

**Organization Information**

Organization name: **Crooked Tree Arts Council, Inc.**  
 City: Petoskey  
 State: MI  
 County: Emmet  
 Federal ID #: 237187264  
 NISP Discipline: 14 - Multidisciplinary  
 NISP Institution: 15 - Arts Center  
 NTEE: A20 - Arts & Culture  
 Year organization founded: 1971  
 Organization type: 501(c)3 nonprofit organization  
 DUNS #: 038616074  
 Full-time staff: 11  
 Board Members: 17  
 Fiscal year end date: 03-31

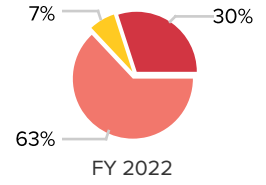
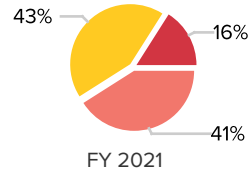
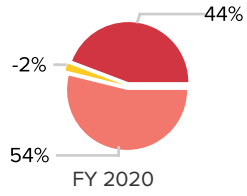
*Applicant is audited or reviewed by an independent accounting firm.*

**Financial Summary**

Unrestricted Activity	FY 2020	FY 2021	% Change	FY 2022	% Change
<b>Unrestricted operating revenue</b>					
Earned program	\$644,907	\$339,699	-47%	\$594,883	75%
Earned non-program	\$81,853	\$12,017	-85%	\$28,987	141%
<b>Total earned revenue</b>	<b>\$726,760</b>	<b>\$351,716</b>	<b>-52%</b>	<b>\$623,870</b>	<b>77%</b>
Investment revenue	-\$28,914	\$939,763	3,350%	\$148,166	-84%
Contributed revenue	\$878,949	\$914,245	4%	\$1,328,525	45%
<b>Total unrestricted operating revenue</b>	<b>\$1,576,795</b>	<b>\$2,205,724</b>	<b>40%</b>	<b>\$2,100,561</b>	<b>-5%</b>
Less in-kind	\$110,649	\$5,198	-95%		-100%
<b>Unrestricted operating revenue less in-kind</b>	<b>\$1,466,146</b>	<b>\$2,200,526</b>	<b>50%</b>	<b>\$2,100,561</b>	<b>-5%</b>
<b>Operating expenses</b>					
Program	\$1,303,611	\$752,284	-42%	\$982,180	31%
Management & general	\$255,416	\$196,681	-23%	\$284,092	44%
Fundraising	\$423,185	\$269,469	-36%	\$394,509	46%
<b>Total operating expenses</b>	<b>\$1,982,212</b>	<b>\$1,218,434</b>	<b>-39%</b>	<b>\$1,660,781</b>	<b>36%</b>
Less in-kind	\$110,649	\$5,198	-95%		-100%
<b>Unrestricted operating expenses less in-kind</b>	<b>\$1,871,563</b>	<b>\$1,213,236</b>	<b>-35%</b>	<b>\$1,660,781</b>	<b>37%</b>
Unrestricted change in net assets - operating	-\$405,417	\$987,290	344%	\$439,780	-55%
<b>Unrestricted change in net assets</b>	<b>-\$405,417</b>	<b>\$987,290</b>	<b>344%</b>	<b>\$439,780</b>	<b>-55%</b>
Restricted change in net assets	-\$346,307	\$277,946	180%	-\$76,345	-127%
<b>Total change in net assets</b>	<b>-\$751,724</b>	<b>\$1,265,236</b>	<b>268%</b>	<b>\$363,435</b>	<b>-71%</b>

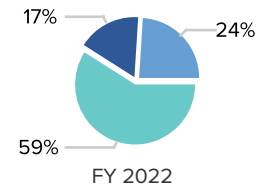
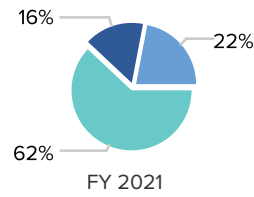
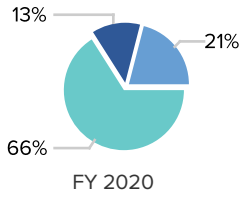
**Unrestricted Operating Revenue by Source**

- Earned
- Investment
- Contributed



**Operating Expenses by Functional Grouping**

- Program
- Management & General
- Fundraising



**Revenue Details**

Operating Revenue	FY 2020	FY 2021	FY 2022	FY 2022	FY 2022
Earned - Program	Total	Total	Total	Unrestricted	Restricted
Subscriptions		\$0			
Membership fees - individuals	\$194,210	\$166,025	\$179,636	\$179,636	\$0
Membership fees - organizations		\$0			
Ticket sales & admissions	\$65,865	\$6,145	\$73,011	\$73,011	
Education revenue	\$303,099	\$89,611	\$186,591	\$186,591	
Publication sales					
Gallery sales	\$55,181	\$77,918	\$155,645	\$155,645	
Contracted services & touring fees					
Royalty & reproduction revenue					
Earned - program not listed above	\$26,552				
<b>Total earned - program</b>	<b>\$644,907</b>	<b>\$339,699</b>	<b>\$594,883</b>	<b>\$594,883</b>	
<b>Earned - Non-program</b>					
Rental revenue	\$19,772	\$5,349	\$13,628	\$13,628	
Sponsorship revenue					
Attendee-generated revenue not listed above	\$25,280	\$221			
Earned - non-program not listed above	\$36,801	\$6,447	\$15,359	\$15,359	
<b>Total earned - non-program</b>	<b>\$81,853</b>	<b>\$12,017</b>	<b>\$28,987</b>	<b>\$28,987</b>	
<b>Total earned revenue</b>	<b>\$726,760</b>	<b>\$351,716</b>	<b>\$623,870</b>	<b>\$623,870</b>	

Contributed	FY 2020	FY 2021	FY 2022	FY 2022	FY 2022
	Total	Total	Total	Unrestricted	Restricted
Trustee & board	\$9,271	\$42,731	\$38,972	\$38,972	
Individual	\$255,188	\$235,192	\$381,262	\$347,262	\$34,000
Corporate	\$28,970	\$10,699	\$9,398	\$9,398	
Foundation	\$116,162	\$167,614	\$253,711	\$253,711	
State government	\$79,755	\$112,210	\$30,125	\$30,125	
Federal government	\$0	\$179,462	\$276,673	\$276,673	
In-kind operating contributions	\$110,649	\$5,198	\$0		
Special fundraising events	\$286,076	\$113,524	\$259,313	\$259,313	
Contributions not listed above	\$5,279	\$2,228	\$2,726	\$2,726	
Net assets released from restriction	\$0	\$0	\$0	\$110,345	-\$110,345
<b>Total contributed revenue</b>	<b>\$891,350</b>	<b>\$868,858</b>	<b>\$1,252,180</b>	<b>\$1,328,525</b>	<b>-\$76,345</b>
Operating investment revenue	-\$387,622	\$1,263,096	\$148,166	\$148,166	
<b>Total operating revenue</b>	<b>\$1,230,488</b>	<b>\$2,483,670</b>	<b>\$2,024,216</b>	<b>\$2,100,561</b>	<b>-\$76,345</b>
Total operating revenue less operating in-kind	\$1,119,839	\$2,478,472	\$2,024,216	\$2,100,561	-\$76,345
<b>Total revenue</b>	<b>\$1,230,488</b>	<b>\$2,483,670</b>	<b>\$2,024,216</b>	<b>\$2,100,561</b>	<b>-\$76,345</b>
<b>Total revenue less in-kind</b>	<b>\$1,119,839</b>	<b>\$2,478,472</b>	<b>\$2,024,216</b>	<b>\$2,100,561</b>	<b>-\$76,345</b>

## Revenue Narrative

FY 2020	The losses reflected in investment revenue were a result of unfavorable market fluctuations that occurred shortly before the closing of the FY20 Fiscal Year. As of April 30, 2021, the endowment value has increased by \$1,411,810. The endowment value increase is a result of a commitment in FY21 to sustain operations without drawing from endowment investments and a favorable market upturn.
FY 2021	As a result of COVID-19, arts programming was canceled, delivered at a reduced capacity, or put on hold in throughout FY21 and into FY22, limiting our ability to generate income as shown by the 52% reduction in earned revenue. CTAC took advantage of the local, state and federal rescue grant and loan opportunities including PPP. After extreme market volatility in FY21, CTAC made a commitment to fund operations without investment income support as indicated by our 425% investment revenue increase.
FY 2022	n/a

**Expense Details**

	FY 2020 Total	FY 2021 Total	% Change	FY 2022 Total	% Change	FY 2022 Program	FY 2022 General & Administrative	FY 2022 Fundraising
Personnel expenses - Operating								
W2 employees (salaries, payroll taxes and fringe benefits)	\$991,846	\$617,542	-38%	\$806,852	31%	\$455,354	\$135,817	\$215,681
Independent contractors	\$155,552	\$50,720	-67%	\$96,266	90%	\$96,266		
Professional fees	\$41,658	\$72,788	75%	\$135,700	86%	\$34,270	\$28,370	\$73,060
Total personnel expenses - Operating	\$1,189,056	\$741,050	-38%	\$1,038,818	40%	\$585,890	\$164,187	\$288,741
Non-personnel expenses - Operating								
Occupancy costs	\$198,083	\$143,884	-27%	\$151,308	5%	\$79,809	\$60,722	\$10,777
Depreciation	\$136,133	\$131,880	-3%	\$132,201	0%	\$95,373	\$19,074	\$17,754
Interest expense	\$19,157	\$18,008	-6%	\$18,795	4%	\$14,118	\$2,795	\$1,882
Non-personnel expenses not listed above	\$439,783	\$183,612	-58%	\$319,659	74%	\$206,990	\$37,314	\$75,355
Total non-personnel expenses - Operating	\$793,156	\$477,384	-40%	\$621,963	30%	\$396,290	\$119,905	\$105,768
Total operating expenses	\$1,982,212	\$1,218,434	-39%	\$1,660,781	36%	\$982,180	\$284,092	\$394,509
Total expenses	\$1,982,212	\$1,218,434	-39%	\$1,660,781	36%			
Total expenses less in-kind	\$1,871,563	\$1,213,236	-35%	\$1,660,781	37%			
Total expenses less depreciation	\$1,846,079	\$1,086,554	-41%	\$1,528,580	41%			
Total expenses less in-kind and depreciation	\$1,735,430	\$1,081,356	-38%	\$1,528,580	41%			

**Expense Narrative**

FY 2020	CTAC is working toward a more lean operation and reevaluating budgeting process as a result of management change in January, 2020. Personnel and program expenses continue to trend downward with a reduction in 4 FTE and music programming in FY21.
FY 2021	CTAC created a COVID-19 crisis budget that shifted staff roles and responsibilities, informed and created staff accountability for revenue and expenses, and cut programs that were not meeting mission and financial objectives. Two full-time staff positions were eliminated and 8 remaining staff participated in a workshare plan with a 50-80% reduction in schedule and pay.
FY 2022	n/a

**Balance Sheet**

Assets	FY 2020	FY 2021	% Change	FY 2022	% Change
<b>Current assets</b>					
Cash and cash equivalents	\$90,242	\$391,556	334%	\$246,092	-37%
Receivables	\$86,502	\$184,439	113%	\$44,900	-76%
Investments - current			n/a	\$380,959	n/a
Prepaid expenses & other	\$23,160	\$24,178	4%	\$43,139	78%
<b>Total current assets</b>	<b>\$199,904</b>	<b>\$600,173</b>	<b>200%</b>	<b>\$715,090</b>	<b>19%</b>
<b>Long-term/non-current assets</b>					
Investments - non current	\$3,254,483	\$4,522,204	39%	\$4,659,749	3%
Fixed assets (net of accumulated depreciation)	\$2,733,030	\$2,739,890	0%	\$2,581,251	-6%
Non-current assets not listed above	\$186,962	\$48,849	-74%	\$122,048	150%
<b>Total long-term/non-current assets</b>	<b>\$6,174,475</b>	<b>\$7,310,943</b>	<b>18%</b>	<b>\$7,363,048</b>	<b>1%</b>
<b>Total assets</b>	<b>\$6,374,379</b>	<b>\$7,911,116</b>	<b>24%</b>	<b>\$8,078,138</b>	<b>2%</b>
<b>Liabilities &amp; Net Assets</b>					
<b>Current liabilities</b>					
Accounts payable and accrued expenses	\$68,336	\$30,503	-55%	\$40,379	32%
Deferred revenue	\$156,546	\$131,756	-16%	\$174,734	33%
Loans - current	\$35,760	\$26,583	-26%	\$17,678	-33%
Additional current liabilities not listed above	\$70,695		-100%	\$13,577	n/a
<b>Total current liabilities</b>	<b>\$331,337</b>	<b>\$188,842</b>	<b>-43%</b>	<b>\$246,368</b>	<b>30%</b>
<b>Long-term/non-current liabilities</b>					
Long-term/non-current loans	\$262,442	\$655,113	150%	\$458,354	-30%
Additional long-term/non-current liabilities not listed above		\$21,325	n/a	\$21,325	0%
<b>Total long-term/non-current liabilities</b>	<b>\$262,442</b>	<b>\$676,438</b>	<b>158%</b>	<b>\$479,679</b>	<b>-29%</b>
<b>Total liabilities</b>	<b>\$593,779</b>	<b>\$865,280</b>	<b>46%</b>	<b>\$726,047</b>	<b>-16%</b>
<b>Net assets</b>					
Unrestricted	\$2,366,323	\$3,353,613	42%	\$3,736,213	11%
Restricted	\$3,414,277	\$3,692,223	8%	\$3,615,878	-2%
<b>Total net assets</b>	<b>\$5,780,600</b>	<b>\$7,045,836</b>	<b>22%</b>	<b>\$7,352,091</b>	<b>4%</b>
<b>Total liabilities &amp; net assets</b>	<b>\$6,374,379</b>	<b>\$7,911,116</b>	<b>24%</b>	<b>\$8,078,138</b>	<b>2%</b>

**Balance Sheet Narrative**

FY 2020	Months of operating cash is reported as 0.1. CTAC was in an aggressive growth phase, cash flow was very tight. The finance Committee and Board is very aware and monitors cash flow with weekly reports from the business manager. In FY21, CTAC made a commitment to operate without drawing from the endowment resulting in a staffing and programming restructure. Additionally, the FY21 budgeting process was revised to involve staff leaders in its development and execution/monitoring.
FY 2021	Long Term Liabilities show an increase in FY21 due to a PPP loan of \$189,157 that was forgiven in August, 2021 and a low interest (2.75%) SBA COVID Relief loan of \$150,000. Repayment of the SBA loan began in June, 2021.
FY 2022	n/a

**Balance Sheet Metrics**

	FY 2020	FY 2021	% Change	FY 2022	% Change
Months of operating cash -- Unrestricted	0.1	3.04	2,856%	1.78	-42%
Working capital -- Unrestricted	-\$291,227	\$328,943	213%	\$468,722	42%
Current ratio -- Unrestricted	0.12	2.74	2,165%	2.9	6%
Net assets as a % of total expenses	292%	578%	98%	443%	-23%
Fixed assets (net)	\$2,733,030	\$2,739,890	0%	\$2,581,251	-6%
Condition of fixed assets	85%	89%		99%	
Leverage -- Unrestricted	10%	16%	60%	11%	-34%
Total debt	\$298,202	\$681,696	129%	\$476,032	-30%
Debt service impact	3%	4%	32%	2%	-40%

**Months of operating cash -- unrestricted** (Unrestricted Cash & Cash Equivalents/(Total Expense/12)) indicates the number of months an organization can operate at current average monthly expense levels with existing unrestricted cash and cash equivalents. This ratio is calculated using unrestricted numbers only.

**Working capital -- unrestricted** (Unrestricted Current Assets minus Unrestricted Current Liabilities) consists of the unrestricted resources available for operations. 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 unrestricted** (Unrestricted Current Assets divided by Unrestricted Current Liabilities) determines the organization’s ability to pay current debt using current assets. A ratio of 1.0 indicates that current assets are equal to current liabilities. A ratio of around 1.5 is a more comfortable position, allowing for more cushion against uncollected receivables or timing discrepancies between expected receipts and disbursements. Ideally this number should approach 2 which indicates ample short-term liquidity to obviate the need to borrow or sell assets.

**Net assets as % of total expenses** measures the net worth of an organization in relationship to its operating size. It is calculated as total net assets divided by total expenses. If the trend is level or increasing, then total net assets are keeping pace with growth in operating expenses.

**Condition of fixed assets** indicates the potential need for replacement or repair of fixed assets (such as buildings, furniture, office equipment, sets and props). This is especially significant for organizations that own a building or carry a long-term lease. Accumulated depreciation of less than 50% of the total value of fixed assets indicates a stock of relatively new assets. A high percentage (>80%) of accumulated depreciation could indicate aging infrastructure and need for funding the replacement or repair of fixed assets in the near future.

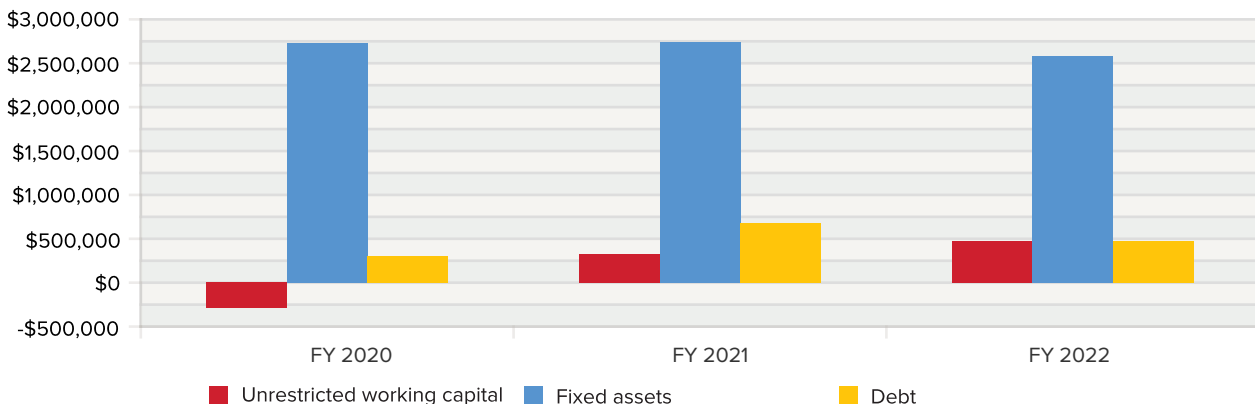
**Leverage ratio** ( Total Debt divided by Total Unrestricted Assets) measures what proportion of your unrestricted assets are supported by debt. A number in excess of 50% may indicate liquidity problems, or reduced capacity for future borrowing.

**Fixed assets net** is the value of all land, buildings, equipment, leasehold improvements and other property and equipment owned by the organization. It is calculated net of accumulated depreciation to reflect the reduction in the value of an asset as it ages and is used.

**Total debt** consists of all short and long-term contractual obligations of the organization, including lines of credit, loans, notes, bonds, and capital leases.

**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. The higher the percentage, the more the organization has to dedicate its resources to debt repayment rather than programming and other operating expenses.

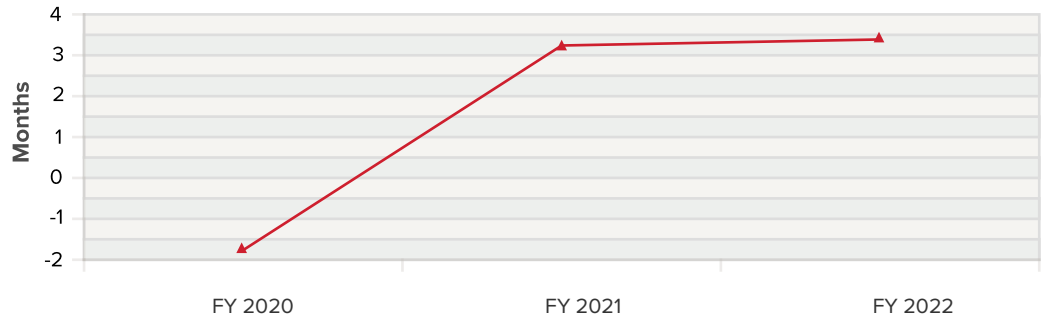
**Components of Net Assets**







**Months of  
Unrestricted  
Working Capital**



**Attendance**

	FY 2020	FY 2021	% Change	FY 2022	% Change
Total attendance					
Paid	8,757	847	-90%	5,743	578%
Free	38,824	16,550	-57%	30,637	85%
Total	47,581	17,397	-63%	36,380	109%
In-person attendance					
Paid	8,757	727	-92%	5,381	640%
Free	38,824	14,550	-63%	28,867	98%
Total	47,581	15,277	-68%	34,248	124%
Digital attendance					
Paid	0	120	n/a	362	202%
Free	0	2,000	n/a	1,770	-12%
Total	0	2,120	n/a	2,132	1%
In-person attendees 18 and under	9,168	5,742	-37%	12,733	122%
Programs in schools	FY 2020	FY 2021	% Change	FY 2022	% Change
Children served in schools	0	0	n/a	35	n/a
Hours of instruction	0	0	n/a	96	n/a

**Workforce**

	FY 2020	FY 2021	% Change	FY 2022	% Change
Number of People					
Employees: Full-time permanent	12	10	-17%	11	10%
Employees: Part-time permanent	1	1	0%	3	200%
Employees: Part-time temporary	1		-100%		n/a
Volunteers	325	31	-90%	262	745%
Independent contractors	275	84	-69%	92	10%
Interns and apprentices	1	0	-100%	1	n/a
Total positions	615	126	-80%	369	193%

**Visual & Performing Artists**

	FY 2020	FY 2021	% Change	FY 2022	% Change
Number of visual & performing artists	250	55	-78%	78	42%
Payments to artists & performers	\$405,985	\$192,103	-53%	\$109,490	-43%

**Covid-19 Impact**

	FY 2020	FY 2021	FY 2022
Due to COVID-19 crisis restrictions on in-person gatherings and/or stay-at-home orders mandated by government health guidelines, how was staffing affected at your organization:			
Number of employees laid off	0	0	
Number of employees furloughed	0	7	
Of those furloughed or laid off employees, how many (if any) have been brought back?		5	

**Mission and Constituency**

**Mission statement**

To inspire and enrich lives through the arts.

**Mission demographics**

This organization's mission is not rooted in an explicitly identified ethnic, cultural or other demographic voice.

**Racial/ethnic group**

Additional group (please state)

**Gender**

Additional group (please state)

**Sexual orientation**

Additional group (please state)

**Age group**

Additional group (please state)

**Disability**

**Additional characteristics**

*If the fields above are blank, this organization does not serve that demographic specifically.*

**Audience**

The organization does not seek to primarily serve a specific audience.

**Racial/ethnic group**

Additional group (please state)

**Gender**

Additional group (please state)

**Sexual orientation**

Additional group (please state)

**Age group**

Additional group (please state)

**Disability**

**Additional characteristics**

Additional group (please state)

**Community type served**

Rural

*If the fields above are blank, this organization does not serve that demographic specifically.*

**Program Activity**

In-person activity	FY 2020		FY 2021		FY 2022	
	Distinct offerings	# of times offered	Distinct offerings	# of times offered	Distinct offerings	# of times offered
Productions (self-produced)	9	13			3	5
Productions (presented)	31	31			27	27
Classes/assemblies/other programs in schools						
Classes/workshops (outside of schools)	409	2,156	138	826	0	0
Field trips/school visits	6	24			4	13
Guided tours						
Lectures	18	18			45	950
Permanent exhibitions						
Temporary exhibitions	15		6		22	
Traveling exhibitions (hosted)						
Films screened	8	8				
Festivals/conferences	3	16	1	6	2	7
Readings/workshops (developing works)						
Community programs (not included above)	1	1	8	17		
Additional programs not listed above	1	44	0	0	3	1,700

*NOTE: Data entered prior to 2021 combines information about physical and digital programs. It has been included in the physical program lines.*

**Program Activity**

Digital activity	FY 2020			FY 2021			FY 2022		
	Distinct offerings	# times digitally offered	On-demand	Distinct offerings	# times digitally offered	On-demand	Distinct offerings	# times digitally offered	On-demand
Productions (self-produced)				1	1,000				
Productions (presented)									
Classes/assemblies/other programs in schools							95	95	
Classes/workshops (outside of schools)				82	605	35			
Field trips/school visits							2	6	
Guided tours									
Lectures				14	14	2	45	500	
Permanent exhibitions									
Temporary exhibitions									4
Traveling exhibitions (hosted)									
Films screened									
Broadcast productions									
Festivals/conferences									
Readings/workshops (developing works)									
Community programs (not included above)									
Additional programs not listed above									

*NOTE: Data entered prior to 2021 combines information about physical and digital programs. It has been included in the physical program lines.*

Digital activity financials	FY 2020		FY 2021		FY 2022	
	Total	Associated with digital program delivery	Total	Associated with digital program delivery	Total	Associated with digital program delivery
Earned revenue	\$726,760		\$351,716		\$623,870	\$24,250
Contributed revenue	\$891,350		\$868,858		\$1,252,180	\$0
Operating expense	\$1,982,212	\$0	\$1,218,434		\$1,660,781	\$5,000

**Program Activity**

	FY 2020	FY 2021	% Change	FY 2022	% Change
Fiscally sponsored projects			n/a		n/a
Amount distributed to fiscally sponsored projects			n/a		n/a
Residencies			n/a		n/a
Scholarships awarded	71	52	-27%	47	-10%
Amount awarded in scholarships	\$58,106	\$17,713	-70%	\$20,071	13%
Other grants awarded	8		-100%		n/a
Amount awarded in grants	\$117,051		-100%		n/a
Public art installations			n/a		n/a
Works commissioned			n/a		n/a
Films produced			n/a		n/a
World premieres			n/a		n/a
National premieres		1	n/a	3	200%
Local/regional premieres	8	7	-12%		-100%
Published works (physical)			n/a		n/a
Published works (digital)			n/a		n/a
Private lessons (in-person)			n/a		n/a
Private lessons (digital)			n/a		n/a
Competitions	8	5	-38%	4	-20%
Open rehearsals			n/a		n/a

*NOTE: Data entered prior to 2021 combines information about physical and digital programs. It has been included in the physical program lines.*

**Program Activity Narrative**

FY 2020	After 20 years on staff, and 15 years as Executive Director, Elizabeth Ahrens retired in January, 2020. In the past, the Funder Report had been completed by her. Variances in audience numbers may be due to data input and traffic tracking practices of the new President. Also of note, CTAC closed on March 13, two weeks short of the fiscal year end as a result of state-mandated closures. Any programming scheduled March 13-31 was canceled ticketed programming was refunded or prorated.
FY 2021	COVID significantly impacted our ability to provide in-person programming as evidenced by participation numbers above. Within weeks of the mandatory closure, CTAC pivoted to provide live streamed ballet classes, workshops, lectures and events. The variance in individual membership count and renewal rate from FY20 to FY21 is a result of a new CRM. The CRM tracked 1639 members in FY20. CTAC did experience a 48% increase in our membership upgrade rate; members renewed at higher giving levels.
FY 2022	n/a