



haa houston arts alliance

ANNUAL REPORT

FY17: July 2016 - December 2017



# Table of Contents

Who We Are	Page 1
Letter from the Organization	Page 2
Annual Audit FY16 and FY17	Page 3-26
Annual Audit for six months ending December 31, 2017* (Annual audits include list of grantees)	Page 27-45
FY17 List of Civic Art Activities	Page 46-48

\*This stub year was used to change our fiscal year to a calendar year

# Who We Are

Houston Arts Alliance (HAA) is the city’s local arts and culture agency. We invest in Houston as a place to visit, live, work, honor and create through grants made to city arts organizations and artists. Part of our mission is to commission, conserve, and promote public art, and to enliven public spaces on behalf of the City of Houston. Ultimately, HAA works to improve the quality of life for Houstonians and visitors alike, while advancing Houston as a premier arts and culture destination.

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- |                                   |                         |
|-----------------------------------|-------------------------|
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- |                                 |                         |
|---------------------------------|-------------------------|
| David Wuthrich, <i>Chairman</i> | Donald J. Henderson     |
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| Laura D. Bellows                | Anne Lamkin Kinder      |
| Leslie D. Blanton               | David LaDuca            |
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| Michael J. Cordúa               | Transier                |
| Joseph C. Dilg                  | Phoebe Tudor            |
| Lily & Charles Foster           | Margaret Alkek Williams |
| Jo & Jim Furr                   | Ed Wulfe                |

**Staff** John Abodeely | Stacey Keene | Sara Kellner | Caroline Docwra | Lauren Hainley  
 Araceli Huffman | Alex Irrera | Joseph Killam | Mat Kubo | Mary Shropshire |  
 Deidre Thomas

**Key Supporters** City of Houston, Southwest Airlines, Rebuild Texas Fund, Performing Arts Readiness

\*Mayoral Appointee

\*\*Mayor’s Designee

## Letter from the Organization

This year was one of change for the Houston Arts Alliance.

In FY17, in tandem with the Mayor's Office of Cultural Affairs and with guidance from expert consultants, the Alliance executed a series of community input surveys, focus groups, and one-on-one interviews with the goal of creating a better set of grants programs. As a result of this process, aligned to the Mayor's Arts and Culture Plan, HAA has dedicated more grant funds to artists and arts organizations than ever before. These competitive grants support about 250 artists and arts organizations in the City of Houston.

In addition, after a nationwide search, a new CEO was selected, completing a roughly year-long leadership transition. This transition is part of a suite of changes that has resulted in a leaner, more responsive, and constantly learning organization with stronger ties to the visitors, residents, artists and nonprofits of Houston.

The Alliance has also worked with the City of Houston to decrease the cost of completing public art projects throughout Houston, resulting in greater funding for public artists working our airports, libraries, parks, and public spaces.

We thank our many friends, partners, and sponsors for making this year a success and impacting the quality of life for Houstonians and visitors.

Sincerely,



Philamena Baird  
Chairman of the Board



John Abodeely  
Chief Executive Officer

**Houston Arts Alliance**  
**Financial Statements**  
**and Independent Auditors' Report**  
**for the years ended June 30, 2017 and 2016**

# Houston Arts Alliance

## Table of Contents

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	Page
<b>Independent Auditors' Report</b>	1
<b>Financial Statements:</b>	
Statements of Financial Position as of June 30, 2017 and 2016	3
Statement of Activities for the year ended June 30, 2017	4
Statement of Activities for the year ended June 30, 2016	5
Statement of Functional Expenses for the year ended June 30, 2017	6
Statement of Functional Expenses for the year ended June 30, 2016	7
Statements of Cash Flows for the years ended June 30, 2017 and 2016	8
Notes to Financial Statements for the years ended June 30, 2017 and 2016	9
<b>Supplementary Information:</b>	
Supplemental Schedule of Grants to Organizations and Individuals for the year ended June 30, 2017	16

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## Independent Auditors' Report

To the Board of Directors of  
Houston Arts Alliance:

We have audited the accompanying financial statements of Houston Arts Alliance, which comprise the statements of financial position as of June 30, 2017 and 2016 and the related statements of activities, of functional expenses, and of cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform our audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Houston Arts Alliance as of June 30, 2017 and 2016 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. Supplementary information in the supplemental schedule of grants to organizations and individuals for the year ended June 30, 2017 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 our 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 our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Blazek & Vetterling*

October 2, 2017



## Houston Arts Alliance

Statements of Financial Position as of June 30, 2017 and 2016

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	<u>2017</u>	<u>2016</u>
ASSETS		
Cash	\$ 1,042,215	\$ 283,146
Receivables:		
City of Houston contracts ( <i>Note 2</i> )	1,850,655	2,269,340
Pledges receivable	100,000	576,000
Other	3,547	9,127
Investments ( <i>Note 3</i> )	1,981,022	2,302,882
Prepaid expenses and other assets	19,293	28,807
Property and equipment, net ( <i>Note 4</i> )	<u>43,938</u>	<u>101,390</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 5,040,670</u></b>	<b><u>\$ 5,570,692</u></b>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 288,663	\$ 727,065
Deferred revenue	42,300	20,000
Grants payable	<u>1,353,125</u>	<u>1,627,581</u>
Total liabilities	<u>1,684,088</u>	<u>2,374,646</u>
Net assets:		
Unrestricted ( <i>Note 5</i> )	1,310,004	1,477,751
Temporarily restricted ( <i>Note 6</i> )	<u>2,046,578</u>	<u>1,718,295</u>
Total net assets	<u>3,356,582</u>	<u>3,196,046</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 5,040,670</u></b>	<b><u>\$ 5,570,692</u></b>

*See accompanying notes to financial statements.*

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## Houston Arts Alliance

Statement of Activities for the year ended June 30, 2017

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
REVENUE:			
Contributions:			
City of Houston ( <i>Note 2</i> )		\$ 6,608,868	\$ 6,608,868
Federal, state, and county grants		80,000	80,000
Other contributions	\$ 43,792	54,080	97,872
Civic art and design contracts – City of Houston ( <i>Note 2</i> )	2,155,348		2,155,348
Special events	282,028		282,028
Direct donor benefits	(129,010)		(129,010)
Grant reversions		21,164	21,164
Investment return ( <i>Note 3</i> )	493		493
Total revenue	<u>2,352,651</u>	<u>6,764,112</u>	<u>9,116,763</u>
Net assets released from restrictions:			
Grant expenditures	4,102,362	(4,102,362)	
Other program expenditures	<u>2,333,467</u>	<u>(2,333,467)</u>	
Total	<u>8,788,480</u>	<u>328,283</u>	<u>9,116,763</u>
EXPENSES:			
Program services:			
Grants and grant administration	4,493,784		4,493,784
Civic art and design	2,223,342		2,223,342
Management assistance and services	622,627		622,627
Folklife and traditional arts	282,068		282,068
Arts advancement	<u>103,730</u>		<u>103,730</u>
Total program services	7,725,551		7,725,551
Management and general	820,514		820,514
Fundraising	<u>410,162</u>		<u>410,162</u>
Total expenses	<u>8,956,227</u>		<u>8,956,227</u>
CHANGES IN NET ASSETS	(167,747)	328,283	160,536
Net assets, beginning of year	<u>1,477,751</u>	<u>1,718,295</u>	<u>3,196,046</u>
Net assets, end of year	<u>\$ 1,310,004</u>	<u>\$ 2,046,578</u>	<u>\$ 3,356,582</u>

*See accompanying notes to financial statements.*

# Houston Arts Alliance

Statement of Activities for the year ended June 30, 2016

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	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
<b>REVENUE:</b>			
<b>Contributions:</b>			
City of Houston ( <i>Note 2</i> )		\$ 6,351,254	\$ 6,351,254
Federal, state, and county grants		185,000	185,000
Other contributions	\$ 84,035	1,072,534	1,156,569
Civic art and design contracts – City of Houston ( <i>Note 2</i> )	4,322,790		4,322,790
Special events	214,837		214,837
Direct donor benefits	(87,795)		(87,795)
Grant reversions		28,000	28,000
Investment return ( <i>Note 3</i> )	<u>63,670</u>		<u>63,670</u>
Total revenue	4,597,537	7,636,788	12,234,325
<b>Net assets released from restrictions:</b>			
Grant expenditures	4,599,417	(4,599,417)	
Other program expenditures	<u>3,488,372</u>	<u>(3,488,372)</u>	
Total	<u>12,685,326</u>	<u>(451,001)</u>	<u>12,234,325</u>
<b>EXPENSES:</b>			
<b>Program services:</b>			
Grants and grant administration	4,890,351		4,890,351
Civic art and design	4,404,709		4,404,709
Management assistance and services	541,877		541,877
Folklife and traditional arts	317,972		317,972
Arts advancement	<u>381,409</u>		<u>381,409</u>
Total program services	10,536,318		10,536,318
Management and general	745,481		745,481
Fundraising	<u>344,553</u>		<u>344,553</u>
Total expenses	<u>11,626,352</u>		<u>11,626,352</u>
<b>CHANGES IN NET ASSETS</b>	1,058,974	(451,001)	607,973
Net assets, beginning of year	<u>418,777</u>	<u>2,169,296</u>	<u>2,588,073</u>
Net assets, end of year	<u>\$ 1,477,751</u>	<u>\$ 1,718,295</u>	<u>\$ 3,196,046</u>

*See accompanying notes to financial statements.*

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## Houston Arts Alliance

### Statement of Functional Expenses for the year ended June 30, 2017

	GRANTS AND GRANT ADMINISTRATION	CIVIC ART AND DESIGN	MANAGEMENT ASSISTANCE AND SERVICES	FOLKLIFE AND TRADITIONAL ARTS	ARTS ADVANCEMENT	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Grants to organizations and individuals	\$ 3,990,612		\$ 111,750					\$ 4,102,362
Artist fees and services		\$ 1,843,948						1,843,948
Salaries and related expenses	378,195	303,890	180,767	\$ 233,743	\$ 64,722	\$ 410,313	\$ 309,752	1,881,382
Professional fees	36,670	9,965	275,180	14,341	13,686	199,213	35,736	584,791
Rent and utilities	29,575	29,237	31,411	15,260	4,659	33,898	21,679	165,719
Supplies and materials	23,841	14,588	8,886	7,521	2,344	27,407	9,026	93,613
Conferences, meetings and panels	8,612	8,475	4,534	3,687	836	54,495	4,510	85,149
Depreciation						57,453		57,453
Dues and subscriptions	13,268	340	1,500	722	81	13,224	17,058	46,193
Insurance	4,117	4,098	3,016	2,191	99	4,852	3,405	21,778
Equipment rent and maintenance	3,518	3,367	2,518	1,825	553	4,145	2,569	18,495
Telephone	3,256	3,266	2,230	1,659	508	4,521	2,337	17,777
Postage	223	253	121	91	1,176	521	183	2,568
Advertising							2,379	2,379
Other	1,897	1,915	714	1,028	15,066	10,472	1,528	32,620
Total expenses	<u>\$ 4,493,784</u>	<u>\$ 2,223,342</u>	<u>\$ 622,627</u>	<u>\$ 282,068</u>	<u>\$ 103,730</u>	<u>\$ 820,514</u>	<u>\$ 410,162</u>	<u>\$ 8,956,227</u>

*See accompanying notes to financial statements.*

## Houston Arts Alliance

### Statement of Functional Expenses for the year ended June 30, 2016

	GRANTS AND GRANT ADMINISTRATION	CIVIC ART AND DESIGN	MANAGEMENT ASSISTANCE AND SERVICES	FOLKLIFE AND TRADITIONAL ARTS	ARTS ADVANCEMENT	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Grants to organizations and individuals	\$ 4,406,917		\$ 192,500					\$ 4,599,417
Artist fees and services		\$ 3,855,670						3,855,670
Salaries and related expenses	367,930	436,625	244,719	\$ 248,688	\$ 113,705	\$ 435,021	\$ 257,373	2,104,061
Professional fees	7,464	20,480	9,816	4,124	91,425	70,560	1,667	205,536
Rent and utilities	28,726	34,242	27,112	14,383	21,613	32,962	4,892	163,930
Supplies and materials	17,155	15,094	7,091	5,982	8,806	16,765	31,463	102,356
Conferences, meetings and panels	23,736	16,424	34,797	26,476	94,508	38,102	1,850	235,893
Depreciation						68,239		68,239
Dues and subscriptions	22,629	1,390	14,038	334	29,720	13,927	1,056	83,094
Insurance	4,304	5,069	2,450	2,440	2,994	4,644	663	22,564
Equipment rent and maintenance	4,007	4,722	2,271	1,921	2,819	5,536	617	21,893
Telephone	5,555	6,498	3,302	2,562	3,957	6,690	865	29,429
Postage	363	459	207	123	253	665	3,541	5,611
Advertising		6,157	2,849	10,216	10,247	29,845	4,385	63,699
Other	1,565	1,879	725	723	1,362	22,525	36,181	64,960
Total expenses	<u>\$ 4,890,351</u>	<u>\$ 4,404,709</u>	<u>\$ 541,877</u>	<u>\$ 317,972</u>	<u>\$ 381,409</u>	<u>\$ 745,481</u>	<u>\$ 344,553</u>	<u>\$11,626,352</u>

*See accompanying notes to financial statements.*

## Houston Arts Alliance

### Statements of Cash Flows for the years ended June 30, 2017 and 2016

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	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Changes in net assets	\$ 160,536	\$ 607,973
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	57,452	68,239
Net realized and unrealized (gain) loss on investments	37,361	(26,168)
Changes in operating assets and liabilities:		
Receivables	900,265	(837,898)
Prepaid expenses and other assets	9,514	(1,353)
Accounts payable and accrued expenses	(438,402)	390,573
Deferred revenue	22,300	20,000
Grants payable	<u>(274,456)</u>	<u>279,251</u>
Net cash provided by operating activities	<u>474,570</u>	<u>500,617</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of investments	(555,147)	(736,262)
Sales of investments	560,767	637,792
Net change in money market mutual funds held as investments	<u>278,879</u>	<u>(320,932)</u>
Net cash provided (used) by investing activities	<u>284,499</u>	<u>(419,402)</u>
<b>NET CHANGE IN CASH</b>	<b>759,069</b>	<b>81,215</b>
Cash, beginning of year	<u>283,146</u>	<u>201,931</u>
Cash, end of year	<u>\$ 1,042,215</u>	<u>\$ 283,146</u>

*See accompanying notes to financial statements.*

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## Houston Arts Alliance

Notes to Financial Statements for the years ended June 30, 2017 and 2016

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### NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization – Houston Arts Alliance (the Alliance) is a Texas nonprofit corporation established to promote, encourage and sustain the development of arts and culture in Houston and Harris County, serving the diverse communities and visitors to the region. Revenue is derived primarily from contracts with the City of Houston (the City) from a portion of the City’s hotel occupancy tax receipts (HOT Funds) and civic art and design contracts.

The Alliance’s programs include:

- *Grants* – Grants are a fundamental means of promoting excellence in the creative sector. On behalf of the City of Houston, the Alliance awards approximately 225 grants annually to nonprofit arts and cultural organizations and individual artists through a competitive grant allocation process. As most of the Alliance’s funding comes from the City Hotel Occupancy Tax (HOT), grants are awarded for the encouragement, improvement, and application of arts and culture to promote Houston as a cultural destination. Grants are available for all artistic disciplines, including music, theater, dance, visual arts, cinema, literary arts, folk arts, and contemporary photography plus cultural centers, heritage associations, and festivals.

The majority of our grants are specific to §501(c)3 nonprofit arts and cultural organizations, although small grants are available to other nonprofits that present or produce arts programs or events in the Alliance’s service area, consistent with the promotion and enhancement of Houston and Harris County as a cultural destination. In addition, the Alliance invests in capacity building for arts organizations that aspire to grow, providing knowledge and organizational development through best practices and mentorship.

The Alliance also provides grants to individual artists seeking support for the development and presentation of new artistic works, which in turn advances Houston's reputation as a vibrant creative hub and a destination for cultural tourism.

Applications for these grants are reviewed by external peer review panels, comprised of inclusive groups of artists, arts administrators, finance professionals, business people, community volunteers and others, selected for their expertise and objectivity and reflective of the diversity of our community.

- *Civic art and design* – The Civic Art + Design Program (Civic Art) responds to the opportunities and challenges to build the City’s civic art canvas and maintain the treasures and legacies in the Civic Art collection. The Alliance works with the City staff to recommend the most appropriate locations for use of Civic Art monies. The Alliance manages the artist selection process and acts as project manager from commission through completion of new works of art. The Alliance works on behalf of the City to manage conservation of artworks throughout the City, utilizing national standards in conservation and contracting professionally licensed conservators. Civic Art serves as a community resource and works on a consulting basis, with both public and private sector entities. The Alliance is committed to expanding the conversation about the vision for civic art in the City.

- *Management assistance and services* – The Program & Services Department (P&S) of the Alliance provides year-round relevant programming that assists arts organizations and individual artists in being effective stewards of their resources. As the Alliance provides voice and leadership through its support of arts organizations and individual artists with programs and services that help build and foster a vibrant and creative community, P&S helps sustain and ensure that the creative contribution by arts professionals remains a vital part of community life across the City and the region. This includes the Capacity Building Initiative (pre-incubator, resident incubator, Accelerator and Sustainability programs); the Arts & Business Council (Board Leadership, Financial Literacy and Business Volunteers for the Arts (BVA) programs); and the Arts Database Management Program (ADMP). The mission of the Capacity Building Initiative and Arts & Business Council is to build the organizational capacity of multicultural, small and mid-sized arts organizations in the City, facilitating their artistic growth and strengthening their diverse cultural expression in the community.
- *Arts advancement* – As the City’s designated local arts and culture agency, the Alliance invests in Houston as a place to visit, live, work, honor, and create. The Alliance advances the arts and culture field through research and frequent convenings, the promotion of cultural tourism initiatives, and endeavoring to expand the overall creative economy. Ultimately, the Alliance works to improve the quality of life for Houstonians and visitors alike, while promoting Houston as a premier arts and culture destination.

Communication with the field is key to advancing arts and culture, and the Alliance website ([houstonartsalliance.com](http://houstonartsalliance.com)) is the cornerstone of communications for the agency. The Alliance keeps the local arts and culture community abreast of grant and commission opportunities, professional development and capacity building workshops, and many other programs on a local, regional, and national level through its twice-monthly *Creative Pipeline*, an eNewsletter. The monthly *HAA eReport* informs the general public of the work of the Alliance. Through robust social media engagement, the Houston Arts Blog, marketing and media relations, the Alliance provides information on local public art developments, its Folklife program, grants, capacity building, civic engagement, Houston’s creative economy, and trends in arts and culture. The Alliance also manages [Artshound.com](http://Artshound.com), a comprehensive, online arts and culture calendar, as a service to the 12-county region. Furthermore, the Alliance advances arts and culture locally while supporting cultural tourism with its presence at the annual art fairs, Theater District Open House, and other citywide events, as well as maintaining an online public art map and commercial gallery guide.

Federal income tax status – The Alliance is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code and is classified as a public charity under §170(b)(1)(A)(vi).

Segregated cash – Amounts received under the City contract are required to be maintained in separate accounts until expended. At June 30, 2017 and 2016, \$1,969,848 and \$1,597,230, respectively, were maintained in segregated cash and investment accounts.

Pledges receivable that are expected to be collected within one year are reported at net realizable value. Amounts expected to be collected in more than one year are discounted, if material, to estimate the present value of future cash flows. All pledges receivable at June 30, 2017 are due within one year.

Property and equipment is reported at cost, if purchased, or at fair value at the date of gift, if donated. The Alliance capitalizes items with a value of \$1,000 or more and a useful life of more than one year. Depreciation is calculated using the straight-line method over estimated useful lives of 3 to 7 years.



Net asset classification – Contributions and the related net assets are classified based on the existence or absence of donor-imposed restrictions, as follows:

- *Unrestricted net assets* include those net assets whose use is not restricted by donor-imposed stipulations, even though their use may be limited in other respects, such as by contract or board designation.
- *Temporarily restricted net assets* include contributions restricted by the donor for specific purposes or time periods. When a purpose restriction is accomplished or a time restriction ends, temporarily restricted net assets are released to unrestricted net assets.

Contributions are recognized as revenue at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are classified as restricted support.

Non-cash contributions – Donated materials and use of facilities are recognized at fair value as contributions when an unconditional commitment is received from the donor. The related expense is recognized as the item is used. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Civic art and design contracts are recognized as revenue when the services are provided. Amounts received in advance are reported as deferred revenue.

Grants made are recognized as expense at estimated fair value when the Alliance approves an unconditional commitment to a recipient. Commitments made but not yet funded are reported as grants payable. At June 30, 2017, all grants payable are expected to be paid within one year.

Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts of reported revenue and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

Recent financial accounting pronouncements – In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The amendments in this ASU are the first phase of changes aimed at providing more useful information to users of not-for-profit financial statements. Under this ASU, net assets will be presented in two classes: *net assets with donor restrictions* and *net assets without donor restrictions* and underwater endowments will be grouped with *net assets with donor restrictions*. New or enhanced disclosures will be required about the nature and composition of net assets, and the liquidity and availability of resources for general operating expenditures within one year of the balance sheet date. Expenses will be required to be presented by both nature and function and investment return will be presented net of external and direct internal investment expenses. Absent explicit donor stipulations, restrictions on long-lived assets will expire when assets are placed in service. The ASU is effective for fiscal periods beginning after December 15, 2017, but early adoption is permitted. Adoption of this ASU will impact the presentation and disclosures of the financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. Under this ASU, a lessee should recognize in the statement of financial position a lease liability and a lease asset representing its right to use the underlying asset for the term of the lease for both finance and operating leases. An entity may make an accounting policy election not to recognize lease assets and lease liabilities for leases with a term of 12 months or less. Qualitative and quantitative disclosures are required to enable users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. The ASU is effective for fiscal periods beginning after December 15, 2019. The Alliance has not yet determined the impact adoption of this ASU will have on the financial statements.

## **NOTE 2 – CITY OF HOUSTON CONTRACTS**

The Alliance is party to a five-year contract with the City to promote tourism and the convention and hotel industry through a coordinated program that in cooperation with other arts, tourism and convention organizations will promote, develop, and publicize a full array of arts destinations, arts activities, and arts exhibitions and displays in order to enhance the City's image and reputation as an arts city and a destination for cultural tourism. Under the terms of the contract, the City distributes 19.3% of the HOT Funds it receives to support the arts. Amounts received by the Alliance are used as follows: 1) to provide grants to artists, artistic, cultural, or educational programs and activities, and other program expenses, 2) to fund administrative expenses, and 3) to support the City Initiatives program.

The Alliance also is party to a three-year contract with the City to provide professional civic art and conservation administration services to the City under the direction of the General Service Department (GSD) and to a separate annual contract with the City to provide these services to the Houston Airport System (HAS). Services performed under the GSD contract are provided pursuant to specific letters of authorization (LOA) that outline the scope of services and a not-to-exceed dollar amount that the Alliance may be awarded. Management fees are earned by the Alliance on the services performed under each LOA. Monthly collection management fees of \$3,500 are paid for ongoing conservation management services. Basic services performed under the HAS contract are covered by a \$12,750 management fee, plus reimbursable expenses. Additional services may be performed under this contract pursuant to specific LOA's that outline the scope of services and a not-to-exceed budget amount. The HAS contract expired in September 2015 and negotiations for a new contract are ongoing, but have not been executed as of the end of this fiscal year.

## **NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENTS**

Generally accepted accounting principles require that certain assets and liabilities be reported at fair value and establish a hierarchy that prioritizes inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The three levels of the fair value hierarchy are as follows:

- *Level 1* – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the reporting date.
- *Level 2* – Inputs are other than quoted prices included in Level 1, which are either directly observable or can be derived from or corroborated by observable market data at the reporting date.
- *Level 3* – Inputs are not observable and are based on the reporting entity's assumptions about the inputs market participants would use in pricing the asset or liability.

Assets measured at fair value at June 30, 2017 are as follows:

	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Investments:				
Corporate bonds		\$ 496,289		\$ 496,289
Money market mutual funds	\$ 477,693			477,693
U. S. Treasury notes and bonds		467,109		467,109
U. S. Government agency bonds		308,685		308,685
Intermediate term bond mutual fund	<u>231,246</u>			<u>231,246</u>
Total assets measured at fair value	<u>\$ 708,939</u>	<u>\$ 1,272,083</u>	<u>\$ 0</u>	<u>\$ 1,981,022</u>

Assets measured at fair value at June 30, 2016 are as follows:

	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Investments:				
Corporate bonds		\$ 501,295		\$ 501,295
Money market mutual funds	\$ 756,572			756,572
U. S. Treasury notes and bonds		635,293		635,293
U. S. Government agency bonds		252,030		252,030
Intermediate term bond mutual fund	<u>157,692</u>			<u>157,692</u>
Total assets measured at fair value	<u>\$ 914,264</u>	<u>\$ 1,388,618</u>	<u>\$ 0</u>	<u>\$ 2,302,882</u>

Valuation methods used for assets measured at fair value are as follows:

- *Corporate bonds, U. S. Treasury notes and bonds and U. S. Government agency bonds* are valued using prices obtained from active market makers and inter-dealer brokers on a daily basis.
- *Mutual funds* are valued at the reported net asset value.

These valuation methods may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Alliance believes its valuation methods are appropriate, the use of different methods or assumptions could result in a different fair value measurement at the reporting date.

Investments are exposed to various risks such as interest rate, market, and credit risks. Because of these risks, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position and statement of activities. The Board of Directors of the Alliance monitors the performance of the investment portfolio and, at the recommendation of the investment manager, may approve modifications to the targeted allocations.

Investment return includes earnings on cash and consists of the following:

	<u>2017</u>	<u>2016</u>
Interest and dividends	\$ 37,854	\$ 37,502
Net realized and unrealized gain (loss) on investments	<u>(37,361)</u>	<u>26,168</u>
Total investment return	<u>\$ 493</u>	<u>\$ 63,670</u>

**NOTE 4 – PROPERTY AND EQUIPMENT**

Property and equipment consists of the following:

	<u>2017</u>	<u>2016</u>
Furniture and equipment	\$ 496,157	\$ 496,157
Leasehold improvements	<u>284,061</u>	<u>284,061</u>
Total property and equipment, at cost	780,218	780,218
Accumulated depreciation	<u>(736,280)</u>	<u>(678,828)</u>
Property and equipment, net	<u>\$ 43,938</u>	<u>\$ 101,390</u>

**NOTE 5 – UNRESTRICTED NET ASSETS**

Unrestricted net assets consist of the following:

	<u>2017</u>	<u>2016</u>
Operating cash reserve	\$ 457,374	\$ 457,374
Civic art and design	62,328	497,273
Undesignated	<u>790,302</u>	<u>523,104</u>
Total unrestricted net assets	<u>\$ 1,310,004</u>	<u>\$ 1,477,751</u>

**NOTE 6 – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

	<u>2017</u>	<u>2016</u>
City Initiatives	\$ 629,046	\$ 531,161
HOT Funds grants	614,705	105,360
Capacity Building Initiative	523,891	662,439
Folklife program	237,651	363,721
Arts Marketing	35,030	55,614
Other	<u>6,255</u>	<u>          </u>
Total temporarily restricted net assets	<u>\$ 2,046,578</u>	<u>\$ 1,718,295</u>

**NOTE 7 – OPERATING LEASE**

Houston Arts Alliance leases office space under a non-cancelable lease. Future minimum lease commitments are as follows:

2018	\$ 146,404
2019	150,796
2020	155,320
2021	<u>105,597</u>
Total	<u>\$ 558,117</u>

Lease expense totaled \$165,707 in 2017 and \$161,610 in 2016.

#### **NOTE 8 – EMPLOYEE BENEFIT PLAN**

The Alliance maintains a §403(b) defined contribution retirement annuity plan (the Plan) for full-time employees employed for more than six months. Participants may contribute amounts subject to Internal Revenue Service limitations and the Alliance contributes a percentage of each employee's annual eligible compensation. The Alliance's contribution to the Plan totaled approximately \$88,000 in 2017 and \$79,000 in 2016.

#### **NOTE 9 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through October 2, 2017, which is the date that the financial statements were available for issuance. As a result of this evaluation, no events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.

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## Houston Arts Alliance

### Supplemental Schedule of Grants to Organizations and Individuals for the year ended June 30, 2017

#### APG Outreach:

Chinese Community Center	\$ 10,000
The Firestarter Group	10,000
Thunderclap Productions	4,650
Visual Arts Productions, Inc.	10,000
World Youth Foundation, Inc.	<u>10,000</u>

Total APG Outreach 44,650

#### Art Project Grants:

Aperio, Music of the Americas	10,000
Architecture Center Houston Foundation	10,000
ArtX NonProfits	10,000
BooTown	2,500
Chinese Community Center, Inc.	10,000
Colombian Folkloric Ballet	10,000
East End Foundation	10,000
Evelyn Rubenstein Jewish Community Center of Houston, Texas	10,000
Frame Dance Productions	10,000
Horse Head Theatre Company	10,000
Houston Palestine Film Festival	10,000
Italian Cultural & Community Center of Houston	10,000
Orissa Culture Center, Inc.	10,000
Periwinkle Foundation, The	10,000
Public Poetry	10,000
Savannah Blue Arts & Outreach	10,000
University of Houston-Clear Lake Art Gallery	10,000
WindSync	10,000
Workshop Houston	10,000
Writespace	<u>10,000</u>

Total Art Project Grants 192,500

#### General Operating Support Grants:

American Festival for the Arts	47,526
ARS Lyrica Houston	40,688
Art Colony Association, Inc.	61,328
Art League of Houston	42,637
Aurora Picture Show	29,200
Bach Society Houston	37,300
Bay Area Chorus	5,708
Bay Area Houston Ballet & Theatre	43,475
Bayou City Concert Musicals	8,339
Bayou City Performing Arts	11,498

(continued)

## Houston Arts Alliance

Supplemental Schedule of Grants to Organizations and Individuals  
for the year ended June 30, 2017

*(continued)*

Box 13 Artspace	7,382
Brilliant Lecture Series	22,516
CANTARE Houston	4,929
Catastrophic Theatre, The	41,095
Chamber Music Houston	38,321
City Ballet of Houston	11,683
Classical Theatre Company	16,627
Country Playhouse, Inc.	9,627
Czech Cultural and Community Center	17,849
Dance Houston	25,021
Dance Source Houston	22,018
Discovery Green Conservancy	74,999
Diverse Works, Inc.	51,855
Fotofest, Inc.	44,636
Foundation for Modern Music	10,795
Freneticore	13,598
Glasstire	27,287
Greater Houston Preservation Alliance, Inc.	34,559
Gulf Coast: A Journal of Literature and Fine Arts	14,136
Heritage Society, The	40,190
HITS Theatre	33,836
Hope Stone, Inc.	40,572
Houston Boychoir, Inc.	24,774
Houston Center for Contemporary Craft	35,523
Houston Center for Photography	61,475
Houston Chamber Choir	44,192
Houston Chapter, SPEBSQSA, Inc.	10,325
Houston Children's Chorus	38,347
Houston Cinema Arts Society	49,671
Houston Early Music	9,326
Houston Fire Museum	19,867
Houston International Dance Coalition	43,029
Houston International Film Festival, Inc.	16,587
Houston Metropolitan Dance Center, Inc.	39,099
Houston Swing Dance Society	57,402
Houston Young Artists Concert	3,406
Houston Youth Symphony & Ballet	47,866
Indian Film Festival of Houston, Inc.	4,430
Inprint, Inc.	45,220
Karen Stokes Dance	9,677
Kingwood Dance Theatre	11,931
Kingwood Pops Orchestra, The	5,704

*(continued)*

## Houston Arts Alliance

Supplemental Schedule of Grants to Organizations and Individuals  
for the year ended June 30, 2017

(continued)

Main Street Theater at Autry House	39,517
Mercury Baroque Ensemble	53,461
Mildred's Umbrella Theater Company	6,282
Museum of Printing History, The	18,201
Musiqqa	25,316
Nameless Sound	14,627
Noblemotion Dance	10,949
Opera in the Heights	60,203
Orange Show Center for Visionary Art, The	64,638
Revels Houston, Inc.	4,722
Rice Design Alliance	34,106
River Oaks Chamber Orchestra	65,625
Rothko Chapel	41,150
Russian Cultural Center "Our Texas"	13,778
Several Dancers Core	17,566
Southwest Alternate Media Project	16,125
Spacetaker	49,022
Stages Repertory Theatre	39,064
Stark Naked Theatre Company	11,240
Suchu, Inc.	7,476
Texas Dragon Boat Association	10,510
Texas Medical Center Orchestra	12,802
Theater Lab Houston	6,218
Theatre Southwest, Inc.	6,955
University of Houston – Blaffer Art Museum	47,997
Virtuosi of Houston	36,464
Writers in the Schools	37,175
Young Audiences, Inc. of Houston	<u>67,165</u>
Total General Operating Support Grants	<u>2,327,435</u>
General Operating Support – Expansion Grants (GOSE):	
Ambassadors International Ballet Folklorico	3,803
Asia Society Texas Center	74,999
Bharathi Kalai Manram	7,448
Brazilian Arts Foundation	30,317
Center for African American Military History	66,620
Children's Prison Arts Project	10,017
City Dance	30,066
Community Artists' Collective	10,947
Dance of Asian America	21,768
Diaz Music Institute	12,553

(continued)



## Houston Arts Alliance

Supplemental Schedule of Grants to Organizations and Individuals  
for the year ended June 30, 2017

*(continued)*

Express Children's Theatre	26,032
Indian Performing Arts Samskriti	15,756
Indo-American Association	39,519
Institute of Hispanic Culture of Houston	7,157
Jazz Education, Inc.	16,701
Multicultural Education and Counseling Through the Arts	74,999
OCA – Greater Houston Chapter	11,864
Project Row Houses	74,999
Talento Bilingue de Houston	37,526
The Ensemble Theatre	74,999
The Positive Project	8,412
University of Houston – Arte Publico Press	65,625
Voices Breaking Boundaries	<u>13,610</u>
Total General Operating Support – Expansion Grants (GOSE)	<u>735,737</u>
City Initiative Fund Grants:	
14 Pews	7,500
Adams, Reginald	22,500
Alley Theatre	50,000
Aperio, Music of the Americas	5,000
ARS Lyrica Houston	10,000
Awakenings, Inc.	10,000
City Dance	10,000
Coalition for Excellence in International Technology & Art	10,000
Community Music Center of Houston	10,000
Country Playhouse, Inc.	8,000
Dissensus	10,000
East End Foundation	10,000
Emancipation Park Conservancy	10,000
Houston Black Film Festival	5,000
Houston Blues Museum	3,500
Houston Center For Contemporary Craft	5,000
Luciole International Theatre Company	3,500
Mouton, Deborah	10,000
Nigerian-American Multicultural Council	10,000
Sculpture Month Houston	9,000
Sisterhood Creations Children Association, Inc.	10,000
Spacetaker/Fresh Arts F.Spo. – Marci Dallas	10,000
Stages Repertory Theatre	10,000
Talento Bilingue de Houston	10,000
Texas Southern University Foundation	8,000

*(continued)*

## Houston Arts Alliance

Supplemental Schedule of Grants to Organizations and Individuals  
for the year ended June 30, 2017

*(continued)*

The Pozos Art Project, Inc.	10,000
Uptown Dance Company	10,000
Young Audiences, Inc. of Houston	<u>8,500</u>
Total City Initiative Fund Grants	<u>295,500</u>
Capacity Building Initiative – Pre-Incubator:	
Creativity Shell	7,500
Indus Arts Council	4,250
Kinetic Ensemble	7,500
Shabach Enterprise	<u>7,500</u>
Total Capacity Building Initiative – Pre-Incubator	<u>26,750</u>
Capacity Building Initiative – Residency Incubator: Tech & Admin:	
Aperio, Music of the Americas	15,000
Apollo Chamber Players	15,000
Horse Head Theatre Company	15,000
Silambam Houston	<u>15,000</u>
Total Capacity Building Initiative – Residency Incubator: Tech & Admin	<u>60,000</u>
Individual Artist Grants:	
Adams, Reginald	10,000
Alvarenga, Jessica	5,000
Anderson, Claire	10,000
Anderson-Staley, Keliy	10,000
Braziel, Rebecca	5,000
Catley, Neiman	10,000
Chapman, Teresa	10,000
Clay, Dominic	10,000
Cohen, Joseph	10,000
Crump, Margaux	10,000
Cyrus, Jamal	9,500
Donnett, Nathaniel	10,000
Edwards, Ashlei	10,000
Hagen, Erik	10,000
Harrell, Laura	4,290
Hillerbrand, Stephan	10,000
Hoag, Clara	10,000
Kataoka, Masumi	10,000
Kumar, Rathna	10,000
Levin, Daniel	10,000

*(continued)*

## Houston Arts Alliance

Supplemental Schedule of Grants to Organizations and Individuals  
for the year ended June 30, 2017

*(continued)*

Margolin, Jacob	10,000
Mira, Susannah	10,000
Merrick, Tami	10,000
Moen, Syd	10,000
Moore, William	10,000
Politzer, David	10,000
Sanchez, Stephanie	10,000
Spector, Laura	10,000
Sudhoff, Sarah	10,000
Summers, Stacey	10,000
Sutton, Jacqui	10,000
Thibodeaux, Cressandra	10,000
Turchi, Peter	10,000
Turk, Patrick	10,000
Vance, Kelli	10,000
Welch, Sarah	<u>5,000</u>
Total Individual Artist Grants	<u>338,790</u>
Individual Artist Grants – Folklife:	
Folklife	5,000
Folklife	<u>5,000</u>
Total Individual Artist Grants – Folklife	<u>10,000</u>
Touring and Neighborhood Grants – TNAP:	
Cypress Creek Community Chorale	5,219
Cypress Creek Fine Art Association	4,947
Cypress Creek Foundation for the Arts & Community Enrichment (FACE)	5,437
Dance of Asian America	5,600
Greater Houston Chorus	4,839
Houston Choral Society, The	5,246
Houston Composers Salon	5,029
Houston Repertoire Ballet	5,709
Noyes Fine Arts Foundation	5,709
People’s Family Workshop, The	3,995
Positive Project, The	4,132
Texas Master Chorale, Inc.	<u>5,138</u>
Total Touring and Neighborhood Grants – TNAP	<u>61,000</u>

*(continued)*

## Houston Arts Alliance

Supplemental Schedule of Grants to Organizations and Individuals  
for the year ended June 30, 2017

*(continued)*

Power 2 Give:	
Stages Repertory Theatre	3,048
HITS Theatre	325
Apollo Chamber Players	1,800
Kinetic Ensemble	498
Aperio, Music of the Americas	990
Houston Youth Symphony & Ballet	180
River Oaks Chamber Orchestra	2,250
Stark Naked Theatre	304
Silambam Houston	<u>605</u>
Total Power 2 Give	<u>10,000</u>
Total Grants to Organizations and Individuals	<u>\$4,102,362</u>

**Houston Arts Alliance**  
**Financial Statements**  
**and Independent Auditors' Report**  
**for the six months ended December 31, 2017**

# Houston Arts Alliance

## Table of Contents

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	Page
<b>Independent Auditors' Report</b>	1
<b>Financial Statements:</b>	
Statement of Financial Position as of December 31, 2017	3
Statement of Activities for the six months ended December 31, 2017	4
Statement of Functional Expenses for the six months ended December 31, 2017	5
Statement of Cash Flows for the six months ended December 31, 2017	6
Notes to Financial Statements for the six months ended December 31, 2017	7
<b>Supplementary Information:</b>	
Supplemental Schedule of Grants for the six months ended December 31, 2017	13

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## Independent Auditors' Report

To the Board of Directors of  
Houston Arts Alliance:

We have audited the accompanying financial statements of Houston Arts Alliance, which comprise the statement of financial position as of December 31, 2017 and the related statements of activities, of functional expenses, and of cash flows for the six months then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform our audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Houston Arts Alliance as of December 31, 2017 and the changes in its net assets and its cash flows for the six months then ended in accordance with accounting principles generally accepted in the United States of America.

## Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Supplementary information in the supplemental schedule of grants for the six months ended December 31, 2017 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 our 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 our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Blazek & Vetterling*

April 30, 2018



# Houston Arts Alliance

Statement of Financial Position as of December 31, 2017

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## ASSETS

Cash	\$ 1,491,892
Receivables:	
City of Houston contracts ( <i>Note 2</i> )	8,003,771
Pledges receivable	110,569
Other	2,116
Investments ( <i>Note 3</i> )	1,992,149
Prepaid expenses and other assets	19,362
Property and equipment, net ( <i>Note 4</i> )	<u>25,787</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 11,645,646</u></b>

## LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable and accrued expenses	\$ 120,409
Deferred revenue	92,168
Funds held for others	76,053
Grants payable	<u>3,545,389</u>
Total liabilities	<u>3,834,019</u>
Net assets:	
Unrestricted ( <i>Note 5</i> )	1,298,571
Temporarily restricted ( <i>Note 6</i> )	<u>6,513,056</u>
Total net assets	<u>7,811,627</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 11,645,646</u></b>

*See accompanying notes to financial statements.*

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## Houston Arts Alliance

Statement of Activities for the six months ended December 31, 2017

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	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
REVENUE:			
Contributions:			
City of Houston ( <i>Note 2</i> )		\$ 9,593,268	\$ 9,593,268
Other contributions	\$ 17,884	11,100	28,984
Civic art and design contracts – City of Houston ( <i>Note 2</i> )	256,647		256,647
Grant reversions		10,000	10,000
Investment return ( <i>Note 3</i> )	<u>15,102</u>	<u>          </u>	<u>15,102</u>
Total revenue	289,633	9,614,368	9,904,001
Net assets released from restrictions:			
Grant expenditures	4,188,354	(4,188,354)	
Other program expenditures	<u>959,536</u>	<u>(959,536)</u>	<u>          </u>
Total	<u>5,437,523</u>	<u>4,466,478</u>	<u>9,904,001</u>
EXPENSES:			
Program services:			
Grants and grant administration	4,266,656		4,266,656
Civic art and design	369,143		369,143
Folklife and traditional arts	283,686		283,686
Arts advancement	<u>114,465</u>		<u>114,465</u>
Total program services	5,033,950		5,033,950
Management and general	364,306		364,306
Fundraising	<u>50,700</u>		<u>50,700</u>
Total expenses	<u>5,448,956</u>		<u>5,448,956</u>
CHANGES IN NET ASSETS	(11,433)	4,466,478	4,455,045
Net assets, beginning of year	<u>1,310,004</u>	<u>2,046,578</u>	<u>3,356,582</u>
Net assets, end of year	<u>\$ 1,298,571</u>	<u>\$ 6,513,056</u>	<u>\$ 7,811,627</u>

*See accompanying notes to financial statements.*

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## Houston Arts Alliance

### Statement of Functional Expenses for the six months ended December 31, 2017

	GRANTS AND GRANT ADMINISTRATION	CIVIC ART AND DESIGN	FOLKLIFE AND TRADITIONAL ARTS	ARTS ADVANCEMENT	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Grants to organizations and individuals	\$ 4,046,467		\$ 141,887				\$ 4,188,354
Salaries and related expenses	140,817	\$ 100,087	92,011	\$ 53,354	\$ 229,625	\$ 49,962	665,856
Artist fees and services		238,942					238,942
Supplies and materials	35,258	6,001	35,106	19,351	9,614	546	105,876
Rent and utilities	23,387	13,762	8,905	13,762	22,163		81,979
Professional fees		2,026	559	13,761	49,812		66,158
Depreciation					25,023		25,023
Dues and subscriptions	11,630	1,670	452	1,079	4,483	62	19,376
Conferences, meetings and panels	1,316	2,369	2,363	773	9,170		15,991
Insurance	2,634	1,481	823	1,399	1,893		8,230
Equipment rent and maintenance	2,253	1,413	885	1,368	2,171		8,090
Telephone	2,098	1,337	660	1,135	2,059	130	7,419
Postage	796	55	35	779	206		1,871
Other				7,704	8,087		15,791
Total expenses	<u>\$ 4,266,656</u>	<u>\$ 369,143</u>	<u>\$ 283,686</u>	<u>\$ 114,465</u>	<u>\$ 364,306</u>	<u>\$ 50,700</u>	<u>\$ 5,448,956</u>

*See accompanying notes to financial statements.*

## Houston Arts Alliance

Statement of Cash Flows for the six months ended December 31, 2017

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### CASH FLOWS FROM OPERATING ACTIVITIES:

Changes in net assets	\$ 4,455,045
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	25,023
Net realized and unrealized loss on investments	8,364
Changes in operating assets and liabilities:	
Receivables	(6,162,254)
Prepaid expenses and other assets	(69)
Accounts payable and accrued expenses	(168,254)
Deferred revenue	49,868
Funds held for others	76,053
Grants payable	<u>2,192,264</u>
Net cash provided by operating activities	<u>476,040</u>

### CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of property and equipment	(6,872)
Purchases of investments	(244,024)
Sales of investments	191,455
Net change in money market mutual funds held as investments	<u>33,078</u>
Net cash used by investing activities	<u>(26,363)</u>

NET CHANGE IN CASH 449,677

Cash, beginning of year 1,042,215

Cash, end of year \$ 1,491,892

*See accompanying notes to financial statements.*

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## Houston Arts Alliance

Notes to Financial Statements for the six months ended December 31, 2017

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### NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization – Houston Arts Alliance (the Alliance) is a Texas nonprofit corporation established to promote, encourage and sustain the development of arts and culture in Houston and Harris County, serving the diverse communities and visitors to the region. Revenue is derived primarily from contracts with the City of Houston (the City) from a portion of the City’s hotel occupancy tax receipts (HOT Funds) and civic art and design contracts.

The Alliance’s programs include:

- *Grants* – Grants are a fundamental means of promoting excellence in the creative sector. On behalf of the City, the Alliance awards approximately 225 grants annually to nonprofit arts and cultural organizations and individual artists through a competitive grant allocation process. As most of the Alliance’s funding comes from HOT Funds, grants are awarded for the encouragement, improvement, and application of arts and culture to promote Houston as a cultural destination. Grants are available for all artistic disciplines, including music, theater, dance, visual arts, cinema, literary arts, folk arts, and contemporary photography plus cultural centers, heritage associations, and festivals.

The majority of our grants are specific to §501(c)3 nonprofit arts and cultural organizations, although small grants are available to other nonprofits that present or produce arts programs or events in the Alliance’s service area, consistent with the promotion and enhancement of Houston and Harris County as a cultural destination. In addition, the Alliance invests in capacity building for arts organizations that aspire to grow, providing knowledge and organizational development through best practices and mentorship.

The Alliance also provides grants to individual artists seeking support for the development and presentation of new artistic works, which in turn advances the City’s reputation as a vibrant, creative hub and a destination for cultural tourism.

Applications for these grants are reviewed by external peer review panels, comprised of inclusive groups of artists, arts administrators, finance professionals, business people, community volunteers and others, selected for their expertise and objectivity and reflective of the diversity of our community.

- *Civic art and design* – The Civic Art + Design Program (Civic Art) responds to the opportunities and challenges to build the City’s civic art canvas and maintain the treasures and legacies in the Civic Art collection. The Alliance works with the City staff to recommend the most appropriate locations for use of Civic Art monies. The Alliance manages the artist selection process and acts as project manager from commission through completion of new works of art. The Alliance works on behalf of the City to manage conservation of artworks throughout the City, utilizing national standards in conservation and contracting professionally licensed conservators. Civic Art serves as a community resource and works on a consulting basis, with both public and private sector entities. The Alliance is committed to expanding the conversation about the vision for civic art in the City.
- *Arts advancement* – As the City’s designated local arts and culture agency, the Alliance invests in Houston as a place to visit, live, work, honor, and create. The Alliance advances the arts and culture field through research and frequent convenings, the promotion of cultural tourism initiatives, and

endeavoring to expand the overall creative economy. Ultimately, the Alliance works to improve the quality of life for Houstonians and visitors alike, while promoting Houston as a premier arts and culture destination.

Communication with the field is key to advancing arts and culture, and the Alliance website (houstonartsalliance.com) is the cornerstone of communications for the agency. The Alliance keeps the local arts and culture community abreast of grant and commission opportunities, professional development and capacity building workshops, and many other programs on a local, regional, and national level through its twice-monthly *Creative Pipeline*, an eNewsletter. The monthly *HAA eReport* informs the general public of the work of the Alliance. Through robust social media engagement, the Houston Arts Blog, marketing and media relations, the Alliance provides information on local public art developments, its Folklife program, grants, capacity building, civic engagement, Houston's creative economy, and trends in arts and culture. The Alliance also manages Artshound.com, a comprehensive, online arts and culture calendar, as a service to the 12-county region. Furthermore, the Alliance advances arts and culture locally while supporting cultural tourism with its presence at the annual art fairs, Theater District Open House, and other citywide events, as well as maintaining an online public art map and commercial gallery guide.

Federal income tax status – The Alliance is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code and is classified as a public charity under §170(b)(1)(A)(vi).

Segregated cash – Amounts received under the City contract are required to be maintained in separate accounts until expended. At December 31, 2017, \$2,259,324 was maintained in segregated cash and investment accounts.

Pledges receivable that are expected to be collected within one year are reported at net realizable value. Amounts expected to be collected in more than one year are discounted, if material, to estimate the present value of future cash flows. All pledges receivable at December 31, 2017 are due within one year.

Investments are reported at fair value. Investment return is reported in the statement of activities as a change in unrestricted net assets unless the use of the income is limited by donor-imposed restrictions.

Property and equipment is reported at cost, if purchased, or at fair value at the date of gift, if donated. The Alliance capitalizes items with a value of \$1,000 or more and a useful life of more than one year. Depreciation is calculated using the straight-line method over estimated useful lives of 3 to 7 years.

Net asset classification – Contributions and the related net assets are classified based on the existence or absence of donor-imposed restrictions, as follows:

- *Unrestricted net assets* include those net assets whose use is not restricted by donor-imposed stipulations, even though their use may be limited in other respects, such as by contract or board designation.
- *Temporarily restricted net assets* include contributions restricted by the donor for specific purposes or time periods. When a purpose restriction is accomplished or a time restriction ends, temporarily restricted net assets are released to unrestricted net assets.

Contributions are recognized as revenue at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are classified as restricted support.

Non-cash contributions – Donated materials and use of facilities are recognized at fair value as contributions when an unconditional commitment is received from the donor. The related expense is recognized as the item is used. Contributions of services are recognized when services received (a) create

or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Civic art and design contracts are recognized as revenue when the services are provided. Amounts received in advance are reported as deferred revenue.

Grants made are recognized as expense at estimated fair value when the Alliance approves an unconditional commitment to a recipient. Commitments made but not yet funded are reported as grants payable. At December 31, 2017, all grants payable are expected to be paid within one year.

Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts of reported revenue and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

Recent financial accounting pronouncements – In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The amendments in this ASU are aimed at providing more useful information to users of not-for-profit financial statements. Under this ASU, net assets will be presented in two classes: *net assets with donor restrictions* and *net assets without donor restrictions* and underwater endowments will be grouped with *net assets with donor restrictions*. New or enhanced disclosures will be required about the nature and composition of net assets, and the liquidity and availability of resources for general operating expenditures within one year of the balance sheet date. Expenses will be required to be presented by both nature and function and investment return will be presented net of external and direct internal investment expenses. Absent explicit donor stipulations, restrictions on long-lived assets will expire when assets are placed in service. The Alliance will adopt the ASU for the year ended December 31, 2018. Adoption of this ASU will impact the presentation and disclosures of the financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. Under this ASU, a lessee should recognize in the statement of financial position a lease liability and a lease asset representing its right to use the underlying asset for the term of the lease for both finance and operating leases. An entity may make an accounting policy election not to recognize lease assets and lease liabilities for leases with a term of 12 months or less. Qualitative and quantitative disclosures are required to enable users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. The ASU is effective for fiscal periods beginning after December 15, 2019. The Alliance has not yet determined the impact adoption of this ASU will have on the financial statements.

## **NOTE 2 – CITY OF HOUSTON CONTRACTS**

The Alliance is party to a five-year contract with the City to promote tourism and the convention and hotel industry through a coordinated program that, in cooperation with other arts, tourism and convention organizations will promote, develop, and publicize a full array of arts destinations, arts activities, and arts exhibitions and displays in order to enhance the City's image and reputation as an arts city and a destination for cultural tourism. Under the terms of the contract, the City utilizes 19.3% of the HOT Funds it receives to support the arts. Amounts received by the Alliance are used as follows: 1) to provide grants to artists, artistic, cultural, or educational programs and activities, and other program expenses, 2) to fund administrative expenses, and 3) to support the City Initiatives program.

The Alliance also is party to a three-year contract with the City to provide professional civic art and conservation administration services to the City under the direction of the General Service Department (GSD). Services performed under the GSD contract are provided pursuant to specific letters of authorization (LOA) that outline the scope of services and a not-to-exceed dollar amount that the Alliance may be awarded. Management fees are earned by the Alliance on the services performed under each LOA.

### NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Generally accepted accounting principles require that certain assets and liabilities be reported at fair value and establish a hierarchy that prioritizes inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The three levels of the fair value hierarchy are as follows:

- *Level 1* – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the reporting date.
- *Level 2* – Inputs are other than quoted prices included in Level 1, which are either directly observable or can be derived from or corroborated by observable market data at the reporting date.
- *Level 3* – Inputs are not observable and are based on the reporting entity’s assumptions about the inputs market participants would use in pricing the asset or liability.

Assets measured at fair value at December 31, 2017 are as follows:

	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Investments:				
Corporate bonds		\$ 577,071		\$ 577,071
U. S. Treasury notes and bonds		450,455		450,455
Money market mutual funds	\$ 444,615			444,615
U. S. Government agency bonds		283,901		283,901
Intermediate term bond mutual fund	<u>236,107</u>			<u>236,107</u>
Total assets measured at fair value	<u>\$ 680,722</u>	<u>\$ 1,311,427</u>	<u>\$ 0</u>	<u>\$ 1,992,149</u>

Valuation methods used for assets measured at fair value are as follows:

- *Corporate bonds, U. S. Treasury notes and bonds and U. S. Government agency bonds* are valued using prices obtained from active market makers and inter-dealer brokers on a daily basis.
- *Mutual funds* are valued at the reported net asset value.

These valuation methods may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Alliance believes its valuation methods are appropriate, the use of different methods or assumptions could result in a different fair value measurement at the reporting date.

Investments are exposed to various risks such as interest rate, market, and credit risks. Because of these risks, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position and statement of activities. The Board of Directors of the Alliance monitors the performance of the investment portfolio and, at the recommendation of the investment manager, may approve modifications to the targeted allocations.



Investment return at December 31, 2017 includes earnings on cash and consists of the following:

Interest and dividends	\$ 23,616
Net realized and unrealized loss on investments	<u>(8,514)</u>
Total investment return	<u>\$ 15,102</u>

#### **NOTE 4 – PROPERTY AND EQUIPMENT**

Property and equipment at December 31, 2017 consists of the following:

Furniture and equipment	\$ 370,906
Leasehold improvements	<u>284,061</u>
Total property and equipment, at cost	654,967
Accumulated depreciation	<u>(629,180)</u>
Property and equipment, net	<u>\$ 25,787</u>

#### **NOTE 5 – UNRESTRICTED NET ASSETS**

Unrestricted net assets at December 31, 2017 consist of the following:

Operating cash reserve	\$ 457,374
Civic art and design	41,826
Undesignated	<u>799,371</u>
Total unrestricted net assets	<u>\$ 1,298,571</u>

#### **NOTE 6 – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at December 31, 2017 are available for the following purposes:

HOT Funds grants	\$ 4,874,356
City Initiatives	1,081,762
Capacity Building Initiative	446,043
Folklife program	73,229
Arts Marketing	34,880
Other	<u>2,786</u>
Total temporarily restricted net assets	<u>\$ 6,513,056</u>

#### **NOTE 7 – OPERATING LEASE**

The Alliance leases office space under a non-cancelable lease. Future minimum lease commitments at December 31, 2017 are as follows:

2018	\$ 148,578
2019	153,036
2020	<u>157,627</u>
Total	<u>\$ 459,241</u>

Lease expense totaled \$81,269 for the six months ended December 31, 2017.

## **NOTE 8 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through April 30, 2018, which is the date that the financial statements were available for issuance. As a result of this evaluation, no events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.

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## Houston Arts Alliance

### Supplemental Schedule of Grants for the six months ended December 31, 2017

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#### APG Outreach:

Chinese Community Center	\$ 10,000
Horse Head Theatre Company	10,000
University of Houston – Clear Lake	10,000
University of Houston – Clear Lake Art Gallery	<u>10,000</u>

Total APG Outreach 40,000

#### Art Project Grants:

14 Pews	10,000
Apollo Chamber Players	10,000
Chinese Community Center, Inc.	10,000
East End Foundation	10,000
Evelyn Rubenstein Jewish Community Center of Houston, Texas	10,000
Foundation For Black Heritage & Culture, The	10,000
Frame Dance Productions	10,000
Horse Head Theatre Company	10,000
Immanuel and Helen Olshan Texas Music Festival	10,000
India Culture Center	10,000
Magpies & Peacocks, Inc.	10,000
Periwinkle Foundation, The	10,000
Public Poetry	10,000
Rec Room Arts	10,000
Shabach Enterprise	10,000
Trinity Jazz Festival	10,000
Underground Planet Art Studio, LLC	10,000
University of Houston – Center for Art & Social Engagement	10,000
WindSync	10,000
Wordsmyth Theater Company	<u>1,500</u>

Total Art Project Grants 191,500

#### General Operating Support Grants:

American Festival for the Arts	47,526
Architecture Center Houston Foundation	39,027
ARS Lyrica Houston	40,688
Art Colony Association, Inc.	54,563
Art League of Houston	75,000
Aurora Picture Show	31,087
Bach Society Houston	37,300
Bay Area Chorus	5,708
Bay Area Houston Ballet & Theatre	43,475
Bayou City Performing Arts	11,321
Box 13 Artspace	11,101

(continued)

## Houston Arts Alliance

Supplemental Schedule of Grants for the six months ended December 31, 2017

(continued)

CANTARE Houston	4,929
Catastrophic Theatre, The	47,846
Chamber Music Houston	38,321
City Ballet of Houston	11,683
Classical Theatre Company	29,732
Dance Houston	25,021
Dance Source Houston	22,146
Discovery Green Conservancy	75,000
Diverse Works, Inc.	55,911
Fotofest, Inc.	55,647
Foundation for Modern Music	10,795
Freneticore	13,598
Glasstire	39,473
Greater Houston Preservation Alliance, Inc.	52,024
Gulf Coast: A Journal of Literature and Fine Arts	14,136
Heritage Society, The	39,271
HITS Theatre	75,000
Hope Stone, Inc.	40,572
Houston Boychoir, Inc.	24,744
Houston Center for Contemporary Craft	52,236
Houston Center for Photography	75,000
Houston Chamber Choir	44,192
Houston Chapter, SPEBSQSA, Inc.	10,325
Houston Children's Chorus	38,347
Houston Cinema Arts Society	58,883
Houston Early Music	9,326
Houston Fire Museum	25,572
Houston International Dance Coalition	43,029
Houston Metropolitan Dance Center, Inc.	39,099
Houston Swing Dance Society	57,402
Houston Youth Symphony & Ballet	47,866
Indian Film Festival of Houston, Inc.	8,358
Inprint, Inc.	45,220
Italian Cultural & Community Center of Houston	71,687
Karen Stokes Dance	9,677
Kingwood Dance Theatre	11,931
Kingwood Pops Orchestra, The	5,704
Main Street Theater at Autry House	42,067
Mercury Baroque Ensemble	53,461
Mildred's Umbrella Theater Company	11,854
Musiqqa	25,316
Nameless Sound	14,627

(continued)

## Houston Arts Alliance

Supplemental Schedule of Grants for the six months ended December 31, 2017

(continued)

Noblemotion Dance	10,949
Opera in the Heights	60,613
Orange Show Center for Visionary Art, The	58,193
Rice Design Alliance	51,566
River Oaks Chamber Orchestra	65,625
Rothko Chapel	61,823
Russian Cultural Center "Our Texas"	23,228
Several Dancers Core	17,566
Spacetaker	54,067
Stages Repertory Theatre	70,011
Texas Dragon Boat Association	17,053
Texas Medical Center Orchestra	12,802
University of Houston – Blaffer Art Museum	69,785
Virtuosi of Houston	36,464
Writers in the Schools	37,175
Young Audiences, Inc. of Houston	<u>66,588</u>
Total General Operating Support Grants	<u>2,587,332</u>
General Operating Support – Expansion Grants (GOSE):	
Ambassadors International Ballet Folklorico	3,803
Asia Society Texas Center	75,000
Bharathi Kalai Manram	16,760
Brazilian Arts Foundation	25,732
Center for African American Military History	75,000
Children’s Prison Arts Project	12,588
City Dance	30,066
Community Artists’ Collective	21,545
Dance of Asian America	21,768
Ensemble Theatre, The	75,000
Indian Performing Arts Samskriti	10,338
Indo-American Association	44,459
Jazz Education, Inc.	16,701
Multicultural Education and Counseling Through the Arts	75,000
Project Row Houses	75,000
University of Houston – Arte Publico Press	<u>65,625</u>
Total General Operating Support – Expansion Grants (GOSE)	<u>644,385</u>
City Initiative Fund Grants:	
Asia Society Texas Center	10,000
Diaz Music Institute	10,000

(continued)

## Houston Arts Alliance

Supplemental Schedule of Grants for the six months ended December 31, 2017

(continued)

Ensemble Theatre	10,000
Houston Arts Alliance	10,000
Houston Boychoir, Inc.	10,000
Houston Latin American Philharmonic Orchestra	10,000
Jazz Education, Inc.	6,250
Mack Performing Arts Collective	10,000
Multicultural Education and Counseling Through the Arts	10,000
Raymond Sowemimo	7,000
Spacetaker	10,000
University of Houston – Kathrine G. McGovern College of the Arts	10,000
WeLead	<u>5,000</u>
Total City Initiative Fund Grants	<u>118,250</u>
Visit My Neighborhood Grants:	
Acres Homes Multi-Service Center Advisory Committee, Inc.	75,000
Avenue Community Development Corporation	75,000
Culture of Health Advancing Together	75,000
Houston East End Chamber of Commerce	75,000
Third Ward Community Fund Management Corporation	<u>75,000</u>
Total Visit My Neighborhood Grants	<u>375,000</u>
New Pathways Incubating Innovation:	
Diverse Works, Inc.	20,000
Spacetaker	20,000
Writers in the Schools	<u>20,000</u>
Total New Pathways Incubating Innovation	<u>60,000</u>
New Pathways On-Site Coaching:	
Dance Source Houston	2,000
Houston Chamber Choir	2,000
Inprint, Inc.	2,000
Musiq	2,000
River Oaks Chamber Orchestra	<u>2,000</u>
Total New Pathways On-Site Coaching	<u>10,000</u>
Power 2 Give:	
Aperio, Music of the Americas	2,200
Apollo Chamber Players	3,525
ClayHouston	1,175
Fresh Arts	375

(continued)

## Houston Arts Alliance

Supplemental Schedule of Grants for the six months ended December 31, 2017 *(continued)*

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Gulf Coast: A Journal of Literature and Fine Arts	250
HITS Theatre	3,100
Kinetic Ensemble	1,470
Mystic Lyons Arts	760
Silambam Houston	4,475
Society for Performing Arts	125
United Russian American Association	1,170
Other	<u>1,375</u>
Total Power 2 Give	<u>20,000</u>
Total grants	<u>\$4,046,467</u>

## **Houston Arts Alliance**

**Civic Art + Design Projects  
July 1, 2016 - June 30, 2017**



## Houston Arts Alliance, Civic Art Design, July 1, 2016 - June 30, 2017

Project Type	Status	Artwork	Artist/Conservator	Department	Budget
Commission	In Progress	Moon Shadow	Joe Havel	HAS	\$63,412
Commission	Completed	IAH Portable Works Video	Brandon Ray	HAS	\$14,000
Commission	Completed	Candyland Landing and Celestial Candyland	Jay Shinn	HAS	\$600,000
Commission	Completed	Howl	Luis Jimenez	HAS	\$73,622
Commission	Completed	the curse reversed	Alex Goss	HAS	\$2,255
Commission	Completed	Soaring In The Clouds	Ed Wilson	HFC	\$830,000
Commission	In Progress	Pleasantville (working title)	Marsha Dorsey-Outlaw	HPARD	\$73,000
Commission	In Progress	Exterior Sculpture	Koryn Rolstad	HPD	\$207,940
Commission	In Progress	Interior Artwork	TBD	HPD	\$50,000
Commission	In Progress	Books of a Feather	Dixie Friend Gay	HPL	\$200,000
Commission	In Progress	Art Parking Meters	Celan Bouilett	PH	\$13,450
Commission	Completed	Houston Oracle in Two Parts	Stephen Kornis	PWE	\$400,000
Commission	Completed	Down Periscope	Donald Lipski	PWE	\$383,000
Commission	In Progress	Recycle Trucks	Iva Kinnard	SWMD	\$10,900
Conservation	Completed	Greetings from Downtown	Kelly Klaasmeyer	GG	\$2,070.40
Conservation	In Progress	Radiant Fountains	Dennis Oppenheim/ Touch 33 and Blumenthal Sheet Metal	HAS	\$312,199
Conservation	Initiated	Radiant Fountains	Dennis Oppenheim/ TBD	HAS	TBD
Conservation	In Progress	Wind Trees	George Sacaris/ Blumenthal	HAS	\$25,100
Conservation	Completed	Travel Light	The Art Guys/ TAG Electric	HAS	\$7,610
Conservation	Initiated	Time Line	Ben Woitena	HAS	TBD
Conservation	In Progress	West of the Pecos	Rolf Westphal/ Onaim	HAS	\$39,175
Conservation	Completed	West of the Pecos	Rolf Westphal/ Ace Electric	HAS	\$2,117.16
Conservation	In Progress	Untitled	Geoff Hippensteil/ Ray Balinskas	HAS	\$1,350
Conservation	In Progress	Airport Seating	Chris Sauter/ Tech FX	HAS	\$1,395
Conservation	Completed	Illuminated Icons #s 5, 6 and 8	Jay Shinn/ Jay Shinn + Neon Gallery	HAS	\$1,930.52
Conservation	Completed	Oba	Robert Pruitt/ Cunningham Art Services	HAS	\$1,011.25
Conservation	In Progress	William P. Hobby Medallion	RE:site/ GraphTec	HAS	\$505
Commission	In Progress	Movable art walls	Root Lab LLC	HAS	\$18,200.00
Commission	In Progress	Movable art wall and didactic case	Root Lab LLC	HAS	\$11,300.00
Conservation	Completed	Synchronicity of Color	Margo Sawyer/ Robert Pringle and TY Art	HFC	\$40,380
Conservation	Initiated	Axis	Frank McGuire/ Onaim Inc	Houston Health	\$19,257
Conservation	Initiated	Ladder of Hope	Floyd Newsum	Houston Health	\$80
Conservation	Ongoing	High Plains Drifter	Peter Regiano/ Jamail & Smith	HPARD	\$40,301
Conservation	Ongoing	Houston Police Officers Memorial	Jesus Moroles/ FountainWorks + Veazey	HPARD	\$30,000
Conservation	Initiated	Open Channel Flow	Matthew Gellar/ TBD	HPARD	TBD
Conservation	Ongoing	Tolerance	Jaume Plensa/ TY Art	HPARD	TBD

## Houston Arts Alliance, Civic Art Design, July 1, 2016 - June 30, 2017

Conservation	Initiated	Absolute Victory	Rosalinda Toro/ MEK Tile	HPARD	TBD
Conservation	Initiated	Confucius	Willy Wang/ Onaim	HPARD	\$1,200
Conservation	Completed	Grecian Dancer	Unknown/ TY Art	HPARD	\$3,470
Conservation	Completed	Schnitzer Fountain sculpture	Unknown/ Robert Pringle	HPARD	\$3,500
Conservation	Completed	Scanlan Fountain	Mott Iron Works/ Fountain-Works	HPARD	\$8,395
Conservation	Completed	Japanese Lantern + Wilkefeld Bench	Unknown + Tommy Schiltzberger/ Veazey	HPARD	\$1,720
Conservation	Completed	Market Square Benches	Malou Flato/ MEK Tile	HPARD	\$1,715
Conservation	Completed	Dr. Martin Luther King, Jr. Commemorative Statue	Kenneth Washington/ Robert Pringle	HPARD	\$17,921
Conservation	Initiated	Geometric Mouse, Scale X	Claus Oldenburg/ Robert Pringle	HPL	TBD
Conservation	Completed	Houston Past and Present	American Needlepoint Guild/ Paul Art Services	HPL	\$8,801.88
Donated Work	Completed	Central Market Houston	Brendan O'Connell/ DCM Art Services	HAS	\$421
Conservation	Completed	Vector HH	Luca Buvoli/ Blumenthal	HAS	\$138,737.75
Collection	Completed	IAH Portable Works - Small Projects	Various/Various	HAS	\$6,653.07
Collection	Completed	Hobby Portable Works - Small Projects	Various/Various	HAS	\$840.65