A NOISE WITHIN

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

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YEARS ENDED JUNE 30, 2022 AND 2021

INDEPENDENT AUDITORS' REPORT

Board of Directors
A Noise Within
Pasadena, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of A Noise Within (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2022 and 2021, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of A Noise Within and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of A Noise Within's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about A Noise Within's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Board of Directors
A Noise Within

Supplementary Information

Our audits were conducted for the purpose of forming opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2023January 11, 2023, on our consideration of A Noise Within's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of A Noise Within's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering A Noise Within's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Pasadena, California
January 11, 2023

A NOISE WITHIN
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	2022	2021
ASSETS		
Cash	$ 1,008,484	$ 1,332,568
Investments (Note 4)	2,104,473	350,212
Accounts and Other Receivable	5,102	241,257
Contributions Receivable, Net of Allowance of $3,398	63,629	212,263
Prepaid Expenses and Other Assets	32,492	18,913
Deferred Compensation Investments (Note 4)	359,345	373,650
Property and Equipment, Net (Note 5)	10,154,926	10,375,983
Total Assets	$ 13,728,451	$ 12,904,846
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 129,961	$ 47,944
Deferred Revenue	273,688	401,171
Deferred Compensation Liability	359,345	373,650
Loans Payable (Note 6)	102,657	721,086
Total Liabilities	865,651	1,543,851
NET ASSETS		
Without Donor Restrictions:		
Undesignated	11,480,627	10,697,772
Board Designated - Plant Fund	398,601	350,212
Total Without Donor Restrictions	11,879,228	11,047,984
With Donor Restrictions (Note 7)	983,572	313,011
Total Net Assets	12,862,800	11,360,995
Total Liabilities and Net Assets	$ 13,728,451	$ 12,904,846

See accompanying Notes to Financial Statements.

A NOISE WITHIN
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR 2021)

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
REVENUES AND SUPPORT				
Revenues:				
Ticket Sales	$ 1,023,013	$ -	$ 1,023,013	$ 24,672
Education Programs	150,565	-	150,565	99,838
Other Income	10,183	-	10,183	16,249
Total Revenues	1,183,761	-	1,183,761	140,759
Support:				
Contributions and Grants	1,462,879	1,071,529	2,534,408	1,568,413
Government Assistance	1,518,850		1,518,850	853,452
Special Event, Net	209,373	-	209,373	144,102
Investment (Loss) Gain	(5,580)	(87,957)	(93,537)	346
Total Support	3,185,522	983,572	4,169,094	2,566,313
Net Assets Released from Restrictions	313,011	(313,011)	-	-
Total Revenue and Support	4,682,294	670,561	5,352,855	2,707,072
EXPENSES				
Program:				
Theatre Productions	1,853,737	-	1,853,737	813,886
Education Programs	1,048,143	-	1,048,143	426,931
Total Program	2,901,880	-	2,901,880	1,240,817
Supporting Services:				
General and Administrative	286,441	-	286,441	219,145
Fundraising and Development	282,793	-	282,793	218,941
Total Supporting Services	569,234	-	569,234	438,086
Total Expenses Before Depreciation and Interest	3,471,114	-	3,471,114	1,678,903
Change in Net Assets Before Depreciation and Interest	1,211,180	670,561	1,881,741	1,028,169
Depreciation	(365,080)	-	(365,080)	(359,628)
Interest	(14,856)	-	(14,856)	(16,627)
CHANGE IN NET ASSETS	831,244	670,561	1,501,805	651,914
Net Assets – Beginning of Year	11,047,984	313,011	11,360,995	10,709,081
NET ASSETS – END OF YEAR	$11,879,228	$ 983,572	$12,862,800	$11,360,995

See accompanying Notes to Financial Statements.

A NOISE WITHIN
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Revenues:			
Ticket Sales	$ 24,672	$ -	$ 24,672
Education Programs	99,838	-	99,838
Other Income	16,249	-	16,249
Total Revenues	140,759	-	140,759
Support:			
Contributions and Grants	1,301,937	266,476	1,568,413
Government Assistance	853,452	-	853,452
Special Event, Net	144,102	-	144,102
Interest Income	346	-	346
Total Support	2,299,837	266,476	2,566,313
Net Assets Released from Restrictions	62,480	(62,480)	-
Total Revenue and Support	2,503,076	203,996	2,707,072
EXPENSES			
Program:			
Theatre Productions	813,886	-	813,886
Education Programs	426,931	-	426,931
Total Program	1,240,817	-	1,240,817
Supporting Services:			
General and Administrative	219,145	-	219,145
Fundraising and Development	218,941	-	218,941
Total Supporting Services	438,086	-	438,086
Total Expenses Before Depreciation and Interest	1,678,903	-	1,678,903
Change in Net Assets Before Depreciation and Interest	824,173	203,996	1,028,169
Depreciation	(359,628)	-	(359,628)
Interest	(16,627)	-	(16,627)
NET CHANGE IN NET ASSETS	447,918	203,996	651,914
Net Assets – Beginning of Year	10,600,066	109,015	10,709,081
NET ASSETS – END OF YEAR	$ 11,047,984	$ 313,011	$ 11,360,995

See accompanying Notes to Financial Statements.

A NOISE WITHIN
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

	2022					
	Program Services					
	Theater Productions	Education Programs	Management and General	Fundraising	Total	2021 Total
Salaries and Benefits	$ 1,057,990	$ 567,938	$ 127,895	$ 260,630	$ 2,014,452	$ 1,162,259
Production Artistic and Technical Fees	146,040	71,956	284	284	218,563	58,258
Production Supplies, Material, and Expenses	80,738	39,767	-	-	120,505	43,792
Royalties and Fees	37,096	18,271	-	-	55,367	10,252
Education Related Expenses	-	53,550	-	-	53,550	29,466
Marketing and Public Relations	163,680	106,207	851	7,338	278,076	36,699
Merchant and Bank Charges	36,866	22,119	7,373	7,373	73,731	49,730
Professional Fees	99,344	49,672	98,897	-	247,914	45,332
Utilities	68,181	34,091	11,364	-	113,635	93,672
Repairs and Maintenance	49,420	24,710	8,237	-	82,366	41,657
Insurance and Taxes	71,000	35,500	11,833	-	118,334	51,338
Office Expenses	43,382	24,363	19,707	7,169	94,621	56,448
Total Expenses Before Depreciation and Interest	1,853,737	1,048,143	286,441	282,793	3,471,114	1,678,903
Depreciation	219,048	109,524	36,508	-	365,080	359,628
Interest	8,914	4,457	1,486	-	14,856	16,627
Total Expenses Before Special Events Costs	2,081,698	1,162,124	324,434	282,793	3,851,050	2,055,158
Special Events Costs	-	-	-	68,893	68,893	16,453
Cost of Concessions Sales	-	-	-	1,366	1,366	-
Total Expenses	$ 2,081,698	$ 1,162,124	$ 324,434	$ 353,052	$ 3,921,309	$ 2,071,611

See accompanying Notes to Financial Statements.

A NOISE WITHIN
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021

	Program Services				
	Theater Productions	Education Programs	Management and General	Fundraising	Total
Salaries and Benefits	$ 539,800	$ 258,226	$ 161,097	$ 203,136	$ 1,162,259
Production Artistic and Technical Fees	38,974	19,200	42	42	58,258
Production Supplies, Material, and Expenses	29,341	14,451	-	-	43,792
Royalties and Fees	6,869	3,383	-	-	10,252
Education Related Expenses	-	29,466	-	-	29,466
Marketing and Public Relations	22,289	9,251	552	4,607	36,699
Merchant and Bank Charges	24,865	14,919	4,973	4,973	49,730
Professional Fees	16,378	8,189	20,765	-	45,332
Utilities	56,203	28,102	9,367	-	93,672
Repairs and Maintenance	24,994	12,497	4,166	-	41,657
Insurance and Taxes	30,803	15,401	5,134	-	51,338
Office Expenses	23,370	13,846	13,049	6,183	56,448
Total Expenses Before Depreciation and Interest	813,886	426,931	219,145	218,941	1,678,903
Depreciation	215,777	107,888	35,963	-	359,628
Interest	9,976	4,988	1,663	-	16,627
Total Expenses Before Special Events Costs	1,039,639	539,807	256,771	218,941	2,055,158
Special Events Costs	-	-	-	16,453	16,453
Total Expenses	$ 1,039,639	$ 539,807	$ 256,771	$ 235,394	$ 2,071,611

See accompanying Notes to Financial Statements.

A NOISE WITHIN
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 1,501,805	$ 651,914
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	365,080	359,628
PPP Loan Forgiveness	(393,739)	(409,400)
Contribution Restricted for Endowment	(1,000,000)	-
Realized and Unrealized Investment Loss	105,632	-
Changes in Assets and Liabilities:		
Contributions Receivable, Net	148,634	(172,111)
Accounts and Other Receivable	236,155	(193,063)
Prepaid Expenses and Other Assets	(13,579)	35,024
Deferred Compensation Investment	14,305	(142,025)
Accounts Payable and Accrued Expenses	82,017	(26,075)
Deferred Revenue	(127,483)	17,961
Deferred Compensation Liability	(14,305)	142,025
Net Cash Provided by Operating Activities	904,522	263,878
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investment	(1,859,893)	-
Purchase of Property and Equipment	(144,022)	(10,316)
Net Cash Used by Investing Activities	(2,003,915)	(10,316)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Loans Payable	(224,691)	(42,134)
Proceed from Loans Payable	-	446,739
Contributions Restricted for Endowment	1,000,000	-
Net Cash Provided by Financing Activities	775,309	404,605
NET CHANGE IN CASH	(324,084)	658,167
Cash - Beginning of Year	1,332,568	674,401
CASH - END OF YEAR	$ 1,008,484	$ 1,332,568
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid	$ 14,856	$ 16,627

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 nonprofit 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. The board of directors has designated a plant fund for the use of major facilities expenses.

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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. 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 at a point in time of the related performance. Payments for ticket sales for performances that occur subsequent to year-end are shown as deferred revenue. As of June 30, 2022 and 2021, program related accounts receivable and deferred revenue are as follows:

	Program Related	
	Accounts Receivable	Deferred Revenue
Balance - July 1, 2020	$ 48,194	$ 383,210
Net Change	(25,486)	17,961
Balance - June 30, 2021	22,708	401,171
Net Change	(17,606)	(127,483)
Balance - June 30, 2022	$ 5,102	$ 273,688

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Education program revenue is recognized in the period during which the academic services are rendered (over time).

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

Accounts and Other Receivable

Accounts and other receivable are valued at net realized value. At June 30, 2022, accounts and other receivable includes $5,102 program related receivable. At June 30, 2021, accounts and other receivable includes $218,549 receivable from employee retention tax credit and $22,708 program related receivable. Management believes that all accounts and other receivable are fully collectible as of June 30, 2022 and 2021.

Investments

Investments are stated at fair value which is based on quoted market prices. Unrealized gains or losses on investments resulting from fair value fluctuations are recorded in the statements of activities.

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 $5,000 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 to 20 Years
Furniture and equipment	5 to 10 Years
Website	3 Years

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, 2022 and 2021.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Grants

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. As of June 30, 2022 and 2021, contributions receivable is expected to be collected within one year. 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. Conditional promises to give are not included as support until the conditions are substantially met. During the year ended June 30, 2022, the Organization received conditional reimbursement government grant in the amount of $150,000. At June 30, 2022, the conditional balances on this grant agreement was $112,500, of which, none was received in advance. During the year ended June 30, 2021, the Organization did not receive any conditional promises.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Income Taxes

The Organization is a nonprofit, tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from federal income and state franchise taxes on related income pursuant to Section 501(a) of IRC 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassification

Certain reclassifications of amount previously reported have been made to the accompanying financial statements to maintain consistency between years presented. The reclassifications had no impact on previously reported net assets and change in net assets.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through January 11, 2023, the date the financial statements were available to be issued. There were no subsequent events that would require additional adjustments or disclosures in these financial statements.

NOTE 3 LIQUIDITY AND AVAILABILITY

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:

	2022	2021
Cash	$ 1,008,484	$ 1,332,568
Investments	793,829	-
Accounts and Other Receivable	5,102	241,257
Contributions Receivables Within One Year	63,629	212,263
Total	1,871,044	1,786,088
Less:		
Donor Purpose-Restricted Net Assets	-	(89,535)
Total	$ 1,871,044	$ 1,696,553

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments; cash in excess of daily requirements are invested in an investment account. Although the Organization does not intend to spend from its board-designated reserves, these amounts could be made available if necessary.

NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS

The following are the fair value for investments measured on a recurring basis at June 30:

	2022			
	Total	Level 1	Level 2	Level 3
Investments:				
Money Market Fund	$ 87,699	$ 87,699	$ -	$ -
Exchange - Traded Product	874,389	874,389	-	-
Fixed Income:				
Corporate Bonds	509,624	-	509,624	-
U.S. Treasury	429,851	-	429,851	-
Cash Bank Sweep	202,910	-	-	-
Total	2,104,473	962,088	939,475	-
Deferred Compensation Investment:				
Equity Exchange Traded Fund	359,345	359,345	-	-
Total Investments	$ 2,463,818	$ 1,321,433	$ 939,475	$ -

	2021			
	Total	Level 1	Level 2	Level 3
Investments:				
Money Market Fund	$ 350,212	$ 350,212	$ -	$ -
Deferred Compensation Investment:				
Equity Exchange Traded Fund	373,650	373,650	-	-
Total Investments	$ 723,862	$ 723,862	$ -	$ -

Investment income (loss) for the years ended June 30, are comprised of the following:

	2022	2021
Interest and Dividends	$ 12,095	$ 346
Realized and Unrealized Loss	(105,632)	-
Total Investment Income (Loss)	$ (93,537)	$ 346

NOTE 5 PROPERTY AND EQUIPMENT

At June 30, property and equipment are as follows:

2022	Cost	Accumulated Depreciation	Total
Land	$ 2,013,000	$ -	$ 2,013,000
Building and Improvements	10,959,665	2,937,225	8,022,440
Furniture and Equipment	480,515	361,029	119,486
Website	25,000	25,000	-
Total Property and Equipment	$ 13,478,180	$ 3,323,254	$ 10,154,926

2021	Cost	Accumulated Depreciation	Total
Land	$ 2,013,000	$ -	$ 2,013,000
Building and Improvements	10,942,427	2,721,750	8,220,677
Furniture and Equipment	531,594	389,288	142,306
Website	25,000	25,000	-
Total Property and Equipment	$ 13,512,021	$ 3,136,038	$ 10,375,983

During the year ended June 30, 2022, the Organization disposed $175,039 fully depreciated furniture and equipment and $2,825 fully depreciated building improvements.

NOTE 6 LOANS PAYABLE

Promissory Notes

In June 2015, the Organization entered into a first promissory note with a bank in the amount of $607,026, secured by the Organization's deed of trust. The first 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 first promissory note matured in June 2022, and the Organization paid off the entire loan as of June 30, 2022. As of June 30, 2021, the outstanding balance on this first promissory note was $167,656. During the years ended June 30, 2022 and 2021, interest expense was $7,691 and $9,425 on this promissory note, respectively.

In June 2020, the Organization entered into a secured second promissory note with the same bank in the amount of $53,000, for the purpose of paying monthly payments of principal and interest of the first promissory note. The Organization received the proceed of the second promissory note on August 10, 2020. The second promissory note bears fixed interest rate at 3% with monthly principal and interest payment of $295 and a balloon payment of all unpaid balance at maturity in June 2025. The Organization paid off the outstanding balance in full in June 2022. As of June 30, 2021, the outstanding balance on this second promissory note was $51,170. During the years ended June 30, 2022 and 2021, interest expense was $1,529 and $1,416 on this promissory note, respectively.

NOTE 6 LOANS PAYABLE (CONTINUED)

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 are $1,000 for 190 months. The reimbursement agreement is noninterest bearing and the Organization imputed interest at 5%. As of June 30, 2022 and 2021, the outstanding principal of this reimbursement agreement was $102,657 and $108,521, respectively. During the years ended June 30, 2022 and 2021, the imputed interest expense was $5,460 and $5,786, respectively.

At June 30, 2022, future principal payments on the pathway loan payable are as follows:

Year Ending June 30,	Amount
2023	$ 6,867
2024	7,210
2025	7,571
2026	7,950
2027	8,347
Thereafter	64,712
Total	$ 102,657

PPP Loan

In April 2020, the Organization received a loan in the amount of $409,440 to fund payroll and other eligible expenses through the Paycheck Protection Program (PPP) created by the CARES Act. The loans are unsecured and guaranteed by the Small Business Administration (SBA).

In March 2021, the Organization received a second round of PPP loan in the amount of $393,739 to fund payroll and other eligible expenses.

In January 2021, the Organization was notified that the first PPP loan was forgiven by the SBA and the Organization recorded $409,400 as government assistance revenue for the year ended June 30, 2021. In December 2021, the Organization was notified that the second PPP loan was forgiven by the SBA and the Organization recorded $393,739 as government assistance revenue for the year ended June 30, 2022.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Organization's financial position.

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

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

	2022	2021
Subject to Expenditure for Specified Purposes:		
Capital Improvements	$ -	$ 46,535
Professional Development	-	18,000
COVID Relief	-	25,000
Subject to Passage of Time	71,529	223,476
Perpetual in Nature	912,043	-
Total	$ 983,572	$ 313,011

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

	2022	2021
Capital Improvements	$ 46,535	$ 3,310
Information Technology	25,000	-
Professional Development	18,000	5,500
Passage of Time	223,476	53,670
Total	$ 313,011	$ 62,480

NOTE 8 ENDOWMENT

The Organization’s endowment consists of a donor-restricted endowment. As required by U.S. GAAP, net assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The board of trustees of the Organization have interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as adopted by the state of California, as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as donor-restricted net assets (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not required to be maintained in perpetuity is classified as donor-restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

NOTE 8 ENDOWMENT (CONTINUED)

Interpretation of Relevant Law (Continued)

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the Organization and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Organization
(7) The investment policies of the Organization

The Organization's endowment by net asset class at June 30, 2022, in total and by type of endowment fund, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds:			
Original Donor-Restricted Gift Amount to be Maintained in Perpetuity by Donor	$ -	$ 1,000,000	$ 1,000,000
Accumulated Investment Loss	-	(87,957)	(87,957)
Total	$ -	$ 912,043	$ 912,043

Changes in endowment assets for the year ended June 30, 2022, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	$ -	$ -	$ -
Contributions	-	1,000,000	1,000,000
Investment Return:			
Interest Income	-	5,057	5,057
Net Depreciation	-	(93,014)	(93,014)
Total Investment Return	-	(87,957)	(87,957)
Endowment Net Assets - End of Year	$ -	$ 912,043	$ 912,043

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. The deficiency resulted from unfavorable market fluctuations. Underwater endowment at June 30, 2022, was $87,957.

NOTE 9 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 years ended June 30, 2022 and 2021, the Organization made $28,332 and $25,044 contributions to the Plan, respectively.

NOTE 10 RETENTION PAYMENT PLAN

In 2016, the Organization set up a 457(b) deferred compensation plan for the benefit of the two Artistic Directors. Benefits may be forfeited due to involuntary separation from service for cause. 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 annual credits to each of the Artistic Directors until January 1, 2029.

As of June 30, 2022 and 2021, accrued deferred compensation liability was $359,345 and $373,650, 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.

NOTE 11 RISK AND UNCERTAINTY OF OPERATIONS

In March 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic and the pandemic continued in 2021. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. The COVID-19 pandemic has caused significant disruption to the operation of all theaters, including the Organization, and the recovery timeline is unclear.

While most of the Organization's offerings are to be presented for live audiences again in FY22 following over a year of virtual programming, variants of COVID-19 continue to present challenges to revenue forecasting. The Organization continues to generate impactful content for audiences approaching pre-pandemic levels, which builds back potential for earned revenue while maintaining contributed revenue sources.

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

Board of Directors
A Noise Within
Pasadena, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of A Noise Within, which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 11, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

Board of Directors
A Noise Within

Report on Compliance and Other Matters

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

Purpose of This Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Pasadena, California
January 11, 2023

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
A Noise Within
Pasadena, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited A Noise Within's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of A Noise Within's major federal programs for the year ended June 30, 2022. A Noise Within's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, A Noise Within complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative* Requirements*, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of A Noise Within's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Pasadena, California
January 11, 2023

A NOISE WITHIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

Federal Grantor/ Pass through Grantor/ Program Title	Federal Assistance Listing Number	Contract Grant Number	Federal Expenditures
Small Business Administration			
COVID-19 - Shuttered Venue Operators Grant Program	59.075	-	$ 959,950
Total Small Business Administration			959,950
National Endowment for the Arts			
Promotion of the Arts Grants to Organizations and Individuals	45.024	-	37,500
Total National Endowment for the Arts			37,500
Total Expenditures of Federal Awards			$ 997,450

See accompanying Notes to Schedule of Expenditures of Federal Awards.

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards of A Noise Within, includes the federal award activity of A Noise Within under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of 2CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, Rules of the Auditor General. Because the Schedule presents only a selected portion of the operations of A Noise Within, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of A Noise Within.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Chapter 10.650, Rules of the Auditor General, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown in the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. A Noise Within has not elected to use the 10 percent de minimus cost rate as covered in 2CFR Section 200.414 and have a federally negotiated rate with their cognizant agency.

A NOISE WITHIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified

2. Internal control over financial reporting:

   - Material weakness(es) identified? ______ yes __x__ no

   - Significant deficiency(ies) identified? reported ______ yes __x__ none

3. Noncompliance material to financial statements noted? ______ yes __x__ no

Federal Awards

1. Internal control over major federal programs:

   - Material weakness(es) identified? ______ yes __x__ no

   - Significant deficiency(ies) identified? reported ______ yes __x__ none

2. Type of auditors' report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ______ yes __x__ no

Identification of Major Programs and Projects

CFDA Number(s)	Name of Federal Program or Cluster
59.075	Shuttered Venue Operators Grant Program

Dollar threshold used to distinguish between Type A and Type B federal programs: $ 750,000

Auditee qualified as low-risk auditee? ______ yes __x__ no

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CRF 200.516(a).