



National Foundation for Advancement in the Arts, Inc. and Subsidiaries D/B/A YoungArts

Consolidated Financial Statements and
Supplemental Information
Years Ended June 30, 2022 and 2021

The report accompanying these financial statements was issued by

BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of
BDO International Limited, a UK company limited by guarantee.



**National Foundation for Advancement in the Arts, Inc. and
Subsidiaries D/B/A YoungArts**

Consolidated Financial Statements and Supplemental Information
Years Ended June 30, 2022 and 2021

National Foundation for Advancement in the Arts, Inc. and Subsidiaries D/B/A YoungArts

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Independent Auditor's Report

To the Board of Trustees
National Foundation for Advancement in the Arts, Inc.
and Subsidiaries d/b/a YoungArts
Miami, Florida

Opinion

We have audited the consolidated financial statements of National Foundation for Advancement in the Arts, Inc. and Subsidiaries d/b/a YoungArts ("YoungArts"), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, 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 accompanying consolidated financial statements present fairly, in all material respects, the financial position of YoungArts as of June 30, 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 audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of YoungArts 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 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 YoungArts's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.



Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 YoungArts'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 YoungArts's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

BDO USA, LLP

Miami, Florida
December 9, 2022

Consolidated Financial Statements

**National Foundation for Advancement in the Arts, Inc. and Subsidiaries
D/B/A YoungArts**

Consolidated Statements of Financial Position

<i>June 30,</i>	2022	2021
Assets		
Cash and cash equivalents	\$ 5,417,288	\$ 5,274,129
Pledges receivable, net	1,128,816	1,325,618
Other receivables, net	312,671	45,507
Prepaid expenses and other assets	339,642	411,023
Interest in charitable remainder unitrust	118,681	145,593
Investments	47,485,363	55,131,885
Property and equipment, net	25,850,714	25,405,318
Total Assets	\$ 80,653,175	\$ 87,739,073
Liabilities and Net Assets		
Liabilities		
Accounts payable, accrued expenses and other liabilities	\$ 641,306	\$ 921,742
Total Liabilities	641,306	921,742
Commitments And Contingencies (Note 13)		
Net Assets		
Without donor restrictions:		
Undesignated	32,828,945	31,060,586
Board-designated	5,223,517	4,981,849
Total Net Assets Without Donor Restrictions	38,052,462	36,042,435
With Donor Restrictions	41,959,407	50,774,896
Total Net Assets	80,011,869	86,817,331
Total Liabilities and Net Assets	\$ 80,653,175	\$ 87,739,073

See accompanying notes to consolidated financial statements.

National Foundation for Advancement in the Arts, Inc. and Subsidiaries D/B/A YoungArts

Consolidated Statements of Activities

<i>Years Ended June 30,</i>	2022			2021		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Support:						
Contributions	\$ 8,479,915	\$ 308,986	\$ 8,788,901	\$ 9,782,944	\$ 416,081	\$ 10,199,025
Government grants	252,069	-	252,069	273,432	-	273,432
In-kind contributions	146,561	-	146,561	29,580	-	29,580
Total Support	8,878,545	308,986	9,187,531	10,085,956	416,081	10,502,037
Special Events:						
Current year underwritings/sponsorships and tickets and sales	1,968,620	-	1,968,620	-	-	-
Other Revenues:						
Applications	197,194	-	197,194	96,482	-	96,482
Other revenues and (losses) gains, net	(68,873)	(26,912)	(95,785)	21,598	18,245	39,843
Total Other Revenues	128,321	(26,912)	101,409	118,080	18,245	136,325
Net Investment (Losses) Gains	(758,332)	(6,044,563)	(6,802,895)	968,390	8,672,031	9,640,421
Net Assets Released from Restrictions	3,053,000	(3,053,000)	-	2,547,233	(2,547,233)	-
Total Support, Special Events, Other Revenues and Net Investment Gains (Losses)	\$ 13,270,154	\$ (8,815,489)	\$ 4,454,665	\$ 13,719,659	\$ 6,559,124	\$ 20,278,783

See accompanying notes to consolidated financial statements.

National Foundation for Advancement in the Arts, Inc. and Subsidiaries D/B/A YoungArts

Consolidated Statements of Activities

Years Ended June 30,	2022			2021		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Expenses:						
YoungArts program	\$ 8,401,736	\$ -	\$ 8,401,736	\$ 7,426,182	\$ -	\$ 7,426,182
General and administrative	827,198	-	827,198	929,165	-	929,165
Advancement	2,031,193	-	2,031,193	1,406,975	-	1,406,975
Total Expenses	11,260,127	-	11,260,127	9,762,322	-	9,762,322
Change in Net Assets	2,010,027	(8,815,489)	(6,805,462)	3,957,337	6,559,124	10,516,461
Net Assets, beginning of year	36,042,435	50,774,896	86,817,331	32,085,098	44,215,772	76,300,870
Net Assets, end of year	\$ 38,052,462	\$ 41,959,407	\$ 80,011,869	\$ 36,042,435	\$ 50,774,896	\$ 86,817,331

See accompanying notes to consolidated financial statements.

National Foundation for Advancement in the Arts, Inc. and Subsidiaries D/B/A YoungArts

Consolidated Statements of Functional Expenses

Years Ended June 30,	2022				2021			
<i>Programs/Functions</i>	Supporting Services				Supporting Services			
	YoungArts Program	General and Administrative	Advancement	Total	YoungArts Program	General and Administrative	Advancement	Total
Salaries and benefits	\$ 3,297,072	\$ 384,199	\$ 994,915	\$ 4,676,186	\$ 3,109,317	\$ 319,980	\$ 973,094	\$ 4,402,391
Advertising	81,583	1,253	-	82,836	36,628	1,679	1,250	39,557
Bad debt expense	-	-	-	-	-	3,441	-	3,441
Bank charges and fees	9,362	17,073	156	26,591	471	13,648	960	15,079
Campus operating expenses	761,959	86,586	17,317	865,862	597,978	67,952	13,590	679,520
Depreciation and amortization	312,651	35,529	7,106	355,286	387,069	43,984	8,797	439,850
Equipment rentals and maintenance	160,217	64,128	57,782	282,127	139,374	63,049	91,336	293,759
Grants, awards and stipends	1,121,175	-	-	1,121,175	1,041,029	-	-	1,041,029
Independent contractors	157,771	-	-	157,771	149,372	22,367	-	171,739
Insurance and taxes	458,623	49,518	17,847	525,988	394,738	42,673	12,945	450,356
In-kind expenses	10,000	4,823	131,738	146,561	11,792	17,788	-	29,580
Materials, supplies and services	201,753	39,058	25,853	266,664	132,345	34,642	5,648	172,635
Postage and distribution	32,170	2,087	3,235	37,492	27,000	837	6,596	34,433
Printing, design and photo	171,600	532	9,251	181,383	98,697	1,199	20,986	120,882
Professional fees	690,438	130,800	76,358	897,596	442,048	276,739	220,632	939,419
Program and event consultants	685,452	-	-	685,452	783,348	-	32,850	816,198
Rental facilities	9,321	-	-	9,321	17,577	-	-	17,577
Special events	-	-	666,520	666,520	-	-	-	-
Telephone	34,066	2,745	8,932	45,743	34,337	2,530	8,875	45,742
Travel	206,523	8,867	14,183	229,573	23,062	16,657	9,416	49,135
Total Expenses	\$ 8,401,736	\$ 827,198	\$ 2,031,193	\$ 11,260,127	\$ 7,426,182	\$ 929,165	\$ 1,406,975	\$ 9,762,322

See accompanying notes to consolidated financial statements.

**National Foundation for Advancement in the Arts, Inc. and Subsidiaries
D/B/A YoungArts**

Consolidated Statements of Cash Flows

<i>Years Ended June 30,</i>	2022	2021
Cash Flows from Operating Activities:		
Change in net assets	\$ (6,805,462)	\$ 10,516,461
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	355,286	439,850
Provision for uncollectible pledges	-	3,441
Pledge present value discount adjustment	69,392	686
Unrealized losses (gains) from investments, net	10,585,923	(4,798,082)
Realized gains from investments, net	(3,366,730)	(4,501,752)
Unrealized losses (gains) in interest in charitable remainder unitrust	26,912	(18,245)
Changes in operating assets:		
Pledges receivable, net	127,410	241,470
Other receivables, net	(267,164)	52
Prepaid expenses and other assets	71,381	126,806
Changes in operating liabilities:		
Accounts payable, accrued expenses and other liabilities	(280,436)	(265,399)
Total Adjustments	7,321,974	(8,771,173)
Net Cash Provided by Operating Activities	516,512	1,745,288
Cash Flows from Investing Activities:		
Purchases of property and equipment	(800,682)	(324,780)
Purchases of investments	(1,914,445)	(986,389)
Proceeds from sales of investments	2,341,774	2,254,319
Net Cash (Used in) Provided by Investing Activities	(373,353)	943,150
Net Increase in Cash and Cash Equivalents	143,159	2,688,438
Cash and Cash Equivalents, beginning of year	5,274,129	2,585,691
Cash and Cash Equivalents, end of year	\$ 5,417,288	\$ 5,274,129
Supplemental Disclosure of Non-Cash Transactions:		
In-kind	\$ 146,561	\$ 29,580

See accompanying notes to consolidated financial statements.

National Foundation for Advancement in the Arts, Inc. and Subsidiaries D/B/A YoungArts

Notes to Consolidated Financial Statements

1. General and Summary of Significant Accounting Policies

Organization Structure

The National Foundation for Advancement in the Arts, Inc. d/b/a YoungArts (“NFAA”) is a non-profit organization under the Florida Not-For-Profit Corporation Act and is exempt from income taxes according to provisions of Section 501(c)(3) of the Internal Revenue Code. It identifies exceptional young artists, amplifies their potential and invests in their lifelong creative freedom. Management believes that NFAA qualifies for the charitable contribution deduction and has been classified as a foundation that is not a private foundation.

On August 28, 2013, NFAA became the sole member of National YoungArts Foundation Campus, LLC (“the LLC”). NFAA contributed 100% of its interest in its newly purchased facilities to the LLC in exchange for a 100% interest in the LLC. As a limited liability company, liability is limited to amounts reflected in the member account. The LLC shall have a perpetual existence until it is dissolved, and its affairs are wound up in accordance with the respective operating agreement. On June 30, 2016, NFAA transferred its interest in the LLC to the National YoungArts Foundation Supporting Organization (“NYFSO”), a separate non-profit organization. NYFSO, through its subsidiary the LLC, then entered into a lease agreement with NFAA whereby NFAA rents the campus’ real and personal property (including buildings, land and furniture) from the LLC.

Basis of Accounting

The consolidated financial statements include the accounts of NFAA, NYFSO, and the latter’s subsidiary, the LLC. (collectively referred to as “YoungArts”). NYFSO owns 100% of the membership interest in the LLC, and the LLC owns the campus’ real property and improvements. The consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). All intercompany accounts and transactions have been eliminated in the consolidation.

Consolidated Financial Statement Presentation

Net assets and revenues, gains and losses are classified into two classes of net assets based on the existence or absence of donor-imposed restrictions. The two classes of net asset categories are as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of YoungArts’s management and the board of trustees.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of YoungArts or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Consolidated Statements of Activities.

National Foundation for Advancement in the Arts, Inc. and Subsidiaries D/B/A YoungArts

Notes to Consolidated Financial Statements

Concentration of Revenue Source

For the years ended June 30, 2022 and 2021, two related entities, a trust and a foundation, provided more than 10% of total support, special events and other revenues, as follows:

<i>Years Ended June 30,</i>	2022		2021	
<i>Recipient Entity</i>	Support	Percentage of Total Support	Support	Percentage of Total Support
NFAA	\$ 5,407,823	48%	\$ 5,451,188	51%
NYFSO	\$ 2,113,695	19%	\$ 2,603,518	24%

This includes in-kind contributions of approximately 0.04% and 0.30% for the years ended June 30, 2022 and 2021, respectively. YoungArts relies upon the related entities continued support to fund operations.

Cash and Cash Equivalents

YoungArts considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents primarily consist of general checking and savings accounts. Money market funds which are included within investments are not included within cash and cash equivalents. YoungArts has restricted cash to be used for arts education programs.

Pledges Receivable, Net

Contributions are recognized when the donor makes a promise to give to YoungArts that is, in substance, unconditional. Pledges determined to be uncollectible during the year in which such pledges are received are shown as a reduction of contributions. Pledges determined to be uncollectible subsequent to the year in which such pledges are received are charged to the allowance for uncollectible pledges. The allowance for uncollectible pledges is based on YoungArts's historical pledge collection experience and management's evaluation of other pertinent factors. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in more than one year are discounted using a market rate of return and are recorded at net present value.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the Consolidated Statements of Financial Position. Investment gains (including gains and losses on investments, interest and dividends) are included in the Consolidated Statements of Activities as increases in net assets without donor restrictions unless the gains are restricted by donor or law. Investments in alternative investments are valued using the most recent valuation available from the respective external fund manager.

National Foundation for Advancement in the Arts, Inc. and Subsidiaries
D/B/A YoungArts

Notes to Consolidated Financial Statements

Prepaid Expenses and Other Assets

Prepaid expenses and other assets consist primarily of amounts expended for insurance and other expenses to be used at a future date.

Property and Equipment, Net

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs, maintenance, renewals and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are recorded at cost, or if contributed, at fair value at the time of the donation and depreciated or amortized using the straight-line method over the estimated useful lives of the assets.

When assets are sold or retired, the cost and related accumulated depreciation or amortization are removed from the accounts and gains or losses, if any, are recognized currently. Repairs and maintenance are charged to expense as incurred. Donations of property and equipment are recorded as support at their estimated fair value.

Useful lives are as follows:

Building and building improvements	39 years
Furniture and equipment	3-7 years
Website and software	5 years
Vehicles	5 years

Impairment of Long-Lived Assets

The carrying value of long-lived assets is reviewed if the facts and circumstances, such as significant declines in revenues, earnings or cash flows or material adverse changes in the business climate, indicate that they may be impaired. YoungArts performs its review by comparing the carrying amounts of long-lived assets to the estimated undiscounted cash flows relating to such assets. If any impairment in the value of the long-lived assets is indicated, the carrying value of the long-lived assets is adjusted to reflect such impairment based on the fair value of the impaired assets or an estimate of fair value based on discounted cash flows. YoungArts did not recognize any impairment on long-lived assets during the years ended June 30, 2022 and 2021.

Revenue Recognition

Contributions

Transfers of cash or other assets or settlements of liabilities that are both voluntary and nonreciprocal are recognized as contributions.

Contributions may either be conditional or unconditional. A contribution is considered conditional when the donor imposes both a barrier and a right of return. Conditional contributions are recognized as revenue on the date all donor-imposed barriers are overcome or explicitly waived by the donor. Barriers may include specific and measurable outcomes, limitations on the performance

National Foundation for Advancement in the Arts, Inc. and Subsidiaries D/B/A YoungArts

Notes to Consolidated Financial Statements

of an activity and other stipulations related to the contribution. A donor has a right of return of any assets transferred or a right of release of its obligation to transfer any assets in the event YoungArts fails to overcome one or more barriers. Assets received before the barrier is overcome are accounted for as refundable advances.

Unconditional contributions may or may not be subject to donor-imposed restrictions. Donor-imposed restrictions limit the use of the donated assets but are less specific than donor-imposed conditions. Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. Contributions are considered to be available for general operations of YoungArts unless specifically restricted by the donor. YoungArts reports gifts of cash and other assets as restricted support if they are received with donor stipulations about the use of the donated assets, or if they are designated as support for future periods.

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.” Donor-restricted contributions whose restrictions are met in the same reporting period in which received are reported as net assets without donor restrictions.

Grants Revenue

YoungArts receives all of its grants and contract revenues from various state and local agencies. Revenues from state and local agency grants and contracts are recorded in accordance with Accounting Standards Update (“ASU”) 2018-08, Not-For-Profit Entities (Topic 958): Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made (“ASU 2018-08”) and based upon terms of the grant agreements which generally provide that revenues are earned when the allowable costs of the specific grant provisions have been incurred or the allowable services are provided to program participants. Accordingly, YoungArts evaluates whether a transfer of asset is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. YoungArts records conditional contributions as a refundable advance for monies received in advance of the expenditure of allowable costs. As of June 30, 2022 and 2021, there were no conditional promises.

Special Events

Proceeds received from special events are recorded as revenue after the event has occurred.

In-Kind Contributions

Donated services are recognized as contributions if the services create or enhance a non-financial asset, or require specialized skills and are performed by people with those skills or the costs of such services are paid on behalf of YoungArts, and such services would otherwise be purchased by YoungArts. YoungArts records these contributions at fair value and in the period the services are provided as both support and expense in the Consolidated Statements of Activities. Accordingly, YoungArts recognized approximately \$147,000 and \$30,000 of in-kind contributions during the years ended June 30, 2022 and 2021, respectively (Note 15). Volunteers contribute a wide array of services supporting all functions of YoungArts; however, these services do not meet the criteria for recognition.

National Foundation for Advancement in the Arts, Inc. and Subsidiaries D/B/A YoungArts

Notes to Consolidated Financial Statements

Advertising

YoungArts expenses advertising costs when they are incurred. Advertising expense was approximately \$83,000 and \$40,000 for the years ended June 30, 2022 and 2021, respectively.

Expense Classifications

YoungArts Program: YoungArts encourages young artists by creating opportunities for them to advance in their artistic pursuits. The YoungArts program serves winners nationally, with programs in Miami and New York. Programming provides them with creative and professional development opportunities that include workshops, masterclasses, exhibitions and performances. All costs associated with attending a program is fully covered for all participants by YoungArts. Program related expenses include artistic fees for master teachers and directors, workshop materials and supplies, and transportation and housing.

General and Administrative: Expenses include the costs of operations of YoungArts which do not relate specifically to other functional categories but benefit all functions indirectly.

Advancement: Expenses include the costs of fundraising. These costs include payroll, occupancy and office expenses as well as the costs of certain fundraising events.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Consolidated Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and support services benefited. Expenses that can be directly identified with the program or supporting service are reported as expenses of those functional areas. Other expenses such as depreciation and amortization, insurance and taxes, and other campus operating expenses are allocated among program and supporting services based on square footage. Personnel expenses are allocated on the basis of estimated time and effort.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires YoungArts 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. These include, but are not limited to, the determination of the net realizable value of receivables, fair market value of investments and the useful lives of acquired assets. Actual results could vary from the estimates that were used.

Concentration of Credit Risk

Financial instruments that potentially subject YoungArts to concentrations of credit risk consist principally of cash and cash equivalents and investments.

At times, such balances may be in excess of the insurance limits of the Federal Deposit Insurance Corporation. YoungArts has not experienced losses on its cash and cash equivalents.

National Foundation for Advancement in the Arts, Inc. and Subsidiaries D/B/A YoungArts

Notes to Consolidated Financial Statements

Investments are subject to both credit and market risks. Credit risk is the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Market risk is the possibility that fluctuations in the investment market will impact the value of the portfolio. YoungArts has an investment policy and has hired professional investment advisors who report to the board of trustees and management and periodically review the investment portfolio to monitor these risks.

Tax Status

The National Foundation for Advancement in the Arts, Inc. and the National YoungArts Foundation Supporting Organization are separately registered with the Internal Revenue Service as non-profit organizations under Internal Revenue Code Section 501(c)(3) and, accordingly, are exempt from income taxes. The wholly-owned subsidiary, National YoungArts Foundation Campus, LLC is considered a disregarded entity.

YoungArts recognizes and measures tax positions based on their technical merit and assesses the likelihood that the positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. Interest and penalties on tax liabilities, if any, would be recorded in interest expense and other non-interest expense, respectively.

The U.S. Federal jurisdiction and Florida are the major tax jurisdictions where YoungArts files income tax returns. YoungArts is generally no longer subject to U.S. Federal or State examinations by tax authorities for fiscal years before 2019.

Adopted Accounting Pronouncement

Contributed Nonfinancial Assets

In September 2020, the Financial Accounting Standards Board (“FASB”) issued ASU 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, which amends guidance for not-for-profit entities that receive contributed nonfinancial assets. The update requires not-for-profits to present contributed nonfinancial assets as a separate line item in the statement of activities, and to disclose information regarding each type of contributed nonfinancial asset. The update is to be applied on a retrospective basis and is effective for annual reporting periods beginning after June 15, 2021, and for interim reporting periods beginning after June 15, 2022. YoungArts adopted this pronouncement during the year ended June 30, 2022. As a result of the adoption, YoungArts segregated “in-kind contributions” as nonfinancial assets on the Consolidated Statements of Activities and added a related disclosure in Note 15.

Reclassification

Certain amounts in the 2021 consolidated financial statements have been reclassified to conform to the 2022 presentation.

2. Liquidity Management and Availability of Resources

YoungArts maintains an informal policy of structuring its financial assets to be available as general expenditures, liabilities and other obligations come due. YoungArts holds cash in various interest-bearing bank accounts with well-known financial institutions. Additionally, YoungArts has adopted

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Notes to Consolidated Financial Statements

investment and spending policies for its endowment assets that attempt to provide a predictable stream of income to programs and operations supported by its endowments while seeking to maintain the purchasing power of the endowment assets on an inflation adjusted basis.

YoungArts's financial assets available within one year of the Consolidated Statements of Financial Position date for general expenditures are as follows:

<i>June 30,</i>	2022	2021
Cash and cash equivalents	\$ 5,417,288	\$ 5,274,129
Pledges receivable, net	1,128,816	1,325,618
Other receivables, net	312,671	45,507
Investments	47,485,363	55,131,885
Total Financial Assets Available Within One Year	54,344,138	61,777,139
Less: amounts unavailable for general expenditures within one year due to:		
Net assets restricted by donors for specific purposes and programs	(684,011)	(1,142,025)
Donor-restricted endowment funds	(41,156,715)	(49,487,278)
Less: amounts unavailable to management without Board approval		
Board designated - endowment	(5,223,517)	(4,981,849)
Total Financial Assets Available to Management	\$ 7,279,895	\$ 6,165,987

3. Pledges Receivable, Net

Pledges receivable, net are summarized as follows:

<i>June 30,</i>	2022	2021
Gross pledges receivable	\$ 1,222,049	\$ 1,366,259
Less: Allowance for doubtful accounts	(18,700)	(35,500)
Less: Discount on long-term pledges	(74,533)	(5,141)
Pledges Receivable, net	\$ 1,128,816	\$ 1,325,618

Pledges receivable with payment terms in excess of one year have been discounted using a market rate of interest (approximately 2.90%) to reflect their estimated present value. Pledges receivable are unsecured and are primarily from South Florida residents.

National Foundation for Advancement in the Arts, Inc. and Subsidiaries D/B/A YoungArts

Notes to Consolidated Financial Statements

Payments due on pledges receivable as of June 30, 2022 are as follows:

Less than one year	\$	922,552
One to five years		299,497
	\$	1,222,049

The allowance for doubtful accounts at June 30, 2022 and 2021 was \$18,700 and \$35,500, respectively. Bad debt expense for the years ended June 30, 2022 and 2021, was \$0 and \$3,441, respectively.

4. Interest in Charitable Remainder Unitrust

A donor established an irrevocable trust naming YoungArts as a remainder beneficiary of a charitable remainder unitrust. Under terms of the trust, YoungArts is to receive the lesser of \$500,000 or 25% of the trust's assets upon the death of the last surviving beneficiary. Based on a joint life and last survivor expectancy of approximately 13 and 14 years as of June 30, 2022 and 2021, respectively, at a 5% rate, the present value of future distributions is estimated to be \$118,681 and \$145,593 at June 30, 2022 and 2021, respectively. This amount is recorded as "Interest in charitable remainder unitrust" in the Consolidated Statements of Financial Position. During the years ended June 30, 2022 and 2021, the charitable remainder unitrust (depreciated) appreciated by \$(26,912) and \$18,245, respectively, which is included in "Other revenues and (loss) gains, net" in the Consolidated Statements of Activities.

5. Investments

YoungArts has invested in the following funds:

<i>June 30,</i>	2022	2021
Money market	\$ 4,504,018	\$ 2,247,659
Equity securities	24,669,172	32,858,915
Fixed income	8,647,818	11,208,235
Alternative strategies	9,664,355	8,817,076
Total Investments	\$ 47,485,363	\$ 55,131,885

National Foundation for Advancement in the Arts, Inc. and Subsidiaries D/B/A YoungArts

Notes to Consolidated Financial Statements

Net investment (losses) gains from cash equivalents and investments is comprised of the following:

<i>Years Ended June 30,</i>	2022	2021
Interest and dividends	\$ 604,405	\$ 631,673
Net realized gains	3,366,730	4,501,752
Net unrealized (losses) gains	(10,585,923)	4,798,082
Investment fees	(188,107)	(291,086)
Total Investment (losses) gains	\$ (6,802,895)	\$ 9,640,421

6. Fair Value Measurements

The FASB Accounting Standards Codification (“ASC”) 820, Fair Value Measurements and Disclosures, established a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs of valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under the FASB ASC are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that YoungArts has the ability to access.
- Level 2 Inputs to the valuation methodology include:
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability;
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset’s 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.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2022 and 2021.

Money market: Valued at cost, which approximates fair value.

Equity securities: Valued at the closing price reported in the active market in which the individual securities are traded.

National Foundation for Advancement in the Arts, Inc. and Subsidiaries D/B/A YoungArts

Notes to Consolidated Financial Statements

Fixed income: Valued at the closing price reported in the active market in which the individual securities are traded.

Alternative strategies: Valued by the underlying investments of the funds and are valued at fair value on a monthly basis by the investment managers. Certain funds are redeemable at their net asset value (“NAV”) per share on a monthly basis. The fair value of the investments are a publicly quoted pricing input used in determining the NAV of the alternative strategies, which is not publicly quoted. YoungArts considers the length of time until the investment is redeemable, including notice and lock up periods or any other restriction on the disposition of the investment. YoungArts also considers the nature of the portfolios of the underlying investments and their ability to liquidate their underlying investments. The NAV per share is used as a practical expedient to estimate the fair value of the alternative strategies as long as certain requirements are met.

Fair value of shares of underlying alternative strategies equals the number of shares of the respective underlying investments multiplied by the closing NAV per share quoted by that investment and held by YoungArts at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although YoungArts believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The values assigned to certain investments are based upon currently available information and do not necessarily represent amounts that may ultimately be realized. Because of the inherent uncertainty of valuation, those estimated fair values may differ significantly from the values that would have been used had a ready market for the investments existed and the differences could be material.

The following tables represent YoungArts’s financial instruments measured at fair value on a recurring basis for each of the fair value hierarchy levels at June 30, 2022 and 2021:

<i>June 30, 2022</i>	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Assets:				
Money market	\$ 4,504,018	\$ 4,504,018	\$ -	\$ -
Equity securities	24,669,172	24,669,172	-	-
Fixed income	8,647,818	8,647,818	-	-
Total Assets in the Fair Value Hierarchy				
	37,821,008	37,821,008	-	-
Investments Measured at Net Asset Value *				
	9,664,355	-	-	-
Total Assets at Fair Value	\$ 47,485,363	\$ 37,821,008	\$ -	\$ -

National Foundation for Advancement in the Arts, Inc. and Subsidiaries D/B/A YoungArts

Notes to Consolidated Financial Statements

<i>June 30, 2021</i>	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Assets:				
Money market	\$ 2,247,659	\$ 2,247,659	\$ -	\$ -
Equity securities	32,858,915	32,858,915	-	-
Fixed income	11,208,235	11,208,235	-	-
Total Assets in the Fair Value Hierarchy				
	46,314,809	46,314,809	-	-
Investments Measured at Net Asset Value *				
	8,817,076	-	-	-
Total Assets at Fair Value				
	\$ 55,131,885	\$ 46,314,809	\$ -	\$ -

(*) In accordance with Subtopic 820-10, certain investments that are measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy.

As of June 30, 2022 and 2021, YoungArts did not have any nonfinancial asset or liability recognized or disclosed at fair value in the consolidated financial statements on a nonrecurring basis. YoungArts' accounting policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer.

Net Asset Value per Share

Alternative strategies include investments in limited partnerships where YoungArts has the right to withdraw its investments at least quarterly, or annually after the expiration of "lock-up" periods of one to three years pursuant to the respective offering memorandums. The underlying investments of the funds are valued at fair value on a quarterly basis by the partnerships for which fair value is measured using the NAV per share practical expedient. Also included in Alternative strategies are investments in offshore funds that include investments in hedge funds. As part of the Alternative strategies investment structure, initial capital call commitments are required.

<i>Description</i>	Fair Value as of 6/30/2022	Unfunded Commitments as of 6/30/2022	Redemption Frequency	Redemption Notice Period
Hedge Funds:				
Multi-Strategy (a)	\$ 2,415,832	\$ -	Quarterly	60 Days
Multi-Strategy (b)	2,573,693	-	Quarterly	105 Days
Equity Long / Short (c)	1,966,672	-	Monthly and Quarterly	60 Days
Equity Long / Short (d)	2,708,158	-	Quarterly	45 Days
Total				
	\$ 9,664,355	\$ -		

National Foundation for Advancement in the Arts, Inc. and Subsidiaries D/B/A YoungArts

Notes to Consolidated Financial Statements

<i>Description</i>	Fair Value as of 6/30/2021	Unfunded Commitments as of 6/30/2021	Redemption Frequency	Redemption Notice Period
Hedge Funds:				
Multi-Strategy (a)	\$ 2,715,550	\$ -	Various	60 Days
Multi-Strategy (b)	1,642,950	690,000	Quarterly	105 Days
Equity Long / Short (c)	1,703,065	-	Monthly and Quarterly	60 Days
Equity Long / Short (d)	2,755,511	-	Quarterly	45 Days
Total	\$ 8,817,076	\$ 690,000		

The following is a summary of the investment strategies of the investments valued using the NAV per share practical expedient:

- (a) The fund employs an event-driven, opportunistic strategy to invest globally across the capital structure and in diversified asset classes to optimize risk-reward throughout a market cycle.
- (b) The fund's objective is to achieve above-average capital appreciation by investing in a wide variety of asset classes and strategies. The fund aims for attractive risk-adjusted non-market-correlated returns through investing in strategies such as relative value fundamental equity, quantitative strategies, fixed income and equity arbitrage.
- (c) The fund was formed for the purpose of investing in a widely diversified portfolio consisting exclusively of U.S. and non-U.S. equity securities that are publicly traded on the U.S. securities exchanges, and expects holding periods to average more than one year. The fund may also invest in stock index futures for risk management purposes. The fund seeks to achieve superior rates of return with low volatility and a relatively low beta through investments in a widely diversified portfolio.
- (d) The fund is an offshore feeder fund in a master structure. The fund's objective is to invest substantially all its assets in Locust Wood Capital, L.P.

7. Property and Equipment, Net

Property and equipment, net consists of the following:

<i>June 30,</i>	2022	2021
Land	\$ 15,442,756	\$ 15,442,756
Building and building improvements	12,566,808	11,975,287
Furniture and equipment	1,097,868	1,075,813
Website and software	776,717	589,611
Vehicles	23,310	23,310
	29,907,459	29,106,777
Accumulated depreciation and amortization	(4,056,745)	(3,701,459)
	\$ 25,850,714	\$ 25,405,318

**National Foundation for Advancement in the Arts, Inc. and Subsidiaries
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Notes to Consolidated Financial Statements

Depreciation and amortization expense for the years ended June 30, 2022 and 2021 totaled \$355,286 and \$439,850, respectively.

8. Net Assets Without Donor Restrictions

YoungArts has received various donations throughout the years from its donors which have been without donor restrictions as to purpose or time. Although these funds are included in net assets without donor restrictions, management and the Board of Trustees segregated these funds so that the principal is designated not to be expended without board approval. These funds totaled \$5,223,517 and \$4,981,849 as of June 30, 2022 and 2021, respectively.

9. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for use in arts education programs and consisted of the following:

<i>June 30,</i>	2022	2021
Restricted contributions with specific purpose/ time restrictions	\$ 684,011	\$ 1,142,025
Donor-restricted endowment funds	41,275,396	49,632,871
	\$ 41,959,407	\$ 50,774,896

During the years ended June 30, 2022 and 2021 net assets released from restrictions were \$3,053,000 and \$2,547,233, respectively.

10. Endowments

YoungArts’ endowment consists of several investment funds established for a variety of purposes. Its endowment includes donor-restricted and board-designated endowment funds. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act (“FUPMIFA”). YoungArts has interpreted the FUPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, YoungArts classifies as net assets with donor restrictions the historical value of donor-restricted endowment funds, which includes (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) changes to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. Also included in net assets with donor restrictions is accumulated appreciation on donor restricted endowment funds which are available for expenditure in a manner consistent with the standard of prudence prescribed by the FUPMIFA, and deficiencies associated with funds where the value of the fund has fallen below the original value of the gift.

National Foundation for Advancement in the Arts, Inc. and Subsidiaries D/B/A YoungArts

Notes to Consolidated Financial Statements

In accordance with FUPMIFA, YoungArts considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment fund earnings:

- (1) The duration and preservation of the fund
- (2) The purposes of YoungArts and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of YoungArts
- (7) The investment policies of YoungArts

Summary of Endowment Net Assets at June 30, 2022:

	Without donor restrictions	With donor restrictions	Total
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 11,853,229	\$ 11,853,229
Accumulated earnings on perpetual endowment	-	4,877,569	4,877,569
Term endowment	-	24,544,598	24,544,598
Board-designated endowment funds	5,223,517	-	5,223,517
Total Endowment Net Assets	\$ 5,223,517	\$ 41,275,396	\$ 46,498,913

Summary of Endowment Net Assets at June 30, 2021:

	Without donor restrictions	With donor restrictions	Total
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 11,853,229	\$ 11,853,229
Accumulated earnings on perpetual endowment	-	5,684,284	5,684,284
Term endowment	-	32,095,358	32,095,358
Board-designated endowment funds	4,981,849	-	4,981,849
Total Endowment Net Assets	\$ 4,981,849	\$ 49,632,871	\$ 54,614,720

National Foundation for Advancement in the Arts, Inc. and Subsidiaries D/B/A YoungArts

Notes to Consolidated Financial Statements

Changes in Endowment Net Assets for the year ended June 30, 2022:

	Without donor restrictions	With donor restrictions	Total
Endowment Net Assets , beginning of year	\$ 4,981,849	\$ 49,632,871	\$ 54,614,720
Net investment losses	(758,332)	(6,071,475)	(6,829,807)
Contributions	1,000,000	-	1,000,000
Released from restriction and appropriated for expenditure	-	(2,286,000)	(2,286,000)
Endowment Net Assets , end of year	\$ 5,223,517	\$ 41,275,396	\$ 46,498,913

Changes in Endowment Net Assets for the year ended June 30, 2021:

	Without donor restrictions	With donor restrictions	Total
Endowment Net Assets , beginning of year	\$ 4,013,459	\$ 42,905,828	\$ 46,919,287
Net investment gains	968,390	8,690,276	9,658,666
Released from restriction and appropriated for expenditure	-	(1,963,233)	(1,963,233)
Endowment Net Assets , end of year	\$ 4,981,849	\$ 49,632,871	\$ 54,614,720

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires YoungArts to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2022 or 2021. In accordance with U.S. GAAP, deficiencies of this nature are reported in net assets without donor restrictions to the extent that the deficiencies fall below the restricted corpus.

Return Objectives and Risk Parameters

YoungArts has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of income to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets on an inflation-adjusted basis. Endowment assets include those assets of donor-restricted funds that YoungArts must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that achieve the majority of the gains of the S&P 500 while limiting the negative returns caused by decreases in the S&P 500, by assuming a moderate level of investment risk and limiting volatility. YoungArts expects its endowment funds, over time, to provide a rate of return in excess of the original permanently restricted principal. Actual returns in any given year may vary.

National Foundation for Advancement in the Arts, Inc. and Subsidiaries D/B/A YoungArts

Notes to Consolidated Financial Statements

Strategies Employed for Achieving Objectives

To satisfy its long-term objectives on an inflation adjusted basis with moderate volatility, YoungArts 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). YoungArts targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

YoungArts' policy is to appropriate 5% of the average fiscal year-end endowment fund balance for the prior three years for distribution in the following fiscal year which totaled \$698,000 and \$632,700 for the years ended June 30, 2022 and 2021, respectively. In establishing this policy, YoungArts considered the long-term expected return on its endowment. Accordingly, over the long term, YoungArts expects the current spending policy to allow its endowment to grow, net of distributions, at an average of 3.25% percent annually. This is consistent with YoungArts's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

11. Retirement Plan

YoungArts has a defined contribution plan (the "Plan") covering all full time employees over the age of 21 with at least one year of service. The Plan conforms to the provisions set by Internal Revenue Code Section 403(b), Defined Contribution (Money Purchase) Retirement Plan. YoungArts matches participants' contributions to the Plan dollar-for-dollar up to 3% of the employee's salary and 50% of the next 2% of the employee's salary and the amount is fully vested when the contribution is made. Contributions for the years ended June 30, 2022 and 2021 were \$97,209 and \$66,475, respectively, and are reflected within "Salaries and benefits" in the Consolidated Statements of Functional Expenses.

12. Special Events, Net

Revenues and expenses of special events held consisted of the following:

<i>Years Ended June 30,</i>	2022	2021
	Gala Affair	Gala Affair
Revenue:		
Underwriting/Sponsorship	\$ 669,120	\$ -
Tickets and sales	1,299,500	-
Total Revenue	1,968,620	-
Expenses:		
Direct benefits	666,520	-
Special Events, Net	\$ 1,302,100	\$ -

Special events were cancelled during fiscal year 2021 due to the pandemic.

National Foundation for Advancement in the Arts, Inc. and Subsidiaries D/B/A YoungArts

Notes to Consolidated Financial Statements

13. Commitments and Contingencies

Litigation

From time to time, YoungArts is involved in legal proceedings arising in the ordinary course of business. YoungArts believes there is no litigation pending against it that could have, individually or in the aggregate, a material adverse effect on its consolidated financial position, results of activities or cash flows.

14. Risks and Uncertainties

Investments are exposed to various risks such as interest rate, credit risk and market fluctuations. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the investments and the amounts reported in the Consolidated Statements of Financial Position.

YoungArts’ investment portfolio has experienced fluctuations in fair value since June 30, 2022. However, because the values of YoungArts’ individual investments have and will fluctuate in response to changing market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined.

YoungArts’ pledges receivable are due from foundations and individuals. YoungArts’ management reviews the receivable balances as a whole to determine the necessity of its allowance for doubtful accounts.

15. Contributions of Nonfinancial Assets

Contributed nonfinancial assets (in-kind donations) during the years ended June 30, 2022 and 2021 were as follows:

Nonfinancial Asset	Revenue Recognized		Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques/Inputs
	June 30, 2022	June 30, 2021			
Fundraising and program support	\$ 141,738	\$ 11,792	Special events and all program activities	Without Donor Restrictions	YoungArts estimated the fair value of the contributed special events and program support goods and services based on current rates that would have been incurred by YoungArts to obtain them.
Professional services	\$ 4,823	\$ 17,788	All program activities and administration	Without Donor Restrictions	Contributed services from attorneys are valued at the estimated fair value based on current rates for similar legal services.

16. Subsequent Events

YoungArts has evaluated subsequent events through December 9, 2022, which is the date the consolidated financial statements were available to be issued.

Supplementary Information

**National Foundation for Advancement in the Arts, Inc. and Subsidiaries
D/B/A YoungArts**

Supplementary Consolidating Statements of Financial Position

<i>June 30, 2022</i>	NFAA	NYAF (SO)	Combined Total
Assets			
Cash and cash equivalents	\$ 4,298,320	\$ 1,118,968	\$ 5,417,288
Pledges receivable, net	1,128,816	-	1,128,816
Other receivables, net	48,976	263,695	312,671
Prepaid expenses and other assets	132,347	207,295	339,642
Interest in charitable remainder unitrust	118,681	-	118,681
Investments	47,485,363	-	47,485,363
Property and equipment, net	373,616	25,477,098	25,850,714
Total Assets	\$ 53,586,119	\$ 27,067,056	\$ 80,653,175
Liabilities and Net Assets			
Liabilities			
Accounts payable, accrued expenses and other liabilities	\$ 311,734	\$ 329,572	\$ 641,306
Total Liabilities	311,734	329,572	641,306
Net Assets			
Without donor restrictions			
Undesignated	6,091,461	26,737,484	32,828,945
Board- designated	5,223,517	-	5,223,517
Total Net Assets Without Donor Restrictions	11,314,978	26,737,484	38,052,462
With Donor Restrictions	41,959,407	-	41,959,407
Total Net Assets	53,274,385	26,737,484	80,011,869
Total Liabilities and Net Assets	\$ 53,586,119	\$ 27,067,056	\$ 80,653,175

**National Foundation for Advancement in the Arts, Inc. and Subsidiaries
D/B/A YoungArts**

Supplementary Consolidating Statements of Financial Position

<i>June 30, 2021</i>	NFAA	NYAF (SO)	Combined Total
Assets			
Cash and cash equivalents	\$ 3,595,057	\$ 1,679,072	\$ 5,274,129
Pledges receivable, net	1,325,618	-	1,325,618
Other receivables, net	45,507	-	45,507
Prepaid expenses and other assets	225,166	185,857	411,023
Interest in charitable remainder unitrust	145,593	-	145,593
Investments	55,131,885	-	55,131,885
Property and equipment, net	214,524	25,190,794	25,405,318
Total Assets	\$ 60,683,350	\$ 27,055,723	\$ 87,739,073
Liabilities and Net Assets			
Liabilities			
Accounts payable, accrued expenses and other liabilities	\$ 692,641	\$ 229,101	\$ 921,742
Total Liabilities	692,641	229,101	921,742
Net Assets			
Without donor restrictions			
Undesignated	4,233,964	26,826,622	31,060,586
Board- designated	4,981,849	-	4,981,849
Total Net Assets Without Donor Restrictions	9,215,813	26,826,622	36,042,435
With Donor Restrictions	50,774,896	-	50,774,896
Total Net Assets	59,990,709	26,826,622	86,817,331
Total Liabilities and Net Assets	\$ 60,683,350	\$ 27,055,723	\$ 87,739,073

National Foundation for Advancement in the Arts, Inc. and Subsidiaries D/B/A YoungArts

Supplementary Consolidating Statements of Activities

Year Ended June 30, 2022	NFAA			NYAF (SO)			
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Total
Support:							
Contributions	\$ 6,366,220	\$ 308,986	\$ 6,675,206	\$ 2,113,695	\$ -	\$ 2,113,695	\$ 8,788,901
Government grants	252,069	-	252,069	-	-	-	252,069
In-kind contributions	146,561	-	146,561	-	-	-	146,561
Total Support	6,764,850	308,986	7,073,836	2,113,695	-	2,113,695	9,187,531
Special Events:							
Current year underwritings/sponsorship and tickets and sales	1,968,620	-	1,968,620	-	-	-	1,968,620
Other Revenues:							
Applications	197,194	-	197,194	-	-	-	197,194
Other revenues and (losses) gains, net	(68,874)	(26,912)	(95,786)	1	-	1	(95,785)
Total Other Revenues	128,320	(26,912)	101,408	1	-	1	101,409
Net Investment Losses	(758,332)	(6,044,563)	(6,802,895)	-	-	-	(6,802,895)
Net Assets Released from Restrictions	3,053,000	(3,053,000)	-	-	-	-	-
Total Support, Special Events, Other Revenues and Net Investment Gains (Losses)	\$ 11,156,458	\$ (8,815,489)	\$ 2,340,969	\$ 2,113,696	\$ -	\$ 2,113,696	\$ 4,454,665

National Foundation for Advancement in the Arts, Inc. and Subsidiaries D/B/A YoungArts
Supplementary Consolidating Statements of Activities

<i>Year Ended June 30, 2022</i>	NFAA			NYAF (SO)			Total	Total
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total		
Expenses:								
YoungArts program	\$ 6,610,862	\$ -	\$ 6,610,862	\$ 1,790,874	\$ -	\$ 1,790,874	\$ 8,401,736	
General and administrative	448,631	-	448,631	378,567	-	378,567	827,198	
Advancement	1,997,800	-	1,997,800	33,393	-	33,393	2,031,193	
Total Expenses	9,057,293	-	9,057,293	2,202,834	-	2,202,834	11,260,127	
Change in Net Assets	2,099,165	(8,815,489)	(6,716,324)	(89,138)	-	(89,138)	(6,805,462)	
Net Assets, beginning of year	9,215,813	50,774,896	59,990,709	26,826,622	-	26,826,622	86,817,331	
Net Assets, end of year	\$ 11,314,978	\$ 41,959,407	\$ 53,274,385	\$ 26,737,484	\$ -	\$ 26,737,484	\$ 80,011,869	

National Foundation for Advancement in the Arts, Inc. and Subsidiaries D/B/A YoungArts

Supplementary Consolidating Statements of Activities

Year Ended June 30, 2021	NFAA			NYAF (SO)			
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Total
Support:							
Contributions	\$ 7,179,427	\$ 416,081	\$ 7,595,508	\$ 2,603,517	\$ -	\$ 2,603,517	\$ 10,199,025
Government grants	273,432	-	273,432	-	-	-	273,432
In-kind contributions	29,580	-	29,580	-	-	-	29,580
Total Support	7,482,439	416,081	7,898,520	2,603,517	-	2,603,517	10,502,037
Special Events:							
Current year underwritings and tickets and sales	-	-	-	-	-	-	-
Other Revenues:							
Applications	96,482	-	96,482	-	-	-	96,482
Other revenues and gains, net	21,597	18,245	39,842	1	-	1	39,843
Total Other Revenues	118,079	18,245	136,324	1	-	1	136,325
Net Investment Gains	968,390	8,672,031	9,640,421	-	-	-	9,640,421
Net Assets Released from Restrictions	2,547,233	(2,547,233)	-	-	-	-	-
Total Support, Special Events, Other Revenues and Net Investment Gains	\$ 11,116,141	\$ 6,559,124	\$ 17,675,265	\$ 2,603,518	\$ -	\$ 2,603,518	\$ 20,278,783

National Foundation for Advancement in the Arts, Inc. and Subsidiaries D/B/A YoungArts

Supplementary Consolidating Statements of Activities

<i>Year Ended June 30, 2021</i>	NFAA			NYAF (SO)			Total	
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total		
Expenses:								
YoungArts program	\$ 5,996,486	\$ -	\$ 5,996,486	\$ 1,429,696	\$ -	\$ 1,429,696	\$ 7,426,182	
General and administrative	611,542	-	611,542	317,623	-	317,623	929,165	
Advancement	1,267,460	-	1,267,460	139,515	-	139,515	1,406,975	
Total Expenses	7,875,488	-	7,875,488	1,886,834	-	1,886,834	9,762,322	
Change in Net Assets	3,240,653	6,559,124	9,799,777	716,684	-	716,684	10,516,461	
Net Assets, beginning of year	5,975,160	44,215,772	50,190,932	26,109,938	-	26,109,938	76,300,870	
Net Assets, end of year	\$ 9,215,813	\$ 50,774,896	\$ 59,990,709	\$ 26,826,622	\$ -	\$ 26,826,622	\$ 86,817,331	