

**NORTH SHORE ARTS ASSOCIATION
Annual Meeting of the Membership
August 27, 2023**

FINANCE COMMITTEE REPORT

My first initiative as the new Chair of the Finance Committee was to perform an evaluation of our current financial condition so as to ensure there are no significant issues that must be addressed. Based on an analysis of the trend in our financial performance from 2015 to 2022, I'm pleased to report that we are in a solid financial position. I have summarized my overall impressions below:

- Our financial results have been strong as our operating revenues have been sufficient to cover our operating expenses, minimizing any dependency on fundraising to support our overhead costs. Based on my experience with not-for-profit organizations, this is unusual and commendable.
- In addition, our balance sheet is strong with significant net assets and virtually no liabilities. The only potential issue is that we need to invest more in the building improvements necessary to maintain and improve our historic facility. We are in the process of developing a ten-year capital plan, which will be a key component of a long-range financial plan.

With respect the current fiscal year, NSAA sustained a modest loss from operations of \$5,428 for the six months ended June 30, 2023 due in large part to repair and maintenance expenses associated with the much-needed painting and regrading projects.

The balance of our unrestricted funds, a key financial indicator, was \$320,972 as of June 30, 2023 as compared to \$358,531 at the beginning of the fiscal year. The decrease of \$37,559 was due to the new deck (charged to the balance sheet), painting and regrading projects. It should be noted, however, that the recently approved Mass Cultural Council grant will partially restore the expended funds.

In short, NSAA has established a solid foundation upon which to advance our mission and support our strategic priorities.

Respectfully submitted,

Roger Levine
Chair, Finance Committee