

Financial Statements

OPERA ORLANDO, INC.

June 30, 2022

OPERA ORLANDO, INC.

Financial Statements

June 30, 2022

(With Independent Auditor's Report Thereon)

OPERA ORLANDO, INC.

Table of Contents

Independent Auditor's Report.....	1
Financial Statements:	
Statements of Financial Position.....	4
Statements of Activities and Changes in Net Assets	5
Statements of Functional Expenses.....	6
Statements of Cash Flows	7
Notes to Financial Statements.....	8

SCHAFFER, TSCHOPP, WHITCOMB, MITCHELL & SHERIDAN, LLP

Certified Public Accountants

Michael R. Schafer, CPA
Thomas R. Tschopp, CPA
Tom V. Whitcomb, CPA

541 S. Orlando Avenue, Suite 312
Maitland, Florida 32751
(407) 839-3330

Joseph P. Mitchell, CPA
Stephen J. Sheridan, CPA
Daniel M. Hinson, CPA

Independent Auditor's Report

The Board of Directors
Opera Orlando, Inc.

Opinion

We have audited the accompanying financial statements of Opera Orlando, Inc. (a nonprofit corporation), which comprise the statements 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Opera Orlando, Inc. as of June 30, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Opera Orlando, Inc. and to meet our other ethical responsibilities in accordance with the 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 audit opinion.

Responsibilities of Management for 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 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 Opera Orlando, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 generally accepted 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 generally accepted 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 Opera Orlando, Inc.'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Opera Orlando, Inc.'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.

Report on Summarized Comparative Information

We have previously audited the Opera Orlando, Inc.'s 2021 financial statements, and our report dated August 10, 2021, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Schatz, Tschoff, Whitcomb, Mitchell & Shulman, LLP

August 15, 2022
Maitland, FL

OPERA ORLANDO, INC.

Statements of Financial Position

June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 229,537	170,702
Investments (note 3)	94,460	-
Pledges receivable (note 4)	34,059	1,000
Property and equipment (note 5)	114,766	42,700
Intangible assets (note 6)	-	57,500
Other assets	34,483	6,555
	<u> </u>	<u> </u>
Total assets	<u>\$ 507,305</u>	<u>278,457</u>
<u>Liabilities and Net Assets</u>		
Liabilities:		
Accounts payable and accrued expenses	\$ 14,556	1,750
Deferred revenue	9,284	88,633
	<u> </u>	<u> </u>
	23,840	90,383
Commitment (note 8)		
Net assets:		
Without donor restrictions	354,946	187,074
With donor restrictions	128,519	1,000
	<u> </u>	<u> </u>
Total net assets	<u>483,465</u>	<u>188,074</u>
Total liabilities and net assets	<u>\$ 507,305</u>	<u>278,457</u>

See accompanying notes to financial statements.

OPERA ORLANDO, INC.

Statements of Activities and Changes in Net Assets

Year ended June 30, 2022

(With summarized comparative information for the year ended June 30, 2021)

	2022			2021 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Public support:				
Contributions and grants (note 11)	\$ 1,235,895	139,483	1,375,378	910,204
Paycheck Protection Program grant (note 10)	-	-	-	28,643
In kind contributions	39,358	-	39,358	110,565
Sponsors	56,720	-	56,720	32,500
Special events, net of direct benefit to donor cost of \$89,245 and \$24,684	218,453	-	218,453	44,443
Total public support	1,550,426	139,483	1,689,909	1,126,355
Revenue:				
Production income	341,787	-	341,787	181,724
Contracted presentations	34,065	-	34,065	8,960
Youth chorus	16,901	-	16,901	15,141
Investment income	1,150	(11,964)	(10,814)	3,922
Other income	3,750	-	3,750	-
Total revenue	397,653	(11,964)	385,689	209,747
Assets released from restriction	-	-	-	-
Total public support and revenue	1,948,079	127,519	2,075,598	1,336,102
Expenses:				
Program services	1,265,757	-	1,265,757	1,263,039
Supporting services:				
Management and general	464,422	-	464,422	83,326
Fund raising	50,028	-	50,028	48,084
Total program and supporting services	1,780,207	-	1,780,207	1,394,449
Change in net assets	167,872	127,519	295,391	(58,347)
Net assets at beginning of year	187,074	1,000	188,074	246,421
Net assets at end of year	\$ 354,946	128,519	483,465	188,074

See accompanying notes to financial statements.

OPERA ORLANDO, INC.

Statements of Functional Expenses

Year ended June 30, 2022

(With summarized comparative information for the year ended June 30, 2021)

	<u>Productions</u>	<u>Youth Company</u>	<u>Studio Artist</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2022</u>	<u>Total 2021</u>
Payroll and related expenses	\$ -	8,280	-	291,537	-	299,817	457,407
Contract services	461,710	29,864	1,619	58,897	16,193	568,283	-
Accounting fees	-	-	-	21,392	-	21,392	39,990
Performance artists	218,958	-	25,030	-	-	243,988	248,087
Travel	78,375	-	20,913	2,828	4,167	106,283	105,561
Hospitality	40,636	99	332	666	12,622	54,355	28,071
Insurance	-	282	-	3,036	-	3,318	2,692
Marketing	87,062	1,026	918	500	11,756	101,262	115,376
Dues and memberships	-	-	-	1,595	1,314	2,909	1,814
Office expense	625	889	-	8,183	833	10,530	7,762
Facility and venue rental	153,195	4,572	200	73,100	2,246	233,313	238,741
Supplies	125,070	913	348	826	897	128,054	144,981
Depreciation	4,841	-	-	1,862	-	6,703	3,967
	<u>\$ 1,170,472</u>	<u>45,925</u>	<u>49,360</u>	<u>464,422</u>	<u>50,028</u>	<u>1,780,207</u>	<u>1,394,449</u>

See accompanying notes to financial statements.

OPERA ORLANDO, INC.

Statements of Cash Flows

Years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ 295,391	(58,347)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	6,703	3,967
Amortization	29,772	-
Unrealized gain (loss)	11,320	-
Change in operating assets and liabilities:		
Pledges receivable	(33,059)	8,562
Prepaid expenses	-	6,446
Other assets	(200)	-
Accounts payable and accrued expenses	12,806	890
Deferred revenue	(79,349)	55,867
Net cash provided by operating activities	<u>243,384</u>	<u>17,385</u>
Cash flows from investing activities:		
Sale of (Purchase of) investment	(105,780)	28,522
Cash paid for intangible asset	-	(10,000)
Acquisition of property and equipment	(78,769)	(46,667)
Cash used in investing activities	<u>(184,549)</u>	<u>(28,145)</u>
Change in cash and cash equivalents	58,835	(10,760)
Cash and cash equivalents at beginning of year	<u>170,702</u>	<u>181,462</u>
Cash and cash equivalents at end of year	<u>\$ 229,537</u>	<u>170,702</u>

See accompanying notes to financial statements.

OPERA ORLANDO, INC.

Notes to Financial Statements

June 30, 2022

(1) Summary of Significant Accounting Policies

(a) General

Opera Orlando, Inc. (the Organization) is a not-for-profit Florida Corporation, incorporated in 2009. Opera Orlando is a Central Florida professional opera dedicated to producing quality opera performances. The Organization is comprised of directors, musicians, performers and individuals who have supported opera growth, education and outreach in communities throughout the state for many years. The Organization produces a number of opera and theatre events in Orlando and in Central Florida that members and friends are welcome to attend and enjoy throughout the year. The Organization is dedicated to being a full-service opera company offering a range of educational opportunities.

(b) Basis of Presentation

The accompanying financial statements are presented on the accrual basis and represent the financial position and results of operations of the Organization.

Net assets and revenue, 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 are classified and reported as follows:

- ◆ Net assets without donor restrictions---Net assets that are not subject to donor-imposed stipulations.
- ◆ Net assets with donor restrictions---Some donors impose restrictions that are temporary in nature, for example, stipulating that resources be used after a specified date, for particular programs or services, or to acquire buildings or equipment. Other donors impose restrictions that are perpetual in nature, for example, stipulating that resources be maintained in perpetuity. Laws may extend those limits to investment returns from those resources and to other enhancements (diminishments) of those resources. Thus, those laws extend donor-imposed restrictions.

Perpetually Restricted Net Assets

General endowment fund net assets are subject to restrictions of gift instruments requiring that the principal be invested in perpetuity. Annually, a portion of the income is approved by the Board for use in the Organization's operations.

OPERA ORLANDO, INC.

Notes to Financial Statements

June 30, 2022

(1) Summary of Significant Accounting Policies

(b) Basis of Presentation

Annuity fund net assets represent resources contributed to the Organization where specified amounts are to be paid to the donor while living. Any funds remaining at the death of the donor revert to the use of the Organization, primarily being designated for transfer to the general endowment fund.

Education endowment fund net assets are subject to restrictions of gift instruments requiring that the principal be invested in perpetuity. The income is available to provide college scholarships for former residents of the Organization.

(c) Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

(d) Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Short-term investments consist of debt securities with original maturities of twelve months or less.

(e) Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

OPERA ORLANDO, INC.

Notes to Financial Statements

June 30, 2022

(1) Summary of Significant Accounting Policies (Continued)

(f) Property and Equipment

Property and equipment are stated at cost, or estimated market value at the date of receipt if donated, less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. All property expenditures in excess of \$1,000 are capitalized; maintenance and renewals are charged to expense as incurred. Sets, props, and costumes are stated at cost and capitalized when: (1) the Opera constructs production materials that exceed \$5,000 in combined cost with the intention of renting the assets over their useful life or (2) the Opera pursues a coproduction agreement with another opera company to construct production materials on a joint basis.

(g) Contributions of Services

Contributions of services are recognized when they are received if the services (a) create or enhance non-financial assets or (b) require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not donated.

(h) Long - Lived Assets

The Organization follows the policy of lifting restrictions on contributions of cash and other assets received for the acquisition of long-lived assets when the long-lived assets are acquired.

(i) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

OPERA ORLANDO, INC.

Notes to Financial Statements

June 30, 2022

(1) Summary of Significant Accounting Policies (Continued)

(j) Functional Allocation of Expenses

The financial statements report certain expenses that are attributable to one or more program supporting functions. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, interest, and office and occupancy, which are both allocated on a square footage basis, as well as salaries and benefits, which are allocated on the basis of estimates of time and effort. Although the methods of allocation used are consider appropriate other methods could be used that would produce different amounts.

(k) Income Taxes

The Organization is exempt from Federal income tax under provisions of Section 501(c)(3) of the Internal Revenue Code. Consequently, no provision for income taxes has been included in the accompanying financial statements.

In accordance with “Income Taxes” FASB Accounting Standards Codification Topic 740 (Topic 740), all entities are required to evaluate and disclose income tax risks. Topic 740 clarifies the accounting for uncertainty in tax positions and prescribes guidance related to the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The tax benefit from an uncertain tax position is only recognized in the statement of financial position if the tax position is more likely than not to be sustained upon an examination, based on the technical merits of the position. Interest and penalties, if any, are included in expenses in the statement of activities. As of June 30, 2022, the Organization had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

The Organization’s income tax returns are subject to review and examination by federal authorities. The Organization is not aware of any activities that would jeopardize its tax-exempt status. The Organization is not aware of any activities that are subject to tax on unrelated business income, excise or other taxes. The tax returns for the fiscal years ended from 2019 to 2021 are open to examination by federal authorities.

OPERA ORLANDO, INC.

Notes to Financial Statements

June 30, 2022

(1) Summary of Significant Accounting Policies (Continued)

(l) Revenue Recognition

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, which prescribes a single common revenue standard to replace most existing revenue recognition guidance, including most industry-specific requirements. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied. The Organization adopted ASC 606 and all related amendments effective July 1, 2020. The adoption of the new standard had no impact on the Organization's financial statements.

The Organization follows ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASC 958), which clarifies how transactions should be accounted for as contributions (nonreciprocal transactions) or exchange transactions and whether a contribution is conditional.

Ticket sales, youth chorus earned income and special fundraising events income are considered exchange transactions. Revenue is recognized as the events occur.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as net assets without donor restrictions.

(m) Financial Instruments Fair Value

The carrying amount reported in the balance sheet for cash and cash equivalents, pledges receivable, and accounts payable and accrued expenses approximates fair value because of the immediate or short-term maturity of these financial instruments.

(n) Prior Year Comparative Data

The financial statements include certain prior year summarized comparative information. This information has been presented in order to provide an understanding of changes in the Organization's financial position and activities. The prior year information in the statement of activities is presented in total but not by net asset class and, as such, does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. In addition, certain amounts have been reclassified in order to conform with the current year's presentation.

OPERA ORLANDO, INC.

Notes to Financial Statements

June 30, 2022

(1) **Summary of Significant Accounting Policies (Continued)**

(o) **Subsequent Events**

In preparing these financial statements, the Organization has evaluated subsequent events and transactions for potential recognition and disclosure through August 15, 2022, which is the date the financial statements were available to be issued.

(2) **Liquidity and Availability**

As of June 30, 2022, the Organization has \$263,596 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure. The Organization has \$94,460 of financial assets subject to donor or other restrictions as of June 30, 2022. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The following table reflects the Organization's financial assets as of June 30, 2022 reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date.

Cash and cash equivalents	\$ 229,537
Investments	94,460
Pledge receivable	<u>34,059</u>
Total financial assets	358,056
Donor imposed restrictions:	
Restricted for endowment	<u>(94,460)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 263,596</u>

(3) **Fair Value Measurements and Investments**

Generally accepted accounting principles defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements which currently applies to all financial assets and liabilities, as well as for any other assets and liabilities that are carried at fair value on a recurring basis.

OPERA ORLANDO, INC.

Notes to Financial Statements

June 30, 2022

(3) **Fair Value Measurements and Investments (Continued)**

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. These principles also establish a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value using three levels of inputs as follows:

Level 1: quoted prices in active markets for identical assets or liabilities

Level 2: quoted prices for similar assets and liabilities in active markets or inputs that are observable

Level 3: inputs that are unobservable (for example, cash flow modeling based on assumptions)

The Organization did not change its valuation techniques during the year and continues to use Level 1 inputs to measure the fair value of its investments.

(4) **Pledges Receivable**

All pledges receivable are due within one year and are considered fully collectible.

(5) **Property and Equipment**

Property and equipment, net consisted of the following at June 30, 2022:

Leasehold improvements	\$ 7,000
Sets	109,249
Costumes	<u>9,186</u>
	125,435
Less: accumulated depreciation	<u>(10,669)</u>
Property and equipment, net	<u>\$ 114,766</u>

(6) **Intangible Assets**

Intangible assets at June 30, 2021 consist of an operatic score in process. The Organization has commissioned a new opera titled "The Secret River". The Organization debuted this show in December 2021 and all costs of the score, sets and costumes and puppetry were expensed at that time.

OPERA ORLANDO, INC.

Notes to Financial Statements

June 30, 2022

(7) In-Kind Contributions

In-kind contributions primarily video production, equipment use and specialized services, during the year ended June 30, 2022 are reflected in the accompanying statement of activities as follows:

Contributions	<u>\$ 39,358</u>
Expenses	
Program services	39,358
Administration	-
Fundraising	<u>-</u>
Total Expenses	<u><u>\$ 39,358</u></u>

(8) Lease Commitment

The Organization leases its office facility under a year-to-year cancelable lease and its warehouse facility under long-term operating leases. Rental expense for all operating leases was approximately \$58,000 for the year ended June 30, 2022. Future minimum payments applicable to long-term leases for years subsequent to June 30, 2022 are approximately as follows: \$53,000 for 2023, \$54,000 for 2024 and \$28,000 for 2025. These amounts do not include the anticipated renewal of the leases as they expire.

(9) Endowments

The Board of Directors of the Organization has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) 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 permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent 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 classified in permanently restricted net assets is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by FUPMIFA. Any amount not appropriated for expenditure will be reclassified, subject to the original endowment restrictions imposed by the donor. In accordance with FUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

OPERA ORLANDO, INC.

Notes to Financial Statements

June 30, 2022

(9) Endowments (Continued)

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 externally controlled endowment and beneficial interest held by third party are invested according to third party decisions; the Organization has no control over the investment policy.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy the endowment assets are invested in a manner that focuses on long-term capital appreciation while achieving predictable and modest current income requirements.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policies and How the Investment Objectives Relate to Spending Policy

The Organization has a policy of appropriating for distribution each year approximately 5% of the trailing 36-month average balance of the combined endowment funds. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

OPERA ORLANDO, INC.

Notes to Financial Statements

June 30, 2022

(9) **Endowments (Continued)**

Changes in endowment net assets:

<u>December 31, 2021</u>	<u>Perpetually Restricted</u>
Endowments, beginning of year	
Investment return:	\$ -
Donations	105,780
Net appreciation (realized and unrealized)	<u>(11,320)</u>
Endowments, end of year	<u><u>\$ 94,460</u></u>

(10) **Paycheck Protection Program (PPP) Loan**

In April 2020 the Organization applied for and received a loan in the amount of \$28,643 pursuant to the Paycheck Protection Program (PPP) established by the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act to provide relief in connection with the coronavirus pandemic. The note bears interest at 1% and is subject to a payment deferral period of six months. However, the note and related interest are subject to forgiveness when the proceeds of the loan are used to fund payroll and other allowable expenses as defined by the PPP. As of June 30, 2021, the Organization incurred \$28,643 of qualifying expenditures and, accordingly, has recorded that amount as PPP grant revenue in the accompanying statement of activities.

(11) **Shuttered Venue Operations Grant**

In July 2021, the Organization received a Shuttered Venue Operators Grant (SVOG) in the amount of \$135,938 as established by the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act to provide relief in connection with the coronavirus pandemic. The Organization has one year to use the grant funds for allowable expenses which includes payroll costs, rent payments, utility payments, payments to contractors, maintenance costs, administrative costs, state and local taxes and advertising. As of June 30, 2022, the Organization incurred \$135,938 of qualifying expenditures and accordingly has recorded that amount as revenue in the accompanying statement of activities.