



MEMO

DATE October 7, 2021
 TO King County Council
 COMPANY King County
 FROM Brian Carter, 4Culture Executive Director
 TEL 206-263-1586
 RE 2021-2022 Budget Update

Dear King County Councilmembers,

I write to update you on the 2021-2022 4Culture Budget. In this packet you will find an updated 2021-2026 Program of Work, Staffing Plan, Financial Plan, and an annual Statement of Financial Activities dated August 31, 2021.

Our financial position is strong despite the fitful outlook of the public health crisis and the vagaries of lodging taxes. While we project a \$1.67 million deficit as the result of an estimated decrease in lodging taxes, we are on track to end the 2021-2022 biennium with over \$8 million in reserves. We believe these reserves provide the flexibility to respond to short-term economic uncertainty and serve as a foundation to our long-term financial health. Our positive financial outlook is attributed to over \$2.7 million in cost savings implemented in 2020 and 2021 as well as increases in revenue from 1% for Art, Building for Equity, and American Rescue Plan Act (ARPA) federal funds. Please see the updated Program of Work for more information about these changes.

We appreciate the additional financial support of ARPA funding you have provided to 4Culture to address the negative economic impacts of the COVID-19 public health crisis in King County's cultural sector. These funds will jumpstart a meaningful recovery process for hundreds of nonprofit cultural organizations and thousands of cultural workers throughout the county through a new 4Culture Cultural Recovery Fund. We just launched the first of two funding programs supported by this fund in September: The Cultural Recovery Fund for Organizations. We anticipate that our second funding program serving individual cultural producers will open early in the new year.

Your continued support coupled with our long-term financial strategy means we remain a staple resource for King County's cultural sector now and into the future. Please don't hesitate to contact me if you have questions.

Thank you.

Sincerely,

Brian Carter
 Executive Director

4Culture 2021–2026 PROGRAM OF WORK

Introduction

The 2021–2026 4Culture Program of Work implements the newly adopted King County Cultural Strategic Plan. It maintains core programs and services at 2020 levels and adapts existing 2021 and 2022 programs to respond to the unique circumstances of the COVID 19 pandemic and resulting economic downturn. These include activities and partnerships that will help the cultural sector stabilize and recover, strengthening the regional cultural support system, improve equity to cultural resources, and ensure access to culture for all.

Update: October 7, 2021

Please see program sections below for more details about changes to program and services.

Program and Services

The 2021–2026 Program of Work includes programs and services in the following areas:

- Sustained Support for Arts
- Sustained Support for Heritage and Historic Preservation
- **UPDATE** Special Projects
- **UPDATE** Cultural Facilities
- Public Art
- **UPDATE** Cultural Education
- **NEW** COVID–19 Response

Sustained Support for Arts

In the wake of the COVID 19 pandemic, 4Culture will maintain general operating support to stabilize arts organizations, as well as provide additional support to the hardest hit organizations by the policies of *Stay Home, Stay Healthy* and facilitate a speedy recovery of all. 4Culture awards “annual grants for two consecutive years to local governments and nonprofit organizations that provide or facilitate quality arts experiences for residents of and visitors to King County.” These monies support “financial stability, artistic excellence, and encourages a commitment to provide ongoing cultural programs or events for the benefit of King County residents and visitors,” especially those who face barriers in accessing cultural experiences or have been historically underserved. Over 350 organizations participate in the program and reflect a countywide geographic distribution, including organizations of all sizes and in all artistic disciplines.

Sustained Support	2019-2020 Actuals		2021-2022 Proposed Budget		2023-2024 Projected		2025-2026 Projected	
	FTE	\$	FTE	\$	FTE	\$	FTE	\$
Program Expenses	3.4	4,930,176	3.2	5,389,764	3.2	6,106,593	3.2	6,659,405
Inflation Rate		TBD		9.3%		13.3%		9.1%

Sustained Support for Heritage and Historic Preservation

In the wake of the COVID 19 pandemic, 4Culture will maintain general operating support to stabilize heritage museums and historic preservation organizations, as well as provide additional support to the hardest hit organizations by the policies of *Stay Home, Stay Healthy* and facilitate a speedy recovery of all. 4Culture awards “annual grants for two consecutive years to historical museums and heritage organizations that make exceptional contributions to the preservation, collection, exhibition, interpretation or protection of resources related to the history of the people and places of King County.” These monies support “financial stability, excellence, and encourages a commitment to provide ongoing cultural programs or events for the benefit of King County residents and visitors, especially those who face barriers in accessing cultural experiences or have been historically underserved.” Over 75 organizations participate in the program and reflect a countywide geographic distribution, including organizations of all sizes and in all heritage disciplines and historic preservation.

Sustained Support	2019-2020 Actuals		2021-2022 Budget		2023-2024 Projected		2025-2026 Projected	
	FTE	\$	FTE	\$	FTE	\$	FTE	\$
Program Expenses	3.4	1,988,422	3.2	2,124,609	3.2	2,340,966	3.2	2,515,595
Inflation Rate		TBD		6.8%		10.2%		7.5%

Special Projects

“Expanding the role of local arts and heritage organizations and individuals as artistic and cultural educational resources that develop King County through arts and historic events and features” is at the heart of 4Culture’s project-based funding programs. We address “the needs of either mid- and smaller-sized organizations or individual artists and heritage professionals” through capacity building and technical assistance programs in each of our program areas. 4Culture will continue to partner with community-based organizations, cultural funders, other government agencies, and local and national cultural service organizations on “innovative arts projects, heritage endeavors and collaborative programs that reflect the cultural and geographic diversity of King County and are not funded by other county programs.” This includes sector-wide COVID-19 recovery initiatives.

Update

The biennium budget of \$6,851,260 was reduced by 20 percent resulting in \$1.4 million in cost savings as a response to an estimated \$1.67 million reduction in 2021 and 2022 Lodging Taxes. These savings were realized in the 2021 program year through reductions in funding programs across arts, heritage, and preservation.

Special Projects	2019-2020 Actuals		2021-2022 Budget		2023-2024 Projected		2025-2026 Projected	
	FTE	\$	FTE	\$	FTE	\$	FTE	\$
Program Expenses	7.6	5,221,250	7.4	5,434,010	7.4	9,209,857	7.4	10,363,798
Inflation Rate		TBD		4.1%		69.5%		12.5%

Cultural Facilities

4Culture will continue to “build the cultural infrastructure throughout the region” and address one of the cultural sector’s most pressing issue, space security, which is the availability and affordability of appropriate space that meets the needs of King County’s diverse cultural organizations and practitioners. 4Culture will focus its efforts on **Building for Equity**, a program that encourages the first-time ownership, through purchase or long-term lease, of cultural space for organizations with priority given to underserved communities and community-based organizations. 4Culture will also continue to “support the purchase of fixed assets that will benefit art, heritage and cultural organizations” through the **Cultural Equipment Program**. “Support for the preservation and restoration of historic properties” increases through the **Barn Again Program** and **Landmarks Capital Program**. 4Culture also encourages “the acquisition of historic properties” through the **Preservation Action Fund**, a revolving fund operated in partnership with the King County Historic Preservation Program, Historic Seattle, and the Washington Trust for Historic Preservation.

Update

A biennium budget increase of 25% is due to an expanded Building for Equity program.

Cultural Facilities	2019-2020 Actuals		2021-2022 Budget		2023-2024 Projected		2025-2026 Projected	
	FTE	\$	FTE	\$	FTE	\$	FTE	\$
Program Expenses	5.1	11,613,528	3.9	10,354,269	3.9	5,316,398	3.9	7,212,412
Inflation Rate		TBD		(10.8%)		(48.7%)		35.7%

Public Art

Public art manages existing and new public art commissions funded by the **King County 1% for Art Ordinance** and maintains the **King County Public Art Collection** with collection stewardship funds. The goal of 4Culture public art is to “integrate the work and thinking of artists into the planning, design and construction” of county facilities, buildings, infrastructure and public spaces for our County partners. The public art program of work has 25 active, multi-year projects underway with an estimate of up to 16 art projects for 21–22. 4Culture will continue to care for the King County Public Art Collection of over 1,800 portable artworks and over 360 permanent and integrated artworks on display in publicly accessible sites, throughout King County. Gallery 4Culture is a 4Culture initiative managed by public art that provides ongoing opportunities for King County artists to exhibit their work with free access to King County’s diverse population.

Public Art	2019-2020 Actuals		2021-2022 Budget		2023-2024 Projected		2025-2026 Projected	
	FTE	\$	FTE	\$	FTE	\$	FTE	\$
Program Expenses	7.6	3,723,516	7.4	4,643,709	7.4	4,422,387	7.4	4,271,195
Inflation Rate		TBD		142.7%		(51.1%)		(5.1%)

Cultural Education

4Culture has learned that arts and heritage study and cultural experiences are not uniformly offered throughout King County’s 19 public school districts. Beginning in 2021, 4Culture will establish a **Public Schools Cultural Access Program**. The new program provides operating and startup funding to expand existing cultural education programs or create new programs that “provide the sequential and comprehensive study of the elements of the various arts and heritage forms in King County K–8 public schools.” The program also provides targeted access to cultural experiences for students at King County public school districts that have a disproportionately high percentage (over 40 percent) of low–income students.

Update

The biennium budget of \$388,035 was reduced by 37% resulting in \$145,000 in cost savings as a response to an estimated \$1.67 million reduction in 2021 and 2022 Lodging Taxes. The program launch has been postponed from 2021 to 2022.

Cultural Education	2019-2020 Actuals		2021-2022 Budget		2023-2024 Projected		2025-2026 Projected	
	FTE	\$	FTE	\$	FTE	\$	FTE	\$
Program Expenses	0.3	0	0.3	243,034	0.3	443,611	0.3	449,413
Inflation Rate		TBD		N/A		82.5%		1.3%

COVID-19 Response

4Culture understands the need to help the cultural sector make a full recovery in the wake of the COVID-19 public health crisis, with distinct objectives and challenges at each phase of the recovery process. We anticipate the full process to include four phases of recovery: relief, reopen, recovery, and resiliency. From providing emergency relief to cultural organizations and practitioners at the onset of the pandemic to encouraging resiliency planning within the cultural sector upon full recovery, 4Culture is committed to responding as needed and where appropriate. The focus of our response in 2021 and 2022 is on the immediate recovery of King County’s cultural sector. We will partner with King County to distribute Coronavirus Local Fiscal Recovery (CLFR) federal funding through a new Cultural Recovery Fund that that will provide disaster relief to cultural organizations and individual cultural producers who were economically impacted by the pandemic.

Covid-19 Response	2019-2020 Actuals		2021-2022 Budget		2023-2024 Projected		2025-2026 Projected	
	FTE	\$	FTE	\$	FTE	\$	FTE	\$
Program Expenses	0.0	3,218,891	*	9,826,109	0.0		0.0	
Inflation Rate		TBD		TBD		TBD		TBD

** Note: Approximately 5.3 FTE's of existing staff currently budgeted in other program areas are expected to be reallocated to 4Culture's COVID-19 Response during the 2021-2022 biennium.*

Fund Sources

4Culture is primarily supported by 37.5 percent of the proceeds from **King County Lodging Tax** as well as the **Percent for Art Program**, a portion of King County new capital construction projects. Historically, 4Culture operated from a **Special Account Reserve Fund** that will be phased out in 2021 and transitioned into a contingency fund. 4Culture also utilizes grants and other revenue sources to fund the programs.

Update

Adjustments reflect revised estimates for Lodging Taxes (August 2021) and updated actuals for Percent for Art, King County Art Collection, and Building for Equity. New, one-time revenue sources include federal CARES Act and ARPA passthrough funds from King County.

Total Program	2019-2020 Actuals	2021-2022 Budget	2023-2024 Projected	2025-2026 Projected
Lodging Tax Proceeds	0	17,635,290	\$27,306,267	\$30,110,318
Percent for Art	6,869,491	4,793,157	3,000,000	3,000,000
King County Art Collection	552,240	578,200	552,240	552,240
Building For Equity Interfund Loan	7,150,000	5,597,193	2,962,097	2,981,702
Interest Income	1,368,916	75,901	149,868	160,315
Grants and Other	505,443	300,000	300,000	300,000
King County Relief CARES Act	3,218,891	1,131,109		
King County Relief ARPA		9,400,000		

4Culture 2021-2026

STAFFING

The following tables represents the allocation of 30 fulltime staff employees (FTE).

Programs and Services	2019-2020 Actuals		2021-2022 Proposed Budget		2023-2024 Projected		2025-2026 Projected	
	FTE	\$	FTE	\$	FTE	\$	FTE	\$
Sustained Support for Arts	3.4	4,930,176	3.2	5,389,764	3.2	6,106,593	3.2	6,659,405
Sustained Support for Heritage and Historic Preservation	3.4	1,988,422	3.2	2,124,609	3.2	2,340,966	3.2	2,515,595
Special Projects	7.6	5,221,250	7.4	5,434,010	7.4	9,209,857	7.4	10,363,798
Cultural Facilities	5.1	11,613,528	3.9	10,354,269	3.9	5,316,398	3.9	7,212,412
Public Art	7.6	3,723,516	7.4	4,643,709	7.4	4,422,387	7.4	4,271,195
Cultural Education	0.3	0	0.3	243,034	0.3	443,611	0.3	449,413
COVID-19 Response		3,218,891	*	9,826,109	0.0	0	0.0	0
Administration	5.0	1,695,716	5.0	1,633,978	5.0	1,882,061	5.0	1,958,096
TOTAL	32.4	32,391,499	30.4	44,043,473	30.4	29,721,873	30.4	33,353,991

** Note: Approximately 5.3 FTE's of existing staff currently budgeted in other program areas are expected to be reallocated to 4Culture's COVID-19 Response during the 2021-2022 biennium.*

**2021-2022 Financial Plan
4Culture**

Draft: 8/16/2021

Not updated

Category	2019-2020 Estimated Actuals	2019-2020 Actuals	2021-2022 Original Approved Budget	2021-2022 Revised Budget Plan	2023-2024 Projected	2025-2026 Projected
Beginning Fund Balance	42,857,545	42,857,545	24,346,277	28,752,824	13,909,079	15,253,171
Revenues						
Lodging Tax Revenue	\$ -	\$ -	\$ 19,350,000	\$ 17,635,290	\$ 28,467,905	\$ 31,268,138
1% for Art	7,081,397	\$ 6,869,491	3,633,265	4,793,157	3,000,000	3,000,000
King County Collection Stewardship	552,240	\$ 552,240	552,240	578,200	552,240	552,240
King County Cultural Relief CARES	2,000,000	\$ 3,218,891	-	1,131,109	-	-
King County Cultural Relief ARPA				9,400,000		
Investment Income	1,575,694	\$ 1,368,916	200,291	75,901	149,973	160,419
Building for Culture revenue recognition	2,955,492	\$ 2,955,492	-	-	-	-
Other	618,703	\$ 505,443	300,000	300,000	300,000	300,000
Contingency						
Total Revenues	14,783,526	15,470,473	24,035,796	33,913,657	32,470,118	35,280,797
Expenditures						
Sustained Support for Arts	4,935,633	4,930,176	5,389,764	5,389,764	6,106,593	6,659,405
Sustained Support for Heritage	1,987,673	1,988,422	2,124,609	2,124,609	2,340,966	2,515,595
Special Projects & Initiatives	6,006,648	5,221,250	6,851,260	5,434,010	9,209,857	10,363,798
Cultural Relief CARES	3,500,000	3,218,891	-	1,131,109	-	-
Cultural Relief ARPA	-	-	-	8,695,000		
Cultural Facilities						
Traditional Facilities Program	2,208,677	2,189,727	2,191,847	1,571,847	2,354,301	4,230,709
Building for Equity	9,432,949	5,923,890	3,623,252	6,823,303	2,962,097	2,981,702
Building for Culture	2,990,414	3,251,412	-	-	-	-
Preservation Action Fund (PAF)	566,499	248,499	2,412,501	1,959,119	-	-
Subtotal - Cultural Facilities	15,198,539	11,613,528	8,227,600	10,354,269	5,316,398	7,212,412
Public Art	5,803,446	3,723,516	9,037,701	9,037,701	4,422,387	4,195,271
Cultural Education	235,867	-	388,035	243,034	443,611	449,413
Administration and Overhead	1,726,241	1,695,716	1,808,978	1,633,978	1,882,061	1,958,096
Contingency	-	-	-	-	-	-
Total Expenditures	39,394,047	32,391,499	33,827,946	44,043,473	29,721,873	33,353,991
Estimated Under expenditures						
Other Fund Transactions						
Building For Equity Advances from KC	10,432,949	7,150,000	3,623,252	5,597,193	2,962,097	2,981,702
B4C Debt Service	(3,992,795)	(3,992,795)	(600,000)	(600,000)	(600,000)	(600,000)
B4 Equity advances repayment to KC	-	-	(3,500,000)	(3,500,000)	(3,766,250)	(4,000,000)
Original bonds debt service	(340,900)	(340,900)	(168,300)	(168,300)	-	-
Total Other Fund Transactions	6,099,254	2,816,305	(645,048)	1,328,893	(1,404,153)	(1,618,298)
Ending Fund Balance	24,346,277	28,752,824	13,909,079	19,951,900	15,253,171	15,561,679
Reserves						
Cultural Special Account & other reserves	6,900,990	7,860,599	3,206,154	8,185,217	4,943,347	5,436,351
1% for Art special revenue fund	8,922,793	11,213,136	4,587,396	5,814,288	4,194,295	4,009,800
Outstanding contracts and awards	5,280,874	8,345,855	5,280,874	5,521,804	5,280,874	5,280,874
B4E commitments in excess of advances	0	(1,056,477)	0	0	-	-
Preservation Action Fund	2,412,501	1,959,119	0	0	-	-
Other program and accounting commitme	829,120	430,592	834,655	430,592	834,655	834,655
Total Reserves	24,346,278	28,752,824	13,909,079	19,951,900	15,253,171	15,561,679
Reserve Shortfall	-	-	-	-	-	-
Ending Undesignated Fund Balance	(0)	(0)	-	-	-	-

4Culture

August 2021 Financial Statements

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- A) Statement of Activities - Entire Organization Consolidated - Budget to Actual
- A.1) Statement of Activities - Public Art Capital Projects
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- C) Statement of Activities - By Fund
- D) Statement of Activities - By Program Section

Note # REVENUES

- 1 Lodging Tax Revenues from King County for the period of January - June. \$1,500,000 of the total will be set aside for the Building for Equity debt service.
- 2 Public Art revenues from King County for the 1% for Art Program for 2021-2022.
- 3 Public Art Construction Credit from King County for Airport Coast Salish Artwork and Seattle-Area CSO Art.
- 4 Represents CARES Act funds from King County.
- 5 Annual CX appropriation from KC for maintenance of County art collection. Amount per KC, represents 50% of the 2021-2022 KC biennial budget for this item.
- 6 Projected unrealized losses reflect a) the projected effect of fluctuating interest rates on the market value of 4Culture's investment portfolio of fixed income securities and b) current year estimated amortization of existing bond premiums.
- 7 Represents revenues received from organizations who participate in Fundraising for the Arts Task Force.

Note # EXPENSES

- 8 Represents awards for Arts, Heritage and Preservation Sustained Support, Arc Artists Fellowship, Arts Cultural Facilities, Arts Cultural Facilities Emergency, Arts, Heritage and Preservation Special Projects and partial Open 4Culture.
- 9 City of Des Moines' Covenant Beach Sun Home Lodge Restoration Project is complete and remaining balance returns to Saving Landmarks program.
- 10 Adjustment is made to reflect the CARES Act Funds recipients who receive partial funding due to insufficient support documentation.
- 11 Due to the timing of construction projects and other factors outside of 4Culture control, timing of actual expenses for public art capital projects will often vary significantly from budget estimates (see A.1) Stmt of Act -PA Capital Proj for detail).
- 12 Timing of payment.

Cultural Development Authority of King County
 STATEMENT OF ACTIVITIES - Unposted Transactions Included In Report
 From 1/1/2021 Through 8/31/2021

(In Whole Numbers)

	YTD Actual	YTD Budget	Variance	Variance%	Annual	Note
Revenues						
King County						
LodgingTax Receipts	2,475,640	5,045,000	(2,569,360)	(50.92)%	7,567,500	1
Public Art	4,793,157	3,633,265	1,159,892	31.92%	3,633,265	2
Public Art Construction Credit	269,769	0	269,769	0.00%	0	3
Misc Appropriations	1,131,109	0	1,131,109	0.00%	0	4
Collection Stewardship	<u>289,100</u>	<u>276,120</u>	<u>12,980</u>	<u>4.70%</u>	<u>276,120</u>	5
Total King County	8,958,775	8,954,385	4,390	0.05%	11,476,885	
Investment Earnings						
Interest Income	25,337	81,154	(55,817)	(68.77)%	121,731	
Gains(Losses) on Investments	(3,656)	0	(3,656)	0.00%	0	6
Total Investment Earnings	21,681	81,154	(59,473)	(73.28)%	121,731	
Other						
Fees for Service	0	66,664	(66,664)	(100.00)%	100,000	
Grants	0	37,500	(37,500)	(100.00)%	50,000	
Other	<u>775</u>	<u>0</u>	<u>775</u>	<u>0.00%</u>	<u>0</u>	7
Total Other	<u>775</u>	<u>104,164</u>	<u>(103,389)</u>	<u>(99.26)%</u>	<u>150,000</u>	
Total Revenues	<u>8,981,231</u>	<u>9,139,703</u>	<u>(158,472)</u>	<u>(1.73)%</u>	<u>11,748,616</u>	
Expenses						
Direct Program Expenses						
Special Account/Lodging Tax Awards	2,733,426	4,455,350	1,721,924	38.64%	4,775,350	8
Building for Culture Program	(10,659)	0	10,659	0.00%	0	9
Building for Equity	1,114,542	1,930,430	815,888	42.26%	1,930,430	
Preservation Action Fund	0	0	0	0.00%	2,412,501	
Cultural Relief Fund	(11,314)	0	11,314	0.00%	0	10
Public Art Capital Projects	196,529	2,901,386	2,704,857	93.22%	4,352,089	11
Other Direct Program Expenses	261,866	1,156,394	894,528	77.35%	1,632,450	
Bond Interest - original bonds	550	3,300	2,750	83.33%	3,300	
Bond Interest - new bonds	50,344	50,344	0	0.00%	100,688	
Interest Expense - KC Advances for Building for Equity	<u>29,333</u>	<u>66,664</u>	<u>37,331</u>	<u>55.99%</u>	<u>100,000</u>	
Total Direct Program Expenses	4,364,617	10,563,868	6,199,251	58.68%	15,306,808	
Personnel						
Salaries & Wages	1,677,498	1,722,220	44,722	2.59%	2,583,338	
Taxes & Benefits	<u>637,608</u>	<u>666,557</u>	<u>28,949</u>	<u>4.34%</u>	<u>999,665</u>	
Total Personnel	2,315,105	2,388,777	73,672	3.08%	3,583,003	
Operating						
Occupancy	137,015	151,400	14,385	9.50%	227,081	
Information Technology	74,685	91,838	17,153	18.67%	137,133	
Capital Outlay	12,262	80,838	68,576	84.83%	121,243	
Depreciation & Amortization	13,483	13,488	5	0.03%	20,223	
Office Equipment & Supplies	12,471	23,990	11,519	48.01%	30,636	
Professional Fees - Audit/Accounting	50,142	75,268	25,126	33.38%	112,900	
Professional Fees - Legal	35,493	54,668	19,175	35.07%	80,000	
Professional Fees - Consulting	29,420	121,150	91,730	75.71%	171,270	
Professional Fees - Design/Other	12,229	119,717	107,488	89.78%	170,441	
Marketing/Outreach	12,302	32,245	19,943	61.84%	43,777	
Printing	133	9,077	8,944	98.53%	12,337	
Panels & Honoraria	58,805	85,336	26,531	31.09%	87,000	
Travel, Meetings & Events, Training	7,413	76,773	69,360	90.34%	102,264	
Insurance	10,642	10,210	(432)	(4.23)%	15,189	12
Postage & Shipping	1,499	1,622	123	7.56%	2,238	
Dues, Fees & Licenses	<u>3,163</u>	<u>7,688</u>	<u>4,525</u>	<u>58.85%</u>	<u>9,926</u>	
Total Operating	<u>471,159</u>	<u>955,308</u>	<u>484,149</u>	<u>50.68%</u>	<u>1,343,658</u>	
Total Expenses	<u>7,150,881</u>	<u>13,907,953</u>	<u>6,757,072</u>	<u>48.58%</u>	<u>20,233,469</u>	
Increase (Decrease) in Net Assets	<u>1,830,350</u>	<u>(4,768,250)</u>	<u>6,598,600</u>	<u>(138.38)%</u>	<u>(8,484,853)</u>	
Beginning Net Assets	<u>10,086,688</u>	<u>10,086,688</u>	<u>0</u>	<u>0.00%</u>	<u>0</u>	
Ending Net Assets	<u>11,917,039</u>	<u>5,318,438</u>	<u>6,598,600</u>	<u>124.07%</u>	<u>(8,484,853)</u>	

Cultural Development Authority of King County
STATEMENT OF ACTIVITIES - Unposted Transactions Included In Report
From 1/1/2021 Through 8/31/2021

(In Whole Numbers)

	YTD Actual	YTD Budget	Variance	Variance%	Annual
Expenses					
Direct Program Expenses					
Public Art Capital Projects					
Art for Transit Project	0	493,480	493,480	100.00%	740,218
RapidRide H Line Signature Artwork	0	76,664	76,664	100.00%	115,000
RapidRide Limited Edition ORCA Cards	7,500	0	(7,500)	0.00%	0
SODO Track	3,513	81,128	77,615	95.67%	121,692
Transit Tunnel Interpretation	0	58,464	58,464	100.00%	87,700
KC Collection Stewardship	10,594	0	(10,594)	0.00%	0
Art for Parks Project	2,500	0	(2,500)	0.00%	0
East Lake Sammamish Trail	0	90,936	90,936	100.00%	136,400
Lake to Sound Trail Kit of Parts	0	1,569	1,569	100.00%	2,357
Eastrail Woodinville	18,125	146,664	128,539	87.64%	220,000
Picturing Trails	0	944	944	100.00%	1,419
South County RTS Permanent Artwork	100,000	360,000	260,000	72.22%	540,000
Brightwater Treatment System (ORIG. 42001)	0	87,281	87,281	100.00%	130,925
Station Master's Garden	0	273,336	273,336	100.00%	410,000
Seattle-Area CSO Art	0	42,368	42,368	100.00%	63,550
JamesonArcWeld Surface and Facade	0	116,664	116,664	100.00%	175,000
JamesonArcWeld Media Art	0	10,000	10,000	100.00%	15,000
WTD Projects TBD	0	433,336	433,336	100.00%	650,000
Stormwater Artist Residency	0	4,264	4,264	100.00%	6,396
Rain Gardens Projects	0	16,664	16,664	100.00%	25,000
Public Art Direct Pooled	12,950	0	(12,950)	0.00%	0
Airport Art	300	0	(300)	0.00%	0
Airport 2D Fence Art	0	30,384	30,384	100.00%	45,574
Airport Coast Salish Artwork	20,000	0	(20,000)	0.00%	0
TK Artwork	0	45,463	45,463	100.00%	68,191
Children and Family Justice Center	0	242,240	242,240	100.00%	363,358
CFJC Alder Connection Entry	0	160,000	160,000	100.00%	240,000
Public Defender's Office Murals	12,322	0	(12,322)	0.00%	0
Art for HMC	2,500	0	(2,500)	0.00%	0
HMC Bond Program_IEB Exterior	0	119,537	119,537	100.00%	179,309
Consulting (Misc)	0	10,000	10,000	100.00%	15,000
citizenM-OSIB Seattle Pioneer Sq Prop LLC	6,225	0	(6,225)	0.00%	0
Total Public Art Capital Projects	<u>196,529</u>	<u>2,901,386</u>	<u>2,704,857</u>	<u>93.23%</u>	<u>4,352,089</u>
Total Direct Program Expenses	196,529	2,901,386	2,704,857	93.23%	4,352,089
Total Expenses	<u>196,529</u>	<u>2,901,386</u>	<u>2,704,857</u>	<u>93.23%</u>	<u>4,352,089</u>

Cultural Development Authority of King County
Balance Sheet
As of 8/31/2021

(In Whole Numbers)

	General Fund	Lodging Tax Special Revenue	1% for Art Special Revenue	Cultural Special Account	Total
ASSETS					
Current Assets					
Cash - Checking/Money Mkt	316,527	438,900	51,915	366,449	1,173,791
Cash - Local Govt Investment Pool	4,598,993	2,259,978	15,683,517	4,842,462	27,384,949
Investments	0	0	0	0	0
Due from KC	0	0	0	2,475,640	2,475,640
Other current assets	<u>16,162</u>	<u>43,061</u>	<u>6,447</u>	<u>0</u>	<u>65,669</u>
Total Current Assets	4,931,681	2,741,939	15,741,879	7,684,552	31,100,050
Noncurrent Assets					
Leasehold Improvements	269,477	(8,016)	(1,941)	0	259,520
Other noncurrent assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Noncurrent Assets	<u>269,477</u>	<u>(8,016)</u>	<u>(1,941)</u>	<u>0</u>	<u>259,520</u>
Total ASSETS	<u>5,201,158</u>	<u>2,733,923</u>	<u>15,739,938</u>	<u>7,684,552</u>	<u>31,359,570</u>
LIABILITIES					
Current Liabilities					
Accounts Payable	17,984	95,792	13,538	0	127,314
P/R and other accrued liabilities	151,322	286,347	54,677	0	492,345
Commitments - Contracts	2,506,923	4,386,769	512,082	0	7,405,774
Commitments - Awards	1,309,400	408,932	0	0	1,718,332
Other liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Current Liabilities	3,985,629	5,177,839	580,297	0	9,743,765
Noncurrent Liabilities					
Advances from KC for B4E	7,289,749	0	0	0	7,289,749
Bond debt from KC	<u>2,409,018</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,409,018</u>
Total Noncurrent Liabilities	<u>9,698,767</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,698,767</u>
Total LIABILITIES	<u>13,684,396</u>	<u>5,177,839</u>	<u>580,297</u>	<u>0</u>	<u>19,442,532</u>
NET ASSETS					
Restricted - Programs	(6,074,219)	(2,443,917)	15,159,641	7,684,552	14,326,057
Unrestricted	<u>(2,409,018)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2,409,018)</u>
Total NET ASSETS	<u>(8,483,237)</u>	<u>(2,443,917)</u>	<u>15,159,641</u>	<u>7,684,552</u>	<u>11,917,039</u>

Cultural Development Authority of King County
STATEMENT OF ACTIVITIES
From 1/1/2021 Through 8/31/2021

(In Whole Numbers)

	General Fund	Lodging Tax Special Revenue	1% for Art Special Revenue	Cultural Special Account	Total
Revenues					
King County					
LodgingTax Receipts	0	0	0	2,475,640	2,475,640
Public Art	0	0	4,793,157	0	4,793,157
Public Art Construction Credit	0	0	269,769	0	269,769
Building for Culture Program	0	0	0	0	0
Pass-Thru Grants	0	0	0	0	0
Misc Appropriations	1,131,109	0	0	0	1,131,109
Property Sale Proceeds	0	0	0	0	0
Recapture Pre-2003 awards	0	0	0	0	0
Collection Stewardship	289,100	0	0	0	289,100
In-Kind Contribution	0	0	0	0	0
Other	0	0	0	0	0
Total King County	1,420,209	0	5,062,926	2,475,640	8,958,775
Investment Earnings					
Interest Income	2,925	4,292	10,676	7,444	25,337
Gains(Losses) on Investments	0	0	0	(3,656)	(3,656)
Fees	0	0	0	0	0
Total Investment Earnings	2,925	4,292	10,676	3,788	21,681
Other					
Fees for Service	0	0	0	0	0
Grants	0	0	0	0	0
Other	775	0	0	0	775
Total Other	775	0	0	0	775
Total Revenues	<u>1,423,909</u>	<u>4,292</u>	<u>5,073,602</u>	<u>2,479,428</u>	<u>8,981,231</u>
Expenses					
Direct Program Expenses					
Special Account/Lodging Tax Awards	0	2,733,426	0	0	2,733,426
Building for Culture Program	(10,659)	0	0	0	(10,659)
Building for Equity	1,114,542	0	0	0	1,114,542
Preservation Action Fund	0	0	0	0	0
Pass-Through Grants	0	0	0	0	0
Cultural Relief Fund	(11,314)	0	0	0	(11,314)
Property Sale Proceeds Use	0	0	0	0	0
Hetitage Barn Awards	0	0	0	0	0
Public Art Capital Projects	16,819	0	179,710	0	196,529
Other Direct Program Expenses	133,123	0	128,742	0	261,866
Bond Interest - original bonds	0	550	0	0	550
Bond Interest - new bonds	50,344	0	0	0	50,344
Interest Expense - KC Advances for Building for Equity	29,333	0	0	0	29,333
Acquisition of Bond Debt	0	0	0	0	0
Direct Program Allocation	0	0	0	0	0
Total Direct Program Expenses	1,322,188	2,733,976	308,452	0	4,364,617
Personnel					
Salaries & Wages	490,228	998,949	188,321	0	1,677,498
Taxes & Benefits	183,689	387,834	66,085	0	637,608
Payroll Allocation - Programmatic	0	0	0	0	0
Total Personnel	673,916	1,386,783	254,406	0	2,315,105
Operating					
Occupancy	35,763	81,587	19,666	0	137,015
Information Technology	11,881	48,638	14,167	0	74,685
Capital Outlay	3,163	7,324	1,776	0	12,262
Depreciation & Amortization	3,526	8,016	1,941	0	13,483
Office Equipment & Supplies	6,338	4,664	1,469	0	12,471
Professional Fees - Audit/Accounting	50,142	0	0	0	50,142
Professional Fees - Legal	23,448	10,015	2,030	0	35,493
Professional Fees - Consulting	26,120	3,300	0	0	29,420
Professional Fees - Design/Other	2,400	9,829	0	0	12,229
Marketing/Outreach	0	12,302	0	0	12,302
Printing	133	0	0	0	133
Panels & Honoraria	47,460	11,345	0	0	58,805
Travel, Meetings & Events, Training	4,228	2,782	403	0	7,413
Insurance	1,695	7,271	1,676	0	10,642
Postage & Shipping	232	1,093	174	0	1,499
Dues, Fees & Licenses	1,196	1,532	435	0	3,163
Operating Exp Allocation - Programmatic	0	0	0	0	0
Total Operating	217,725	209,697	43,736	0	471,159
Total Expenses	<u>2,213,830</u>	<u>4,330,457</u>	<u>606,594</u>	<u>0</u>	<u>7,150,881</u>
Transfers (In)/Out					
Interfund Transfers					
Transfer 40% of Lodging Taxes to Special Account	0	0	0	0	0
Reimburse General Fund for Mgmt & General	(392,238)	313,790	78,448	0	0
Transfer Revenues	0	0	0	0	0
Other interfund transfers	0	0	0	0	0
Total Interfund Transfers	(392,238)	313,790	78,448	0	0
Intrafund Transfers					
Misc intrafund transfers	0	0	0	0	0
Total Intrafund Transfers	0	0	0	0	0
Total Transfers (In)/Out	<u>(392,238)</u>	<u>313,790</u>	<u>78,448</u>	<u>0</u>	<u>0</u>
Increase (Decrease) in Net Assets	<u>(397,683)</u>	<u>(4,639,955)</u>	<u>4,388,561</u>	<u>2,479,428</u>	<u>1,830,350</u>
Beginning Net Assets	<u>(8,085,554)</u>	<u>2,196,039</u>	<u>10,771,080</u>	<u>5,205,124</u>	<u>10,086,688</u>
Ending Net Assets	<u>(8,483,237)</u>	<u>(2,443,917)</u>	<u>15,159,641</u>	<u>7,684,552</u>	<u>11,917,039</u>

Cultural Development Authority of King County
STATEMENT OF ACTIVITIES
From 1/1/2021 Through 8/31/2021

(In Whole Numbers)

	Cultural Programs	Public Art Programs	Mgmt & Gen'l Supporting	Total
Revenues				
King County				
LodgingTax Receipts	2,475,640	0	0	2,475,640
Public Art	0	4,793,157	0	4,793,157
Public Art Construction Credit	0	269,769	0	269,769
Building for Culture Program	0	0	0	0
Pass-Thru Grants	0	0	0	0
Misc Appropriations	1,131,109	0	0	1,131,109
Property Sale Proceeds	0	0	0	0
Recapture Pre-2003 awards	0	0	0	0
Collection Stewardship	0	289,100	0	289,100
In-Kind Contribution	0	0	0	0
Other	0	0	0	0
Total King County	3,606,749	5,352,026	0	8,958,775
Investment Earnings				
Interest Income	14,661	10,676	0	25,337
Gains(Losses) on Investments	(3,656)	0	0	(3,656)
Fees	0	0	0	0
Total Investment Earnings	11,005	10,676	0	21,681
Other				
Fees for Service	0	0	0	0
Grants	0	0	0	0
Other	775	0	0	775
Total Other	775	0	0	775
Total Revenues	<u>3,618,529</u>	<u>5,362,702</u>	<u>0</u>	<u>8,981,231</u>
Expenses				
Direct Program Expenses				
Special Account/Lodging Tax Awards	2,733,426	0	0	2,733,426
Building for Culture Program	(10,659)	0	0	(10,659)
Building for Equity	1,114,542	0	0	1,114,542
Preservation Action Fund	0	0	0	0
Pass-Through Grants	0	0	0	0
Cultural Relief Fund	(11,314)	0	0	(11,314)
Property Sale Proceeds Use	0	0	0	0
Hetitage Barn Awards	0	0	0	0
Public Art Capital Projects	0	196,529	0	196,529
Other Direct Program Expenses	114,485	146,781	600	261,866
Bond Interest - original bonds	550	0	0	550
Bond Interest - new bonds	50,344	0	0	50,344
Interest Expense - KC Advances for Building for Equity	29,333	0	0	29,333
Acquisition of Bond Debt	0	0	0	0
Direct Program Allocation	0	0	0	0
Total Direct Program Expenses	4,020,707	343,309	600	4,364,617
Personnel				
Salaries & Wages	1,165,439	272,457	239,602	1,677,498
Taxes & Benefits	439,320	103,460	94,827	637,608
Payroll Allocation - Programmatic	0	0	0	0
Total Personnel	1,604,759	375,918	334,429	2,315,105
Operating				
Occupancy	98,027	21,850	17,139	137,015
Information Technology	48,653	15,858	10,175	74,685
Capital Outlay	8,743	1,973	1,546	12,262
Depreciation & Amortization	9,632	2,157	1,694	13,483
Office Equipment & Supplies	5,051	2,165	5,254	12,471
Professional Fees - Audit/Accounting	0	0	50,142	50,142
Professional Fees - Legal	16,315	2,030	17,148	35,493
Professional Fees - Consulting	29,420	0	0	29,420
Professional Fees - Design/Other	12,229	0	0	12,229
Marketing/Outreach	12,302	0	0	12,302
Printing	133	0	0	133
Panels & Honoraria	58,655	0	150	58,805
Travel, Meetings & Events, Training	3,803	2,399	1,211	7,413
Insurance	7,271	1,862	1,509	10,642
Postage & Shipping	1,102	194	203	1,499
Dues, Fees & Licenses	1,544	609	1,011	3,163
Operating Exp Allocation - Programmatic	0	0	0	0
Total Operating	312,880	51,096	107,182	471,159
Total Expenses	<u>5,938,347</u>	<u>770,323</u>	<u>442,211</u>	<u>7,150,881</u>
Transfers (In)/Out				
Interfund Transfers				
Transfer 40% of Lodging Taxes to Special Account	0	0	0	0
Reimburse General Fund for Mgmt & General	313,790	78,448	(392,238)	0
Transfer Revenues	0	0	0	0
Other interfund transfers	0	0	0	0
Total Interfund Transfers	313,790	78,448	(392,238)	0
Intrafund Transfers				
Misc intrafund transfers	(2,500)	2,500	0	0
Total Intrafund Transfers	(2,500)	2,500	0	0
Total Transfers (In)/Out	<u>311,290</u>	<u>80,948</u>	<u>(392,238)</u>	<u>0</u>
Increase (Decrease) in Net Assets	<u>(2,631,108)</u>	<u>4,511,431</u>	<u>(49,973)</u>	<u>1,830,350</u>
Beginning Net Assets	<u>(768,032)</u>	<u>10,853,240</u>	<u>1,480</u>	<u>10,086,688</u>
Ending Net Assets	<u>(3,399,140)</u>	<u>15,364,671</u>	<u>(48,493)</u>	<u>11,917,039</u>