A NOISE WITHIN

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2019 AND 2018

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YEAR ENDED JUNE 30, 2019 AND 2018

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Board of Directors
A Noise Within
Pasadena, California

We have audited the accompanying financial statements of A Noise Within, which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 auditors consider 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.

A member of Nexia International

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of A Noise Within as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter Regarding a Change in Accounting Principle

As discussed in Note 2 to the financial statements, A Noise Within changed accounting policies related to presentation of its financial statements in 2019 as required by the provisions of Accounting Standards Update 2016-14: *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to that matter.

Other Matter

The 2018 financial statements were audited by other auditors, and have expressed an unmodified audit opinion on those audited financial statements in their report dated February 1, 2019.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Pasadena, California
November 14, 2019

A NOISE WITHIN
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

	2019	2018
ASSETS		
Cash and cash equivalents	$ 728,769	$ 925,366
Contributions receivable, net of allowance of $3,398 (Note 4)	386,743	171,008
Prepaid expenses and other assets	138,914	273,595
Deferred compensation investments	289,788	229,886
Property and equipment, net (Note 5)	11,033,647	11,248,503
Total Assets	$ 12,577,861	$ 12,848,358
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	$ 81,674	$ 85,504
Deferred revenue	399,831	546,918
Deferred compensation liability	289,788	198,630
Long-term obligations (Note 6)	354,150	392,829
Total Liabilities	1,125,443	1,223,881
NET ASSETS		
Without Donor Restrictions:		
Undesignated	10,804,724	11,132,615
Board designated - plant fund	312,867	335,727
Total Without Donor Restrictions	11,117,591	11,468,342
With Donor Restrictions (Note 7)	334,827	156,135
Total Net Assets	11,452,418	11,624,477
Total Liabilities and Net Assets	$ 12,577,861	$ 12,848,358

See Accompanying Notes to Financial Statements.

A NOISE WITHIN
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR 2018)

	Without Donor Restrictions	With Donor Restrictions	2019 Total	2018 Total
REVENUES AND SUPPORT				
Revenues:				
Ticket sales	$ 1,779,225	$ -	$ 1,779,225	$ 1,445,082
Education programs	149,597	-	149,597	176,937
Other income	89,422	-	89,422	78,759
	2,018,244	-	2,018,244	1,700,778
Support:				
Contributions and grants	1,137,808	311,505	1,449,313	1,379,081
Special event, net	100,001	-	100,001	102,677
Interest income	6,525	-	6,525	274
	1,244,334	311,505	1,555,839	1,482,032
Net assets released from restrictions	132,813	(132,813)	-	-
Total revenue and support	3,395,391	178,692	3,574,083	3,182,810
EXPENSES				
Program:				
Theatre productions	1,935,199	-	1,935,199	1,701,560
Education programs	1,012,257	-	1,012,257	884,858
	2,947,456	-	2,947,456	2,586,418
Supporting Services:				
General and administrative	224,039	-	224,039	163,267
Fundraising and development	247,169	-	247,169	228,372
	471,208	-	471,208	391,639
Total expenses before depreciation and interest	3,418,664	-	3,418,664	2,978,057
Change in net assets before depreciation and interest	(23,273)	178,692	155,419	204,753
Depreciation	(308,319)	-	(308,319)	(387,784)
Interest	(19,159)	-	(19,159)	(18,748)
NET CHANGE IN NET ASSETS	(350,751)	178,692	(172,059)	(201,779)
Net Assets – Beginning of Year	11,468,342	156,135	11,624,477	11,826,256
NET ASSETS – END OF YEAR	$ 11,117,591	$ 334,827	$ 11,452,418	$ 11,624,477

See Accompanying Notes to Financial Statements.

A NOISE WITHIN
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Revenues:			
Ticket sales	$ 1,445,082	$ -	$ 1,445,082
Education programs	176,937	-	176,937
Other income	78,759	-	78,759
	1,700,778	-	1,700,778
Support:			
Contributions and grants	1,330,646	48,435	1,379,081
Special event, net	102,677	-	102,677
Interest income	274	-	274
	1,433,597	48,435	1,482,032
Net assets released from restrictions	166,042	(166,042)	-
Total revenue and support	3,300,417	(117,607)	3,182,810
EXPENSES			
Program:			
Theatre productions	1,701,560	-	1,701,560
Education programs	884,858	-	884,858
	2,586,418	-	2,586,418
Supporting Services:			
General and administrative	163,267	-	163,267
Fundraising and development	228,372	-	228,372
	391,639	-	391,639
Total expenses before depreciation and interest	2,978,057	-	2,978,057
Change in net assets before depreciation and interest	322,360	(117,607)	204,753
Depreciation	(387,784)	-	(387,784)
Interest	(18,748)	-	(18,748)
NET CHANGE IN NET ASSETS	(84,172)	(117,607)	(201,779)
Net Assets – Beginning of Year	11,552,514	273,742	11,826,256
NET ASSETS – END OF YEAR	$ 11,468,342	$ 156,135	$ 11,624,477

See Accompanying Notes to Financial Statements.

A NOISE WITHIN
STATEMENT OF CASH FLOW
YEAR ENDED JUNE 30, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (172,059)	$ (201,779)
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation	308,319	387,784
Changes in assets and liabilities:		
Contributions receivable, net	(215,735)	106,326
Prepaid expenses and other assets	134,681	(122,272)
Deferred compensation investment	(59,902)	(87,900)
Accounts payable and accrued expenses	(3,830)	103,100
Deferred revenue	(147,087)	174,986
Deferred compensation liability	91,158	-
Net cash (used) provided by operating activities	(64,455)	360,245
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(93,463)	(305,868)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on loans payable	(38,679)	(97,627)
Pathway loan payable	-	130,910
Net cash (used) provided by financing activities	(38,679)	33,283
NET CHANGE IN CASH AND CASH EQUIVALENTS	(196,597)	87,660
Cash and cash equivalents - Beginning of Year	925,366	837,706
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 728,769	$ 925,366
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid	$ 12,808	$ 18,748

See Accompanying Notes to Financial Statements.

A NOISE WITHIN
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR 2018)

	2019					
	Program Services					
	Theatre Productions	Education Programs	Management and General	Fundraising	Total	2018 Total
Salaries and Benefits	$ 1,114,339	587,788	$ 144,396	$ 171,133	$ 2,017,656	$ 1,638,724
Production Artistic and Technical Fees	123,627	60,894	-	-	184,521	212,443
Production Supplies, Material and Expenses	120,466	59,335	-	-	179,801	163,126
Royalties and Fees	60,549	29,823	-	-	90,372	55,448
Education related expenses	-	63,719	-	-	63,719	38,458
Marketing and Public Relations	177,713	58,351	777	17,472	254,313	277,012
Bank Charges	59,263	29,632	9,943	-	98,838	91,495
Printing and Postage	79,975	23,150	81	12,154	115,360	104,704
Professional Fees	19,259	10,032	33,220	39,625	102,136	82,976
Utilities	60,354	30,176	10,059	-	100,589	90,673
Repairs and Maintenance	46,678	23,339	7,780	-	77,797	71,773
Insurance and Taxes	45,102	22,551	7,517	-	75,170	81,823
Office Expenses	27,874	13,467	10,266	6,785	58,392	69,402
Total expenses before depreciation and interest	$ 1,935,199	$ 1,012,257	$ 224,039	$ 247,169	$ 3,418,664	$ 2,978,057
Depreciation	$ 184,991	$ 92,496	$ 30,832	$ -	$ 308,319	$ 387,784
Interest	11,495	5,748	1,916	-	19,159	18,748
Total expenses before special events costs	$ 2,131,685	$ 1,110,501	$ 256,787	$ 247,169	$ 3,746,142	$ 3,384,589
Special events costs	$ -	$ -	$ -	$ 28,741	$ 28,741	$ 37,123
Cost of concessions sales	28,452	-	-	-	28,452	21,920
Total expenses	$ 2,160,137	$ 1,110,501	$ 256,787	$ 275,910	$ 3,803,335	$ 3,443,632

See Accompanying Notes to Financial Statements.

A NOISE WITHIN
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2018

	Program Services				
	Theatre Productions	Education Programs	Management and General	Fundraising	Total
Salaries and Benefits	$ 897,272	473,561	$ 107,390	$ 160,501	$ 1,638,724
Production Artistic and Technical Fees	142,337	70,106	-	-	212,443
Production Supplies, Material and Expenses	109,294	53,832	-	-	163,126
Royalties and Fees	37,150	18,298	-	-	55,448
Education related expenses	-	38,458	-		38,458
Marketing and Public Relations	184,284	60,189	1,166	31,373	277,012
Bank Charges	54,590	27,295	9,610	-	91,495
Printing and Postage	72,036	22,090	103	10,475	104,704
Professional Fees	18,481	11,411	51,613	1,471	82,976
Utilities	54,404	27,202	9,067	-	90,673
Repairs and Maintenance	43,062	21,533	7,178	-	71,773
Insurance and Taxes	49,093	24,548	8,182	-	81,823
Office Expenses	22,334	13,073	28,728	5,267	69,402
Total expenses before depreciation and interest	$ 1,684,337	$ 861,596	$ 223,037	$ 209,087	$ 2,978,057
Depreciation	$ 232,671	$ 116,335	$ 38,778	$ -	$ 387,784
Interest	11,249	5,624	1,875	-	18,748
Total expenses before special events costs	$ 1,928,257	$ 983,555	$ 263,690	$ 209,087	$ 3,384,589
Special events costs	$ -	$ -	$ -	$ 37,123	$ 37,123
Cost of concessions sales	21,920	-	-	-	21,920
Total expenses	$ 1,950,177	$ 983,555	$ 263,690	$ 246,210	$ 3,443,632

See Accompanying Notes to Financial Statements.

NOTE 1 ORGANIZATION

A Noise Within (the Organization) is a California public benefit corporation organized in 1992 which operates a classical theatre company in Pasadena, California. The Organization produces classic theatre as an essential means to enrich our community by embracing universal human experiences, expanding personal awareness and challenging individual perspectives.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting to conform to generally accepted accounting principles in the United States of America (U.S. GAAP) as applicable to non-profit entities. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein have been classified and are reported as follows:

Net Assets Without Donor Restrictions – Net assets without donor restrictions are resources available to support operations, including donor-restricted contributions whose restrictions are met in the same reporting period and net assets designated by the board of directors for specific purposes.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue Recognition

Ticket revenue is recognized over the period of the related performance. Payments for ticket sales for performances that occur subsequent to year-end are shown as deferred revenue.

Contributions revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions.

Cash and Cash Equivalents

Cash and cash equivalents includes operating cash and plant fund, which is invested in money market funds.

Deferred Compensation Investments

Deferred compensation investments are stated at fair value which is based on quoted market prices.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment which is purchased or constructed is stated at cost; assets acquired by gift are stated at fair value at the date of acquisition. The Organization capitalizes property and equipment purchases of $1,000 or more. The Organization uses the straight-line method for the computation of depreciation of long-lived assets according to the following schedule of useful lives:

Building	40 Years
Building improvements	5 - 20 Years
Furniture and equipment	5 - 10 Years
Website	3 Years

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Impairment losses, if any, are recognized when estimated future cash flows (undiscounted and without interest charges) derived from such assets are less than their carrying values. Management believes no such impairment occurred during the years ended June 30, 2019 and 2018.

Contributions

Unconditional promises to give are recorded as contribution receivables and revenues. For financial reporting purposes, the Organization distinguishes between contributions without donor restrictions and contributions with donor restrictions. Contributions on which donors have imposed restrictions which limit the use of the donated assets are reported as restricted. When such donor-imposed restrictions are met in subsequent reporting periods, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions. Contributed assets for which donors have not stipulated restrictions, as well as contributions on which donors have placed restrictions which are met within the same reporting period, are reported as contributions without donor restrictions.

Unconditional promises that are expected to be collected within one year are recorded at net realizable value. Unconditional promises that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Conditional promises to give are not included as support until the conditions are substantially met. An allowance for uncollectible contributions receivable may be estimated by management, based on such factors as prior collection history, type of contribution, and the nature of the fundraising activity.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expense Allocation Methodology

The Organization's estimate of the functional expenses shared between program, management and general, and fundraising is based on a reasonable and consistent basis. Salaries and related expenses are allocated based upon management's estimated time expended by the employees. Facility related expenses, such as depreciation and utilities, are allocated based on the estimated facility square footage usage. Other expenses are allocated according to the Organization's estimates or on a direct basis.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Fair Value Measurements

FASB Accounting Standards Codification 820, Fair Value Measurements and Disclosures (ASC 820) establish a hierarchal disclosure framework which prioritizes and ranks the level of market price observability used in measuring fair value. This hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 – Quoted market prices are available in active market for identical assets or liabilities as of the reporting date.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.

Level 3 – Pricing inputs are unobservable and shall be used to measure fair value to the extent that observable inputs are not available. The inputs into the determination of fair value are based upon the best information available and require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentration of credit risk are cash, investments, and receivables. The Organization's cash and investments are held by major financial institutions insured by Federal Deposit Insurance Corporation and Securities Investor Protection Corporation up to their statutory limits. Concentrations of credit risk for student receivables are generally limited due to the dispersion over a wide creditor base.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is a nonprofit, tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from federal income and state franchise taxes on related income pursuant to Section 501(a) of the Code and similar provisions of the California Franchise Tax Code. The Organization does not engage in any significant unrelated trades or businesses. Accordingly, no provision for income taxes is required.

U.S. GAAP provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes all of the positions taken by the Organization are more likely than not to be sustained upon examination.

Reclassifications

Prior year financial statements have been reclassified to conform with current year presentation. The reclassifications have no effect on the previously reported changes in net assets or net assets.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 14, 2019, the date the financial statements were available to be issued. Except as disclosed in Note 9, there were no subsequent events that would require additional adjustments or disclosures in these financial statements.

New Accounting Pronouncements Adopted During the Year

In 2018, the Organization changed accounting policies related to presentation of financial statements by adopting Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities.* ASU 2016-14 has been applied retrospectively to all periods. There is no change to the previously reported net assets.

New Accounting Pronouncements Effective in Future Accounting Periods

ASU 2014-09, Revenue from Contracts with Customers (Topic 606), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. It is effective for fiscal years beginning after December 15, 2018.

ASU 2018-08 Not-For-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. This standard distinguishes between contributions and exchange transactions and assists in determining which guidance to apply. For contributions received, the effective date is for annual periods beginning after December 15, 2018; for contributions made, the effective date is for annual periods beginning after December 15, 2019.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASU 2016-02 Leases (Topic 842). This update increases transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. It is effective for fiscal year beginning after December 15, 2020. Management will be evaluating the effects of this new standard.

NOTE 3 LIQUIDITY AND AVAILABLITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2019	2018
Cash	$ 728,769	$ 925,366
Contributions receivables within one year	384,243	119,737
	1,113,012	1,045,103
Less:		
Donor restricted net assets	(100,278)	-
Board designated net assets	(312,867)	(335,727)
	$ 699,867	$ 709,376

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments; cash in excess of daily requirements are invested in money market fund. Although the Organization does not intend to spend from its board-designated reserves, these amounts could be made available if necessary. In addition, the Organization has a $200,000 line of credit available to be drawn.

NOTE 4 CONTRIBUTIONS RECEIVABLE

At June 30, 2019, $384,243 of contributions receivable are expected to be collected within one year. $2,500 of contributions receivable are expected to be collected during the year ended June 30, 2021.

NOTE 5 PROPERTY AND EQUIPMENT

At June 30, 2019 and 2018, property and equipment are as follows:

	2019		
	Cost	Accumulated Depreciation	Total
Land	$ 2,013,000	$ -	$ 2,013,000
Building and improvements	10,900,043	2,109,235	8,790,808
Furniture and equipment	512,434	282,595	229,839
Website	25,000	25,000	-
	$ 13,450,477	$ 2,416,830	$ 11,033,647

	2018		
	Cost	Accumulated Depreciation	Total
Land	$ 2,013,000	$ -	$ 2,013,000
Building and improvements	10,758,384	1,797,815	8,960,569
Furniture and equipment	402,872	177,656	225,216
Website	182,757	133,039	49,718
	$ 13,357,013	$ 2,108,510	$ 11,248,503

NOTE 6 LONG-TERM OBLIGATIONS

Promissory Note

In June 2015, the Organization entered into a promissory note with a bank in the amount of $607,026. The promissory note is secured by the Organization's deed of trust. The promissory note bears fixed interest rate at 5% with monthly installment of $3,570 and a balloon payment of all unpaid balance at maturity. The promissory note matures in June 2022. As of June 30, 2019 and 2018, the outstanding balance on this promissory note was $232,792 and $262,821, respectively. During the years ended June 30, 2019 and 2018, interest expense was $12,808 and $18,748 on this promissory note, respectively.

Pathway Agreement

In March 2018, the Organization entered into an unsecured reimbursement agreement with an unrelated entity in the amount of $190,000 for a portion of costs relating to construction of a shared pedestrian walkway. The monthly payments is $1,000 for 190 months. The reimbursement agreement is non-interest bearing and the Organization imputed interest at 5%. As of June 30, 2019 and 2018, the outstanding principal of this reimbursement agreement was $121,354 and $130,008, respectively. During the year ended June 30, 2019, the imputed interest expense was $6,343.

Line of Credit

In May 2016, the Organization entered into a $200,000 line of credit agreement with a bank. Under the terms of the agreement, the line of credit bears interest rate at LIBOR plus 2.75% and matures in May 2020. During the years ended June 30, 2019 and 2018, the Organization did not drawn on this line of credit. As of June 30, 2019 and 2018, there was no outstanding balance on this line of credit.

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

At June 30, 2019, future principal payments on the long-term obligations are as follows:

Year Ending June 30	Promissory Note	Pathway Agreement	Amount
2020	$ 31,941	$ 5,932	$ 37,873
2021	33,576	6,229	39,805
2022	167,275	6,540	173,815
2023	-	6,867	6,867
2024	-	7,210	7,210
Thereafter	-	88,580	88,580
	$ 232,792	$ 121,358	$ 354,150

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2019 and 2018, net assets with donor restrictions were for the following purposes:

	2019	2018
Subject to Expenditure for Specified Purposes:		
Capital Improvements	$ 70,278	$ -
Information Technology	30,000	-
Subject to Passage of Time	234,549	156,135
	$ 334,827	$ 156,135

During the years ended June 30, 2019 and 2018, net assets were released as follows:

	2019	2018
Capital Improvements	$ 29,722	$ -
Passage of Time	103,091	166,042
	$ 132,813	$ 166,042

NOTE 8 RETIREMENT PLAN

In July 2018, the Organization adopted a simple IRA plan (the Plan) for substantially all of its employees. The Organization matches participants' contribution up to 3% of the participants' base salary. During the year ended June 30, 2019, the Organization made $21,132 contributions to the Plan.

NOTE 9 RETENTION PAYMENT PLAN

In 2016, the Organization set up a 457(b) deferred compensation plan and a retention payment plan (collectively, the Retention Plan) for the benefit of the two Artistic Directors. No benefits will be paid under the Retention Plan unless 1 of 3 events occurs: (i) remaining employed until the cliff vesting date, January 1, 2029; (ii) separation from service due to death or disability; and (iii) involuntary separation from service without cause. Benefits may be forfeited due to involuntary separation from service for cause or involuntary separation from service. Benefits may be paid to the recipient in either a lump sum or over time, between 1 and 20 years. Under the agreement, the Organization makes an annual credits to each of the Artistic Directors until January 1, 2029. During the years ended June 30, 2019 and 2018, the Organization contributed $68,210 and $67,210 to the Retention Plan, respectively. As of June 30, 2019 and 2018, accrued deferred compensation liability was $289,788 and $229,886, respectively. The Organization has set aside funds in marketable securities selected by the Artistic Directors. The marketable securities are considered as level 1 in the fair value measurement measured on a recurring basis.

In September 2019, the Organization approved to terminate the retention payment plan effective as of August 1, 2019. The balance in the retention payment plan, in the amount of $142,119, was paid out to the Artistic Directors.

NOTE 10 LEASE COMMITMENT

The Organization has a non-cancelable operating lease for office equipment at a monthly rent of $822 through September 30, 2023.