



Organization Information

Organization name: REACH Studio Art Center

City: Lansing Federal ID #: 200864458

State: MI Year organization founded: 2003

County: Ingham Organization type: 501(c)3 nonprofit organization

NISP Discipline: 5 - Visual Arts Fiscal year end date: 12-31

NISP Institution: 15 - Arts Center DUNS #: 801481784

NTEE: A40 - Visual Arts Full-time staff: 1

Applicant is not audited or reviewed by an independent accounting firm. Paid FTEs: 4.34

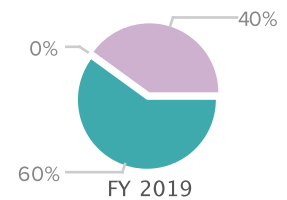
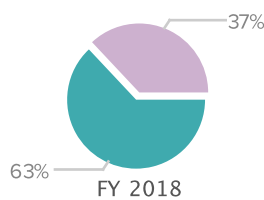
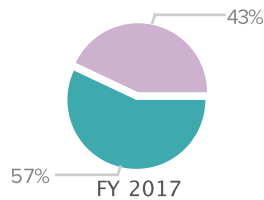
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Unrestricted Activity	FY 2017	FY 2018	% Change	FY 2019	% Change
Unrestricted Operating Revenue					
Earned Program	\$86,286	\$86,338	0%	\$101,845	18%
Earned Non-program	\$799	\$3,095	287%	\$3,900	26%
Total Earned Revenue	\$87,085	\$89,433	3%	\$105,745	18%
Investment Revenue			n/a	\$10	n/a
Contributed Revenue	\$117,389	\$150,021	28%	\$160,491	7%
Total Unrestricted Operating Revenue	\$204,474	\$239,454	17%	\$266,246	11%
Less in-kind			n/a		n/a
Total Unrestricted Operating Revenue Less In-kind	\$204,474	\$239,454	17%	\$266,246	11%
Expenses by Functional Total					
Program	\$191,843	\$161,064	-16%	\$200,008	24%
Fundraising	\$6,739	\$12,697	88%	\$13,048	3%
General & Administrative	\$21,463	\$39,106	82%	\$40,942	5%
Total Operating Expenses	\$220,045	\$212,867	-3%	\$253,998	19%
Less in-kind			n/a		n/a
Total Operating Expenses Less In-kind	\$220,045	\$212,867	-3%	\$253,998	19%
Net Unrestricted Activity - Operating	-\$15,571	\$26,587	271%	\$12,248	-54%
Net Unrestricted Activity - Non-operating	-\$15,598	\$6,522	142%	\$118,987	1,724%
Total Net Unrestricted Activity	-\$31,169	\$33,109	206%	\$131,235	296%
Net Restricted Activity	\$0		n/a		n/a
Net Total Activity	-\$31,169	\$33,109	206%	\$131,235	296%

see addendum notes for pg 1

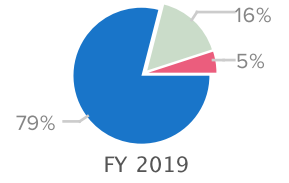
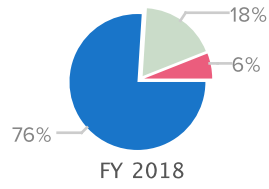
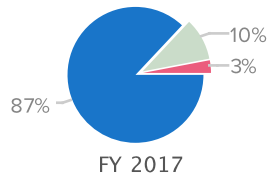
Revenue by Source

- Earned
- Investment
- Contributed



Expenses by Functional Grouping

- Program
- General & Administrative
- Fundraising



Revenue Details

	FY 2017	FY 2018	FY 2019	FY 2019	FY 2019
	Total	Total	Total	Unrestricted	Restricted
Operating Revenue					
Earned - Program					
Single ticket sales	\$1,840	\$2,164	\$1,930	\$1,930	
Gallery sales	\$7,253	\$8,177	\$8,264	\$8,264	
Contracted services	\$33,950	\$28,663	\$36,061	\$36,061	
Tuitions and registration fees	\$43,243	\$47,334	\$55,106	\$55,106	
Other program revenue			\$484	\$484	
Total earned - program	\$86,286	\$86,338	\$101,845	\$101,845	\$0
Earned - Non-program					
Sponsorship revenue	\$750	\$2,250	\$2,250	\$2,250	
Space rentals	\$49	\$845	\$1,650	\$1,650	
Total earned - non-program	\$799	\$3,095	\$3,900	\$3,900	\$0
Total earned revenue	\$87,085	\$89,433	\$105,745	\$105,745	

	FY 2017	FY 2018	FY 2019	FY 2019	FY 2019
Contributed	Total	Total	Total	Unrestricted	Restricted
Trustee & board	\$9,900	\$33,800	\$44,022	\$44,022	
Individual	\$18,897	\$38,999	\$39,738	\$39,738	
Corporate	\$2,500	\$2,500	\$5,000	\$5,000	
Foundation	\$41,330	\$35,022	\$39,291	\$39,291	
City government	\$15,000	\$24,000	\$18,640	\$18,640	
State government	\$17,500	\$15,700	\$13,800	\$13,800	
In-kind operating contributions	\$0	\$0	\$0		
Other contributions	\$12,262	\$0	\$0		
Net assets released from restriction	\$0	\$0	\$0		
Total contributed revenue	\$117,389	\$150,021	\$160,491	\$160,491	
Operating investment revenue	\$0	\$0	\$10	\$10	
Total operating revenue	\$204,474	\$239,454	\$266,246	\$266,246	
Total operating revenue less in-kind	\$204,474	\$239,454	\$266,246	\$266,246	
Non-operating revenue					
Contributions	\$188,570	\$99,253	\$173,025	\$173,025	
Non-operating investment revenue	\$66	\$20	\$10	\$10	
Transfers and re-classifications	\$0				
Other non-operating			\$12,993	\$12,993	
Total non-operating revenue	\$188,636	\$99,273	\$186,028	\$186,028	
Total revenue	\$393,110	\$338,727	\$452,274	\$452,274	
Total revenue less in-kind	\$393,110	\$338,727	\$452,274	\$452,274	

Expense Details

	FY 2017 Total	FY 2018 Total	% Change	FY 2019 Total	% Change	FY 2019 Program	FY 2019 Fundraising	FY 2019 General & Administrative
Personnel expenses - Operating								
W2 employees (salaries, payroll taxes and fringe benefits)	\$99,351	\$104,778	5%	\$157,648	50%	\$137,331	\$11,281	\$9,036
5.1 Independent contractors	\$53,672	\$48,070	-10%	\$24,925	-48%	\$24,877		\$48
Professional fees	\$2,700	\$5,614	108%	\$2,167	-61%	\$1,196	\$146	\$825
Total personnel expenses - Operating	\$155,723	\$158,462	2%	\$184,740	17%	\$163,404	\$11,427	\$9,909
Non-personnel expenses - Operating								
Advertising and promotion	\$634	\$1,294	104%	\$122	-91%	\$122		
5.2 Conferences and meetings	\$5,045	\$57	-99%	\$531	832%	\$277	\$254	
Dues and subscriptions	\$275	\$275	0%	\$320	16%	\$125		\$195
Insurance	\$751	\$611	-19%	\$611	0%			\$611
Occupancy costs	\$17,389	\$19,481	12%	\$20,318	4%	\$20,082	\$128	\$108
Office and administration	\$888	\$1,386	56%	\$2,096	51%	\$1,578	\$451	\$67
Printing, postage and shipping	\$3,007	\$578	-81%	\$1,573	172%	\$1,500	\$60	\$13
Travel	\$805	\$998	24%	\$839	-16%	\$839		
Productions and events costs	\$12,812	\$0	-100%	\$0	n/a			
Other operating expenses	\$2,990	\$5,584	87%	\$14,615	162%	\$12,081	\$728	\$1,806
Depreciation	\$19,726	\$24,141	22%	\$28,233	17%			\$28,233
Total non-personnel expenses - Operating	\$64,322	\$54,405	-15%	\$69,258	27%	\$36,604	\$1,621	\$31,033
Total operating expenses	\$220,045	\$212,867	-3%	\$253,998	19%	\$200,008	\$13,048	\$40,942
Non-operating personnel expenses	\$197,192	\$53,845	-73%	\$58,613	9%	\$58,613		
Non-operating non-personnel expenses	\$7,042	\$38,906	452%	\$8,428	-78%	\$8,428		
Total expenses	\$424,279	\$305,618	-28%	\$321,039	5%	\$267,049	\$13,048	\$40,942
Total expenses less in-kind	\$424,279	\$305,618	-28%	\$321,039	5%			
Total expenses less depreciation	\$404,553	\$281,477	-30%	\$292,806	4%			
Total expenses less in-kind and depreciation	\$404,553	\$281,477	-30%	\$292,806	4%			

Balance Sheet

Assets	FY 2017	FY 2018	% Change	FY 2019	% Change
Current assets					
Cash	\$41,111	\$112,805	174%	\$232,540	106%
Receivables	\$140	\$140	0%	\$140	0%
Investments			n/a		n/a
Prepaid expenses & other	\$0	\$0	n/a	\$0	n/a
Total current assets	\$41,251	\$112,945	174%	\$232,680	106%
Non-current investments					
Fixed assets (net)	\$918,659	\$969,304	6%	\$999,684	3%
Other non-current assets	\$0	\$0	n/a	\$0	n/a
Total non-current assets	\$918,659	\$969,304	6%	\$999,684	3%
Total assets	\$959,910	\$1,082,249	13%	\$1,232,364	14%
Liabilities & Net Assets					
Liabilities	FY 2017	FY 2018	% Change	FY 2019	% Change
6.1 Accounts payable & other	\$2,158	\$61,037	2,728%	-\$93	-100%
Loans & other debt	\$10,000		-100%		n/a
Deferred revenue	\$18,865		-100%	\$92,338	n/a
Total current liabilities	\$31,023	\$61,037	97%	\$92,245	51%
Non-current liabilities	\$0	\$0	n/a	\$0	n/a
Total liabilities	\$31,023	\$61,037	97%	\$92,245	51%
Net assets					
Unrestricted	\$928,887	\$774,706	-17%	\$1,140,119	47%
Restricted			n/a		n/a
Total net assets	\$928,887	\$1,021,212	10%	\$1,140,119	12%
Total liabilities & net assets	\$959,910	\$1,082,249	13%	\$1,232,364	14%

Balance Sheet Metrics

	FY 2017	FY 2018	FY 2019
Months of Operating Cash	2	6	11
Total working capital	\$10,228	\$51,908	\$140,435
Current Ratio	1.33	1.85	2.52
Debt Service Impact	2%		
Unrestricted Net Assets Net of Property, Plant and Equipment			
Operating Margin	-15%	14%	49%
Depreciation as a % of Fixed Assets			
Leverage Ratio			

Months of Operating Cash represents the number of months an organization can operate at current average monthly expense levels with existing cash and cash equivalents. $Cash + Cash\ Equivalents / (Total\ Expense / 12)$. The ratio is calculated using total numbers since this organization does not have a disaggregated balance sheet.

Total Working Capital consists of the resources available for operations, and in this report is calculated as total current assets minus total current liabilities since this organization does not have a disaggregated balance sheet. This calculation of working capital may differ from your internal calculations. Adequate working capital provides financial strength and flexibility to your organization, the ability to meet obligations as they come due, and the ability to take more risks, knowing there is a cushion to fall back on

Current Ratio (Current Assets divided by Current Liabilities) determines the organization's ability to pay current debt using current assets. The higher the ratio, the more capable the organization is of paying its obligations. The ratio is calculated using unrestricted numbers only.

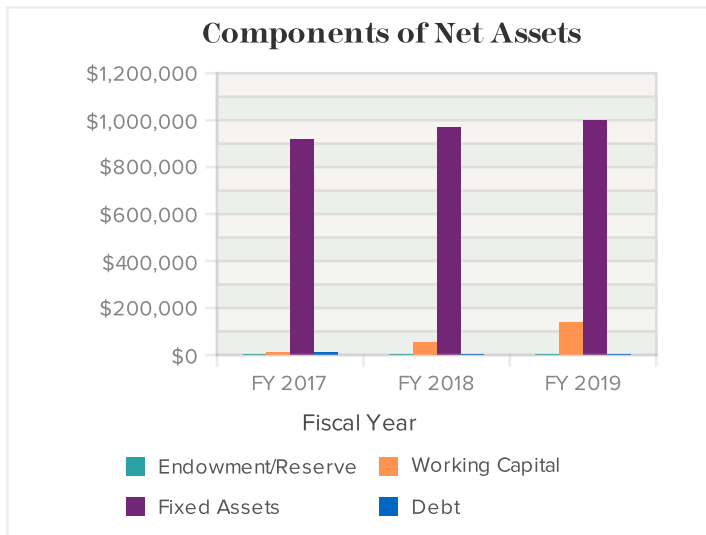
Debt Service Impact (Total Debt Service including principal and interest divided by Total Expense) calculates the % of an organization's total expenses applied to the total debt-service burden, e.g. a mortgage).

Unrestricted Net Assets Net of Property, Plant and Equipment (Unrestricted Net Assets - (Net Fixed Assets - Mortgage Debt)) shows what the organization's unrestricted net assets would be if they did not own any property, or have any debts associated with that property. Because this calculation is based on unrestricted values for net assets and fixed assets, if an organization fills out a single column balance sheet and does not separate fixed assets into restricted and unrestricted categories, this value will be blank

Operating Margin (Change in Net Assets divided by Total Unrestricted Operating Revenue) is a measurement of the organizations efficiency in operating. The higher the margin, the more sustainable the organization because it's using more reliable sources of revenue to operate. Low ratios indicate that an organization is using revenue sources with a higher degree of variability and uncertainty. Negative operating margins highlight losses, and an organization's need to increase revenue, decrease expenses, or both, to be sustainable over time.

Depreciation as a % of Fixed Assets indicates the potential need for replacement or repair of fixed assets (such as buildings, furniture, office equipment, sets and props); especially significant for organizations that own a building or carry a long-term lease.

Leverage Ratio (Total Debt divided by Total Assets) measures what proportion of your assets are supported by debt. A number in excess of 50% may indicate liquidity problems, or reduced capacity for future borrowing.



Attendance

In-person Participation	FY 2017	FY 2018	% Change	FY 2019	% Change
8.1 In-person participation - paid	1,312	244	-81%	499	105%
In-person participation - free	5,421	2,361	-56%	2,465	4%
Total in-person participation	6,733	2,605	-61%	2,964	14%

Types of In-person Attendance	FY 2017	FY 2018	% Change	FY 2019	% Change
Admissions	1,013		-100%	400	n/a
Registrants for classes/workshops	3,085	1,504	-51%	1,563	4%
Students given private lessons		1	n/a	1	0%
Festival attendees	850	1,100	29%	1,000	-9%
Participants of other events	1,785		-100%		n/a
Total in-person participation	6,733	2,605	-61%	2,964	14%

Attendance Ages	FY 2017	FY 2018	% Change	FY 2019	% Change
Children (18 and under)	5,600	2,405	-57%	2,400	-0%
Children served in schools	990	875	-12%	661	-24%
Seniors	200	50	-75%	148	196%
Adults	933	150	-84%	416	177%

Other Participation	FY 2017	FY 2018	% Change	FY 2019	% Change

Staffing

Staff & Non-Staff Statistics	FY 2017	FY 2018	% Change	FY 2019	% Change
Full-time permanent employees	2	1	-50%	1	0%
Part-time permanent employees	1	5	400%	7	40%
Part-time permanent employees - FTEs	0.75	2.55	240%	3.19	25%
Part-time seasonal employees			n/a	2	n/a
Part-time seasonal employees - FTEs			n/a	0.15	n/a
Number of part-time or one-time volunteers	100	75	-25%	50	-33%
Part-time or one-time volunteers - FTEs	0.95	1.5	58%	1.6	7%
8.2 Independent contractors	23	15	-35%	25	67%
Number of interns and apprentices	6		-100%	3	n/a

Artistic Staff & Non-Staff Statistics	FY 2017	FY 2018	% Change	FY 2019	% Change
Full-time employees that are artists	2	1	-50%	1	0%
Part-time employees that are artists	1	5	400%	7	40%
Independent contractors that are artists	19	14	-26%	25	79%

Program Activity

			% Change		% Change	
	Permanent exhibits	4	3	-25%	4	33%
	Temporary exhibits	5	6	20%	6	0%
9.1	Distinct classes/workshops	72	181	151%	141	-22%
	Distinct class series/courses	140	42	-70%	45	7%
	Total classes/class sessions	759	827	9%	941	14%
	Private lessons offered		1	n/a	3	200%
	Programs offered in schools	2	1	-50%	1	0%
9.2	Hours of programming in schools	93	40	-57%	50	25%
	Number of schools served	17	20	18%	25	25%
	Artists placed in schools	2	2	0%	2	0%
	Fairs/festivals/parades	2	3	50%	2	-33%
9.3	Space - hours rented	2		-100%	93	n/a
	Distinct other programs	10		-100%		n/a
	Other programs occurrences	10		-100%		n/a

Please see boxed numbered references in margin of Data Arts Report attached.

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Expenses by Functional Total:

The numbers on the CDP do not all align with our REACH P&L Statements. P&L figures show a more logical progression of expenses and revenue based on increased staff and programming.

REACH P&L Statements report Operating expense and revenue as follows:

Annual Operating	2017	2018	2019
Total Operating Revenue	198,685	239,454	231,543
Total Operating Expense	194,969	200,157	219,846
(Program)	172,116	174,553	200,019
(Fundraising)	6,784	13,814	13,073
(Gen & Admin)	16,069	11,790	6754

2017 and 2018 figures do not include depreciation expenses. Numbers on the CDP may include depreciation. There may not have been consistency in where figures were placed in the CDP: such as exec director portion of pay which on our P&L is allocated to oversight of facility improvement, may be on the Annual Operating portion of the CDP for 2017 and 2018 (under Gen & Admin).

Facility Improvement (Non-operating) P&L expenses and revenue for the same years:

Facility Project	2017	2018	2019
Project Revenue	194,416	99,273	220,719
Project Expense	208,432*	96,890*	71,239**

*cash in savings from prior years capital campaign spent in part on expenses.

**2019 expense does not include final payment to contractor for facility development, made in winter 2020, paid with net revenue for Facility Project

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5.1: Independent Contractors: Total amount went down in 2018 and 2019 due to adding employed workers and three of our employees (2019) stepping into teaching roles previously taken by contracted workers.

5.2 To explain large expense for Conferences & Meetings in 2017: In 2017, REACH received a capacity building grant to attend fund development training which amounted to \$5000.

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6.1: Under FY 2018, \$61,037 should be on the deferred revenue line

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8.1 To explain significant jump down in attendance numbers from 2017 to FY 2018: 2018 and 2019 numbers were reported as unique individuals, whereas 2017 numbers were reported as enrollment incidents. Registration/class management systems have allowed us to more accurately report unduplicated individuals. There are still activities that we do, for instance taking our programs to other organizations, where we do not have access to enrollment lists and must estimate the number of unique participants. We hope from here out, the numbers will more accurately depict the numbers we serve.

8.2 To explain lower Independent Contractor number in 2018. The number 15 was for Independent Contractors who received 1099s. There were additional contractors not recorded here who made less than the \$600 benchmark for receiving a 1099. We added additional employees in 2018 who took on some of the roles that Independent Contractors previously handled, thus also contributing to lower IC number. In 2019 the number of independent contractors was higher due to all being reported (even those not receiving a 1099 because they made less than \$600 in the year.)

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9.1 A decrease in distinct classes/workshops from 2018 to 2019 is due in part to transitioning most of our 5-week classes into 8-week classes during the last 2/3rds of 2019. **For 2018 and 2019** we used the following CDP terms to parallel with the way we organize our programs—classes/workshops—sessions. I am unclear how these were treated for 2017:

Data Project Designation	REACH Designation
Distinct classes/workshops	Classes and Workshops
Distinct class series/courses	Programs
Total class sessions	Sessions (or each meeting of the class, workshop or program)

Example:

Teen Open Studio Portfolio is a *Program*, which has 4 *Classes* or terms. Each *Class* has 8-10 *Sessions*. Walk-in Wednesday is a *Program*, which includes 32 weekly *Workshops*. Each *Workshop* is 1 *Session*.

9.2 To correct wrong figure for “hours of programming in schools”. The figure of 40 for 2018 was calculated incorrectly. It should be 70 hours and 15 schools served. The figure of 25 for 2019 number of schools actually refers to the number of classrooms.

9.3 Large increase in Space – hours rented for 2019. As a result of adding more finished space in our 6-year facility expansion project, including a performing arts studio, we were pleased to receive more interest and rent agreements from various groups for private art shows, conferences and gatherings. We hope this trend will continue as we recover and get back to inhabit our newly finished facility after COVID-19!