Still | Burton LLP
CERTIFIED PUBLIC ACCOUNTANTS

NORTH TEXAS PERFORMING ARTS

Financial Statements
(With Independent Auditor's Report Thereon)

September 30, 2023

NORTH TEXAS PERFORMING ARTS
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September 30, 2023

Independent Auditor's Report

To the Governing Board of Directors of
North Texas Performing Arts

Opinion

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, 2023 and the related statements of activities and changes in net assets, 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 North Texas Performing Arts as of September 30, 2023 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 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of North Texas Performing Arts 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 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.

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 North Texas Performing Arts' ability to continue as a going concern for one year after the date that the financial statements are 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 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 the Organization'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 North Texas Performing Arts' 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.

STILL BURTON LLP

Still Burton LLP

Farmers Branch, Texas
March 15, 2024

NORTH TEXAS PERFORMING ARTS
Statement of Financial Position
September 30, 2023

ASSETS

Current Assets:		
Cash and cash equivalents	$	11,623
Investments		683,270
Accounts receivable		203,562
Prepaid expenses		290,214
Financing right-of-use assets, net		1,531,424
Property and equipment, net		740,627
Security deposits		20,735
Total assets	$	3,481,455

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable and accrued expenses	$	140,878
Deferred program fees		314,636
Financing right-of-use liabilities		1,959,910
Long-term debt		146,943
Total liabilities		2,562,367
Net Assets:		
Without donor restrictions		695,973
With donor restrictions		223,115
Total net assets		919,088
Total liabilities and net assets	$	3,481,455

See accompanying notes and independent auditor's report.

NORTH TEXAS PERFORMING ARTS
Statement of Activities and Changes in Net Assets
Year Ended September 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Tuition and fees	$ 1,554,823	$ -	$ 1,554,823
Ticket sales	1,358,144	-	1,358,144
Government grant	483,685	-	483,685
General contributions	251,162	-	251,162
Employee retention credit ("ERC")	366,955	-	366,955
Concessions and other sales	186,065	-	186,065
Directed funds campaign	9,658	197,026	206,684
In-kind donations	190,096	-	190,096
Special events, net of $112,097 direct costs	52,909	-	52,909
Memberships	8,740	-	8,740
Theatre rentals	24,690	-	24,690
Other income	46,440	-	46,440
Investment income, net	2,143	-	2,143
	4,535,510	197,026	4,732,536
Net Assets Released-Purpose Restrictions:	38,989	(38,989)	-
Total support and revenue	4,574,499	158,037	4,732,536
Expenses:			
Program services:			
Youth theatre	1,825,504	-	1,825,504
Academy	711,272	-	711,272
Starcatchers	263,444	-	263,444
Repertory theatre	295,088	-	295,088
Total program expenses	3,095,308	-	3,095,308
Supporting services:			
Management and general	1,236,323	-	1,236,323
Fundraising	202,659	-	202,659
Total supporting services	1,438,982	-	1,438,982
Total expenses	4,534,290	-	4,534,290
Change in net assets	40,209	158,037	198,246
Net assets at beginning of year	952,847	18,227	971,074
Prior year directed funds reclass	(142,848)	46,851	(95,997)
Cumulative adjustment-leases	(154,235)	-	(154,235)
Net assets at end of year	$ 695,973	$ 223,115	$ 919,088

See accompanying notes and independent auditor's report.

NORTH TEXAS PERFORMING ARTS
Statement of Functional Expenses
Year Ended September 30, 2023

	Programs					Management and General	Fund Raising	Total
	Youth Theater	Academy	Starcatchers	Repertory Theater	Total			
Employee Compensation	$ 704,865	$ 223,645	$ 28,447	$ 60,846	$ 1,017,803	$ 532,556	$ 108,023	$ 1,658,382
Contract Labor	294,394	117,740	58,879	58,897	529,910	29,439	29,439	588,788
Depreciation & Amortization	273,940	109,576	54,788	54,788	493,092	27,394	27,393	547,879
Royalties	173,330	69,332	51,999	51,998	346,659	-	-	346,659
Office Expenses	-	-	-	-	-	418,514	-	418,514
Occupancy	121,215	48,486	24,243	24,243	218,187	12,122	12,121	242,430
Insurance	72,882	29,153	14,576	14,576	131,187	7,288	7,288	145,763
Interest	57,742	23,098	11,548	11,548	103,936	5,774	5,774	115,484
Special Events	-	-	-	-	-	-	112,097	112,097
Advertising & Promotion	-	-	-	-	-	91,241	-	91,241
Sets, Costumes & Supplies	44,049	17,618	13,215	13,215	88,097	-	-	88,097
Information Technology	42,072	16,829	4,207	4,207	67,315	4,207	12,621	84,143
Contract Service Fees	-	-	-	-	-	77,993	-	77,993
Other	-	54,253	-	-	54,253	29,795	-	84,048
Travel	29,446	-	-	-	29,446	-	-	29,446
Conferences & Meetings	11,569	1,542	1,542	770	15,423	-	-	15,423
	1,825,504	711,272	263,444	295,088	3,095,308	1,236,323	314,756	4,646,387
Less: Costs included with revenue in statement of activities and changes in net assets	-	-	-	-	-	-	(112,097)	(112,097)
TOTAL EXPENSES	$ 1,825,504	$ 711,272	$ 263,444	$ 295,088	$ 3,095,308	$ 1,236,323	$ 202,659	$ 4,534,290

NORTH TEXAS PERFORMING ARTS
Statement of Cash Flows
Year Ended September 30, 2023

Cash Flows from Operating Activities:		
Change in net assets	$	198,246
Adjustments to reconcile change in net assets		
to net cash provided by operating activities		
Depreciation and amortization-property and equipment		145,674
Amortization-financing right-of-use lease		402,205
Bad debt		8,808
Unrealized loss on investments		18,129
Directed funds reclass		(95,997)
(Increase) decrease in		
Accounts receivable		(136,521)
Contributions receivable		64,675
Prepaid expenses		(167,636)
Security deposit		4,350
Increase (decrease) in		
Accounts payable and accrued expenses		(23,364)
Deferred program fees		136,255
Deferred lease incentive		(42,500)
Deferred rent		(143,155)
Net cash provided by operating activities		369,169
Cash Flows from Investing Activities:		
Purchase of investments, net		(700,000)
Purchase of property and equipment		(137,772)
Net cash used in investing activities		(837,772)
Cash Flows from Financing Activities:		
Payments on long-term debt		(2,676)
Payments on financing right-of-use liabilities		(127,954)
Net cash used in financing activities		(130,630)
Net decrease in cash and cash equivalents		(599,233)
Cash and cash equivalents at beginning of year		610,856
Cash and cash equivalents at end of year	$	11,623
Non-Cash Investing and Financing Activities:		
Financing right-of-use assets and liabilities	$	1,933,629
Cumulative adjustment-leases	$	154,235
Supplemental Disclosure:		
Cash paid for interest	$	115,484

See accompanying notes and independent auditor's report.

NOTE 1 – BACKGROUND

North Texas Performing Arts (the “Organization” formerly known as Plano Children’s Theatre) was incorporated in 1991 and dedicated to developing the character of youth through quality performing arts education and family entertainment. It now 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.

NOTE 2 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America (“GAAP”).

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, 2023.

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 statement of activities and changes in net assets 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
Management uses estimates and assumptions in preparing the financial statements that affect the reported amount of assets, liabilities, and disclosures of contingencies at the date of the financial statements. Such estimates and assumptions also affect the reported amounts of revenues and expenses recognized during the reporting period. Actual results could differ materially from those estimates.

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

NOTE 2 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Investments

Investments in equity securities with readily determinable fair values are valued at quoted market prices. Investment income consists primarily of interest earned and realized or unrealized gains (losses) from investment accounts. Unless the donor restricted the use of investment income, such income is reported as without donor restricted activity. The change in fair value between years is reflected in the statement of activities and changes in net assets in the year of the change as investment income (loss).

Program and Services Receivable and Revenue Recognition

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

Contributions are recognized when the donor makes an unconditional pledge to the Organization. Contributions that are restricted by the donor, for either purpose or time, are reported as increases in net assets without donor restrictions if the restrictions are satisfied 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 is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization uses the direct write off method to determine pledges and accounts receivable which are potentially uncollectible. The write off method is based on prior years' experience and management's analysis of the collectability of specific amounts due to the Organization. No allowance for doubtful accounts is necessary for accounts receivable or the pledge receivable.

The revenue recognition policies are derived from evaluating the Organization's contracts through the following five-step process:

- Identification of the contract with the customer
- Identification of the performance obligation(s) in the contract
- Determine the transaction price
- Allocation of the transaction price to the performance obligation in the contract
- Recognition of revenue when, or as, the Organization satisfies its performance obligations

Performance obligations are a promise in a contract to provide a distinct product or service to a customer. A contract's transaction price is allocated to each distinct performance obligation within the contract. 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. The Organization's contracts have a single performance obligation in any instances where multiple obligations may exist, due to the short duration of the arrangement, or the insignificance of certain performance obligations, in substantially all instances, it is not necessary to allocate the transaction price to the distinct performance obligations as the allocation would not result in a different accounting outcome.

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 less. The Organization has also elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a), and therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

NOTE 2 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Program and Services Receivable and Revenue Recognition– Continued

The Organization's primary programs and services include the following:

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.

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.

Special events, net of direct costs –

- ***AMP***--This represents ticket sales to the annual AMP award event. 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 the event.
- ***Stardust***-- This represents ticket sales to the annual Stardust Awards Gala event. 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 the event.

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 the sublessee's event.

Membership - This is offered to individuals with specific benefits attributable to such 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.

Contributions Receivable and 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 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.

NOTE 2 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Property and Equipment

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

Long-lived Assets

Long-lived assets held and used by the Organization are reviewed for impairment whenever events or changes in circumstances indicate that their net book value may not be recoverable. When such factors and circumstances exist, the Organization compares the projected undiscounted future cash flows associated with the related asset or group of assets over their estimated useful lives against their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the fair value of the assets and is recorded in the period in which the determination was made. No indicators of impairment existed on September 30, 2023.

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 and changes in net assets 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.

Advertising

Advertising costs are expensed as incurred. The Organization recognized approximately $120,000 in advertising expenses during the year ended September 30, 2023.

NOTE 2 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Functional Allocation of Expenses

The costs of program and supporting activities have been summarized on a functional basis in the statement of activities and changes in net assets. 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. 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.

Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, **Leases (Topic 842)**. This ASU requires lessees to recognize a lease liability and a right-of-use (ROU) asset on a discounted basis, for substantially all leases, as well as additional disclosures regarding leasing arrangements. Disclosures are required to enable users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. The Organization adopted this ASU during the year ended September 30, 2023 (Note 7). Adoption of this ASU resulted in a cumulative adjustment of $154,235.

Prior Year Directed Funds Reclass

Directed funds are temporarily-restricted for use by the identified locations. Management noted that certain directed funds were treated as without donor restrictions at September 30, 2022. As such, these were corrected in the statement of activities and changes in net assets for the year ended September 30, 2023 in the amount of $95,997.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Organization's financial assets which are available within one year at September 30, 2023, 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	$ 11,623
Investments	683,270
Accounts receivable	203,562
	898,455
Less amounts unavailable for general expenditures within one year:	
Donor-restricted	(223,115)
Board-designated (See Note 6)	(25,244)
Total financial assets available to meet cash needs for general expenditures within one year	$ 650,096

General and capital expenditures, along with other liabilities and obligations, are anticipated to be funded primarily through cash received for services and by contributions. The Organization manages its liquidity through annual operating and capital budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they come due. In the event of an unanticipated liquidity need, the Organization could draw upon its line of credit (Note 8).

NOTE 4 – INVESTMENTS

Investments were held in brokerage accounts which consist of ETPs, mutual funds, closed-end funds and interval funds ("Funds") as well as cash and cash equivalents. At September 30, 2023, investments consisted of:

Funds	$677,046
Cash and cash equivalents	6,224
	$683,270

The following schedule summarizes the investment income (loss) net of fees and its classification in the statement of activities and changes in net assets for the years ended September 30, 2023:

Interest and dividend income	$20,272
Unrealized loss	(18,129)
	$ 2,143

NOTE 5 – PROPERTY AND EQUIPMENT

All property and equipment are used for operating purposes and consist of the following at September 30, 2023:

Leasehold improvements	$	1,194,124
Theatre, sound, music, and lighting equipment		163,560
Signage and website		30,023
Office furniture and equipment		133,834
		1,521,541
Less: Accumulated depreciation and amortization		(780,914)
	$	740,627

See Note 8 for discussion on property and equipment subject to a lien. Current year depreciation and amortization expense of property and equipment is $145,674.

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS AND BOARD DESIGNATED

Net assets with donor restrictions at September 30, 2023, consisted of:

- $15,032 restricted to be invested in an endowment, the earnings of which are to be used to support creating performing and technical theatre opportunities at the Organization for underprivileged children and teens.
- $208,083 restricted through directed funds for specific locations

Net assets without donor restrictions at September 30, 2023, included $25,244 which are designated by the board to function as a rainy-day reserve.

NOTE 7 – RIGHT-OF-USE LEASE ASSETS AND LIABILITIES

Right-of-use (“ROU”) assets are recorded at the present value of the lease payments, for all leases with original terms longer than 12 months, utilizing a discount rate equal to the risk-free interest rate, which ranged between 4.0% and 8.50%. The weighted average lease term outstanding is 5.05 years with a weighted average discount rate of 4.86%.

The Organization leases office and performance space, as well as copier equipment under non-cancelable finance lease agreements. Right-to-use assets and liabilities related to these financing leases are as follows:

Asset cost	$3,289,815
Accumulated amortization	(1,758,391)
Net unamortized asset cost	$1,531,424

The Organization reported amortization expense of $402,205 related to these leases. The Organization reported interest expense of $101,896 related to these leases.

The ROU liabilities are payable in monthly principal and interest installments maturing through April 2032. Maturities for the ROU liabilities are as follows:

2024	$	583,677
2025		485,097
2026		416,899
2027		298,514
2028		93,683
Thereafter		320,080
		2,197,950
Less interest		(238,040)
Present value	$	1,959,910

Short-term leases, considered to be those with initial terms of 12 months or less, are recorded as lease expense over the lease period.

NOTE 8 – NOTES PAYABLE AND LINE OF CREDIT

Notes payable consisted of the following as of September 30, 2023:

Economic Injury Disaster Loan ("EIDL") from the U.S. Small Business Administration, secured by all of the Organization's tangible personal property, requiring monthly payments of $641 of principal and interest at 2.75% through maturity on July 1, 2050. Payable upon demand in certain circumstances.	$	146,943
Line of credit from a bank for up to $300,000, secured by all assets, requiring monthly interest payments of prime plus 1%, with a final payment of principal and interest due upon maturity in January 2023. Subsequent to year-end, this line of credit was renewed to mature in January 2024 with interest at prime plus 1%.		-
	$	146,943

Maturities for the debt outstanding are as follows:

2024	$	3,741
2025		3,845
2026		3,952
2027		4,062
2028		4,175
Thereafter		127,168
	$	146,943

NOTE 9 – IN-KIND DONATIONS

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

Contribution		Amount	Purpose
Volunteer chief executive officer	$	155,000	Admin/program
Accounting service		35,096	Administrative
Silent auction donations		12,718	Fundraising
	$	202,814	

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 under GAAP are not met.

NOTE 10 – CONCENTRATIONS

The Organization maintains cash, cash equivalents, and restricted cash in bank accounts which, at times, may exceed federally insured limits. 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.

NOTE 11 - EMPLOYEE RETENTION TAX CREDIT

It was determined that the Organization was eligible for total tax credits of $366,955 through the IRS' Employee Retention Tax Credit ("ERTC") for the quarters ending March 31, 2021, and June 30, 2021. Because all conditions associated with ERTC eligibility have been met and verified during the current year, NTPA recognized the total amount of $366,955 as contribution revenue in the statement of activities and changes in net assets for the year ended September 30, 2023.

NOTE 12 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 15, 2024. This is the date on which the financial statements were available to be issued.