

Frontline Arts, A New Jersey Non-Profit Corporation

FINANCIAL STATEMENTS

June 30, 2023

Frontline Arts, A New Jersey Non-Profit Corporation

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Frontline Arts, A New Jersey Non-Profit Corporation

Report on the Financial Statements

Opinion

I have audited the accompanying financial statements of Frontline Arts, A New Jersey Non-Profit Corporation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Frontline Arts, A New Jersey Non-Profit Corporation as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Frontline Arts, A New Jersey Non-Profit Corporation and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Frontline Arts, A New Jersey Non-Profit Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 my 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 generally accepted auditing standards and *Government Auditing Standards* 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 judgement made by a reasonable user based in the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Frontline Arts, A New Jersey Non-Profit Corporation'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 financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Frontline Arts, A New Jersey Non-Profit Corporation's ability to continue as a going concern for a reasonable period of time.

I am 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.

Report on Summarized Comparative Information

I have previously audited Frontline Arts, A New Jersey Non-Profit Corporation's 2022 financial statements, and I expressed an unmodified audit opinion on those audited financial statements in my report dated November 15, 2022. In my opinion, the summarized comparative information presented, herein, as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Other Legal and Regulatory Requirements

Other Matters

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenditures of State Financial Assistance, as required by New Jersey Office of Management and Budget Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated September 22, 2022, on my consideration of Frontline Arts, A New Jersey Non-Profit Corporation's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Frontline Arts, A New Jersey Non-Profit Corporation's internal control over financial reporting and compliance.



Skillman, New Jersey
September 22, 2023

Frontline Arts, A New Jersey Non-Profit Corporation
STATEMENTS OF FINANCIAL POSITION
June 30, 2023 and 2022

	June 30,	
	2023	2022
ASSETS		
Cash	\$ 270,350	\$ 285,848
Accounts receivable	496	1,739
Government grants receivable	17,157	8,839
Inventory	6,095	6,696
Prepaid expenses	-	200
Property and equipment, net	30,112	9,705
Collections, net of accumulated depreciation	26,000	26,000
TOTAL ASSETS	<u><u>\$ 350,210</u></u>	<u><u>\$ 339,027</u></u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 13,893	\$ 12,383
Deferred revenue	107,713	78,863
Total liabilities	<u>121,606</u>	<u>91,246</u>
Net Assets		
Without donor restrictions	187,548	180,590
With donor restrictions	41,056	67,191
Total net assets	<u>228,604</u>	<u>247,781</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 350,210</u></u>	<u><u>\$ 339,027</u></u>

Frontline Arts, A New Jersey Non-Profit Corporation

STATEMENT OF ACTIVITIES

Year Ended June 30, 2023

(With Comparative Totals for the Year Ended June 30, 2022)

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Support				
Nonfinancial donations	\$ 28,190	\$ -	\$ 28,190	\$ 28,798
Foundation grants	32,893	-	32,893	43,241
Corporate grants	20,036	-	20,036	39,580
Contributions	34,199	-	34,199	28,720
Special events	-	-	-	16,682
Government grants	82,457	-	82,457	86,376
Government grants - Employee Retention Credit	10,000	-	10,000	-
Interest	599	-	599	-
Paycheck Protection Program loan forgiveness	-	-	-	30,800
Total support	208,374	-	208,374	274,197
Revenue				
Frontline Paper program fees	38,611	-	38,611	46,621
Studio fees	11,567	-	11,567	9,500
Adult education classes	6,251	-	6,251	3,680
Membership dues	7,740	-	7,740	7,720
Other revenue	511	-	511	438
Exhibition sales	2,949	-	2,949	845
Net assets released from restrictions				
Purpose restrictions satisfied	26,135	(26,135)	-	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	302,138	(26,135)	276,003	343,001
EXPENSES				
Program services	173,376	-	173,376	193,726
Management and general	101,504	-	101,504	79,497
Fundraising	20,300	-	20,300	28,793
TOTAL EXPENSES	295,180	-	295,180	302,016
CHANGE IN NET ASSETS	6,958	(26,135)	(19,177)	40,985
NET ASSETS AT BEGINNING OF YEAR	180,590	67,191	247,781	206,796
NET ASSETS AT END OF YEAR	<u>\$187,548</u>	<u>\$ 41,056</u>	<u>\$ 228,604</u>	<u>\$ 247,781</u>

Frontline Arts, A New Jersey Non-Profit Corporation
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	June 30, 2023				June 30,
	Program Services	Management and General	Fundraising	Total	2022 Total
Compensation and payroll taxes	\$ 119,507	\$ 72,769	\$ 19,689	\$ 211,965	\$ 194,828
Occupancy	30,798	2,318	-	33,116	31,771
Office expense	-	7,775	-	7,775	9,070
Program expense - supplies	3,943	-	-	3,943	5,701
Professional fees	-	7,612	-	7,612	13,850
Travel	9,412	-	-	9,412	7,307
Depreciation	3,334	84	-	3,418	4,902
Program expense - other	5,180	-	-	5,180	5,724
Insurance	-	4,161	-	4,161	4,717
Advertising and marketing	1,012	-	-	1,012	1,160
Payroll service	-	4,310	-	4,310	3,572
In-kind supplies	190	-	-	190	798
Bank fees	-	1,424	-	1,424	1,194
Special events and reception	-	-	611	611	16,111
Postage	-	1,051	-	1,051	1,311
TOTAL FUNCTIONAL EXPENSES	<u>\$ 173,376</u>	<u>\$ 101,504</u>	<u>\$ 20,300</u>	<u>\$ 295,180</u>	
TOTAL FUNCTIONAL EXPENSES 2022	<u>\$ 193,726</u>	<u>\$ 79,497</u>	<u>\$ 28,793</u>		<u>\$ 302,016</u>

Frontline Arts, A New Jersey Non-Profit Corporation
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2023 and 2022

	June 30,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (19,177)	\$ 40,985
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	3,418	4,902
Forgiveness of Paycheck Protection Loan	-	(30,820)
(Increase) decrease in operating assets:		
Prepaid expenses	200	(200)
Accounts receivable	1,243	(1,739)
Government grants receivable	(8,318)	(3,661)
Inventory	601	1,289
Accounts payable and accrued expenses	1,510	8,436
Deferred revenue	28,850	78,863
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>8,327</u>	<u>98,055</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of fixed assets	<u>(23,825)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	(15,498)	98,055
BEGINNING CASH	285,848	187,793
ENDING CASH	<u><u>\$ 270,350</u></u>	<u><u>\$ 285,848</u></u>

See notes to financial statements.

Frontline Arts, A New Jersey Non-Profit Corporation
Notes to Financial Statements
June 30, 2023

Note 1 - DESCRIPTION OF THE ORGANIZATION

Frontline Arts, A New Jersey Non-Profit Corporation (“Frontline”), formerly the Printmaking Center of New Jersey, is dedicated to connecting and building communities through socially engaging arts practices rooted in papermaking and printmaking. Frontline supports in-house and mobile educational programs and provides a communal space with shared equipment and space for printmakers and papermakers across the State of New Jersey and larger regions. Frontline also offers community-building events, a variety of artist studio services, and groundbreaking exhibitions in the refurbished second-floor gallery.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The financial statements of Frontline have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

First, the Organization evaluates whether transactions should be accounted for as contributions or exchange transactions, and, if contributions, determines whether the contributions are unconditional.

If the possibility that a condition will not be met is remote, a conditional promise to give is considered unconditional, and contribution revenue is recognized immediately. Conditional contributions received that contain a more substantial barrier are accounted for as a liability or are unrecognized initially. When the barrier to entitlement is overcome, the transaction is recognized as unconditional.

Unconditional contributions are classified as either with restrictions or without restrictions.

- **Net Assets Without Donor Restrictions** - Net assets derived from resources that are not subject to explicit donor-imposed restrictions. If donor-imposed restrictions wholly expire in a fiscal year, those contributions are recorded as without restrictions.
- **Net Assets With Donor Restrictions** - Net assets that are subject to explicit donor-imposed restrictions on the expenditure of contributions. When time and purpose restrictions expire, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Property and Equipment – Property and equipment over \$1,000 are recorded at cost or, if donated, as support at their estimated fair value. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the various assets.

Repairs and maintenance that do not improve or extend the life of the respective assets for more than one year are expensed when incurred.

Collections – Frontline has capitalized its collections since its inception. If purchased, items accessioned into the collection are capitalized at cost, and if donated, they are capitalized at their

Frontline Arts, A New Jersey Non-Profit Corporation
Notes to Financial Statements
June 30, 2023

fair value on the accession date. Gains or losses on the deaccession of collection items are classified on the statement of activities as net assets without donor restrictions or net assets with donor restrictions placed on the item at the time of accession.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with Frontline's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

Advertising Costs – Advertising costs are expensed as incurred.

Income Taxes - Frontline is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code for activities related to its exempt purpose. Frontline has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi).

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumption that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Among others, these estimates include the useful lives of fixed assets, allocation of functional expenses, the value of in-kind donations, and the collectability of grants and accounts receivable.

In-kind contributions – In accordance with The Financial Accounting Standards Board Accounting Standards Codification (“ASC”) 958-202, donated property, marketable securities and other noncash donations are recorded as contributions at their estimated fair value at the date of donation. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise need to be purchased by Frontline.

Frontline Arts, A New Jersey Non-Profit Corporation
Notes to Financial Statements
June 30, 2023

Note 3 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Frontline’s qualitative approach to liquidity is to fund expenses with current revenue including contributions, grants, program fees, membership dues, fundraising events, and studio fees. Frontline prepares annual budgets and regularly reviews budget versus actual results.

Quantitatively, the following reflects Frontline’s financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations or time restrictions:

Total assets at year end	\$ 350,210
Less nonfinancial assets	
Inventory	(6,095)
Property and equipment, net	(30,112)
Collections, net	(26,000)
Financial assets at year end	<u>288,003</u>
Less those unavailable for general expenditures within one year due to:	
Donor or other contractual obligations	(41,056)
Their long-term nature	-
Board restrictions	-
Financial Assets available to meet cash needs for general expenditures within one year	<u><u>\$ 246,947</u></u>

In addition to these available financial assets, a significant portion of Frontline’s annual expenditures will be funded by current year operating revenues from contributions, grants, and program services.

Note 4 - INCOME TAXES

Frontline’s income tax returns are subject to review and examination by federal, state, and local authorities. Frontline is not aware of any activities that would jeopardize its tax-exempt status or any activities that are subject to unrelated business income taxes. Frontline’s tax returns for the years ended June 30, 2020, 2021 and 2022 are open for federal examination.

Frontline Arts, A New Jersey Non-Profit Corporation
Notes to Financial Statements
June 30, 2023

Note 5 - DONATED SERVICES, MATERIALS AND FACILITIES

Frontline received non-cash items and donated services from a variety of unpaid volunteers. The amounts recognized are as follows:

	<u>For the year ended June 30,</u>	
	2023	2022
Value of facilities received from Somerset County in excess of payment	\$ 28,000	\$ 28,000
Supplies	190	798
	<u>\$ 28,190</u>	<u>\$ 28,798</u>

Note 6 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>June 30,</u>	
	2023	2022
Printing equipment	\$ 74,398	\$ 74,398
Office furniture and equipment	3,671	3,671
Vehicles	10,500	10,500
Leasehold improvements	46,592	22,767
Subtotal	135,161	111,336
Accumulated depreciation	(105,049)	(101,631)
Net book value	<u>\$ 30,112</u>	<u>\$ 9,705</u>

Note 7 – COLLECTIONS

If purchased, items accessioned into the collections are capitalized at cost, and, if donated, they are capitalized at their fair value on the accession date. Gains or losses on the deaccession of the collection items are classified on the statement of activities as support without donor restrictions or donor-restricted support depending on donor restrictions, if any, placed on the item at the time of accession. Collection items are depreciated over the estimated useful lives unless they have cultural, aesthetic, or historical value that is worth preserving perpetually, and the organization is protecting and preserving essentially undiminished the service potential of the collection item. In that latter case, they are not depreciated based on a preset life or formula, but, rather, evaluated periodically. The organization has capitalized its collections since its inception.

Collections	\$ 26,000	\$ 26,000
Accumulated depreciation	-	-
Net book value	<u>\$ 26,000</u>	<u>\$ 26,000</u>

Frontline Arts, A New Jersey Non-Profit Corporation
Notes to Financial Statements
June 30, 2023

Note 8 – LEASES

Since 1978, Frontline has leased space from the Somerset County Park Commission on an annual basis for \$1, which is less than the fair value of the property. The difference between the fair value and the amount of the rent paid is recorded as a contribution in-kind and an expense in-kind in the period received. That amount was \$28,000 for each of the years ended June 30, 2023 and 2022. The current lease expires December 31, 2023. Since the lease is not more than one year, no right-of-use asset or lease liability has been recorded.

Note 9 – GRANTS AND ACCOUNTS RECEIVABLE

Grants and accounts receivable are considered by management to be fully collectible, and, accordingly, no allowance for uncollectability has been provided.

Note 10 – FUNCTIONAL AND NATURAL CLASSIFICATION OF EXPENSES

The financial statements report certain categories of expenses that are attributable to one or more of Frontline’s program or supporting functions. The expenses reported by functional categories consist of compensation expenses that have been allocated based on time and efforts spent. Depreciation and occupancy expenses have been allocated based on space used.

Note 11 – NET ASSETS

Some contributions have been recognized in revenue but have come with donor restrictions that have not yet been met.

	June 30	
	2023	2022
Restricted by purpose		
Grassman Trust- capital improvements	\$ -	\$ 10,000
Warner Media - Sunday workshops	-	14,160
Veterans' Artist Residency	41,056	43,031
Total	41,056	67,191
Restricted by time	-	-
Total net assets with restrictions	<u>\$ 41,056</u>	<u>\$ 67,191</u>

Note 12 - RISKS AND UNCERTAINTIES

Management is currently evaluating the impact of the COVID-19 pandemic on the industry and has concluded that while it is reasonably possible that the virus could have a negative effect on Frontline’s financial position and results of its operation, the specific impact is not readily determinable as of the date of these financial statements.

Frontline Arts, A New Jersey Non-Profit Corporation
Notes to Financial Statements
June 30, 2023

Note 13 - SUBSEQUENT EVENTS

Frontline has evaluated subsequent events through September 22, 2023, the date on which the financial statements were available to be issued.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees of
Frontline Arts, A New Jersey Non-Profit Corporation

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Frontline Arts, A New Jersey Non-Profit Corporation, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated September 22, 2023.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Frontline Arts, A New Jersey Non-Profit Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Frontline Arts, A New Jersey Non-Profit Corporation's internal control. Accordingly, I do not express an opinion on the effectiveness of Frontline Arts, A New Jersey Non-Profit Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Frontline Arts, A New Jersey Non-Profit Corporation's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Henry B. Murphy Jr." in a cursive script.

Princeton Junction, New Jersey
September 22, 2023

Frontline Arts, A New Jersey Non-Profit Corporation
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 Year Ended June 30, 2023

State Grantor Department & Program Title	Account Number	Federal Assistance	Program or Grant Amount	Program or Grant Period	Disbursements During This Fiscal Year	Total Disbursements Through This Fiscal Year
		Listing Number				
New Jersey State Council of the Arts - Workshops	2341D410010		\$18,247.0	6/1/23-12/31/23	\$ -	\$ -
New Jersey State Council of the Arts - General Support	2205X010026		35,400	7/1/22-6/30/23	35,400	35,400
New Jersey State Council of the Arts - Capital Improvement	2205X390016		87,325	6/1/22-12/31/23	-	-
Total State Awards			<u>140,972</u>		<u>35,400</u>	<u>35,400</u>
Federal Award						
Passthroughs from National Endowment for the Arts						
Somerset County	R22-2060		25,000	1/1/23-12/31/23	22,057	22,057
Creative Forces Community Engagement	FY2003-00113542	45.024	50,000	7/1/22-6/30/24	25,000	25,000
Total			<u>\$ 215,972</u>		<u>\$ 82,457</u>	<u>\$ 82,457</u>

Frontline Arts, A New Jersey Non-Profit Corporation
Notes to Schedule of Expenditures of State Financial Assistance
June 30, 2023

1. General

The accompanying schedule of expenditures of state financial assistance presents the activity of the state grant award programs of the Frontline Arts, A New Jersey Non-Profit Corporation. The nature of the Frontline is described in Note 1 of the general financial statements. All state awards received directly from state agencies, as well as any state financial assistance passed through other government agencies, are included on the schedule of expenditures of state financial assistance.

2. Basis of Accounting

The accompanying schedule of expenditures of state financial assistance is calculated on the accrual basis of accounting as described in Note 2 of the general financial statements. Disbursements in that schedule refers to qualified expenses incurred under the grant terms and conditions. That generally equates to generally accepted accounting principles.

3. Relationship to General Financial Statements

Amounts reported in the accompanying schedule can be reconciled to the amounts reported in the Organization's financial statements.

4. Relationship to State Financial Reports

Amounts reported in the accompanying schedule can be reconciled to the amounts reported in the related grantor financial reports.

5. Subrecipients and Cost Rates

There are no subrecipients and there are no indirect cost rates used as part of these contracts.