A NOISE WITHIN

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

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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, 2023 and 2022, 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, 2023 and 2022, 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). 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 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, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Pasadena, California
January 29, 2024

A NOISE WITHIN
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
Cash	$ 264,718	$ 1,008,484
Investments (Note 4)	2,810,353	2,104,473
Accounts and Other Receivable	15,949	5,102
Contributions Receivable, Net of Allowance of $3,398	5,852	63,629
Prepaid Expenses and Other Assets	132,474	32,492
Deferred Compensation Investments (Note 4)	405,750	359,345
Property and Equipment, Net (Note 5)	9,881,677	10,154,926
Total Assets	$ 13,516,773	$ 13,728,451
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 109,568	$ 129,961
Deferred Revenue	298,270	273,688
Deferred Compensation Liability	405,750	359,345
Loans Payable (Note 6)	95,790	102,657
Total Liabilities	909,378	865,651
NET ASSETS		
Without Donor Restrictions:		
Undesignated	10,993,050	11,480,627
Board Designated - Plant Fund	475,594	398,601
Total Without Donor Restrictions	11,468,644	11,879,228
With Donor Restrictions (Note 7)	1,138,751	983,572
Total Net Assets	12,607,395	12,862,800
Total Liabilities and Net Assets	$ 13,516,773	$ 13,728,451

See accompanying Notes to Financial Statements.

A NOISE WITHIN
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
REVENUE AND SUPPORT				
Revenue:				
Ticket Sales	$ 1,256,274	$ -	$ 1,256,274	$ 1,023,013
Education Programs	172,943	-	172,943	150,565
Other Income	43,957	-	43,957	10,183
Total Revenue	1,473,174	-	1,473,174	1,183,761
Support:				
Contributions and Grants	1,853,830	70,552	1,924,382	2,534,408
Government Assistance	-	-	-	1,518,850
Special Event, Net	234,886	-	234,886	209,373
Investment Gain (Loss)	42,759	162,046	204,805	(93,537)
Total Support	2,131,475	232,598	2,364,073	4,169,094
Net Assets Released from Restrictions	77,419	(77,419)	-	-
Total Revenue and Support	3,682,068	155,179	3,837,247	5,352,855
EXPENSES				
Program:				
Theatre Productions	1,932,684	-	1,932,684	1,853,737
Education Programs	1,104,988	-	1,104,988	1,048,143
Total Program	3,037,672	-	3,037,672	2,901,880
Supporting Services:				
General and Administrative	374,835	-	374,835	286,441
Fundraising and Development	333,248	-	333,248	282,793
Total Supporting Services	708,083	-	708,083	569,234
Total Expenses Before Depreciation and Interest	3,745,755	-	3,745,755	3,471,114
CHANGE IN NET ASSETS BEFORE DEPRECIATION AND INTEREST	(63,687)	155,179	91,492	1,881,741
Depreciation	(339,379)	-	(339,379)	(365,080)
Interest	(7,518)	-	(7,518)	(14,856)
CHANGE IN NET ASSETS	(410,584)	155,179	(255,405)	1,501,805
Net Assets – Beginning of Year	11,879,228	983,572	12,862,800	11,360,995
NET ASSETS – END OF YEAR	$ 11,468,644	$ 1,138,751	$ 12,607,395	$ 12,862,800

See accompanying Notes to Financial Statements.

A NOISE WITHIN
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Revenue:			
Ticket Sales	$ 1,023,013	$ -	$ 1,023,013
Education Programs	150,565	-	150,565
Other Income	10,183	-	10,183
Total Revenue	1,183,761	-	1,183,761
Support:			
Contributions and Grants	1,462,879	1,071,529	2,534,408
Government Assistance	1,518,850		1,518,850
Special Event, Net	209,373	-	209,373
Interest Loss	(5,580)	(87,957)	(93,537)
Total Support	3,185,522	983,572	4,169,094
Net Assets Released from Restrictions	313,011	(313,011)	-
Total Revenue and Support	4,682,294	670,561	5,352,855
EXPENSES			
Program:			
Theatre Productions	1,853,737	-	1,853,737
Education Programs	1,048,143	-	1,048,143
Total Program	2,901,880	-	2,901,880
Supporting Services:			
General and Administrative	286,441	-	286,441
Fundraising and Development	282,793	-	282,793
Total Supporting Services	569,234	-	569,234
Total Expenses Before Depreciation and Interest	3,471,114	-	3,471,114
CHANGE IN NET ASSETS BEFORE DEPRECIATION AND INTEREST	1,211,180	670,561	1,881,741
Depreciation	(365,080)	-	(365,080)
Interest	(14,856)	-	(14,856)
NET CHANGE IN NET ASSETS	831,244	670,561	1,501,805
Net Assets – Beginning of Year	11,047,984	313,011	11,360,995
NET ASSETS – END OF YEAR	$ 11,879,228	$ 983,572	$ 12,862,800

See accompanying Notes to Financial Statements.

A NOISE WITHIN
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR 2022)

	Program Services					
	Theater Productions	Education Programs	Management and General	Fundraising	2023 Total	2022 Total
Salaries and Benefits	$ 1,067,393	$ 585,381	$ 147,040	$ 290,251	$ 2,090,065	$ 2,014,452
Production Artistic and Technical Fees	149,745	73,762	72	72	223,651	218,563
Production Supplies, Materials, and Expenses	82,984	40,873	-	-	123,857	120,505
Royalties and Fees	33,160	16,332	-	-	49,492	55,367
Education Related Expenses	-	47,122	-	-	47,122	53,550
Marketing and Public Relations	165,330	118,108	551	11,397	295,386	278,076
Merchant and Bank Charges	45,157	27,094	9,031	9,031	90,313	73,731
Professional Fees	151,839	75,920	147,236	-	374,995	247,914
Utilities	79,919	39,960	13,320	-	133,199	113,635
Repairs and Maintenance	52,141	26,070	8,690	-	86,901	82,366
Insurance and Taxes	52,126	26,063	8,688	-	86,877	118,334
Office Expenses	52,890	28,303	40,207	22,497	143,897	94,621
Total Expenses Before Depreciation and Interest	1,932,684	1,104,988	374,835	333,248	3,745,755	3,471,114
Depreciation	203,627	101,814	33,938	-	339,379	365,080
Interest	4,511	2,255	752	-	7,518	14,856
Total Expenses Before Special Events Costs	2,140,822	1,209,057	409,525	333,248	4,092,652	3,851,050
Special Events Costs	-	-	-	-	24,514	68,893
Cost of Concessions Sales	-	-	-	-	12,139	1,366
Total Expenses	$ 2,140,822	$ 1,209,057	$ 409,525	$ 333,248	$ 4,129,305	$ 3,921,309

See accompanying Notes to Financial Statements.

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

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

See accompanying Notes to Financial Statements.

A NOISE WITHIN
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ (255,405)	$ 1,501,805
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	339,379	365,080
PPP Loan Forgiveness	-	(393,739)
Contribution Restricted for Endowment	-	(1,000,000)
Realized and Unrealized Investment (Gain) Loss	(157,092)	105,632
Changes in Assets and Liabilities:		
Contributions Receivable, Net	57,777	148,634
Accounts and Other Receivable	(10,847)	236,155
Prepaid Expenses and Other Assets	(99,982)	(13,579)
Deferred Compensation Investment	(46,405)	14,305
Accounts Payable and Accrued Expenses	(20,393)	82,017
Deferred Revenue	24,582	(127,483)
Deferred Compensation Liability	46,405	(14,305)
Net Cash Provided (Used) by Operating Activities	(121,981)	904,522
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of Investment	621,713	-
Purchase of Investment	(1,170,501)	(1,859,893)
Purchase of Property and Equipment	(66,130)	(144,022)
Net Cash Used by Investing Activities	(614,918)	(2,003,915)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Loans Payable	(6,867)	(224,691)
Contributions Restricted for Endowment	-	1,000,000
Net Cash Provided (Used) by Financing Activities	(6,867)	775,309
NET CHANGE IN CASH	(743,766)	(324,084)
Cash - Beginning of Year	1,008,484	1,332,568
CASH - END OF YEAR	$ 264,718	$ 1,008,484
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid	$ 7,518	$ 14,856

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, 2023 and 2022, program related accounts receivable and deferred revenue are as follows:

	Program Related	
	Accounts Receivable	Deferred Revenue
Balance - July 1, 2021	$ 22,708	$ 401,171
Net Change	(17,606)	(127,483)
Balance - June 30, 2022	5,102	273,688
Net Change	10,847	24,582
Balance - June 30, 2023	$ 15,949	$ 298,270

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (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.

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:

Buildings	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, 2023 and 2022.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Grants (Continued)

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, 2023 and 2022, 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, 2023 and 2022, the conditional balances on this grant agreement were $37,500 and $112,500, respectively, of which, none were received in advance.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

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.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through January 29, 2024, 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 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Announcement Adopted in Current Year – ASC 842 Leases

In February 2016, Financial Accounting Standard Board (FASB) issued Accounting Standards Updates (ASU) 2016-02*, Leases* (ASC 842). The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the requirements of the guidance effective July 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption, while continuing to present the comparative period in accordance with the guidance under the lease standard in effect during that period.

The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred, and the leases are not included as right-of-use assets and lease liabilities on the statements of financial position. The Organization has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of its ROU assets. The Organization has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component. The Organization has elected to adopt the package of practical expedients available in the year of adoption.

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 statements of financial position date, comprise the following:

	2023	2022
Cash	$ 264,718	$ 1,008,484
Investments	1,290,109	793,829
Accounts and Other Receivables	15,949	5,102
Contribution Receivables Within One Year	5,852	63,629
Subtotal	1,576,628	1,871,044
Less: Donor Purpose-Restricted Net Assets	(70,552)	-
Total	$ 1,506,076	$ 1,871,044

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:

	2023			
	Total	Level 1	Level 2	Level 3
Investments:				
Money Market Fund	$ 302,234	$ 302,234	$ -	$ -
Exchange - Traded Product	893,921	893,921	-	-
Fixed Income:				
U.S. Treasury	1,561,928	-	1,561,928	-
Cash Bank Sweep	52,270	-	-	-
Total	2,810,353	1,196,155	1,561,928	-
Deferred Compensation Investment:				
Equity Exchange Traded Fund	405,750	405,750	-	-
Total Investments	$ 3,216,103	$ 1,601,905	$ 1,561,928	$ -

	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	$ -

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

	2023	2022
Interest and Dividends	$ 47,713	$ 12,095
Realized and Unrealized Loss	157,092	(105,632)
Total Investment Income (Loss)	$ 204,805	$ (93,537)

NOTE 5 PROPERTY AND EQUIPMENT

At June 30, property and equipment are as follows:

	2023		
	Cost	Accumulated Depreciation	Total
Land	$ 2,013,000	$ -	$ 2,013,000
Building and Improvements	10,984,969	3,315,917	7,669,052
Furniture and Equipment	521,341	321,716	199,625
Website	25,000	25,000	-
Total Property and Equipment	$ 13,544,310	$ 3,662,633	$ 9,881,677

	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

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. During the year ended June 30, 2022, interest expense was $7,691 on this promissory note.

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. During the year ended June 30, 2022, interest expense was $1,529 on this promissory note.

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, 2023 and 2022, the outstanding principal of this reimbursement agreement was $95,790 and $102,657, respectively. During the years ended June 30, 2023 and 2022, the imputed interest expense was $7,518 and $5,460, respectively.

At June 30, 2023, future principal payments on the pathway loan payable are as follows:

Year Ending June 30,	Amount
2024	$ 7,210
2025	7,571
2026	7,950
2027	8,347
2028	8,764
Thereafter	55,948
Total	$ 95,790

PPP Loan

In March 2021, the Organization received a loan in the amount of $393,739 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 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:

	2023	2022
Subject to Expenditure for Specified Purposes:		
Capital Improvements	$ 25,000	$ -
Professional Development	29,352	-
Support of Personnel Expense	16,200	-
Accumulated Earnings on Endowment	44,650	-
Total Subject to Expenditure for Specified Purposes	115,202	-
Subject to Passage of Time	23,549	71,529
Perpetual in Nature	1,000,000	912,043
Total	$ 1,138,751	$ 983,572

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

	2023	2022
Capital Improvements	$ -	$ 46,535
Information Technology	-	25,000
Professional Development	-	18,000
Passage of Time	47,980	223,476
Appropriation from Endowment	29,439	-
Total	$ 77,419	$ 313,011

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, 2023 and 2022, in total and by type of endowment fund, are as follows:

	2023		
	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 Gain	-	44,650	44,650
Total	$ -	$ 1,044,650	$ 1,044,650

	2022		
	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

NOTE 8 ENDOWMENT (CONTINUED)

Changes in endowment assets for the year ended June 30, 2023, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - July 1, 2021	$ -	$ -	$ -
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 - June 30, 2022	-	912,043	912,043
Investment Return:			
Interest Income	-	17,969	17,969
Net Appreciation	-	144,077	144,077
Total Investment Return	-	162,046	162,046
Appropriation	-	(29,439)	(29,439)
Endowment Net Assets - June 30, 2023	$ -	$ 1,044,650	$ 1,044,650

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, 2023 and 2022, the Organization made $21,302 and $28,332 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, 2023 and 2022, accrued deferred compensation liability was $405,750 and $359,345, 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.