

March 21, 2022

TO: ArtStream Board
FROM: Finance Committee
RE: Changing Fiscal Year to June 30

Background:

The current August 31 FY ending means that budgeted grants revenues are out of synch with their corresponding expenses.

Changing the FY to June 30 will also allow major revenue to arrive in the first quarter of the year, making budget projections more accurate.

For example:

1. Maryland State Arts Council (MSAC), Arts and Humanities Council of Montgomery County (AHCMC), Cafritz, and Paul M. Angell, accounting for over \$130,000 in annual revenue, all operate on a June 30 fiscal year. Note that for the 10-month FY22 audit, this revenue will be counted in FY23 and will likely result in an audit statement showing revenue below expenses.
2. ArtStream Gala sponsorship funding of \$85,000 or more comes in July-August and is classified as deferred revenue until September 1.
3. Theatre Company tuition that begins coming in during August is classified as deferred income until September 1.

This change will not impact ArtStream’s ability to provide services, make payroll, etc.

Proposal:

The Board approves an amendment to make FY22 a 10-month year ending June 30, 2022. After June 30, 2022, the ArtStream fiscal year will always end on June 30.

Process:

The auditors will file the forms with the IRS. The FY22 audit will be a 10-month audit. This can be compared to the FY21 12-month audit data – with a clear explanation in the audit statement.

The audit process will continue to be conducted in late October-early November.

Oct 26-Nov 2	Field work
Nov 15-21	Draft audit to Finance Committee
Nov 28-Dec 5	Meeting with Finance Committee to approve audit
Dec 5	Final audit available for grant submissions, state registrations, etc.

The FY23 budget will be reviewed and approved by the Board in June 2022. The budgeting timeline for FY24 will move to April-May.

While books are being closed in June/July, end-of-year financial statements will be delayed.

ArtStream, Inc. Balance Sheet

As of February 28, 2022

	February 28, 2022	<i>Notes for February 2022</i>	February 28, 2021
ASSETS			
Current Assets			
Cash	508,826		570,256
Bill.com	(5,041)		5,407
Investment	221,900		210,657
Total Cash & Investments	725,685		786,320
Accounts Receivable	69,792	Grant Receivables increased by \$27.5K	40,327
Other Current Assets	57,351		16,444
Total Current Assets	852,827		843,091
Fixed Assets	-		636
Other Assets	14,470		13,860
TOTAL ASSETS	867,298		857,587
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities	37,085		41,762
Total Liabilities	37,085		41,762
Equity			
Retained Earnings	834,498		577,412
Net Income	(4,285)		238,413
Total Equity	830,213		815,825
TOTAL LIABILITIES & EQUITY	867,298		857,587

ArtStream, Inc.
Profit & Loss Actual to Budget 09/01/21 thru 02/28/22
 September 1, 2021 through August 31, 2022

	Actuals for the period 09/01/21 thru 02/28/22	YTD Budget period 09/01/21 thru 02/28/22	Annual Budget Period 09/01/21 thru 08/31/22	Actuals for the period 09/01/20 thru 02/28/21	Notes
	Sep '21 - Feb 22	Budget	Annual Budget		
Revenues					
Individuals Unrestricted	38,040	168,000	200,000	137,365	FY 21 indiv unrestricted includes Giving Tuesday, Winter Appeal & Fall Newsletter.
In Honor - In Memory	7,264	18,000	30,000	36,955	
Corporations	-	-	35,000	25,000	FY 22 Corporate donor notified ArtStream redirecting its funding strategy.
Service Organizations	2,000	-	3,000	200	
Grants	96,702	98,350	218,350	172,769	emergency grants.
Other Income	3,996	3,900	11,500	2,617	
Program	143,128	131,700	215,050	135,177	
Dev. & Fundraising	121,319	115,000	130,000	88,955	FY 22 includes Giving Tuesday, Winter Appeal & Gala ; FY 21 includes Gala &
Investment Income	(13,153)			24,792	
Total Revenues	399,295	534,950	842,900	623,831	
Expenses					
Payroll Expenses	212,177	215,283	430,574	190,287	
Staff/Employee incentives	-	250	500	-	
Program	119,588	126,548	269,940	120,056	
Equipment & Computer	7,026	4,816	9,719	3,938	
Marketing & Advertisement	-	-	550	306	
Professional Fees	7,438	6,600	6,600	6,600	
Administrative	53,584	41,187	82,873	48,194	Dues & subscriptions have increased due to Bill.com monthly subscription averaging
Other	2,187	2,500	5,000	6,017	
Reconciliation Discrepancies	1,281			-	
Dev. & Fundraising	300	900	2,250	20	
Total Expense	403,581	398,083	808,006	375,417	
Net Income	(4,285)	136,867	34,894	248,413	
Adjust net income by investment income impact	13,153			(24,792)	
	8,868			223,621	

ArtStream, Inc.
Statement of Cash Flows
September 2021 through February 2022

	<u>Sep '21 - Feb 22</u>
OPERATING ACTIVITIES	
Net Income	(4,285)
Adjustments to reconcile Net Income to net cash provided by operations:	
Net cash provided by Operating Activities	<u>67,846</u>
Net cash provided by Investing Activities	<u>(500)</u>
Net cash increase for period	67,346
Cash at beginning of period	<u>658,599</u>
Cash at end of period	725,945
Funds in transit	(260)
	<u><u>725,685</u></u>



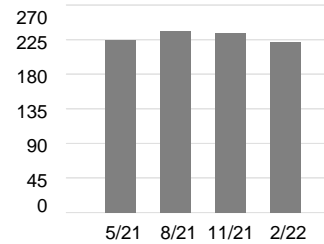
Schwab One® Account of
ARTSTREAM, INC

Account Number
5724-7501

Statement Period
February 1-28, 2022

Account Value as of 02/28/2022: \$ 221,900.40

Change in Account Value	This Period	Year to Date	Account Value [in Thousands]
Starting Value	\$ 226,450.18	\$ 249,370.49	
Credits	80.39	82.14	
Debits	(94.35)	(10,198.25)	
Transfer of Securities (In/Out)	0.00	0.00	
Income Reinvested	0.00	0.00	
Change in Value of Investments	(4,535.82)	(17,353.98)	
Ending Value on 02/28/2022	\$ 221,900.40	\$ 221,900.40	
Total Change in Account Value	\$ (4,549.78)	\$ (27,470.09)	



Asset Composition	Market Value	% of Account Assets
Bank Sweep ^{x,z}	\$ 1,214.64	<1%
Exchange Traded Funds	220,685.76	99%
Total Assets Long	\$ 221,900.40	
Total Account Value	\$ 221,900.40	100%

ONE DAY
IN JULY

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Schwab One® Account of
ARTSTREAM, INC

Account Number
5724-7501

Statement Period
February 1-28, 2022

Gain or (Loss) Summary	Realized Gain or (Loss) This Period		Unrealized Gain or (Loss)
	Short Term	Long Term	
All Investments	\$(1,188.74)	\$0.00	\$(1,795.82)

Values may not reflect all of your gains/losses; Schwab has provided accurate gain and loss information wherever possible for most investments. Cost basis may be incomplete or unavailable for some of your holdings and may change or be adjusted in certain cases. Statement information should not be used for tax preparation, instead refer to official tax documents. For additional information refer to Terms and Conditions.

Income Summary	This Period		Year to Date	
	Federally Tax-Exempt	Federally Taxable	Federally Tax-Exempt	Federally Taxable
Bank Sweep Interest	0.00	0.01	0.00	0.06
Cash Dividends	0.00	80.38	0.00	80.38
Total Income	0.00	80.39	0.00	80.44

Cash Transactions Summary	This Period	Year to Date
Starting Cash *	\$ 1,723.59	\$ 11,845.08
Deposits and other Cash Credits	0.00	0.00
Investments Sold	9,546.23	18,137.95
Dividends and Interest	80.39	82.14
Withdrawals and other Debits	0.00	(10,000.00)
Investments Purchased	(10,041.22)	(18,652.28)
Fees and Charges	(94.35)	(198.25)
Total Cash Transaction Detail	(508.95)	(10,630.44)
Ending Cash *	\$ 1,214.64	\$ 1,214.64

* Cash (includes any cash debit balance) held in your account plus the value of any cash invested in a sweep money fund.