

**INFINITY VISUAL  
AND PERFORMING ARTS, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
AUGUST 31, 2021 AND 2020**

**INFINITY VISUAL AND PERFORMING ARTS, INC.**

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**SAXTON KOCUR**  
AND ASSOCIATES, LLP  
*Certified Public Accountants*

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301 East Second Street • Suite 303 • Jamestown, NY 14701 • P: (716) 483-6109 • F: (716) 483-2511

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Infinity Visual and Performing Arts, Inc.

We have audited the accompanying financial statements of Infinity Visual and Performing Arts, Inc. (a nonprofit organization), which comprise the statements of financial position as of August 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditors' 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 auditors consider 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 Infinity Visual and Performing Arts, Inc. as of August 31, 2021 and 2020, 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.

*Saxton, Kocur and Associates, LLP*

Saxton, Kocur and Associates, LLP  
Jamestown, NY  
January 31, 2022

**INFINITY VISUAL AND PERFORMING ARTS, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AUGUST 31, 2021 AND 2020**

**ASSETS**

	2021	2020
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 317,746	\$ 127,965
Grant receivables	79,005	56,135
Contract receivables	4,140	1,863
Accounts receivables	250	-
Student receivables	100	467
Prepaid expenses	8,559	6,944
Total current assets	409,800	193,374
 PROPERTY AND EQUIPMENT, net of accumulated depreciation	 245,163	 253,606
 TOTAL ASSETS	 \$ 654,963	 \$ 446,980

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 469	\$ -
Credit card payable	4,857	380
Accrued expenses	18,841	13,179
Deferred revenue	73,462	-
Total current liabilities	97,629	13,559
 <b>NET ASSETS</b>		
Without donor restrictions	513,952	399,892
With donor restrictions	43,382	33,529
Total net assets	557,334	433,421
 TOTAL LIABILITIES AND NET ASSETS	 \$ 654,963	 \$ 446,980

The accompanying notes are an integral part of these financial statements.

**INFINITY VISUAL AND PERFORMING ARTS, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEARS ENDED AUGUST 31, 2021 AND 2020**

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Grants	\$ 299,318	\$ 44,100	\$ 343,418
Program fees	120,650	-	120,650
Contracted income	19,710	-	19,710
Contributions	33,900	-	33,900
Special events revenue	13,265	-	13,265
Forgiveness of debt -			
Paycheck Protection Program	63,947	-	63,947
SBA Shuttered Venues Operator Grant	11,100	-	11,100
Rental income	710	-	710
Miscellaneous income	1,740	-	1,740
	<u>564,340</u>	<u>44,100</u>	<u>608,440</u>
Net assets released from restrictions:			
Satisfaction of purpose restrictions	34,247	(34,247)	-
	<u>598,587</u>	<u>9,853</u>	<u>608,440</u>
<b>EXPENSES</b>			
Program services	356,735	-	356,735
Management and general	96,616	-	96,616
Fundraising	31,176	-	31,176
	<u>484,527</u>	<u>-</u>	<u>484,527</u>
<b>CHANGE IN NET ASSETS</b>	114,060	9,853	123,913
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>399,892</u>	<u>33,529</u>	<u>433,421</u>
<b>NET ASSETS AT END OF YEAR</b>	<u><u>\$ 513,952</u></u>	<u><u>\$ 43,382</u></u>	<u><u>\$ 557,334</u></u>

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Grants	\$ 205,542	\$ 36,000	\$ 241,542
Program fees	134,471	-	134,471
Contracted income	13,435	-	13,435
Contributions	25,673	-	25,673
Special events revenue	24,110	-	24,110
Forgiveness of debt - Paycheck Protection Program	68,197	-	68,197
SBA Shuttered Venues Operator Grant	-	-	-
Rental income	2,190	-	2,190
Miscellaneous income	871	-	871
	<u>474,489</u>	<u>36,000</u>	<u>510,489</u>
Net assets released from restrictions: Satisfaction of purpose restrictions	<u>41,126</u>	<u>(41,126)</u>	<u>-</u>
Total support and revenue	<u>515,615</u>	<u>(5,126)</u>	<u>510,489</u>
<b>EXPENSES</b>			
Program services	351,209	-	351,209
Management and general	90,770	-	90,770
Fundraising	34,813	-	34,813
Total expenses	<u>476,792</u>	<u>-</u>	<u>476,792</u>
CHANGE IN NET ASSETS	38,823	(5,126)	33,697
NET ASSETS AT BEGINNING OF YEAR	<u>361,069</u>	<u>38,655</u>	<u>399,724</u>
NET ASSETS AT END OF YEAR	<u>\$ 399,892</u>	<u>\$ 33,529</u>	<u>\$ 433,421</u>

The accompanying notes are an integral part of these financial statements.

**INFINITY VISUAL AND PERFORMING ARTS, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED AUGUST 31, 2021 AND 2020**

	2021			
	Program Services	Management and General	Fundraising	Total Expenses
Salaries and wages	\$ 120,339	\$ 62,226	\$ 23,221	\$ 205,786
Instructors' wages	104,036	-	-	104,036
Building rent	40,233	2,117	-	42,350
Insurance - health	12,829	11,333	3,661	27,823
Payroll taxes	17,036	4,725	1,763	23,524
Equipment and supplies	21,699	-	-	21,699
Depreciation expense	14,974	1,792	177	16,943
Professional fees	-	9,074	-	9,074
Software and technology	7,178	1,794	-	8,972
Program supplies	8,884	-	-	8,884
Insurance - general	6,599	347	-	6,946
Bank charges	-	2,983	-	2,983
Special events expense	-	-	2,354	2,354
Advertising	2,202	-	-	2,202
Printing and reproduction	485	-	-	485
Filing fees	-	225	-	225
Miscellaneous	128	-	-	128
Facility rental	92	-	-	92
Facility repairs	21	-	-	21
Clay House website	-	-	-	-
Bad debt	-	-	-	-
Travel	-	-	-	-
	<u>\$ 356,735</u>	<u>\$ 96,616</u>	<u>\$ 31,176</u>	<u>\$ 484,527</u>

2020

	Program Services	Management and General	Fundraising	Total Expenses
Salaries and wages	\$ 110,821	\$ 57,256	\$ 24,805	\$ 192,882
Instructors' wages	121,602	-	-	121,602
Building rent	39,789	2,094	-	41,883
Insurance - health	14,096	10,974	4,781	29,851
Payroll taxes	17,293	4,785	2,074	24,152
Equipment and supplies	9,523	-	-	9,523
Depreciation expense	18,558	1,826	181	20,565
Professional fees	-	10,775	-	10,775
Software and technology	-	-	-	-
Program supplies	5,688	-	-	5,688
Insurance - general	6,129	323	-	6,452
Bank charges	-	2,445	-	2,445
Special events expense	-	-	2,972	2,972
Advertising	1,152	-	-	1,152
Printing and reproduction	770	-	-	770
Filing fees	-	275	-	275
Miscellaneous	13	-	-	13
Facility rental	38	-	-	38
Facility repairs	333	17	-	350
Clay House website	2,948	-	-	2,948
Bad debt	2,385	-	-	2,385
Travel	71	-	-	71
	<u>\$ 351,209</u>	<u>\$ 90,770</u>	<u>\$ 34,813</u>	<u>\$ 476,792</u>

The accompanying notes are an integral part of these financial statements.



**INFINITY VISUAL AND PERFORMING ARTS, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED AUGUST 31, 2021 AND 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 123,913	\$ 33,697
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	16,943	20,565
(Increase) decrease in:		
Grants receivable	(22,870)	15,165
Contract receivable	(2,277)	9,519
Students receivable	367	2,251
Accounts receivable	(250)	-
Prepaid expenses	(1,615)	(1,202)
Increase (decrease) in:		
Accounts payable	469	(125)
Credit card payable	4,477	(2,446)
Accrued expenses	5,662	(2,478)
Deferred revenue	73,462	-
	198,281	74,946
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(8,500)	-
	189,781	74,946
NET INCREASE IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	127,965	53,019
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 317,746	\$ 127,965

The accompanying notes are an integral part of these financial statements.

## INFINITY VISUAL AND PERFORMING ARTS, INC.

### NOTES TO FINANCIAL STATEMENTS

#### NATURE OF ACTIVITIES

Infinity Visual and Performing Arts, Inc. (Infinity) seeks to provide and promote education and the arts for persons of all ages. Infinity seeks to empower youth from all walks of life to maximize their potential by developing leadership, creativity, and confidence through music, art, dance, theater, performance, mentorship, and enrichment activities. Youth scholarships are available to ensure that every interested child has a chance to participate and learn.

Infinity incorporated in 2005 and is governed by a volunteer Board of Directors. Infinity Visual and Performing Arts, Inc. was formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from federal and state income taxes. Donors may deduct contributions made to the organization within the IRC regulations.

#### Infinity Core Values:

- ICV1. Nurture an environment where learners feel welcomed, valued, safe, engaged, and empowered.
- ICV2. Recognize the individual gifts and unique voice of each student artist, musician, actor, and dancer.
- ICV3. Celebrate student innovation and reward self-advocacy with enthusiasm.
- ICV4. Provide a progressive performance and talent-showcasing path for all students.
- ICV5. Promote a positive culture of personal growth, progress, and success.
- ICV6. Commit to consistent evaluation and improvement of Infinity processes, practices, and programming.
- ICV7. Commit to responsive programming driven by community interest and student need.
- ICV8. Cultivate and preserve a harmonious work environment!

Program services offered by the Organization can be summarized as follows:

#### Infinity Visual and Performing Arts Center

More than 500 students ranging in age from 3 to 21 enroll as members each year. Members receive weekly 30-minute private lessons, and an array of 60-minute group classes in the arts discipline of their choice (music, art, dance, theater). Instruction occurs in a 14,100 square foot facility which houses 16 private lesson rooms, two large art studios, two band rehearsal rooms, a digital/audio production and recording studio, a dance studio, and a performance space known as the Infinity Arts Café.

Infinity also offers private lessons for adults of all ages. Various contracted adult group lessons currently occur during daytime hours when the Infinity Center is not actively running youth programming.

Annually, Infinity provided nearly 13,000 private lessons and more than 1,500 group lessons (September 1 – August 31) to students at the Infinity Visual And Performing Arts Center and additional satellite sites.

#### Infinity Arts Café

In addition to performing locally, Infinity students present more than 50 performances annually in the 4,000 square foot performance space that is located within the Infinity Visual and Performing Arts Center. The Infinity Arts Café has a large stage, an extensive sound booth for active instruction, provides seating for 200 audience members, and hosts recitals, workshops, and a wide range of performances for the community.

## NATURE OF ACTIVITIES, continued

### Day Camps

The Infinity Visual and Performing Arts Center hosts week-long spring and summer day camps each year for area young people. Camps are music and arts-based and provide educational activities and performance opportunities for participating students.

### Pearl City Clay House

Pearl City Clay House (PCCH) is a new Infinity program with an anticipated opening of June 2022. PCCH seeks to create and sustain an inclusive, fun environment where individuals, groups, families, and tourists can learn and progress through active participation in the visual arts, contemporary artisan crafts, and ceramics/clay-related activities and instruction. Activities will include 'Paint Your Own Pottery,' clay wheel 'throwing' instruction and studio rental, community art-making social groups, a broad array of classes and workshops taught by a team of regional arts professionals, and periodic art salons, exhibitions and master classes from artists from outside of the area. PCCH will focus on community connectedness, advanced arts education experiences, and quality arts instruction for adults and families.

PCCH is being developed in order to provide a new revenue stream to further the mission and opportunities for youth at the Infinity Center in support of Infinity's dedication to creative youth development, instruction, and talent-showcasing.

### Contracted Programming

Infinity contracts with various local and regional school districts, governments, and organizations to provide arts education and fee-for-service arts experiences to a wide range of students. More than 700 students benefit annually. Contracted classes and workshops are typically held at the contracting organization's site and annually Infinity provides services at more than 15 additional contracted locations.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**BASIS OF ACCOUNTING** - The financial statements of Infinity have been prepared on the accrual basis of accounting, and accordingly reflect all significant receivables, payables, and other liabilities for the years ending August 31, 2021 and 2020.

**BASIS OF PRESENTATION** - The Organization adopted FASB Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements for Not-for-Profit Entities*, effective with its fiscal year ended August 31, 2019. As such, the Organization reports information regarding its financial position and activities according to two classes of net assets based on the existence or absence of donor restrictions.

**CASH EQUIVALENTS** - For purposes of the Statements of Cash Flows, Infinity considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents, unless the investments are held for meeting restrictions for purchase of property and equipment, payment of long-term debt, or endowment. During the years ended August 31, 2021 and 2020, no cash was paid for interest or taxes.

**GRANT RECEIVABLES** - Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. As of August 31, 2021, management has determined that the grant receivables are fully collectible and no allowance for doubtful accounts is necessary.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

**CONTRACT RECEIVABLES** - Contract receivables represent amounts that have been billed under agency contracts, but have not been collected as of the date of the financial statements. Contract receivables are stated at the amount management expects to be collected from the outstanding balance. As of August 31, 2021, management has determined that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

**STUDENT RECEIVABLES** - Student receivables consist of fees receivable from students. Past due accounts are charged a \$5 fee. Management evaluates the need to write off a receivable based on its review of the aging of the balances and historical collection experience, and management writes off a receivable when it is probable that the receivable is worthless. If accounts previously written off are collected, the payments are recorded as reductions in bad debt expense. Management wrote off student receivables in the amounts of \$0 and \$2,385 as bad debt expense during years ended August 31, 2021 and 2020, respectively. Due to its history of not having to consistently write off accounts, management has not established an allowance for doubtful accounts.

**PROPERTY AND EQUIPMENT** - All acquisitions of property and equipment in excess of \$1,500 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over estimated useful lives, ranging from five to thirty-nine years. Depreciation expense was \$16,943 and \$20,565 for the years ended August 31, 2021 and 2020, respectively.

**ADVERTISING** - Infinity uses advertising to promote its programs among the people it serves. The costs of advertising are expensed as incurred. Advertising expense was \$2,202 and \$1,152 for the years ended August 31, 2021 and 2020, respectively.

**REVENUE WITH AND WITHOUT DONOR RESTRICTIONS** - Contributions received are recorded as increases in net assets with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions 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 net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

**NEW ACCOUNTING PRONOUNCEMENTS** - Effective September 1, 2019, the Organization adopted FASB Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The standards replaced most of the existing revenue recognition guidance found in U.S. GAAP by establishing a new, single revenue framework to recognize revenue from contracts with customers and provides expanded disclosures for revenue transactions.

Also effective July 1, 2019, the Organization adopted Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The new guidance includes specific criteria when determining whether a contract or agreement should be accounted for as a contribution or as an exchange transaction. The new standard also provides a framework to determine whether a contribution is conditional or unconditional.

Management believes there was no significant change in the way the Organization recognizes revenues and support, and therefore no changes to the previously issued audit financial statements were required on a retrospective basis. The presentation and disclosures of revenues and support have been enhanced in accordance with the standard.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

FUNCTIONAL ALLOCATION OF EXPENSES - The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements 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. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. The expenses that are allocated include rent and telephone, which are allocated on a square footage basis, as well as salaries and wages, benefits, and payroll taxes, which are allocated on the basis of estimates of time and effort. Management and general expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the Organization.

INCOME TAXES - Infinity is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and from New York State income taxes under Article 7A of the Executive law. In addition, Infinity qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2) of the Internal Revenue Code. The Organization files exempt organization returns with U.S. federal and New York State jurisdictions. Infinity's returns prior to 2018 are closed.

FAIR VALUE - The fair value of Infinity's financial instruments approximate their carrying values due to the short-term nature of maturities and expected collection or payment periods or because the terms are similar to market terms.

USE OF ESTIMATES – Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

DATE OF MANAGEMENT'S REVIEW - Infinity has evaluated subsequent events through January 31, 2022, the date on which the financial statements were available to be issued.

NOTE 2 - GRANTS RECEIVABLE

Grants receivable consisted of the following:

	<u>2021</u>	<u>2020</u>
The Lenna Foundation	\$ 60,000	\$ 30,000
Chautauqua County Youth Bureau	16,380	-
United Way of Southern Chautauqua County	2,625	2,625
Carnahan-Jackson Foundation	-	18,500
The Winifred Crawford Dibert Foundation, Inc.	-	5,000
United Arts Appeal	-	10
	<u>\$ 79,005</u>	<u>\$ 56,135</u>

### NOTE 3 - PROPERTY AND EQUIPMENT

Equipment and improvements consisted of the following:	<u>2021</u>	<u>2020</u>
Leasehold improvements	\$ 257,800	\$ 257,800
Musical equipment	196,055	194,555
Office equipment	31,660	29,160
Equipment	31,412	31,412
Software	2,088	3,588
Pearl City Clay House	4,500	-
	<u>523,515</u>	<u>516,515</u>
Less accumulated depreciation	<u>278,352</u>	<u>262,909</u>
	<u>\$ 245,163</u>	<u>\$ 253,606</u>

### NOTE 4 - DEFERRED REVENUE

Deferred revenue consisted of the following:	<u>2021</u>	<u>2020</u>
The Lenna Foundation - PCCH	\$ 30,000	\$ -
SBA Shuttered Venues Operator Grant	27,082	-
Chautauqua County Youth Bureau	<u>16,380</u>	<u>-</u>
	<u>\$ 73,462</u>	<u>\$ -</u>

### NOTE 5 - LINE OF CREDIT

The Organization has a \$25,000 line of credit. There was no balance at August 31, 2021 or 2020, nor was the line used during the current year. Bank advances on the line of credit are payable on demand and carry a variable interest rate.

### NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for scholarships for students in the amounts of \$43,382 and \$33,529 at August 31, 2021 and 2020, respectively.

	<u>2021</u>	<u>2020</u>
Beginning Balances	\$ 33,529	\$ 38,655
Grants received	44,100	36,000
Scholarships awarded	(27,632)	(35,876)
Administrative fees	<u>(6,615)</u>	<u>(5,250)</u>
Ending balances	<u>\$ 43,382</u>	<u>\$ 33,529</u>

### NOTE 7 - DONATED SERVICES

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. During the years ended August 31, 2021 and 2020, Infinity received donated services of \$0 and \$1,023, respectively. Volunteers also provided fundraising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

#### NOTE 8 - DONATED MATERIALS

Donations of equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. During the years ended August 31, 2021 and 2020, Infinity received donated instruments and equipment valued at \$7,917 and \$5,693, respectively.

#### NOTE 9 - FEDERAL GRANT

As previously disclosed, Pearl City Clay House (PCCH) is a new component of Infinity Visual and Performing Arts, Inc. PCCH has been initially funded by a \$149,851 federal grant from the Appalachian Regional Commission (ARC).

In alignment with the city of Jamestown's Urban Design Plan, a new community location for PCCH is planned with adult and tourist-focused instruction and activities in the visual arts, contemporary artisan crafts, and ceramics/clay-related art forms. The ARC grant provides salary support for the PCCH Program Director position, as well as necessary equipment. The majority of the grant is designated for equipment and supplies for PCCH's clay studio component. The grant is a reimbursable grant, with funding being received after the expenses are incurred, or as an advance for equipment purchases once a facility location has been determined. COVID-19 impacted the timeline of this project and grant to a great degree, and a grant extension through April 2022 was granted.

As of January 2022, \$93,675 has been claimed of the \$149,851 grant award.

#### NOTE 10 - LEASES

Beginning October 1, 2014, Infinity has a ten-year operating lease with Lynn Development, Inc. which ends on December 31, 2024. There are options to renew the lease for two additional five year terms. There will be a 1% increase of the lease rate on January 1st of each new year of the lease.

Future minimum lease payments under the operating lease for the next three years are:

Years Ending August 31,	Amount
2022	\$ 42,744
2023	43,171
2024	43,603
	<u>\$ 129,518</u>

#### NOTE 11 - EFFECT OF CURRENT ECONOMIC CONDITIONS ON SUPPORT

Infinity Visual and Performing Arts, Inc. depends heavily on contributions and grants for its revenue. The ability of certain of Infinity's contributors and grantors to continue giving amounts comparable with prior years may be dependent upon current and future overall economic conditions and continued deductibility for income tax purposes of contributions and grants to Infinity. While Infinity's management believes it has the resources to continue its programs, its ability to do so and the extent to which it continues may be dependent on the above factors.

#### NOTE 12 - CONCENTRATIONS OF RISK

##### Credit Risk

The Organization maintains its cash balances in one financial institution located in Lakewood, NY. During the year ended August 31, 2021, the Organization's cash balance held in the financial institution exceeded the FDIC deposit insurance amount. At August 31, 2021 and 2020, the Organization had uninsured cash balances of \$64,173 and \$-0-, respectively.

#### NOTE 13 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization regularly reviews its financial position and operations, including liquidity required to meet general expenditures, liabilities, and obligations that may come due. The Organization considers general expenditures to be those types of expenditures routinely incurred in operating its programs and providing supporting services. The Organization has financial assets available for meeting such expenditures in year ending August 31, 2022, including both cash and grants expected to be received. Such financial assets are without donor restrictions.

The Organization keeps cash in excess of daily requirements in a checking account, with the goal of maintaining available cash to cover one month of normal operating expenses, which approximates about \$40,000.

The following reflects the Organization's financial assets available within one year of August 31, 2021, to meet its operating obligations.

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 317,746	\$ 127,965
Grants Receivables	79,005	56,135
Contracts Receivables	4,140	1,863
Student Receivables	100	467
Accounts Receivables	<u>250</u>	<u>-</u>
Financial assets, at year end	401,241	186,430
Less financial assets unavailable for general expenditures:		
Restricted by donors with purpose restrictions	<u>(43,382)</u>	<u>(33,529)</u>
Financial assets available within one year of August 31	<u>\$ 357,859</u>	<u>\$ 152,901</u>

#### NOTE 14 - SUBSEQUENT EVENTS

Subsequent to year ended August 31, 2021, the United States is in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID-19 on a national, regional, and local level are unknown, but it has the potential to result in a significant economic impact. The impact of the situation on the Organization and its future results and financial position are not presently determinable.

In response to the pandemic, the Organization, was forced to reduce its operations. Due to the high degree of uncertainty of the pandemic, the financial impact on operations cannot be reasonably estimated at this time. In April, 2020, the Organization applied for and received approval for a Paycheck Protection Program (PPP) loan from the United States Small Business Administration in the amount of \$68,197. The Organization applied for a second PPP loan in February 2021 in the amount of \$63,947. Management has received notification that both loans have been forgiven.