forgiveness for this loan from the SBA.

12. EMPLOYEE RETENTION TAX CREDIT

The Employee Retention Tax Credit (ERTC) was first established by the CARES Act and was extended and expanded by the Consolidated Appropriations Act (CAA) and American Rescue Plan (ARP). ERTC provides a refundable tax credit against certain employment taxes equal to 50% of the first $10,000 in qualified wages paid to each employee between March 12, 2020 and December 31, 2020 (2020 ERTC), and 70% of the first $10,000, per quarter, in qualified wages paid to each employee between January 1, 2021 and September 30, 2021 (2021 ERTC). To be eligible, the Agency must meet certain conditions as described in applicable laws and regulations.

The Agency has determined that it qualifies for both the 2020 ERTC and 2021 ERTC, and therefore, is accounting for them as conditional grants under ASC Subtopic 958-605. These grants are conditional upon certain performance requirements and the incurrence of eligible expenses. The Agency applied for, and received, the ERTC in fiscal year 2022. In the opinion of management, the conditions were met as of August 31, 2022, and therefore, the entire refund of $129,446 is included in government grants in the accompanying statement of activities and changes in net assets.
13. CONTINUING OPERATIONS

For the years ended August 31, 2022 and 2021, the Agency had operating results without donor restrictions of $33,985 and $(231,216), respectively. The Agency’s operating net asset balance at August 31, 2022 and 2021, was $(73,684) and $8,941, respectively. The Agency’s total net asset balance at August 31, 2022 and 2021, was $325,795 and $260,779, respectively.

The stark difference between the modest surplus in fiscal year 2022 and the deficit in fiscal year 2021 is attributable to two key factors. The BosTix discount ticket program, which is the Agency’s primary driver of earned revenue, was suspended for eighteen months from March of 2020 through September of 2021 (because member organizations were not offering in-person performances due to the pandemic), encompassing all of fiscal year 2021. BosTix reopened in October 2021 to modest sales as the sector began reopening for in-person events. Increased advertising and membership revenues, plus increases in foundation giving, helped turn the tide and resulted in our modest surplus for fiscal year 2022, as reflected in the accompanying financial statements and described in further detail below.

Throughout the pandemic, the Agency has experienced many of the same financial stress factors that have impacted its constituents, yet at the same time, the Agency’s services (as described above and under Note 1) have been critical both during the initial crisis of COVID-19 closures and in the layered recovery since.

As additional context, the Agency undertook pandemic-focused activities such as the pivot of the ArtsBoston Calendar, the Audience Outlook Monitor, and deeper engagement with the Network for Arts Administrators of Color-Boston while also shouldering significantly decreased earned revenue and operating with a leaner staff. Decreased earned revenues stemmed from reduced revenues for membership fees (which the Agency discounted heavily during the height of COVID closures), advertising, and BosTix. While the Agency did benefit from the Payroll Protection Program and other pandemic relief opportunities as described in these statements, it is notable that although much of the Agency’s typical earned revenue derives from BosTix sales, as a service organization, the Agency was not eligible for any relief funding via the Shuttered Venue Operators Grants (SVOG).

Fiscal year 2022 showed significant financial recovery for the Agency, with increases in both earned revenue (primarily from advertising and membership) and from contributed revenue. BosTix revenues were slower to recover than hoped for due to the impact of the Delta and Omicron variants (and resulting event cancellations and audience hesitancy). The Agency was able to significantly increase contributed income, leveraging funder interest in the Audience Outlook Monitor, ArtsBoston Calendar, NAACBoston, and other projects.

Positive trends are continuing for fiscal year 2023. In the first quarter of fiscal year 2023 (September-November), the Agency had already recorded over $130,000 in advertising, which is more than 65% of the annual goal. The Agency had also recorded over $82,000 in Membership revenues, which is more than 92% of the annual goal. BosTix, the Agency’s discount ticketing program, had recorded $62,836 in revenues, which is more than 84% of fiscal year 2022 sales. With a major promotional campaign underway for the Holiday season in December 2022, the Agency currently projects approximately $150,000 in BosTix revenues for the fiscal year, representing a significant increase and positive trend vis-a-vis fiscal years 2022 and 2021.
13. CONTINUING OPERATIONS (Continued)

The Agency is expanding its contributed revenue goal to stabilize operations, build infrastructure for expanded services for the field, and start rebuilding its cash reserve. Contributed revenue for fiscal year 2023 includes renewals of ongoing institutional funders and confirmed commitments totaling $500,000, which is 77% of budget for fiscal year 2023 that have been recorded at the end of the first quarter. The Agency is also pursuing additional avenues for contributed revenue as part of its strategic plan refresh.

The Agency added two additional staff members in late fiscal year 2022, as it thoughtfully rebuilds its program and revenue team. At a time of continued need in the Greater Boston cultural community, the Agency is confident that its strong service delivery will both provide great value to its community and be the foundation for contributed and earned revenue going forward.