Urban Gateways

Financial Report

August 31, 2021

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Independent Auditor's Report

To the Board of Directors
Urban Gateways

We have audited the accompanying financial statements of Urban Gateways (the "Organization"), which comprise the statement of financial position as of August 31, 2021 and 2020 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Urban Gateways as of August 31, 2021 and 2020 and the changes in its net assets, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 2 to the financial statements, the Organization adopted the provisions of Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Our opinion is not modified with respect to this matter.

Plante & Moran, PLLC

December 21, 2021

Statement of Financial Position

August 31, 2021 and 2020

	2021	2020
Assets		
Cash	$ 411,405	$ 363,095
Receivables - Net of allowances:		
Accounts receivable	42,653	23,728
Contributions receivable	1,203,214	988,417
Prepaid expenses and other assets	57,173	36,104
Property and equipment - Net	185,916	269,067
Total assets	**$ 1,900,361**	**$ 1,680,411**
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 12,595	$ 17,753
Accrued expenses	1,283	6,810
Deferred revenue	19,688	31,577
Note payable	98,532	135,438
Paycheck Protection Program loan	241,942	241,942
Total liabilities	374,040	433,520
Net Assets		
Without donor restrictions	371,757	233,185
With donor restrictions	1,154,564	1,013,706
Total net assets	1,526,321	1,246,891
Total liabilities and net assets	**$ 1,900,361**	**$ 1,680,411**

Urban Gateways

Statement of Activities and Changes in Net Assets

Years Ended August 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue						
Contributions - Urban Gateways board	$ 162,315	$ 50,000	$ 212,315	$ 166,304	$ -	$ 166,304
Contributions - Individuals	87,198	-	87,198	96,135	-	96,135
Contributions - Corporations	104,730	-	104,730	99,700	-	99,700
Contributions - Foundations	675,268	609,564	1,284,832	828,833	494,973	1,323,806
Community schools (21st CCLC and other)	22,025	-	22,025	21,823	-	21,823
Art residency programs	428,653	-	428,653	302,899	-	302,899
Touring performances	37,570	-	37,570	112,933	-	112,933
Fees and grants from government agencies	64,500	-	64,500	31,300	-	31,300
Special event revenue - Net	80,410	-	80,410	104,704	-	104,704
Interest income	13	-	13	-	-	-
Forgiveness of PPP loan	241,942	-	241,942	-	-	-
Other income	2,904	-	2,904	1,280	-	1,280
Total public support and revenue	1,907,528	659,564	2,567,092	1,765,911	494,973	2,260,884
Net Assets Released from Restrictions	518,706	(518,706)	-	541,318	(541,318)	-
Total public support, revenue, and net assets released from restrictions	2,426,234	140,858	2,567,092	2,307,229	(46,345)	2,260,884
Expenses						
Program services	1,489,516	-	1,489,516	1,548,768	-	1,548,768
Support services:						
Administrative expenses	386,950	-	386,950	444,464	-	444,464
Fundraising expenses	411,196	-	411,196	405,124	-	405,124
Total support services	798,146	-	798,146	849,588	-	849,588
Total expenses	2,287,662	-	2,287,662	2,398,356	-	2,398,356
Increase (Decrease) in Net Assets	138,572	140,858	279,430	(91,127)	(46,345)	(137,472)
Net Assets - Beginning of year	233,185	1,013,706	1,246,891	324,312	1,060,051	1,384,363
Net Assets - End of year	**$ 371,757**	**$ 1,154,564**	**$ 1,526,321**	**$ 233,185**	**$ 1,013,706**	**$ 1,246,891**

Statement of Functional Expenses

Year Ended August 31, 2021

	Program	Administrative	Fundraising	Total
Artist and instructor fees	$ 408,761	$ -	$ 1,170	$ 409,931
Program supplies	35,072	-	-	35,072
Bad debt	3,025	-	-	3,025
Compensation - Staff	632,812	197,136	299,359	1,129,307
Compensation - Temporary	4,175	-	-	4,175
Payroll taxes	52,760	15,437	20,384	88,581
Benefits - Group insurance	101,802	33,612	35,768	171,182
Benefits - Retirement	27	580	21	628
Staff professional development	320	1,050	95	1,465
Professional fees	445	32,902	121	33,468
Advertising and promotion	-	10,338	4,647	14,985
Travel, conferences, and meetings	1,603	160	250	2,013
Depreciation	69,005	6,985	7,161	83,151
Software and equipment expense	22,743	56,330	11,659	90,732
Facilities and utilities	131,571	6,323	8,521	146,415
Finance charges	-	1,906	12,277	14,183
Insurance	19,052	-	6,995	26,047
Interest expenses	-	6,573	-	6,573
Office supplies	-	1,047	104	1,151
Other expenses	1,916	3,203	2,105	7,224
Postage and delivery	11	369	559	939
Telephone	4,416	12,999	-	17,415
Special event expense	-	-	19,145	19,145
Total functional expenses	**$ 1,489,516**	**$ 386,950**	**$ 430,341**	**$ 2,306,807**

Statement of Functional Expenses

Year Ended August 31, 2020

	Program	Administrative	Fundraising	Total
Artist and instructor fees	$ 388,805	$ -	$ 350	$ 389,155
Program supplies	38,308	10	15	38,333
Bus rental	523	-	-	523
Compensation - Staff	654,425	223,403	284,432	1,162,260
Compensation - Temporary	15,373	-	-	15,373
Payroll taxes	52,699	16,145	20,520	89,364
Benefits - Group insurance	107,368	30,269	31,131	168,768
Benefits - Retirement	6,430	2,020	2,712	11,162
Benefits - Unemployment expense	12,642	-	-	12,642
Staff professional development	1,986	2,963	335	5,284
Professional fees	4,667	26,209	1,496	32,372
Advertising and promotion	-	38,526	4,767	43,293
Travel, conferences, and meetings	8,852	2,559	1,661	13,072
Depreciation	44,897	12,654	22,140	79,691
Software and equipment expense	35,562	25,050	10,178	70,790
Facilities and utilities	142,642	13,056	9,758	165,456
Finance charges	260	1,545	4,369	6,174
Insurance - General	13,850	10,986	3,957	28,793
Insurance - Workers' compensation	5,567	826	1,641	8,034
Interest expenses	1,544	27,894	33	29,471
Office supplies	240	1,542	28	1,810
Other expenses	920	2,343	2,499	5,762
Postage and delivery	319	773	1,178	2,270
Telephone	10,889	5,691	1,924	18,504
Special event expense	-	-	37,294	37,294
Total functional expenses	**$ 1,548,768**	**$ 444,464**	**$ 442,418**	**$ 2,435,650**

Statement of Cash Flows

Years Ended August 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Increase (decrease) in net assets	$ 279,430	$ (137,472)
Adjustments to reconcile increase (decrease) in net assets to net cash from operating activities:		
Depreciation	83,151	79,691
Change in discount on contributions receivable	355	9,618
Forgiveness of PPP loan	(241,942)	-
Changes in operating assets and liabilities that (used) provided cash:		
Contributions and grants receivable	(215,152)	4,540
Accounts receivable	(18,925)	70,412
Prepaid expenses and deposits	(21,069)	19,087
Accounts payable	(5,158)	(10,604)
Accrued expenses	(5,527)	3,781
Deferred revenue	(11,889)	27,157
Net cash (used in) provided by operating activities	(156,726)	66,210
Cash Flows Used in Investing Activities - Purchase of property and equipment	-	(82,016)
Cash Flows from Financing Activities		
Repayment of note payable	(36,906)	(20,077)
Proceeds from note payable	-	108,556
Proceeds from PPP loan	241,942	241,942
Proceeds from line of credit	75,000	300,000
Payments on line of credit	(75,000)	(300,000)
Net cash provided by financing activities	205,036	330,421
Net Increase in Cash	48,310	314,615
Cash - Beginning of year	363,095	48,480
Cash - End of year	**$ 411,405**	**$ 363,095**
Supplemental Cash Flow Information - Cash paid for interest	$ 8,558	$ 28,294

See notes to financial statements.

Note 1 - Nature of Business

Urban Gateways (the "Organization") was incorporated under the laws of the State of Illinois as a not-for-profit organization on March 14, 1963 and operates in Chicago and its surrounding suburbs. The mission of the Organization is to engage young people in arts experiences to inspire creativity and impact social change. The Organization works to overcome social and economic barriers for youth to access Chicago's artistic and cultural vitality, fostering a more creative and artistically responsive society.

Note 2 - Significant Accounting Policies

Classification of Net Assets

Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objective of the Organization.

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 the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are released to net assets without restrictions.

Contributions

Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received, measured at fair value. Donor promises to give in the future are recorded at the present value of estimated future cash flows.

Contributions without donor-imposed restrictions and contributions with donor-imposed time or purpose restrictions that are met in the same period in which the gifts are received are both reported as contributions without donor restrictions. Other restricted gifts are reported as restricted support and net assets with donor restrictions.

The Organization's contributions and grants receivable are primarily composed of contribution grants committed from various donors and funding agencies for use in the Organization's activities. Contributions and grants receivable 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 future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

The Organization contracts to provide services to certain governmental and private agencies. Governmental grants revenue is considered a nonexchange transaction and is recognized as the conditions of the contracts have been met. Amounts that have been awarded but not yet recognized as revenue are treated as conditional contributions and are not reflected in the accompanying financial statements. At August 31, 2021, contracts totaling $44,688 have been awarded to the Organization for contract services to be performed after August 31, 2021 through August 2022, subject to continuing government appropriation and the Organization’s ability to deploy the contract amounts.

The Organization also evaluates the collectibility of all promises to give in the future. The Organization has an allowance for doubtful accounts of $0 as of August 31, 2021 and 2020.

Note 2 - Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable are stated at invoice cost. Account balances are reviewed regularly to determine whether delinquent accounts should be written off. The Organization has an allowance for doubtful accounts of $0 as of August 31, 2021 and 2020.

Property and Equipment

Property and equipment are recorded at cost when purchased or at fair value at the date of donation and are being depreciated on a straight-line basis over their estimated useful lives. Costs of maintenance and repairs are charged to expense when incurred.

Revenue Recognition

The Organization's revenue streams applicable under ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, include art residency programs, touring performances, and community schools. For program revenue, the Organization has a performance obligation to deliver arts learning sessions on a specific date; therefore, the revenue is recognized at a point in time when each session is delivered or held. Under the typical payment terms, the customer (schools) pays for the sessions when invoiced. Therefore, the Organization bills schools and collects cash prior to the satisfaction of the performance obligation, which results in the Organization recognizing deferred revenue for various sessions.

Total contract liabilities were $19,688 and $31,577 as of August 31, 2021 and 2020, respectively. Total contract liabilities as of September 1, 2019 were $4,420.

Donated Services and Assets

Certain donated services are recognized as support in the statement of activities and changes in net assets. The value of these services is determined based on estimated fair value.

The Organization has volunteers who donate their time and services in performance of the Organization's programs. No amounts have been recognized in the accompanying statement of activities and changes in net assets because the criteria for recognition of such volunteer efforts under generally accepted accounting principles (GAAP) have not been satisfied.

Use of Estimates

The preparation of financial statements in conformity with GAAP 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, expenses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Organization is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3).

Functional Allocation of Expenses

Costs of providing the program and support services have been reported on a functional basis in the statement of activities and changes in net assets. Costs have been allocated between the various program and support services on several bases and estimates. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Expenses that are allocated include the following:

- Compensation and benefits - Time and effort

Note 2 - Significant Accounting Policies (Continued)

- Depreciation - Headcount and square footage
- Software and equipment - Headcount
- Facilities and utilities - Headcount and square footage
- Insurance - Headcount
- Telephone - Headcount

Adoption of New Accounting Principle

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes the previous revenue recognition requirements in Topic 605, *Revenue Recognition*. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The Organization adopted the ASU effective September 1, 2020. The Organization used the modified retrospective approach when applying these changes. The adoption of the ASU did not result in any restatement to net assets or changes in net assets.

Upcoming Accounting Pronouncements

The FASB issued ASU No. 2016-02, *Leases*, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-to-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The reporting of lease-related expenses in the statements of operations and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Organization's year ending August 31, 2023 and will be applied using a modified retrospective transition method to the beginning of the earliest period presented. The new lease standard is expected to have a significant effect on the Organization's financial statements as a result of the Organization's operating leases, as disclosed in Note 9, that will be reported on the statement of financial position at adoption. Upon adoption, the Organization will recognize a lease liability and corresponding right-to-use asset based on the present value of the minimum lease payments. The effects on the results of operations are not expected to be significant, as recognition and measurement of expenses and cash flows for leases will be substantially the same under the new standard.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU provides for additional disclosures to support clearer financial information about important noncash contributions charities and other not-for-profit organizations receive, known as gifts in kind (GIKs). Contributed nonfinancial assets will be reported by category within the financial statements, and there will be additional disclosures included for each category including whether the nonfinancial assets were monetized or used during the reporting period, the policy for monetizing nonfinancial contributions, and description of the fair value techniques used to arrive at a fair value measurement. The new guidance will be effective for the Organization's year ending August 31, 2022 and will be applied using the retrospective method.

Note 2 - Significant Accounting Policies (Continued)

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including December 21, 2021, which is the date the financial statements were available to be issued.

Note 3 - Contributions and Grants Receivable

Included in contributions receivable are several unconditional promises to give. They are included as follows:

	2021	2020
Promises to give before discount	$ 1,204,508	$ 990,066
Less net present value discount	(1,294)	(1,649)
Net contributions receivable	$ 1,203,214	$ 988,417
Amounts due in:		
Less than one year	$ 954,508	$ 495,066
One to five years	250,000	495,000
Total	$ 1,204,508	$ 990,066

Note 4 - Property and Equipment

Property and equipment are summarized as follows:

	2021	2020	Depreciable Life - Years
Technology and office equipment	$ 381,110	$ 454,460	3-10
SLYM program center assets	217,989	217,989	3-5
Leasehold improvements	451,944	451,944	5
Total cost	1,051,043	1,124,393	
Accumulated depreciation	865,127	855,326	
Net property and equipment	$ 185,916	$ 269,067	

Depreciation expense for 2021 and 2020 was $83,151 and $79,691, respectively.

Note 5 - Line of Credit

On July 18, 2014, management entered into an agreement with JPMorgan Chase Bank, N.A. for a revolving line of credit with maximum additional borrowings of $300,000. Interest on this line is charged at the rate of 1.50 percent per annum above the prime rate and is secured by the assets of the Organization. The rate at August 31, 2021 and 2020 was 4.75 percent. The Organization had no outstanding balance on the line of credit as of August 31, 2021 and 2020.

Note 6 - Paycheck Protection Program Note Payable

The Organization was approved for a loan under the Paycheck Protection Program (PPP) created as a part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The Organization received funds totaling $241,942 in April 2020. The PPP loan accrues interest at 1.00 percent. The loan is uncollateralized and is fully guaranteed by the federal government. In January 2021, the Organization received notification of loan forgiveness for the total outstanding balance of $241,942. Any request for forgiveness is subject to review and approval by the lender and the SBA, including review of qualifying expenditures and staffing and salary levels. The amount of the loan forgiven was recorded as forgiveness of PPP loan on the statement of activities and changes in net assets.

On February 4, 2021, the Organization received a Second Draw PPP loan totaling $241,942. The PPP loan accrues interest at 1.00 percent. The loan is uncollateralized and is fully guaranteed by the federal government. As of August 31, 2021, the outstanding balance on the PPP loan is $241,942, which is classified as debt on the statement of financial position. In September 2021, the Organization received notice from the SBA that the entire loan was forgiven. The amount of the loan forgiven will be recorded as forgiveness of PPP loan on the statement of activities and changes in net assets in fiscal year 2022.

Note 7 - Long-term Debt

The Organization restructured the original note with IFF on January 13, 2020 by borrowing an additional $108,556. The new maturity date of the restructured loan is February 1, 2024. Long-term debt at August 31 is as follows:

	2021	2020
Note payable to a bank in monthly installments of $3,584, including interest at 5.5 percent. The note was assumed by the Organization as part of the asset purchase of Street-Level Youth Media. The Organization borrowed an additional $108,556 on January 13, 2020. The note is collateralized by the Organization's property and matures on February 1, 2024	$ 98,532	$ 135,438

The balance of the above debt matures as follows:

Years Ending	Amount
2022	$ 43,010
2023	43,010
2024	12,512
Total	$ 98,532

Interest expense for 2021 and 2020 was $8,558 and $28,294, respectively.

Note 8 - Concentrations

Approximately 11 percent and 14 percent of total revenue earned during the years ended August 31, 2021 and 2020, respectively, is from one customer, Chicago Public Schools. The receivable balance from Chicago Public Schools was $34,699 and $21,263 as of August 31, 2021 and 2020, respectively.

Note 9 - Operating Leases

In November 2017, the Organization extended an existing occupancy lease through August 31, 2023. Rent payments are reflected in the schedule of future payments below.

Rent expenses totaled $95,651 and $92,865 for the years ended August 31, 2021 and 2020, respectively.

Note 9 - Operating Leases (Continued)

Future minimum annual commitments under these operating leases are as follows:

2022	$	98,521
2023		101,477
Total	$	199,998

Note 10 - Net Assets

Net assets with donor restrictions as of August 31 are available for the following purposes:

	2021	2020
Time and purpose restrictions	$ 20,000	$ 30,000
Time restrictions	1,134,564	983,706
Total	$ 1,154,564	$ 1,013,706

Net assets in the amount $10,000 and $281,318 were released for program services for the years ended August 31, 2021 and 2020, respectively. Net assets in the amount of $508,706 and $260,000 were released for time purposes for the years ended August 31, 2021 and 2020, respectively.

Note 11 - Profit-sharing Plan

On August 20, 2007, the Organization adopted a qualified profit-sharing plan (401(k)) for all eligible employees. Employee contributions were matched by the Organization up to a maximum limit of 4 percent. On January 1, 2020, the Organization revised the plan from a profit-sharing plan to a voluntary employer contribution plan. The Organization contributed $0 and $11,162 for the years ended August 31, 2021 and 2020, respectively.

Note 12 - Related Party Transactions

The Organization received $212,315 and $166,304 in contributions from its board in 2021 and 2020, respectively. Amounts receivable from the board were $50,000 and $9,500 at August 31, 2021 and 2020, respectively.

Note 13 - Liquidity and Availability of Resources

The following reflects the Organization's financial assets as of August 31, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

	2021	2020
Cash	$ 411,405	$ 363,095
Accounts receivable	42,653	23,728
Contributions receivable	1,203,214	988,417
Financial assets - At year end	1,657,272	1,375,240
Less those unavailable for general expenditures within one year due to contractual or donor-imposed restrictions - Restricted by donor with time or purpose restrictions	259,464	763,706
Financial assets available to meet cash needs for general expenditures within one year	$ 1,397,808	$ 611,534

Note 13 - Liquidity and Availability of Resources (Continued)

The Organization is substantially supported by a mix of program revenue, restricted contributions, and general operating support. In the case of restricted support, because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, some financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In the event of a liquidity need due to the timing of receivables, the Organization could draw upon $300,000 of an available line of credit (as further discussed in Note 5).

Note 14 - Impact of Disease Outbreak

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic. First identified in late 2019 and now known as COVID-19, the outbreak has impacted millions of individuals worldwide. In response, many countries have implemented measures to combat the outbreak that have impacted global business operations. The Organization took advantage of the federal Paycheck Protection Program by seeking a forgivable loan of $241,942 in April 2020 and a second Paycheck Protection Program loan in February 2021. See Note 6 for more detail. The Organization actively responded to the new and evolving needs of youth, schools, and communities by adapting its programs to virtual online opportunities with residencies, performances, special projects, and any previously scheduled on-site programming. No impairments were recorded as of the statement of financial position date; however, due to significant uncertainty surrounding the situation, management's judgment regarding this could change in the future. While the Organization's changes in net assets, cash flows, and financial condition could be negatively impacted, the extent of the impact cannot be reasonably estimated at this time.