

NORTH TEXAS PERFORMING ARTS
FINANCIAL STATEMENTS
&
INDEPENDENT AUDITOR'S REPORT
SEPTEMBER 30, 2021

NORTH TEXAS PERFORMING ARTS

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A Certified Public Accounting Firm

INDEPENDENT AUDITOR'S REPORT

To the Governing Board of Directors of
North Texas Performing Arts

We have audited the accompanying financial statements of North Texas Performing Arts (a nonprofit organization), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of North Texas Performing Arts as of September 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, net assets as of September 30, 2020, have been restated to recognize a prior-period adjustment. Our opinion is not modified with respect to this matter.

CM Rosen, LLC

Dallas, Texas
March 24, 2022

NORTH TEXAS PERFORMING ARTS
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STATEMENT OF FINANCIAL POSITION

(As of September 30, 2021)

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	592,087
Accounts receivable		68,038
Contributions receivable		73,915
Prepaid expenses		212,029
		<hr/>
		946,069

NON-CURRENT ASSETS

Cash restricted for long-term purposes		36,652
Fixed assets, net		857,827
Security deposits		33,335
		<hr/>
		927,814

Total assets

1,873,883

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses		149,813
Deferred program fees		99,911
Deferred event revenue		33,860
Notes payable, current portion		25,544
		<hr/>
		309,128

NON-CURRENT LIABILITIES

Deferred rent		195,230
Deferred lease incentive		51,000
Notes payable		367,546
		<hr/>
		613,776

Total liabilities

922,904

NET ASSETS

Without donor restrictions		892,752
With donor restrictions		58,227
		<hr/>
		950,979

Total liabilities and net assets

1,873,883

NORTH TEXAS PERFORMING ARTS
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STATEMENT OF ACTIVITIES

(For the year ended September 30, 2021)

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND GAINS			
Tuition and fees	\$ 1,435,814	\$ -	\$ 1,435,814
Ticket sales	815,843	-	815,843
Government grant contributions	329,662	-	329,662
General contributions	252,629	100	252,729
Forgiveness of PPP loan	240,500	-	240,500
In-kind donations	152,196	-	152,196
Concessions and other sales, net	118,822	-	118,822
Memberships	83,433	-	83,433
AMP event income	74,025	-	74,025
Theatre rentals	18,100	-	18,100
Investment earnings	263	-	263
Other income	27,255	-	27,255
	<u>3,548,542</u>	<u>100</u>	<u>3,548,642</u>
Net assets released from restrictions	46,667	(46,667)	-
	3,595,209	(46,567)	3,548,642
EXPENSES AND LOSSES			
Program services			
Youth theatre	1,723,996	-	1,723,996
Academy	581,814	-	581,814
Starcatchers	187,566	-	187,566
Repertory theatre	130,976	-	130,976
Total program services	<u>2,624,352</u>	<u>-</u>	<u>2,624,352</u>
Supporting services			
Management and general	372,655	-	372,655
Fundraising	238,691	-	238,691
Total supporting services	<u>611,346</u>	<u>-</u>	<u>611,346</u>
Total expenses	3,235,698	-	3,235,698
CHANGES IN NET ASSETS	359,511	(46,567)	312,944
Net assets at beginning of year	572,148	104,794	676,942
As restated	533,241	104,794	638,035
Net assets at end of year	<u>892,752</u>	<u>58,227</u>	<u>950,979</u>

The accompanying notes are an integral part of these financial statements.

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STATEMENT OF FUNCTIONAL EXPENSES

(For the year ended September 30, 2021)

	Youth Theatre	Academy	Starcatchers	Repertory Theatre	Manage- ment and General	Fundraising	Total
Employee compensation	\$ 658,098	\$ 373,078	\$ 85,416	\$ 43,438	\$ 235,802	\$ 160,968	\$ 1,556,800
Occupancy	373,247	27,918	27,918	17,180	26,328	17,552	490,143
Royalties	257,300	21,442	21,442	13,195	-	-	313,379
Contract service fees	39,630	117,456	10,278	15,011	44,106	-	226,481
Office expenses	142,142	11,845	11,845	7,289	11,171	7,447	191,739
Depreciation & amortization	103,582	8,632	8,632	5,312	8,140	5,427	139,725
Advertising & promotion	-	-	-	-	37,902	25,268	63,170
Information technology	12,078	10,950	12,078	12,078	3,540	2,990	53,714
Conferences & meetings	43,676	3,640	3,640	2,240	-	-	53,196
Sets, costumes, & supplies	22,133	844	308	11,536	-	15,261	50,082
Insurance	14,808	1,234	1,234	759	1,164	776	19,975
Interest	5,223	435	435	268	410	274	7,045
Travel	5	-	-	-	-	-	5
Other	52,074	4,340	4,340	2,670	4,092	2,728	70,244
	<u>1,723,996</u>	<u>581,814</u>	<u>187,566</u>	<u>130,976</u>	<u>372,655</u>	<u>238,691</u>	<u>3,235,698</u>
Other costs not reported previously							
Cost of goods sold	47,941	-	1,014	-	-	-	48,955

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STATEMENT OF CASH FLOWS

(For the year ended September 30, 2021)

CASH FLOWS FROM OPERATING ACTIVITIES

RECONCILIATION OF CHANGE IN NET ASSETS

TO NET OPERATING CASH FLOWS

Change in net assets	\$	312,944
Depreciation & amortization		139,725
Contributions restricted for long-term purposes		(100)
Noncash forgiveness of PPP loan		(240,500)
Changes in operating assets and liabilities, net		
Accounts receivable		(42,677)
Contributions receivable		14,484
Prepaid expenses		(112,291)
Accounts payable and accrued expenses		30,816
Deferred program fees		(88,203)
Deferred event revenue		33,860
Deferred lease incentive		(8,500)
Deferred rent		(28,971)
Net cash provided by (used in) operating activities		10,587

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of fixed assets		(13,869)
Net cash provided by (used in) investing activities		(13,869)

CASH FLOWS FROM FINANCING ACTIVITIES

Contribution restricted for an endowment		100
Proceeds on notes payable		245,754
Payments on notes payable		(110,760)
Net cash provided by (used in) financing activities		135,094

INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS

131,812

Cash and cash equivalents, beginning of year	496,927
Cash and cash equivalents, end of year	628,739

SUPPLEMENTAL CASH FLOW DISCLOSURES

Cash paid for interest (net of amounts capitalized of \$0)	\$	7,045
Noncash financing activity - reduction of PPP loan by means of forgiveness		240,500

NOTES TO FINANCIAL STATEMENTS

1. BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Background

North Texas Performing Arts (the “Organization” formerly known as Plano Children’s Theatre) was incorporated in 1991 and is dedicated to developing the character of youth through quality performing arts education and family entertainment. It serves a diverse community of adults, children, and artists primarily by means of four program segments at its four North Texas locations: Youth Theatre, NTPA Academy, Starcatchers, and Repertory Theatre.

The Youth Theatre provides youth ages 3 to 18 with opportunities to participate in a wide range of theatrical productions in front of live audiences through after-school programs and summer camps. NTPA Academy offers educational programming as an alternative to traditional schools to assist youth who have a passion for the performing arts. Starcatchers provides children and adults who have special needs with opportunities to shine through drama, music, dance, and visual art, and the Repertory Theatre provides theatrical experiences for adult actors.

The Organization’s revenues are derived primarily from tuition, ticket sales, and contributions.

Tax-Exempt Status

The Organization has been determined by the Internal Revenue Service to be a Section 501(c)(3) charitable organization exempt from federal income taxes. Contributions to the Organization are considered tax-deductible under Section 170 of the Internal Revenue Code. The Organization did not have any unrelated business income for the year ended September 30, 2021.

Management has concluded that any tax positions which would not meet the more-likely-than-not criterion of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740-10, *Accounting for Income Taxes*, would be immaterial to the financial statements taken as a whole. Accordingly, the accompanying financial statements do not include any provision for uncertain tax positions, and no related interest or penalties have been recorded in the operating statement or accrued in the statement of financial position. Federal and state tax returns of the Organization are generally open to examination by the relevant taxing authorities for a period of three years from the date on which the returns are filed.

Estimates

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. This requires management to make estimates and judgments that affect the reported amount of assets, liabilities, and disclosures of contingencies at the date of the financial statements. Such estimates and judgments also affect the reported amounts of revenues and expenses recognized during the reporting period. Actual results could differ from those estimates.

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Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with a maturity of three months or less at time of purchase.

Accounts Receivable and Revenue Recognition from Contracts with Customers

The Organization assesses obligations promised in contracts and identifies performance obligations for each promise to transfer goods or services. To identify the performance obligations, the Organization considers all promises in each contract, whether explicitly stated or implied, based on customary business practices. Revenue is recognized when a performance obligation is satisfied by transferring control of promised goods or services to customers, which can occur over time or at a point in time. Associated contract revenue disaggregated based on the timing of the transfer of goods or services was as follows for the year ended September 30, 2021:

	Upon Delivery	Upon Shipment	As Service is Rendered	Upon Completion of the Service	Total
Tuition and fees	\$ -	\$ -	\$ 1,435,814	\$ -	\$ 1,435,814
Tickets, concessions, and other	118,822	-	-	815,843	934,665
AMP events	-	-	-	74,025	74,025
Theatre rentals	-	-	18,100	-	18,100
	<u>118,822</u>	<u>-</u>	<u>1,453,914</u>	<u>889,868</u>	<u>2,462,604</u>

Receivables represent rights to consideration that are unconditional in accordance with contract terms, regardless of when revenue has been earned or performance obligations have been met. They are reported at net realizable value after considering allowances for uncollectible amounts based on historical experience. Any uncollectible accounts are directly written off upon discovery. Any revenue earned which is not yet receivable is reported as a contract asset. Any receivables recorded or payments collected before revenue is earned are represented by a contract liability in the form of obligations to perform or to refund the customer. As of September 30, 2021, the beginning and ending balances of these items were as follows:

	Beginning	Ending
Receivables	\$ 25,361	\$ 68,038
Contract assets	-	-
Contract liabilities	188,114	99,911

Any sales taxes collected on behalf of third parties are excluded from revenue and recorded as a liability until paid. No significant shipping fees are incurred. There are no significant performance obligations for warranties; returns and refunds are discussed in detail for each type of contract below. The Organization has elected to apply the practical expedient provided in FASB ASC 606-10-32-18 and therefore does not adjust the promised amount of consideration for the effects of significant financing components if it is expected, at contract inception, that the period between when the Organization transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or

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less. The Organization has also elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a), and, therefore, rather than disclosing the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period, the following describes additional revenue recognition details for each major type of contract:

Tuition and fees – These represent earned income for youth theatre productions and the academy, aside from ticket sales. Payments consist of fixed fees which are due in advance unless a payment plan is agreed upon. The Organization advertises that any paid tuition and fees are non-refundable, but they are transferrable if a student must drop a program or if it gets canceled. Performance obligations are generally met throughout each production, class, or semester, which last no more than several months. As of September 30, 2021, unsatisfied performance obligations consisted of completing productions and classes in progress. Contract liabilities consisted of \$10,787 in unearned tuition and \$41,161 in credits issued.

Tickets, concessions, and other sales – Payments consist of fixed fees and are due in advance. The Organization advertises that ticket sales are non-refundable, but they are transferrable to a different show. Performance obligations are met at the time of each performance. As of September 30, 2021, unsatisfied performance obligations consisted of unused tickets and gift cards. Contract liabilities consisted of \$29,366 in unused tickets and \$7,465 in gift cards.

AMP events, net – This represents ticket sales to annual AMP Award events. Payments consist of fixed fees due in advance, and the Organization advertises that ticket sales are non-refundable. Performance obligations are met at the time of each event. As of September 30, 2021, there were no unsatisfied performance obligations.

Theatre rentals – This represents income on short-term subleases of its theatre space, and payments consist of fixed fees. Performance obligations are met at the time of each third party's event. As of September 30, 2021, there were no unsatisfied performance obligations.

Additionally, membership is offered to individuals with specific benefits attributable to membership. The Organization has calculated the contribution portion and exchange portion of each membership level. Each exchange portion is deferred and recognized as revenue evenly throughout a full twelve-month period beginning on the first day on which membership begins, which was insignificant during the year ended September 31, 2021. Amounts not yet recognizable as revenue, totaling \$9,190 as of September 30, 2021, are included in deferred revenue.

Contributions Receivable and Contribution Revenue Recognition

Contributions are recognized as revenue in the period in which they are unconditionally made or promised, or in the case of conditional contributions, when the associated conditions have been met. Unconditional promises to give which are due within one year are reported at net realizable value, which approximates fair value. Promises with payments due after one year are initially reported at fair value computed using expected cash flows reflecting the credit worthiness of the donor and a discount rate adjusted to include a risk premium. No allowance for uncollectible accounts is recorded because substantially the full amounts have been estimated to be collectable based upon historical experience.

Values of donated materials which are sold at auction during fundraising events are adjusted to the amounts of winning bids. Any donated services are recognized as revenue in the period in which they were performed if they either enhance the Organization's non-financial assets or if they require

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specialized skills, were performed by individuals possessing those skills, and would typically be purchased if not provided by donation. Any recognized revenue is offset by a corresponding expense or asset.

Fixed Assets

Expenditures for fixed assets are capitalized if each recorded value exceeds \$1,000 and if each has an estimated useful life of greater than one year. They are recorded at cost, if purchased, or fair value at the date of gift, if donated. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the assets or, in the case of leasehold improvements, over the life of each lease if shorter. Estimated useful lives are as follows:

Leasehold improvements	5 - 10 years
Theatre, sound, music, and lighting equipment	3 - 10 years
Signage and website	7 - 15 years
Office furniture and equipment	3 - 7 years
Other equipment	5 - 10 years

Loans

The Organization has elected to account for its loan under the Payroll Protection Program (PPP) of the Coronavirus Aid, Relief, and Economic Security (CARES) Act as debt in accordance with FASB ASC 470.

No interest is imputed on the PPP loan and its Economic Injury Disaster Loan (EIDL) from the U.S. Small Business Administration in accordance with FASB ASC 835-30-15-3e because the rates are affected by legal restrictions prescribed by the U.S. government.

Net Asset Classifications

Net assets, and changes in net assets by means of revenues, expenses, gains, and losses, are classified into the following categories:

Without donor restrictions – Those available for use in general operations and not subject to donor stipulations.

With donor restrictions – Those subject to donor-imposed stipulations. Some restrictions are temporary in nature, such as those which will be met by the passage of time or by other events specified by the donor. Other restrictions are perpetual in nature, whereby the donor stipulates that resources be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions which are not met in the current period. Expenses are reported as decreases in net assets without donor restrictions. Restrictions are released when the stipulated time has elapsed, the purposes for which the resources were restricted have been fulfilled, or both. Upon release, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. In the absence of explicit donor stipulations, gifts of both long-lived assets and other assets restricted for the acquisition of long-lived assets are released from restrictions when the long-lived assets are placed in service.

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Functional Allocation of Expenses

The costs of program and supporting activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Many costs are identified with a specific program or supporting function when incurred and are reported accordingly. Certain costs are attributed to more than one program or supporting function and, therefore, require allocation among the functions benefited on a reasonable and consistent basis. Such conference, employee compensation, occupancy, and office expenses are allocated based on estimates of time and effort; and amortization, advertising, depreciation, promotion, and royalty expenses are allocated based on estimates of usage.

Advertising

Advertising costs are expensed as incurred. The Organization recognized \$63,170 in advertising expenses during the year ended September 30, 2021.

2. RESTATEMENT OF NET ASSETS

The accompanying financial statements reflect a prior-period adjustment to restate previously issued financial statements, correcting net assets as of September 30, 2020. Ending net assets without donor restrictions for FY20 were originally overstated by \$38,907 due to tracking errors, and it is impracticable to determine whether this impacted the change in net assets for FY20 or for previous years.

3. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Organization's financial assets which are available within one year at September 30, 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions. Certain restrictions are not subtracted, such as those which stipulate the use of resources for specific general expenditures to be incurred within one year and those which are expected to be satisfied by the use of non-current or non-financial assets.

Financial assets available within one year:	
Cash and cash equivalents	\$ 628,739
Accounts receivable (current)	68,038
Contributions receivable (current)	73,915
	<u>770,692</u>
Less amounts unavailable for general expenditures within one year:	
Cash restricted or designated for long-term purposes	<u>(36,652)</u>
Total financial assets available to meet cash needs for general expenditures within one year	734,040

General and capital expenditures, along with other liabilities and obligations, are anticipated to be funded primarily through cash received for services and by contribution. The Organization manages its liquidity

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by developing and adopting annual operating and capital budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they come due. Actual performance is reported and monitored monthly in comparison to the budgets. Adjustments are made to plan as needed to ensure adequate liquidity. In the event of an unanticipated liquidity need, the Organization could draw upon its unused \$300,000 of an available line of credit (as further discussed in Note 7) or its rainy-day fund (as further discussed in Notes 4 and 9).

4. CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position as of September 30, 2021, that sum to the total of the same such amounts shown in the statement of cash flows:

Cash and cash equivalents	\$ 592,087
Cash restricted for long-term purposes	<u>36,652</u>
	628,739

Cash restricted for long-term purposes consisted of \$15,038 to function as an endowment and \$21,614 as a rainy-day fund. The Organization is just beginning to set up the endowment; accordingly, the development of spending and investing policies is in process.

5. RECEIVABLES

As of September 30, 2021, all accounts and contributions receivable were due within one year, and no discount was considered to be significant.

6. FIXED ASSETS

All fixed assets are used for operating purposes and consisted of the following at September 30, 2021:

Leasehold improvements	\$ 1,108,879
Theatre, sound, music, and lighting equipment	178,845
Signage and website	30,332
Office furniture and equipment	29,166
Other equipment	<u>8,774</u>
	1,355,996
Less: accumulated depreciation and amortization	<u>(498,169)</u>
	857,827

See Note 7 for discussion on property and equipment subject to a lien.

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7. NOTES PAYABLE

Notes payable consisted of the following as of September 30, 2021:

Loan from a commercial bank as part of the Payroll Protection Program. Under this \$ 240,527 program, borrowers may be eligible for loan forgiveness if the funds are used for eligible payroll costs, rent, and utilities during a specific covered period. This loan carries no interest if forgiven. It was ultimately forgiven in January 2022.

Economic Injury Distaster Loan from the U.S. Small Business Administration, secured by 152,563 all of the Organization's tangible personal property, requiring monthly payments of \$641 consisting of principal and interest at 2.75% beginning June 27, 2021, with all outstanding principal and interest due at maturity on July 1, 2050. Payable upon demand in certain circumstances.

Line of credit from a financial institution for up to \$300,000, secured by all of the Organization's assets, requiring monthly payments of interest only at 4.25%, with one final payment of principal and unpaid interest due upon maturity in January 2022. Subsequent to year-end, this note was amended to mature in January 2023 and with a rate of 1.000 percentage points over the Wall Street Journal Prime Rate. -

	393,090
Less: current portion	(25,544)
	367,546

Maturities for each of the subsequent five years and thereafter as of September 30, 2021, for the debt which was not yet forgiven are as follows:

	2022	\$	3,541	
	2023		3,640	
	2024		3,741	
	2025		3,845	
	2026		3,952	
	Thereafter		133,845	
	Indefinite		-	
			152,564	

Interest of \$7,045 was incurred and expensed during the year ended September 30, 2021.

8. LEASE COMMITMENTS

The Organization entered into various operating lease agreements for office and performance space and for a high-end copier. Its Fairview location is leased until December 2026, with a renewal option for an

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additional four years. Its Frisco rehearsal location is leased until November 2023 and has two options to renew for additional terms of five years each. Its Plano location is leased until October 2027 and originally included a cash incentive of \$85,000 for leasehold improvements, recorded as a deferred lease incentive. Its Dallas location is leased until 2025. Its copier is leased until August 2023, and other performance and rehearsal space is leased as needed on a short-term basis.

Future minimum lease payments consisted of the following at September 30, 2021:

2022	\$	453,550
2023		467,218
2024		416,604
2025		306,063
2026		245,330
Thereafter		<u>192,665</u>
		2,081,430

The Organization recognized rental expenses of \$477,339 during the year ended September 30, 2021. The Organization periodically rents out its theatre facilities to entities who use them for performing arts purposes. Such operating leases are short-term in nature and totaled \$18,100 for the year ended September 30, 2021. There are no significant cash flows to be received in future years as a result of existing leases as of September 30, 2021.

9. NET ASSETS

Net assets with donor restrictions at September 30, 2021, included amounts restricted as follows:

Subject to the Organization's spending policy and appropriation:

Investment in perpetuity which, once appropriated, is expendable to support creating performing and technical theatre opportunities at the Organization for underprivileged children and teens. \$ 18,227

Subject to the passage of time:

For periods after September 30, 2021 40,000

58,227

Net assets without donor restrictions at September 30, 2021, included \$21,614 which was designated by the board to function as a rain-day reserve.

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10. IN-KIND DONATIONS

The accompanying financial statements include the following recognized in-kind donations:

Contribution	Amount	Purpose
Volunteer chief executive officer	\$ 124,831	Administrative
Accounting services	20,165	Administrative
Use of space for event	6,900	Programmatic
Materials for event	300	Programmatic
	152,196	

The Organization benefited from the services of many other volunteers throughout the year who assisted during performances. The value of this time has not been reflected in the financial statements because the criteria for recognition are not met. The fair value of such time has been impracticable to determine.

11. RELATED PARTY TRANSACTIONS

During the year ended September 30, 2021, related party transactions consisted of the following:

Relationship / Description	Transaction Value for the Year	Balance Due From / (To) as of Year- End
<i>Directors and top management, their immediate family members, and associated entities:</i>		
Donated services	\$ 144,996	\$ -
Compensation for services performed	70,745	-

12. CONCENTRATIONS, RISKS, AND UNCERTAINTIES

The Organization maintains cash, cash equivalents, and restricted cash in bank accounts which, at times, may exceed federally insured limits. As of September 30, 2021, it had uninsured deposits of about \$375,000. Such deposits are placed in established financial institutions to minimize any associated risk. There has been no need for a policy of requiring collateral or other security to support financial instruments subject to credit risk, or of a policy of entering into master netting arrangements to mitigate the credit risk of financial instruments.

The outbreak of COVID-19 across the world has continued to have a significant impact on businesses. Guidance in the United States of America to prevent its spread has disrupted normal operations and caused job losses nationwide. The Organization's activities were significantly disrupted because they are heavily dependent upon live, social interaction in the DFW area. Relief was received in the form of two forgivable PPP loans under the CARES, both of which were fully forgiven, and an EIDL loan. In the meantime, the Organization offered online programming for an alternative income stream, and offered in-person productions with enhanced safety protocols such as mask requirements and social distancing.

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Although the Organization is continuing to monitor and assess the effects of this pandemic on its operations, considerable uncertainty remains due to the frequently changing environment. Therefore, while the Organization expects this matter to be temporary but to continue affecting its ongoing performance and financial results, its ultimate impact cannot be reasonably estimated at this time.

13. SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 24, 2022. This is the date on which the financial statements were available to be issued.