

ORLANDO REPERTORY THEATRE, INC.

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019



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**ORLANDO REPERTORY THEATRE, INC.
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YEARS ENDED JUNE 30, 2020 AND 2019**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Orlando Repertory Theatre, Inc.
Orlando, Florida

We have audited the accompanying financial statements of Orlando Repertory Theatre, Inc. (the Organization), which comprises the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from 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 auditors' 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.

Board of Directors
Orlando Repertory Theatre, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Orlando Repertory Theatre, Inc. as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Orlando, Florida
December 8, 2020

ORLANDO REPERTORY THEATRE, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 639,073	\$ 356,148
Accounts Receivable	35,115	6,199
Grants Receivable	195,700	143,500
Prepaid Expenses	58,981	88,105
Total Current Assets	928,869	593,952
PROPERTY AND EQUIPMENT, Net	1,716,117	2,118,432
Total Assets	\$ 2,644,986	\$ 2,712,384
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 74,010	\$ 143,199
Accrued Expenses	36,614	37,027
Deferred Revenue	150,254	170,593
Total Current Liabilities	260,878	350,819
LONG-TERM DEBT	376,900	-
NET ASSETS		
Without Donor Restrictions	1,795,508	2,211,065
With Donor Restrictions	211,700	150,500
Total Net Assets	2,007,208	2,361,565
Total Liabilities and Net Assets	\$ 2,644,986	\$ 2,712,384

See accompanying Notes to Financial Statements.

ORLANDO REPERTORY THEATRE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Grants and Contributions - Operating	\$ 1,120,809	\$ 211,700	\$ 1,332,509
Productions	718,391	-	718,391
Educational Programs	279,531	-	279,531
Management Fees	252,297	-	252,297
Theatre Rental	72,284	-	72,284
In-Kind Contributions	51,892	-	51,892
Other Income	3,392	-	3,392
Net Assets Released from Restrictions	150,500	(150,500)	-
Total Support and Revenue	2,649,096	61,200	2,710,296
EXPENSES			
Program Services	2,174,727	-	2,174,727
Supporting Services:			
Management and General	317,555	-	317,555
Fundraising	169,471	-	169,471
Total Expenses	2,661,753	-	2,661,753
CHANGE IN NET ASSETS BEFORE DEPRECIATION AND AMORTIZATION	(12,657)	61,200	48,543
DEPRECIATION AND AMORTIZATION	402,900	-	402,900
CHANGE IN NET ASSETS	(415,557)	61,200	(354,357)
Net Assets - Beginning of Year	2,211,065	150,500	2,361,565
NET ASSETS - END OF YEAR	\$ 1,795,508	\$ 211,700	\$ 2,007,208

See accompanying Notes to Financial Statements.

ORLANDO REPERTORY THEATRE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Grants and Contributions - Operating	\$ 922,572	\$ 150,500	\$ 1,073,072
Productions	1,065,673	-	1,065,673
Educational Programs	473,632	-	473,632
Management Fees	252,297	-	252,297
Theatre Rental	156,433	-	156,433
In-Kind Contributions	55,100	-	55,100
Other Income	239	-	239
Net Assets Released from Restrictions	259,225	(259,225)	-
Total Support and Revenue	<u>3,185,171</u>	<u>(108,725)</u>	<u>3,076,446</u>
EXPENSES			
Program Services	2,423,470	-	2,423,470
Supporting Services:			
Management and General	390,007	-	390,007
Fundraising	173,950	-	173,950
Total Expenses	<u>2,987,427</u>	<u>-</u>	<u>2,987,427</u>
CHANGE IN NET ASSETS BEFORE DEPRECIATION AND AMORTIZATION	197,744	(108,725)	89,019
DEPRECIATION AND AMORTIZATION	<u>465,606</u>	<u>-</u>	<u>465,606</u>
CHANGE IN NET ASSETS	(267,862)	(108,725)	(376,587)
Net Assets - Beginning of Year	<u>2,478,927</u>	<u>259,225</u>	<u>2,738,152</u>
NET ASSETS - END OF YEAR	<u>\$ 2,211,065</u>	<u>\$ 150,500</u>	<u>\$ 2,361,565</u>

See accompanying Notes to Financial Statements.

ORLANDO REPERTORY THEATRE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020

	Support Services			Total Support Services	Total
	Program Services	Management and General	Fundraising		
SALARIES AND RELATED EXPENSES					
Salaries, Taxes, and Benefits	\$ 1,192,787	\$ 251,113	\$ 125,557	\$ 376,670	\$ 1,569,457
Contracted Labor and Actors' Equity	113,194	-	-	-	113,194
Insurance - Medical	43,962	9,255	4,628	13,883	57,845
Total Salaries and Related Expenses	<u>1,349,943</u>	<u>260,368</u>	<u>130,185</u>	<u>390,553</u>	<u>1,740,496</u>
OTHER EXPENSES					
Insurance - Other	50,895	2,121	-	2,121	53,016
Administrative	2,434	30,791	27,031	57,822	60,256
Occupancy	189,478	7,895	-	7,895	197,373
Program Expenses:					
Costs of Production	462,600	11,124	985	12,109	474,709
Costs of Education Program	93,469	2,248	199	2,447	95,916
Meals and Entertainment	6,418	1,762	10,665	12,427	18,845
Travel	19,490	1,246	406	1,652	21,142
Total Other Expenses	<u>824,784</u>	<u>57,187</u>	<u>39,286</u>	<u>96,473</u>	<u>921,257</u>
Total Expenses Before Depreciation and Amortization	2,174,727	317,555	169,471	487,026	2,661,753
Depreciation and Amortization	386,784	16,116	-	16,116	402,900
Total Expenses	<u>\$ 2,561,511</u>	<u>\$ 333,671</u>	<u>\$ 169,471</u>	<u>\$ 503,142</u>	<u>\$ 3,064,653</u>

See accompanying Notes to Financial Statements.

ORLANDO REPERTORY THEATRE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

	Support Services			Total Support Services	Total
	Program Services	Management and General	Fundraising		
SALARIES AND RELATED EXPENSES					
Salaries, Taxes, and Benefits	\$ 1,313,786	\$ 276,587	\$ 138,293	\$ 414,880	\$ 1,728,666
Contracted Labor and Actors' Equity	124,458	3,959	-	3,959	128,417
Insurance - Medical	46,070	9,699	4,849	14,548	60,618
Total Salaries and Related Expenses	<u>1,484,314</u>	<u>290,245</u>	<u>143,142</u>	<u>433,387</u>	<u>1,917,701</u>
OTHER EXPENSES					
Insurance - Other	40,667	1,695	-	1,695	42,362
Administrative	5,037	37,002	13,970	50,972	56,009
Occupancy	240,118	10,005	-	10,005	250,123
Program Expenses:				-	
Costs of Production	529,615	38,101	4,347	42,449	572,064
Costs of Education Program	94,825	6,822	778	7,600	102,425
Meals and Entertainment	5,930	2,874	11,381	14,255	20,185
Travel	22,964	3,263	331	3,594	26,558
Total Other Expenses	<u>939,156</u>	<u>99,762</u>	<u>30,808</u>	<u>130,570</u>	<u>1,069,726</u>
Total Expenses Before Depreciation and Amortization	2,423,470	390,007	173,950	563,957	2,987,427
Depreciation and Amortization	446,981	18,625	-	18,625	465,606
Total	<u>\$ 2,870,451</u>	<u>\$ 408,632</u>	<u>\$ 173,950</u>	<u>\$ 582,582</u>	<u>\$ 3,453,033</u>

See accompanying Notes to Financial Statements.

**ORLANDO REPERTORY THEATRE, INC.
STATEMENTS OF CASH FLOW
YEARS ENDED JUNE 30, 2020 AND 2019**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (354,357)	\$ (376,587)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	402,900	465,606
(Increase) Decrease in Assets:		
Accounts Receivable	(28,916)	(5,653)
Grants Receivable	(52,200)	22,243
Prepaid Expenses	29,124	(10,197)
Increase (Decrease) in Liabilities:		
Accounts Payable	(69,189)	94,336
Accrued Expenses	(413)	1,656
Deferred Revenue	(20,339)	(101,586)
Net Cash Provided (Used) by Operating Activities	(93,390)	89,818
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(585)	(2,084)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Borrowing on Long-Term Debt	376,900	-
 CHANGE IN CASH AND CASH EQUIVALENTS	282,925	87,734
Cash and Cash Equivalents - Beginning of Year	356,148	268,414
 CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 639,073	\$ 356,148

See accompanying Notes to Financial Statements.

ORLANDO REPERTORY THEATRE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 ORGANIZATION

Nature of Operations

Orlando Repertory Theatre, Inc. (the Organization) is a nonprofit corporation incorporated in 1969 that produces and presents theatrical performances and related educational programs in partnership with the University of Central Florida (UCF). The Organization's facilities are used to house a portion of the UCF Masters of Fine Arts program.

The Civic Theatre Foundation, Inc. (the Foundation) was established by the Organization's board of directors as a support organization for the Organization. The Foundation's board of directors includes the officers and executive committee of the Organization, thus placing it under common control. The Foundation did not have any revenues or expenses, assets, liabilities, or net assets as of or for the years ended June 30, 2020 and 2019.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting.

Basis of Presentation

The financial statements have been prepared to focus on the Organization as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of net assets and transactions based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are both undesignated and designated in nature. Undesignated net assets without donor restriction are those currently available for use in the day-to-day operation of the Organization and those resources invested in property and equipment. From time to time, the Board of Trustees may designate certain amounts of net assets without donor restriction to be utilized/invested to meet specific objectives of the Organization.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Generally, the donors of these assets that are maintained in perpetuity permit the Organization to use all or part of the income earned on related investments for either unrestricted or specified purposes. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions.

ORLANDO REPERTORY THEATRE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

When a restriction expires, 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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment having a unit cost greater than \$500 and a useful life of three or more years are capitalized at cost, if purchased, and at fair market value on the date received, if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the estimated useful life of the asset and the remaining lease term.

Grants Receivable

Grants receivable which represent unconditional promises to give are recognized as revenue when the promise is received. Grants receivable expected to be collected in less than one year are recorded at fair value at the date of promise. Receivables are stated at the amount management expects to collect from balances outstanding. Management closely monitors outstanding balances throughout the year, and writes off all balances that are considered uncollectible. All grants receivable at June 30, 2020 and 2019, are expected to be collected during the next fiscal year. The Organization believes they will be fully collected; accordingly, there is no allowance for doubtful accounts.

Contributed Services and Materials

Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Organization received contributed goods and services of \$51,892 and \$55,100 during the years ended June 30, 2020 and 2019, respectively, for advertising, printing, photography, and building maintenance, which are included in in-kind contributions and the expense categories to which they relate in the statements of activities.

The Organization received donated goods in the form of supplies and promotional materials. These items have been recorded as in-kind contributions and program expenses at their fair market value in the statements of activities.

ORLANDO REPERTORY THEATRE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition and Deferred Revenue

Grants are considered exchange transactions in which each party receives and sacrifices commensurate value. Funds from these exchange transactions are not considered contributions and, as such, are deemed to be earned and reported as revenue when such funds have been expended toward the designated purposes.

Revenue is recognized for productions and educational programs when the related event is held. Management fees are recognized as the services are provided. Deferred revenue consists of sponsorships, tuition for educational programs, and production ticket sales received for programs and events that relate to and/or will take place during subsequent fiscal years.

Functional Allocation of Expenses

The costs incurred by the Organization have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated between the program service, management and general, and fundraising expenses of the Organization. These allocations have been made based on considerations of time and space usage. Although the methods of allocation used are considered reasonable, other methods could be used that would produce different results.

Advertising Costs

Advertising costs are expensed as incurred. Total advertising costs were \$150,999 and \$163,718 for the years ended June 30, 2020 and 2019, respectively.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Organization is exempt from federal income tax under provisions of Section 501(c)(3) of the Internal Revenue Code and from state income taxes under similar provisions of the Florida Income Tax Code. Accordingly, no provision for federal and state income taxes has been recorded in the accompanying financial statements.

The Organization follows the standard for accounting for uncertain tax positions. As a result of the implementation, the Organization has not recognized a liability for unrecognized tax benefits.

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.

ORLANDO REPERTORY THEATRE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentration of Credit Risks

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. Cash and cash equivalents are maintained at highly rated financial institutions and, at times, balances may exceed federally insured limits. The Organization has never experienced any losses related to these balances.

Change in Accounting Principle

In May 2014, FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606). Subsequent to May 2014, the FASB has issued six ASUs to clarify certain matters related to Topic 606. Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The updates address the complexity and understandability of revenue recognition and provide sufficient information to enable financial statements users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization has adopted ASU 2014-09 during 2019 using the modified retrospective method, which did not result in an adjustment to net assets because the adoption of ASU 2014-09 did not have a material impact.

Additionally, in June 2018, FASB issued Accounting Standards (ASU) 2018-08, *Accounting Guidance for Contributions Received and Made*. This ASU was issued to clarify accounting guidance for contributions received and contributions made. The amendments to this ASU assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as an exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The Organizations financial statements reflect the application of ASU-2018-08 beginning July 1, 2019 using the prospective approach. The adoption of this accounting standard does not require prior period results to be restated.

Subsequent Events

In preparing these financial statements, the Organization has evaluated subsequent events and transactions for potential recognition or disclosure through December 8, 2020, the date the financial statements were available to be issued.

ORLANDO REPERTORY THEATRE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 3 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30:

	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	\$ 639,073	\$ 356,148
Accounts Receivable	35,115	6,199
Grants Receivable	195,700	143,500
Less: Net Assets with Restrictions	<u>(211,700)</u>	<u>(150,500)</u>
Total	<u>\$ 658,188</u>	<u>\$ 355,347</u>

The Organization regularly monitors the availability of resources required to meet its operating needs, while striving to maximize its available funds. The Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

NOTE 4 PROPERTY AND EQUIPMENT, NET

Property and equipment consists of the following as of June 30:

	Estimated Useful Lives	<u>2020</u>	<u>2019</u>
Leasehold Improvements	10-40 Years	\$ 8,313,707	\$ 8,343,005
Theatrical Equipment	5-35 Years	529,889	529,304
Office Equipment	5-10 Years	194,940	196,337
Furnishings	5-10 Years	<u>4,834</u>	<u>4,834</u>
Total		9,043,370	9,073,480
Less: Accumulated Depreciation and Amortization		<u>(7,327,253)</u>	<u>(6,955,048)</u>
Total Property and Equipment, Net		<u>\$ 1,716,117</u>	<u>\$ 2,118,432</u>

NOTE 5 LONG-TERM DEBT

On May 8, 2020 the Organization received a loan from Fifth Third Bank in the amount of \$376,900 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over 24 months with principal payments deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Organization

ORLANDO REPERTORY THEATRE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 5 LONG-TERM DEBT (CONTINUED)

fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. To the extent that all or part of the PPP Loan is not forgiven, the Organization will be required to pay interest on the PPP Loan at a rate of 1.0% per annum, and commencing in December 2020 principal and interest payments will be required through the maturity date in May 2022.

NOTE 6 LINE OF CREDIT

On July 1, 2011, the Organization entered into a line of credit agreement with a financial institution providing for maximum borrowings of \$150,000. Interest on the line is payable monthly at a floating rate per annum equal to prime (as defined) plus 1.75%. The line is collateralized by substantially all of the Organization's assets and matured on July 1, 2019. On that date, the line of credit was renewed until July 1, 2020, with a one-year automatic renewal subject to certain limitations and the interest rate was changed to prime plus 1%. There was no activity on the line during the years ended June 30, 2020 and 2019.

NOTE 7 ECONOMIC DEPENDENCE

The Organization receives a majority of its support from UCF and United Arts of Central Florida. The Organization received grants and management fees of \$1,192,559 and \$1,030,781 for the years ended June 30, 2020 and 2019, representing 44% and 34% of total support and revenue for the years ended June 30, 2020 and 2019, respectively.

NOTE 8 LEASED FACILITY AND ASSIGNMENT

The Organization's operating facility is leased from the city of Orlando (Loch Haven Park). The lease agreement stipulates an annual lease payment in the nominal amount of \$1 and expires on March 1, 2041, as amended. The Organization, as permitted under the terms of the lease with the city of Orlando, constructed a building on the leased land in Loch Haven Park which is included in leasehold improvements (see Note 4). The lease stipulates that, upon expiration of the lease, the Organization will yield the property, including any improvements made by the Organization, to the city of Orlando free of all liens and encumbrances. The contributed value of the lease is the building that will be surrendered upon completion of the lease.

During 2001, the Organization assigned the lease to UCF for a period of 18 months, giving UCF the option to renew the assignment every 18 months thereafter until the termination of the lease. The assignment, which can be terminated without cause with a 60-day written notice, has been renewed through October 2021. The Organization has retained a residual interest in the lease, so that they will reassume the obligations under the lease if the assignment is terminated.

**ORLANDO REPERTORY THEATRE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 8 LEASED FACILITY AND ASSIGNMENT (CONTINUED)

On July 1, 2004, in connection with the lease assignment, the Organization entered into a Lease Management Services Agreement with UCF to manage and operate the building and real property, including building and grounds maintenance, repairs, and custodial services. For the years ended June 30, 2020 and 2019, the Organization received \$252,297 in management fees in accordance with this agreement, which is recorded as management fees revenue on the accompanying statements of activities.

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of June 30:

	<u>2020</u>	<u>2019</u>
Contributions from United Arts	\$ 90,700	\$ 60,500
State and Local Government Support	96,000	75,000
Other Contributions With Restrictions	<u>25,000</u>	<u>15,000</u>
Total	<u>\$ 211,700</u>	<u>\$ 150,500</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Expiration of Time Restrictions:		
State and Local Government Support	\$ 75,000	\$ 75,000
Expiration of Purpose Restrictions:		
Contributions from United Arts	60,500	61,225
Corporate Contributions	-	3,000
State and Local Government Support	-	75,000
Other Contributions with Restrictions	<u>15,000</u>	<u>45,000</u>
Total	<u>\$ 150,500</u>	<u>\$ 259,225</u>

NOTE 10 RELATED PARTY TRANSACTIONS

The Organization received \$6,790 and \$29,000 of in-kind donations from various member of the board of directors for the years ended June 30, 2020 and 2019, respectively. The revenue and expense was recorded and is included on the accompanying statements of activities. During the years ended June 30, 2020 and 2019, approximately \$13,000 and \$17,000, was received as contributions from board members.

ORLANDO REPERTORY THEATRE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 11 COMMITMENTS

The Organization leases a vehicle and various office equipment under long-term noncancelable operating leases. Lease expense amounted to \$24,070 for the year ended June 30, 2020. The future minimum lease payments under these leases at June 30, 2020 are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 23,313
2022	16,000
2023	767
Total	<u>\$ 40,080</u>

NOTE 12 RISKS AND UNCERTAINTIES

During the fiscal year, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. Subsequent to year-end, the COVID-19 pandemic continues to have significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID-19 may impact various parts of its 2021 operations and financial results, including, but not limited to, declines in contribution revenues, additional bad debts, costs for increased use of technology, or potential shortages of personnel. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.