

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

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
AUGUST 31, 2022 AND 2021**

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

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

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**INDEPENDENT AUDITORS' REPORT**

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

**Opinion**

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, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 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. 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 Infinity Visual and Performing Arts, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibility of Management of 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, that raise substantial doubt about Infinity Visual and Performing Arts, Inc.'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 generally accepted auditing standards 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 generally accepted auditing standards, we:

- Exercise professional judgement 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 Infinity Visual and Performing Arts, Inc.'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, that raise substantial doubt about Infinity Visual and Performing Arts, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate 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.

*Saxton, Kocur and Associates, LLP*

Saxton, Kocur and Associates, LLP  
Jamestown, NY  
March 8, 2023

**INFINITY VISUAL AND PERFORMING ARTS, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AUGUST 31, 2022 AND 2021**

**ASSETS**

	2022	2021
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 582,550	\$ 317,746
Grant receivables	89,747	79,005
Contract receivables	3,340	4,140
Accounts receivables	611	250
Student receivables	568	100
Prepaid expenses	10,764	8,559
Total current assets	687,580	409,800
<b>PROPERTY AND EQUIPMENT, net of accumulated depreciation</b>	477,264	245,163
<b>OTHER ASSETS</b>		
Beneficial interest in assets held by others	10,481	-
<b>TOTAL ASSETS</b>	\$ 1,175,325	\$ 654,963

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 63,362	\$ 469
Credit card payable	49,338	4,857
Accrued expenses	17,752	18,841
Deferred revenue	89,747	73,462
Total current liabilities	220,199	97,629
<b>NET ASSETS</b>		
Without donor restrictions	587,272	513,952
With donor restrictions	367,854	43,382
Total net assets	955,126	557,334
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 1,175,325	\$ 654,963

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, 2022 AND 2021**

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Grants	\$ 131,335	\$ 584,404	\$ 715,739
Program fees	152,909	-	152,909
Contracted income	20,668	-	20,668
Contributions	38,791	12,000	50,791
Special events revenue	25,104	-	25,104
Forgiveness of debt - Paycheck Protection Program	-	-	-
SBA Shuttered Venues Operator Grant	27,082	-	27,082
Rental income	295	-	295
Performance income	900	-	900
Miscellaneous income	2,266	-	2,266
	<u>399,350</u>	<u>596,404</u>	<u>995,754</u>
Change in beneficial interest	-	(1,519)	(1,519)
Net assets released from restrictions: Satisfaction of purpose restrictions	270,413	(270,413)	-
	<u>669,763</u>	<u>324,472</u>	<u>994,235</u>
<b>EXPENSES</b>			
Program services	452,876	-	452,876
Management and general	107,981	-	107,981
Fundraising	35,586	-	35,586
	<u>596,443</u>	<u>-</u>	<u>596,443</u>
<b>CHANGE IN NET ASSETS</b>	73,320	324,472	397,792
<b>NET ASSETS, beginning of year</b>	<u>513,952</u>	<u>43,382</u>	<u>557,334</u>
<b>NET ASSETS, end of year</b>	<u>\$ 587,272</u>	<u>\$ 367,854</u>	<u>\$ 955,126</u>

	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
Performance income	-	-	-
Miscellaneous income	1,740	-	1,740
	<u>564,340</u>	<u>44,100</u>	<u>608,440</u>
Change in beneficial interest	-	-	-
Net assets released from restrictions: Satisfaction of purpose restrictions	<u>34,247</u>	<u>(34,247)</u>	<u>-</u>
Total support and revenue	<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
Total expenses	<u>484,527</u>	<u>-</u>	<u>484,527</u>
CHANGE IN NET ASSETS	114,060	9,853	123,913
NET ASSETS, beginning of year	<u>399,892</u>	<u>33,529</u>	<u>433,421</u>
NET ASSETS, end of year	<u>\$ 513,952</u>	<u>\$ 43,382</u>	<u>\$ 557,334</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, 2022 AND 2021**

	2022			
	Program Services	Management and General	Fundraising	Total Expenses
Salaries and wages	\$ 129,344	\$ 71,151	\$ 26,339	\$ 226,834
Instructors' wages	137,606	-	-	137,606
Building rent	40,634	2,139	-	42,773
Equipment and supplies	34,518	-	-	34,518
Program supplies	33,616	-	-	33,616
Insurance - health	14,269	11,896	4,240	30,405
Payroll taxes	20,407	5,439	2,013	27,859
Depreciation expense	14,253	1,705	165	16,123
Advertising	9,763	-	-	9,763
Professional fees	-	8,566	-	8,566
Insurance - general	7,232	381	-	7,613
Software and technology	4,887	1,222	-	6,109
Bank charges	-	5,097	-	5,097
Facility repairs	3,146	166	-	3,312
Special events expense	-	-	2,829	2,829
Clay House wages	1,029	-	-	1,029
Miscellaneous	896	-	-	896
Travel	669	-	-	669
Printing and reproduction	607	-	-	607
Filing fees	-	219	-	219
Facility rental	-	-	-	-
	<u>\$ 452,876</u>	<u>\$ 107,981</u>	<u>\$ 35,586</u>	<u>\$ 596,443</u>



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
Equipment and supplies	21,699	-	-	21,699
Program supplies	8,884	-	-	8,884
Insurance - health	12,829	11,333	3,661	27,823
Payroll taxes	17,036	4,725	1,763	23,524
Depreciation expense	14,974	1,792	177	16,943
Advertising	2,202	-	-	2,202
Professional fees	-	9,074	-	9,074
Insurance - general	6,599	347	-	6,946
Software and technology	7,178	1,794	-	8,972
Bank charges	-	2,983	-	2,983
Facility repairs	21	-	-	21
Special events expense	-	-	2,354	2,354
Clay House wages	-	-	-	-
Miscellaneous	128	-	-	128
Travel	-	-	-	-
Printing and reproduction	485	-	-	485
Filing fees	-	225	-	225
Facility rental	92	-	-	92
	<u>\$ 356,735</u>	<u>\$ 96,616</u>	<u>\$ 31,176</u>	<u>\$ 484,527</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, 2022 AND 2021**

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 397,792	\$ 123,913
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	16,123	16,943
Change in asset value of beneficial interest in assets held by others	(10,481)	-
(Increase) decrease in:		
Grants receivable	(10,742)	(22,870)
Contract receivable	800	(2,277)
Accounts receivable	(361)	(250)
Students receivable	(468)	367
Prepaid expenses	(2,205)	(1,615)
Increase (decrease) in:		
Accounts payable	62,893	469
Credit card payable	44,481	4,477
Accrued expenses	(1,089)	5,662
Deferred revenue	16,285	73,462
NET CASH PROVIDED BY OPERATING ACTIVITIES	513,028	198,281
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(248,224)	(8,500)
NET INCREASE IN CASH AND CASH EQUIVALENTS	264,804	189,781
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	317,746	127,965
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 582,550	\$ 317,746

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 and satellite site that opened in November 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. Programming and events happen in a 3600 square foot facility that features a bisque painting studio, classroom, full clay studio, kiln room, glazing room, and a gallery space that can be rented and includes a kitchen. Activities include 'Paint Your Own Pottery,' clay wheel 'throwing' instruction, studio member access, 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 fosters community connectedness, advanced arts education experiences, and quality arts instruction for adults and families.

PCCH was developed as part of a long-term sustainability plan for Infinity and provides an additional revenue stream not connected to fundraisers or grants. 100% of PCCH profits directly support and 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, 2022 and 2021.

**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, 2022 and 2021, 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, 2022, 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, 2022, 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 did not write off any student receivables as bad debt expense during years ended August 31, 2022 and 2021. 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 \$16,123 and \$16,943 for the years ended August 31, 2022 and 2021, 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 \$9,763 and \$2,202 for the years ended August 31, 2022 and 2021, 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.

Infinity evaluates whether transactions should be accounted for as contributions or exchange transactions and determines whether a contribution is conditional. Unconditional contributions of cash, securities or other assets and unconditional promises to give, are recorded when received. Conditional contributions and promises to give (i.e. those with a measurable performance or other barrier and a right of return) are not recognized until the conditions on which they depend are substantially met or explicitly waived by the donor.

Program revenue includes fees for youth and adults to participate in specific activities and programs. Revenue from program revenue is recognized at the time the participant registers for an activity.

A portion of the Organization's revenue is derived from cost-reimbursable contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Revenue is recognized when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Adjustments for unallowable expenses are not normally significant.

**NET ASSETS** - Infinity reports information regarding its financial position and activities according to two classes of net assets that are based on the existence or absence of donor-imposed restrictions. These consist of net assets without donor restrictions and net assets with donor restrictions.

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

**NET ASSETS, continued** - Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**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 2019 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 March 8, 2023, the date on which the financial statements were available to be issued.

**PAYCHECK PROTECTION PROGRAM (PPP) LOAN** - The Organization's policy is to account for a loan received through the Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act Paycheck Protection Program (PPP), as a conditional contribution in accordance with FASB Accounting Standards Codification (ASC) 958-605, Not-For-Profit Entities - Revenue Recognition. Management believes the loan represents, in substance, a grant that is expected to be forgiven. As such, the PPP loan is initially reported as a refundable advance liability when received and recognized as contribution revenue when all conditions are substantially met or explicitly waived. Management has taken the position that the incurrence of eligible loan expenses during the designated loan period substantially meets all conditions for recognition as contribution revenue. As such, the full amounts of the loan of \$63,947 have been recognized as contribution revenue for the year ended August 31, 2021.

NOTE 2 - GRANTS RECEIVABLE

Grants receivable consisted of the following:

	<u>2022</u>	<u>2021</u>
The Lenna Foundation	\$ 50,000	\$ 60,000
Carnahan-Jackson Foundation	20,000	-
Chautauqua County Youth Bureau	19,747	16,380
United Way of Southern Chautauqua County	-	2,625
	<u>\$ 89,747</u>	<u>\$ 79,005</u>

NOTE 3 - PROPERTY AND EQUIPMENT

Equipment and improvements consisted of the following:

	<u>2022</u>	<u>2021</u>
Leasehold improvements	\$ 257,800	\$ 257,800
Pearl City Clay House	248,025	4,500
Musical equipment	205,342	196,055
Office equipment	31,660	31,660
Equipment	26,823	31,412
Software	2,088	2,088
	<u>771,738</u>	<u>523,515</u>
Less accumulated depreciation	<u>294,474</u>	<u>278,352</u>
	<u>\$ 477,264</u>	<u>\$ 245,163</u>

NOTE 4 - DEFERRED REVENUE

Deferred revenue consisted of the following:

	<u>2022</u>	<u>2021</u>
The Lenna Foundation - PCCH	\$ 50,000	\$ 30,000
Carnahan Jackson Foundation	20,000	-
Chautauqua County Youth Bureau	19,747	16,380
SBA Shuttered Venues Operator Grant	-	27,082
	<u>\$ 89,747</u>	<u>\$ 73,462</u>

NOTE 5 - LINE OF CREDIT

The Organization has a \$25,000 line of credit. There was no balance at August 31, 2022 or 2021, 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 \$52,881 and \$43,382 at August 31, 2022 and 2021, respectively.

	<u>2022</u>	<u>2021</u>
Beginning Balances	\$ 43,382	\$ 33,529
Grants received	51,000	44,100
Scholarships awarded	(33,851)	(27,632)
Administrative fees	(7,650)	(6,615)
	<u>\$ 52,881</u>	<u>\$ 43,382</u>
Ending balances	<u>\$ 52,881</u>	<u>\$ 43,382</u>

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS, continued

In the year ended August 31, 2022, Infinity received grants with purpose restrictions. The following were restricted at August 31, 2022.

	<u>2022</u>	<u>2021</u>
Pearl City Clay House - Construction	\$ 287,738	\$ -
Beneficial interest in assets held by others	10,481	-
Equipment	2,725	-
Infinity Arts Café	8,209	-
Display System Installation	5,820	-
	<u>\$ 314,973</u>	<u>\$ -</u>
Total net assets with donor restrictions included:	<u>2022</u>	<u>2021</u>
Purpose restrictions	\$ 314,973	\$ -
Scholarships	52,881	43,382
	<u>\$ 367,854</u>	<u>\$ 43,382</u>

NOTE 7 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

Infinity Visual and Performing Arts, Inc. executed an agreement in 2022 with the Chautauqua Region Community Foundation (CRCF) with a \$12,000 donation which established an endowment fund for their benefit at CRCF. This fund was named Infinity's Lexy Hughan Memorial Fund. The value of the fund at August 31, 2022 and 2021 was \$10,481 and \$-0-, respectively. The total value of this fund is shown in the Statement of Financial Position as a Beneficial Interest in Assets Held by Others.

The agreement with CRCF states that the transfer of assets is irrevocable. However, Infinity will receive annual distributions of income earned on the endowment funds, subject to CRCF's current spending policy. This income is to be reported in the Statements of Activities as a change in beneficial interest. The agreement also grants variance power to CRCF.

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, 2022 and 2021, Infinity received donated instruments and equipment valued at \$13,270 and \$7,917, 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 was initially funded by a \$149,851 federal grant from the Appalachian Regional Commission (ARC) during year ended August 31, 2021.

In alignment with the city of Jamestown's Urban Design Plan, a new community location for PCCH was 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 was determined. Infinity received \$93,657 and \$-0- during years ended August 31, 2022 and 2021, respectively.



## NOTE 10 - LEASES

In October 1, 2014, Infinity entered into 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.

Rental expense was \$42,773 and \$42,350 for 2022 and 2021, respectively. Future rental payments, for the remaining years of the initial ten-year lease period, are as follows:

Years Ending August 31,	Amount
2023	\$ 43,171
2024	43,603
	<u>\$ 86,774</u>

## NOTE 11 - CONCENTRATIONS OF RISK

Credit Risk - Infinity maintains its cash balances in one financial institution located in Lakewood, NY. During the years ended August 31, 2022 and 2021, Infinity's cash balances held in the financial institution exceeded the FDIC deposit insurance amount. At August 31, 2022 and 2021, the Organization had uninsured cash balances of \$381,652 and \$64,173, respectively.

## NOTE 12 - 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, 2023, 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 \$50,000.

The following reflects the Organization's financial assets available within one year of August 31, 2022, to meet its operating obligations.

	2022	2021
Cash and cash equivalents	\$ 582,550	\$ 317,746
Grants Receivables	89,747	79,005
Contracts Receivables	3,340	4,140
Student Receivables	568	100
Accounts Receivables	611	250
	<u>676,816</u>	<u>401,241</u>
Financial assets, at year end		
Less financial assets unavailable for general expenditures:		
Restricted by donors with purpose restrictions	(367,854)	(43,382)
Financial assets available within one year of August 31	<u>\$ 308,962</u>	<u>\$ 357,859</u>

#### NOTE 13 - 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.