CULTURE WORKS AND SUBSIDIARY

(A Nonprofit Organization)

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2024 AND 2023

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BRADY WARE
& SCHOENFELD

INDEPENDENT AUDITORS' REPORT

Board of Directors
Culture Works and Subsidiary
Dayton, Ohio

Opinion

We have audited the accompanying consolidated financial statements of **Culture Works** (a nonprofit organization) **and Subsidiary**, which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of **Culture Works and Subsidiary** as of June 30, 2024 and 2023, 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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of **Culture Works and Subsidiary** 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.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Culture Works and Subsidiary's** ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 **Culture Works and Subsidiary'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Culture Works and Subsidiary'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 audits.

BRADY WARE & SCHOENFELD

INDEPENDENT AUDITORS' REPORT - CONTINUED

Report on Consolidating Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements in the supplemental information are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual organizations, and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Brady, Ware & Schoenfeld, Inc.

Dayton, Ohio
November 20, 2024

CULTURE WORKS AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash	$ 375,718	$ 510,057
Promises to give	193,438	256,062
Accounts receivable	21,071	18,702
Inventory	7,764	5,580
Prepaid expenses	8,776	5,100
Total current assets	606,767	795,501
PROPERTY AND EQUIPMENT, NET	57,481	74,354
OPERATING RIGHT-OF-USE ASSET	33,986	37,067
OTHER ASSETS		
Investments	426,495	423,684
Beneficial interest in endowment funds held at The Dayton Foundation	2,358,169	2,229,605
	2,784,664	2,653,289
	$ 3,482,898	$ 3,560,211
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of long-term debt	$ 3,500	$ 3,405
Accounts payable	126,179	128,978
Grants payable	205,558	262,127
Accrued expenses	21,593	18,174
Deferred revenue	190,302	248,289
Current operating lease liabilities	14,477	12,739
Total current liabilities	561,609	673,712
LONG-TERM LIABILITIES		
Long-term debt, net of current portion	150,918	154,030
Long-term operating lease liabilities	20,240	24,884
Deferred tax liability	2,222	1,981
Total long-term liabilities	173,380	180,895
Total liabilities	734,989	854,607
NET ASSETS		
Net assets without donor restrictions	2,028,171	1,949,352
Net assets with donor restrictions	719,738	756,252
	2,747,909	2,705,604
	$ 3,482,898	$ 3,560,211

CULTURE WORKS AND SUBSIDIARY

CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Contributions, Campaign for the Arts	$ 110,888	$ 278,144	$ 389,032
Contributions, Arts awareness and advocacy	176,219	-	176,219
Contributions, Operating support	367,907	-	367,907
Contribution of nonfinancial assets and services	92,716	-	92,716
Distributed from trusts	61,235	-	61,235
Investment return designated for current use	47,258	-	47,258
Special events	8,777	-	8,777
Release of net assets from restrictions	362,578	(362,578)	-
CW Events revenue	578,367	-	578,367
Total Revenue and Other Support	1,805,945	(84,434)	1,721,511
FUNCTIONAL EXPENSES			
Program Expenses			
Campaign for the Arts and Grantmaking	873,936	-	873,936
Arts awareness and advocacy	266,242	-	266,242
Total Program Expenses	1,140,178	-	1,140,178
Supporting Expenses			
Management and general	84,656	-	84,656
Fundraising	114,686	-	114,686
CW Events expenses	557,241	-	557,241
Total Supporting Expenses	756,583	-	756,583
Total Functional Expenses	1,896,761	-	1,896,761
Decrease in Net Assets from Operations	(90,816)	(84,434)	(175,250)
NON-OPERATING REVENUE (EXPENSE)			
Change in value of endowment funds held at The Dayton Foundation	170,594	47,920	218,514
Net investment return	51,782	-	51,782
Investment return designated for current use	(47,258)	-	(47,258)
Income tax expense	(5,483)	-	(5,483)
Total Non-Operating Revenue (Expense)	169,635	47,920	217,555
CHANGE IN NET ASSETS	78,819	(36,514)	42,305
NET ASSETS			
Beginning of year	1,949,352	756,252	2,705,604
End of year	$ 2,028,171	$ 719,738	$ 2,747,909

CULTURE WORKS AND SUBSIDIARY

CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Contributions, Campaign for the Arts	$ 156,895	$ 339,295	$ 496,190
Contributions, Arts awareness and advocacy	440,571	-	440,571
Contributions, Operating support	354,675	-	354,675
Contribution of nonfinancial assets and services	51,990	-	51,990
Distributed from trusts	61,243	-	61,243
Investment return designated for current use	47,616	-	47,616
Special events	10,269	-	10,269
Release of net assets from restrictions	287,857	(287,857)	-
CW Events revenue	546,642	-	546,642
Total Revenue and Other Support	1,957,758	51,438	2,009,196
FUNCTIONAL EXPENSES			
Program Expenses			
Campaign for the Arts and Grantmaking	1,295,357	-	1,295,357
Arts awareness and advocacy	247,379	-	247,379
Total Program Expenses	1,542,736	-	1,542,736
Supporting Expenses			
Management and general	107,178	-	107,178
Fundraising	78,861	-	78,861
CW Events expenses	489,236	-	489,236
Total Supporting Expenses	675,275	-	675,275
Total Functional Expenses	2,218,011	-	2,218,011
Increases (Decrease) in Net Assets from Operations	(260,253)	51,438	(208,815)
NON-OPERATING REVENUE (EXPENSE)			
Change in value of endowment funds held at The Dayton Foundation	155,328	28,533	183,861
Net investment return	37,872	-	37,872
Investment return designated for current use	(47,616)	-	(47,616)
Employee Retention Credit	58,457	-	58,457
Income tax expense	(12,055)	-	(12,055)
Total Non-Operating Revenue (Expense)	191,986	28,533	220,519
CHANGE IN NET ASSETS	(68,267)	79,971	11,704
NET ASSETS			
Beginning of year	2,017,619	676,281	2,693,900
End of year	$ 1,949,352	$ 756,252	$ 2,705,604

See notes to consolidated financial statements.

CULTURE WORKS AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024

	Program		Supporting				
	Campaign for the Arts and Grantmaking	Arts Awareness and Advocacy	Management and General	Fundraising	Subtotal	CW Events	2024 Total
Payroll	$ 108,743	$ 108,743	$ 23,685	$ 54,440	**$ 295,611**	$ 22,527	**$ 318,138**
Payroll taxes and workers' compensation	7,247	7,247	2,205	4,461	**21,160**	-	**21,160**
Employee benefits	3,727	3,728	245	1,128	**8,828**	-	**8,828**
Organizational development	571	991	821	1,107	**3,490**	-	**3,490**
Travel	707	1,145	1,767	338	**3,957**	-	**3,957**
Supplies	1,181	593	2,744	525	**5,043**	5,495	**10,538**
Technology expenses	14,009	11,099	2,853	546	**28,507**	8,511	**37,018**
Professional services	40,145	73,396	21,841	15,690	**151,072**	282,478	**433,550**
Bank charges	5,446	275	238	549	**6,508**	1,717	**8,225**
Rent	9,510	9,509	5,463	1,045	**25,527**	14,100	**39,627**
Postage	2,672	133	237	45	**3,087**	-	**3,087**
Printing	1,627	8,140	-	-	**9,767**	-	**9,767**
Telephone	-	-	-	-	**-**	792	**792**
Insurance	2,644	2,644	538	103	**5,929**	1,795	**7,724**
Advertising	33,838	23,387	83	1,242	**58,550**	20,184	**78,734**
Dues and subscriptions	793	951	717	137	**2,598**	2,608	**5,206**
Depreciation	-	-	13,723	2,624	**16,347**	7,836	**24,183**
Equipment maintenance	1,072	1,072	297	57	**2,498**	4,471	**6,969**
Special project	-	4,220	-	-	**4,220**	-	**4,220**
Miscellaneous	19,934	8,969	7,199	30,649	**66,751**	1,174	**67,925**
Repairs and maintenance	-	-	-	-	**-**	7,059	**7,059**
Grants	620,070	-	-	-	**620,070**	-	**620,070**
Cost of goods sold	-	-	-	-	**-**	176,494	**176,494**
	$ 873,936	$ 266,242	$ 84,656	$ 114,686	**$ 1,339,520**	$ 557,241	**$ 1,896,761**

CULTURE WORKS AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2023

	Program		Supporting				
	Campaign for the Arts and Grantmaking	Arts Awareness and Advocacy	Management and General	Fundraising	Subtotal	CW Events	2023 Total
Payroll	$ 107,207	$ 107,207	$ 22,622	$ 53,420	**$ 290,456**	$ 23,287	**$ 313,743**
Payroll taxes and workers' compensation	8,276	8,276	896	4,911	**22,359**	-	**22,359**
Employee benefits	-	-	4,906	811	**5,717**	-	**5,717**
Organizational development	1,065	4,172	785	130	**6,152**	-	**6,152**
Travel	8,309	2,109	2,788	461	**13,667**	5	**13,672**
Supplies	1,902	1,305	2,780	459	**6,446**	11,021	**17,467**
Technology expenses	12,756	15,633	6,036	997	**35,422**	2,748	**38,170**
Professional services	51,429	67,184	24,384	4,397	**147,394**	243,164	**390,558**
Bank charges	7,929	15	65	11	**8,020**	1,324	**9,344**
Rent	17,007	9,907	6,512	1,194	**34,620**	9,720	**44,340**
Postage	2,779	18	-	-	**2,797**	-	**2,797**
Printing	4,098	7,246	113	19	**11,476**	-	**11,476**
Telephone	-	-	12	2	**14**	-	**14**
Insurance	2,708	2,708	1,552	(644)	**6,324**	3,473	**9,797**
Advertising	16,593	4,631	427	71	**21,722**	12,325	**34,047**
Dues and subscriptions	(8,832)	7,160	5,062	836	**4,226**	2,836	**7,062**
Depreciation	-	-	13,481	2,227	**15,708**	6,803	**22,511**
Equipment maintenance	838	838	1,510	250	**3,436**	3,030	**6,466**
Special project	-	4,200	-	-	**4,200**	-	**4,200**
Miscellaneous	19,258	4,770	13,247	9,309	**46,584**	1,092	**47,676**
Repairs and maintenance	-	-	-	-	**-**	231	**231**
Grants	1,042,035	-	-	-	**1,042,035**	-	**1,042,035**
Cost of goods sold	-	-	-	-	**-**	168,177	**168,177**
	$ 1,295,357	$ 247,379	$ 107,178	$ 78,861	**$ 1,728,775**	$ 489,236	**$ 2,218,011**

See notes to consolidated financial statements.

CULTURE WORKS AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
OPERATING ACTIVITIES		
Change in net assets	**$ 42,305**	$ 11,704
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	**24,183**	22,511
Net realized and unrealized gain on investments	**(51,782)**	(37,872)
Change in value of beneficial interest in endowment fund	**(218,514)**	(183,861)
Deferred income tax	**241**	(489)
Amortization of right of use asset	**13,511**	13,149
Accrued interest on long-term debt	**-**	12,022
	(190,056)	(162,836)
Changes in operating assets and liabilities:		
Promises to give	**62,624**	(4,860)
Accounts receivable	**(2,370)**	34,445
Inventory	**(2,184)**	(1,772)
Prepaid expenses	**(3,676)**	10,680
Accounts payable	**(2,799)**	(12,714)
Grants payable	**(56,569)**	(56,594)
Accrued expenses	**3,419**	7,458
Deferred revenue	**(57,987)**	23,743
Operating lease liabilities	**(13,335)**	(12,593)
Net cash used by operating activities	**(262,933)**	(175,043)
INVESTING ACTIVITIES		
Purchases of property and equipment	**(7,310)**	(12,334)
Sales of investments	**48,972**	4,492
Distributions from endowment funds held at The Dayton Foundation	**89,950**	88,827
Net cash provided by investing activities	**131,612**	80,985
FINANCING ACTIVITIES		
Payments on long-term debt	**(3,018)**	(4,487)
NET DECREASE IN CASH	**(134,339)**	(98,545)
CASH		
Beginning of year	**510,057**	608,602
End of year	**$ 375,718**	$ 510,057

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of accounting policies of **Culture Works and Subsidiary** (the "Organization") is presented to assist in understanding the Organization's consolidated financial statements.

Nature of Business - The Organization is a regional arts agency that provides a unified voice for arts and culture and promotes the cultural vibrancy of the Dayton region nationally as a tool for economic development. The Organization galvanizes widespread support for arts and culture by providing grants, unified marketing efforts, and cultural planning to help the entire cultural community to thrive. The Organization's mission is to act as the funding, advocacy, and service organization that passionately inspires, supports, and sustains arts and culture in the Dayton region.

The Organization operates in the greater Dayton, Ohio area. A majority of its revenue and support is derived from donors within this geographical area.

Consolidation Policy - The consolidated financial statements include the accounts of Culture Works and its subsidiary, CW Events, which are collectively referred to as the "Organization." All significant transactions and balances between entities have been eliminated in consolidation.

Basis of Presentation - The consolidated financial statement presentation follows the recommendations of generally accepted accounting principles in the United States of America. The Organization is required to report information regarding its consolidated financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, a board-designated endowment.

Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) 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. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes. At June 30, 2024 and 2023, the Organization had $719,738 and $756,252 in net assets with donor restrictions.

Financial Estimates - The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses - Directly identifiable expenses are charged to programs and supporting services. 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. Costs are charged to supportive services where they benefit a majority of the programs for the Organization. Management and Organization expenses that cannot be allocated directly or indirectly to programs are included in supportive services. Depreciable assets are allocated to the program utilizing the asset. Salaries and benefits are allocated to the program associated with the individuals' purpose.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Contributions - Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions support, depending on the existence and/or nature of any donor restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restriction contributions.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a 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 consolidated statements of activities as net assets released from restrictions.

Contributions of Nonfinancial Assets and Services - Significant services and materials are donated to the Organization by various individuals and companies for the benefit of the Organization and its constituents. Donated materials are recorded at fair market value at the date of donation. Donated services are recognized as contributions in accordance with accounting standards, if the services (a) create or enhance non-financial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Promises to Give - Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in one or more years are discounted to present value. Conditional promises to give are recorded only when the conditions on which they depend are substantially met and the promises become unconditional. All promises to give as of June 30, 2024 and 2023 are expected to be collected within one year.

Adoption of New Accounting Standards - In June 2016, the Financial Accounting Standards Board ("FASB") issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through change in net assets. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 were accounts receivable.

The Organization adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the consolidated financial statements and primarily resulted in new/enhanced disclosures only.

Accounts Receivable - Accounts receivable arising in the course of providing services at contracted rates for governmental agencies are recorded on the accrual basis and carried at cost. The Organization does not accrue interest on overdue accounts receivable.

The Organization recognizes an allowance for losses on accounts receivable in an amount equal to the current expected credit losses. The estimation of the allowance is based on an analysis of historical loss experience, current receivables aging, and management's assessment of current conditions and reasonable and supportable expectation of future conditions, as well as an assessment of specific identifiable customer accounts considered at risk or uncollectible. The Organization assesses collectability by pooling receivables where similar characteristics exist and evaluates receivables individually when specific customer balances no longer share those risk characteristics and are considered at risk or uncollectible. The expense associated with the allowance for expected credit losses is recognized in management and general expenses. Management determined no allowance to be necessary as of June 30, 2024 and 2023.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The Organization writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income in the year of recovery.

Investments - Investments in equity securities with readily determinable fair values and all investments in fixed income securities shall be measured at fair market values in the consolidated statements of financial position.

Unrealized gains and losses on investments are reported in the consolidated statements of activities as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law.

Property and Equipment - Office furniture and equipment are recorded at actual cost or the fair market value of donated assets and are depreciated over useful lives of 5-10 years using the straight-line method. The Organization capitalizes office furniture and equipment when the cost is $1,000 or more and its estimated useful life exceeds one year.

Routine maintenance, repairs, and renewals are charged to expense as incurred. Renewals and betterments, which substantially increase the life of the office equipment, are capitalized. At retirement or sale, the costs of the assets, less related accumulated depreciation, are removed from the accounts and resulting gains and losses are included in income.

The Organization reviews for impairment of long-lived assets in accordance with accounting standards. These standards require companies to determine if changes in circumstances indicate that the carrying amount of its long-lived assets may not be recoverable. If a change in circumstances warrants such an evaluation, undiscounted future cash flows from the use and ultimate disposition of the asset, as well as respective market values, are estimated to determine if an impairment exists. Management believes that there has been no impairment of the carrying value of its long-lived assets at June 30, 2024 and 2023.

Leases - In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, *Leases*) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the standard effective July 1, 2022 and recognized and measured leases existing at July 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment, with certain practical expedients available.

As a result of the adoption of the new lease accounting guidance, the Organization recognized on July 1, 2022, lease liabilities of $50,215, which represent the present value of the remaining operating lease payments of $52,993 discounted using risk free rates ranging between 2.82% and 2.86%, and right-of-use assets of $50,215.

The Organization elected the available practical expedients to account for their existing operating leases under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The standard had an impact on the statement of financial position, but had only a minimal impact on the statement of activities and the statement of cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases on the statement of financial position.

The Organization leases office space and certain office equipment. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease ROU assets, current operating lease liabilities and long-term operating lease liabilities on the statement of financial position.

ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent an obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Organization's leases do not provide an implicit rate, the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU assets also include any lease payments made and exclude lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Endowment Investment and Spending Policies - The Organization has adopted investment and spending policies for endowment assets that attempt to preserve the real purchasing power of the assets, and provide a growing stream of income to be made available for spending, keeping pace with inflation, in order to sustain the operations and grant-making capacity of the Organization. The Organization's spending and investment policies work together to achieve this objective. The investment policy establishes a return objective through diversification of asset classes. The current long-term return objective is to return a minimum of 5%, net of investment fees, plus the rate of inflation. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

The spending policy calculates the amount of money annually distributed from the Organization's various endowed funds. The Organization uses the moving 3-year period investment performance results. Accordingly, over the long-term, the Organization expects the current spending policy to allow its endowment assets to grow, consistent with the Organization's objective to maintain the purchasing power of endowment assets, as well as to provide additional real growth through new gifts and investment return.

Income Taxes - Culture Works is a nonprofit organization and is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for income taxes is presented in these consolidated financial statements for Culture Works.

CW Events is a C-corporation and files an annual Form 1120. Income taxes include a provision for taxes currently payable plus the recognition of deferred tax assets and liabilities for the expected future consequences of events included in the consolidated financial statements or tax return as required by the generally accepted accounting principles ("GAAP"). The liability for taxes currently payable is determined using tax rates that have been enacted or substantially enacted as of the consolidated statement of financial position date.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Deferred taxes are recognized on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their corresponding tax basis. Deferred tax assets are recognized to the extent it is probable that future taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at each consolidated financial statement date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or a portion of the assets to be recovered.

Deferred taxes are calculated at the tax rates that are expected to apply in the period when the liability is settled or the assets is realized, based on tax rates that have been enacted or substantially enacted by the consolidated statement of financial position date.

Accounting for Uncertainty in Income Taxes - Accounting standards require the evaluation of tax positions taken, or expected to be taken, in the course of preparing the Organization's tax returns, to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. This statement provides that a tax benefit from an uncertain tax position may be recognized in the financial statements only when it is "more-likely-than-not" the position will be sustained upon examination, including resolution of any related appeals or litigation processes, based upon the technical merits and consideration of all available information. Once the recognition threshold is met, the portion of the tax benefit that is recorded represents the largest amount of tax benefit that is greater than 50 percent likely to be realized upon settlement with a taxing authority. Based on its review, management does not believe the Organization has taken any material uncertain tax positions, including a position that would place the Culture Works' exempt status in jeopardy, as of June 30, 2024 and 2023.

Advertising Expense - The Organization incurs advertising costs in connection with its annual campaign and other arts advocacy programs. These costs are expensed as incurred and amounted to $78,734 and $34,047 for the years 2024 and 2023. These expenses include $51,825 and $14,400 of contributed advertising support for 2024 and 2023.

Subsequent Events - In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 20, 2024, the date the consolidated financial statements were available to be issued.

NOTE 2 - REVENUE RECOGNITION

CW Events derives its revenue primarily from events conducted at the Arcade in Dayton, Ohio. The customer is required to pay the amount invoiced after the completion of the event. CW Events bills each individual event as a standalone contract/agreement and invoices the customer upon completion of the event. Any down payment or deposit received, is held in deferred revenue until the completion of the event.

Revenue is recognized on an invoice basis and after the completion of the scheduled event. Incidental items that are immaterial in the context of the contract/agreement are recognized as expense. Costs incurred to obtain a contract are expensed as incurred when the amortization period is less than a year. CW Event's contracts are cancelable by either party at any time. CW Events does not have any significant financing components as standard payment terms are typically 30 days from the invoice date. In addition, the nature of the events does not give rise to any significant variable consideration.

Revenue from performance obligations satisfied at a point in time consists of all event revenue generated by CW Events. There is no revenue satisfied over time for CW Events.

NOTE 2 - REVENUE RECOGNITION - CONTINUED

The contract balances at June 30, 2024 and 2023 are presented on the consolidated statements of financial position. At July 1, 2022, the contract balance included accounts receivable of $53,147.

NOTE 3 - LIQUIDITY AND AVAILABILITY

The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Organization has the following financial assets less those unavailable for general expenditure within one year.

	2024	2023
Financial Assets		
Cash	**$ 375,718**	$ 510,057
Promises to give	**193,438**	256,062
Accounts receivable	**21,071**	18,702
Investments	**426,495**	423,684
Beneficial interest in endowment funds held at The Dayton Foundation	**2,358,169**	2,229,605
	3,374,891	3,438,110
Less those unavailable for general expenditure within one year due to:		
Board designated net assets	**(1,917,815)**	(1,820,824)
Donor restricted net assets	**(719,738)**	(756,252)
	(2,637,553)	(2,577,076)
Financial assets available within one year of statement of financial position date for general expenditure	**$ 737,338**	$ 861,034

Donor-restricted net assets are made up of purpose restricted donations and endowment assets held in perpetuity. Amounts will be released over time when restrictions are met. Board-designated endowment of $1,917,815 and $1,820,824 for the years 2024 and 2023 contain net assets described in Note 12.

In addition to financial assets available to meet general expenditures over the year, the Organization anticipates covering its general expenditures by collection of public support and revenue, by utilizing donor-restricted resources from current gifts and by appropriating the investment return, as needed.

NOTE 4 - PROPERTY AND EQUIPMENT

	2024	2023
Office furniture and equipment	**$ 45,024**	$ 37,714
Leasehold improvements	**80,610**	80,610
Total cost	**125,634**	118,324
Less accumulated depreciation	**68,153**	43,970
	$ 57,481	$ 74,354

Depreciation expense for the years 2024 and 2023 were $24,183 and $22,511.

NOTE 5 - LONG-TERM DEBT

The Organization applied for and received funding through the Small Business Administration ("SBA") Economic Injury Disaster Loan in May 2020, for the amount of $149,900. These funds are to be repaid by May of 2050 with monthly installments of principal and interest of $641. Repayment was deferred until 2023. This loan accrues interest at 2.75%.

Long-term debt at June 30, 2024 and 2023 is as follows:

	2024	2023
SBA's Economic Injury Disaster Loan	**$ 154,418**	$ 157,435
Less current portion	**3,500**	3,405
	$ 150,918	$ 154,030

Minimum principal payments on long-term debt to maturity as of June 30, 2024 are as follows:

2025	$ 3,500
2026	3,598
2027	3,698
2028	3,801
2029	3,907
Thereafter	135,914
	$ 154,418

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

	2024	2023
Campaign for the Arts	**$ 89,860**	$ 226,926
MCACD	**118,171**	89,189
Arts Deep (Website)	**71,353**	31,356
Dayton Ballet Performances	**190,354**	158,781
Endowment funds held in perpetuity	**250,000**	250,000
	$ 719,738	$ 756,252

The following schedule is the net assets released from restrictions for the years ended June 30, 2024 and 2023:

	2024	2023
Purpose restrictions	**$ 362,578**	$ 287,857

NOTE 7 - GRANTS PAYABLE, CAMPAIGN FOR THE ARTS

Grants to organizations for the years ended and payable as of June 30, 2024 and 2023 are summarized as follows:

	2024	2023
Bach Society of Dayton	**$ 4,517**	$ 5,890
Dayton Contemporary Dance Company	**19,232**	48,980
Dayton Performing Arts Alliance	**54,206**	26,660
K12 Gallery for Young People	**9,463**	11,315
The Contemporary Dayton	**4,961**	6,532
Springfield Symphony Orchestra	**20,886**	26,350
The Dayton Art Institute	**31,484**	55,180
The Human Race Theater Company	**19,649**	25,730
The Muse Machine	**21,009**	28,830
WDPR Classic Radio	**20,151**	26,660
	$ 205,558	$ 262,127

NOTE 8 - RETIREMENT PLAN

The Organization sponsors a 403(b) Plan. All employees are eligible to voluntarily contribute as of the date of employment. Employees are eligible for an employer match after one full consecutive year of employment with the Organization at a rate of 50% of the employee contribution up to 6% of gross pay per pay period. After three years of service, the employee is eligible for a match of 50% of the employee contribution up to 10% of gross pay per pay period. Expenses relating to this plan amounted to $8,828 and $5,717 for the years 2024 and 2023.

NOTE 9 - LEASING ACTIVITIES

The Organization entered into an operating lease agreement for its Arcade office on May 20, 2021. The agreement expires in June 2026. Monthly payments range from $1,000 to $1,126. The lease agreement requires reimbursement of real estate taxes, common area maintenance, utilities and other operating expenses. These costs are recognized as variable lease expense in the period incurred. The Organization also leases office equipment under an agreement which expires in June 2029.

The following summarizes the line items in the statements of activities which include the components of lease expense for the years ended June 30, 2024 and 2023:

	2024	2023
Operating lease expense	**$ 14,524**	$ 14,389
Short-term lease expense	**25,103**	29,951
Net operating lease expense allocated to functional expenses	**$ 39,627**	$ 44,340

NOTE 9 - LEASING ACTIVITIES - CONTINUED

The maturities of operating lease liabilities as of June 30, 2024 are as follows:

2025	$ 15,361
2025	14,601
2026	2,208
2027	2,208
2028	2,025
Total lease payments	36,403
Less interest	(1,686)
Present value of lease liabilities	$ 34,717

The following summarizes the weighted average remaining operating lease term and discount rate as of June 30, 2024 and 2023:

	2024	2023
Weighted Average Remaining Lease Term		
Operating leases	**2.77 years**	2.87 years
Weighted Average Discount Rate		
Operating leases	**3.25%**	2.86%

The following summarizes cash flow information related to leases for the years ended June 30, 2024 and 2023:

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	**$ 14,349**	$ 13,834
Supplemental noncash information on operating leases:		
Lease assets obtained in exchange for lease obligations: Operating leases	**$ 10,430**	$ -

NOTE 10 - COMMUNITY FOUNDATION FUNDS

The Organization is the beneficiary recipient of funds held at The Dayton Foundation. The Dayton Foundation has variance power over these funds by agreement with donors. The Dayton Foundation distributes income annually to the Organization as a beneficiary of the funds. In accordance with generally accepted accounting principles, the Organization is prohibited from recording their beneficial interest in the principal amounts because the funds are held at the Dayton Foundation and subject to the variance powers embedded in their bylaws. The Organization received distributions from these funds in the amount of $61,235 and $61,243 for the years 2024 and 2023.

NOTE 11 - FAIR VALUE MEASUREMENTS

The Organization is required to use inputs for measuring fair value according to the three level hierarchy established in the accounting standards, using the highest level possible (e.g., Level 1) if such inputs are available, and if not, going to the next lower level. The three levels for measuring fair value are:

Level 1 - Fair values are determined by reference to quoted market prices in an active market and other relevant information generated by market transactions.

Level 2 - Fair value is based on model inputs that are observable either directly or indirectly.

Level 3 - Fair values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair measurement. These inputs reflect assumptions of management using valuation techniques consistent from year to year.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Fair values of assets measured on a recurring basis at June 30, 2024 are as follows:

	Fair Value	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Cash and equivalents	**$ 11,098**	$ 11,098	$ -	$ -
Equity mutual funds	**264,977**	264,977	-	-
Fixed income mutual funds	**150,420**	150,420	-	-
Beneficial interest in endowment funds held at The Dayton Foundation	**2,358,169**	-	-	2,358,169
	$ 2,784,664	$ 426,495	$ -	$ 2,358,169

Fair values of assets measured on a recurring basis at June 30, 2023 are as follows:

	Fair Value	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Cash and equivalents	**$ 10,811**	$ 10,811	$ -	$ -
Equity mutual funds	**258,196**	258,196	-	-
Fixed income mutual funds	**154,677**	154,677	-	-
Beneficial interest in endowment funds held at The Dayton Foundation	**2,229,605**	-	-	2,229,605
	$ 2,653,289	$ 423,684	$ -	$ 2,229,605

NOTE 12 - BENEFICIAL INTEREST IN ENDOWMENT FUNDS

The Organization's Board of Directors established four board-designated endowment funds by transferring assets to The Dayton Foundation, a community foundation. The Organization is the named beneficiary of the endowment funds. Net investment earnings of these endowment funds are included in the consolidated statements of activities as change in value of endowment funds held at The Dayton Foundation.

The Organization also previously created a fifth endowment fund at The Dayton Foundation utilizing donor-restricted funds in which the donor stipulated that the original contribution of $250,000 be held in perpetuity as a separate fund of the Organization's endowment for the benefit of the Dayton Performing Arts Alliance, the successor of the Dayton Ballet Association. The fund is to be administered by the Organization, with all investment income awarded to the Dayton Performing Arts Alliance following guidelines established by the donor.

	2024		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Board-designated	**$ 1,917,815**	$ -	**$ 1,917,815**
Donor-designated	**-**	**440,354**	**440,354**
Endowment net assets, end of year	**$ 1,917,815**	**$ 440,354**	**$ 2,358,169**

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated	$ 1,820,824	$ -	$ 1,820,824
Donor-designated	-	408,781	408,781
Endowment net assets, end of year	$ 1,820,824	$ 408,781	$ 2,229,605

The following is a summary of changes in endowment net assets for the years ended June 30, 2024 and 2023:

	2024	2023
Endowment funds, beginning of year	**$ 2,229,605**	$ 2,134,571
Change in beneficial interest in endowed funds held by others	**218,514**	183,861
Amounts appropriated for expenditure	**(89,950)**	(88,827)
Endowment funds, end of year	**$ 2,358,169**	$ 2,229,605

NOTE 13 - CONTRIBUTION OF NONFINANCIAL ASSETS AND SERVICES

The Organization receives various in-kind donations from its donors. The following schedule details the in-kind donations received for the years ended June 30, 2024 and 2023:

	2024	2023
Advertising	**$ 51,825**	$ 14,400
Events	**16,514**	7,100
Parking	**7,320**	7,320
Professional fees	**8,975**	22,730
Auction items	**-**	440
Supplies	**8,082**	-
	$ 92,716	$ 51,990

The Organization recognized contributed advertising, events, parking, professional fees and auction items, all of which are utilized for the Organization's operations. Unless otherwise noted, contributed services and materials did not have donor-imposed restrictions.

Contributed advertising is valued at the estimated fair value in the consolidated financial statements based on similar services. Contributed events are valued at the estimated fair value in the consolidated financial statements based on similar events. Contributed parking is valued at the estimated fair value in the consolidated financial statements based on current rates of parking fees. Contributed professional fees are valued at the estimated fair value in the consolidated financial statements based on similar services. Contributed auction items are valued at the estimated fair value in the consolidated financial statements based on an independent appraisal at the time of donation. Contributed supplies are valued at the estimated fair value in the consolidated financial statements based on similar items.

NOTE 14 - EMPLOYEE RETENTION CREDIT

Due to hardships caused by the COVID-19 pandemic, the Organization qualified for an Employee Retention Credit ("ERC"). The ERC was provided for under the CARES Act, including subsequent amendments. For the calendar year 2021, the ERC was equal to 70% of qualified wages paid to employees during a qualifying quarter, capped at $10,000 of qualified wages per employee. This payroll tax credit was available to offset certain employment taxes with any excess being refunded. The Organization received the ERC funds in June 2023 in the amount of $58,457. The Organization recognized ERC income of $58,457 for the year ended June 30, 2023.

NOTE 15 - INCOME TAXES

The provision for income taxes is based on net income for CW Events for federal income tax purposes computed at statutory tax rates and is included in the non-operating revenue (expense) on the accompanying consolidated statements of activities. The principal cause of tax differences between financial accounting net income and net income for federal income tax purposes are a result of the different useful lives for property and equipment as well as amortization of start-up expenses. The differences between income tax (benefit) expense, and taxes currently payable were reflected as a deferred tax liability in the consolidated statements of financial position.

Income tax (benefit) expense consisted of the following:

	2024	2023
Federal, state and local		
Current	$ 5,242	$ 12,544
Deferred	241	(489)
	$ 5,483	$ 12,055

CULTURE WORKS AND SUBSIDIARY

CONSOLIDATING STATEMENT OF FINANCIAL POSITION - ASSETS

JUNE 30, 2024

	Culture Works	CW Events	Subtotal	Eliminations	Total
ASSETS					
CURRENT ASSETS					
Cash	$ 151,313	$ 224,405	**$ 375,718**	$ -	**$ 375,718**
Promises to give	193,438	-	**193,438**	-	**193,438**
Accounts receivable	10,175	21,071	**31,246**	(10,175)	**21,071**
Account receivable - related party	33,259	-	**33,259**	(33,259)	**-**
Inventory	-	7,764	**7,764**	-	**7,764**
Prepaid expenses	8,362	414	**8,776**	-	**8,776**
Total current assets	396,547	253,654	**650,201**	(43,434)	**606,767**
PROPERTY AND EQUIPMENT, NET	34,715	22,766	**57,481**	-	**57,481**
OPERATING RIGHT-OF-USE ASSET	33,986	-	**33,986**	-	**33,986**
OTHER ASSETS					
Investments	426,495	-	**426,495**	-	**426,495**
Beneficial interest in endowment funds held at The Dayton Foundation	2,358,169	-	**2,358,169**	-	**2,358,169**
Investment in subsidiary	15,000	-	**15,000**	(15,000)	**-**
	2,799,664	-	**2,799,664**	(15,000)	**2,784,664**
	$ 3,264,912	$ 276,420	**$ 3,541,332**	$ (58,434)	**$ 3,482,898**

CULTURE WORKS AND SUBSIDIARY

CONSOLIDATING STATEMENT OF FINANCIAL POSITION - LIABILITIES AND NET ASSETS

JUNE 30, 2024

	Culture Works	CW Events	Subtotal	Eliminations	Total
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Current portion of long-term debt	$ 3,500	$ -	**$ 3,500**	$ -	**$ 3,500**
Accounts payable	61,604	74,750	**136,354**	(10,175)	**126,179**
Accounts payable - related party	-	33,259	**33,259**	(33,259)	**-**
Grants payable	205,558	-	**205,558**	-	**205,558**
Accrued expenses	17,232	4,361	**21,593**	-	**21,593**
Deferred revenue	50,868	139,434	**190,302**	-	**190,302**
Current operating lease liabilities	14,477	-	**14,477**	-	**14,477**
Total current liabilities	353,239	251,804	**605,043**	(43,434)	**561,609**
LONG-TERM LIABILITIES					
Long-term debt, net of current portion	150,918	-	**150,918**	-	**150,918**
Long-term operating lease liabilities	20,240	-	**20,240**	-	**20,240**
Deferred tax liability	-	2,222	**2,222**	-	**2,222**
Total long-term liabilities	171,158	2,222	**173,380**	-	**173,380**
Total liabilities	524,397	254,026	**778,423**	(43,434)	**734,989**
NET ASSETS					
Net assets without donor restrictions	2,020,777	39,795	**2,060,572**	(32,401)	**2,028,171**
Net assets with donor restrictions	719,738	-	**719,738**	-	**719,738**
Contribution	**-**	(17,401)	**(17,401)**	17,401	**-**
	2,740,515	22,394	**2,762,909**	(15,000)	**2,747,909**
	$ 3,264,912	$ 276,420	**$ 3,541,332**	$ (58,434)	**$ 3,482,898**

CULTURE WORKS AND SUBSIDIARY

CONSOLIDATING STATEMENT OF FINANCIAL POSITION - ASSETS

JUNE 30, 2023

	Culture Works	CW Events	Subtotal	Eliminations	Total
ASSETS					
CURRENT ASSETS					
Cash	$ 159,699	$ 350,358	**$ 510,057**	$ -	**$ 510,057**
Promises to give	256,062	-	**256,062**	-	**256,062**
Accounts receivable	10,703	16,251	**26,954**	(8,252)	**18,702**
Account receivable - related party	47,876	-	**47,876**	(47,876)	**-**
Inventory	-	5,580	**5,580**	-	**5,580**
Prepaid expenses	5,100	-	**5,100**	-	**5,100**
Total current assets	479,440	372,189	**851,629**	(56,128)	**795,501**
PROPERTY AND EQUIPMENT, NET	51,062	23,292	**74,354**	-	**74,354**
OPERATING RIGHT-OF-USE ASSET	37,067	-	**37,067**	-	**37,067**
OTHER ASSETS					
Investments	423,684	-	**423,684**	-	**423,684**
Beneficial interest in endowment funds held at The Dayton Foundation	2,229,605	-	**2,229,605**	-	**2,229,605**
Investment in subsidiary	15,000	-	**15,000**	(15,000)	**-**
	2,668,289	-	**2,668,289**	(15,000)	**2,653,289**
	$ 3,235,858	$ 395,481	**$ 3,631,339**	$ (71,128)	**$ 3,560,211**

CULTURE WORKS AND SUBSIDIARY

CONSOLIDATING STATEMENT OF FINANCIAL POSITION - LIABILITIES AND NET ASSETS

JUNE 30, 2023

	Culture Works	CW Events	Subtotal	Eliminations	Total
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Current portion of long-term debt	$ 3,405	$ -	**$ 3,405**	$ -	**$ 3,405**
Accounts payable	31,175	106,055	**137,230**	(8,252)	**128,978**
Accounts payable - related party	-	47,876	**47,876**	(47,876)	**-**
Grants payable	262,127	-	**262,127**	-	**262,127**
Accrued expenses	13,723	4,451	**18,174**	-	**18,174**
Deferred revenue	52,323	195,966	**248,289**	-	**248,289**
Current operating lease liabilities	12,739	-	**12,739**	-	**12,739**
Total current liabilities	375,492	354,348	**729,840**	(56,128)	**673,712**
LONG-TERM LIABILITIES					
Long-term debt, net of current portion	154,030	-	**154,030**	-	**154,030**
Long-term operating lease liabilities	24,884	-	**24,884**	-	**24,884**
Deferred tax liability	-	1,981	**1,981**	-	**1,981**
Total long-term liabilities	178,914	1,981	**180,895**	-	**180,895**
Total liabilities	554,406	356,329	**910,735**	(56,128)	**854,607**
NET ASSETS					
Net assets without donor restrictions	1,925,200	24,152	**1,949,352**	-	**1,949,352**
Net assets with donor restrictions	756,252	-	**756,252**	-	**756,252**
Contribution	-	15,000	**15,000**	(15,000)	**-**
	2,681,452	39,152	**2,720,604**	(15,000)	**2,705,604**
	$ 3,235,858	$ 395,481	**$ 3,631,339**	$ (71,128)	**$ 3,560,211**