

**SEATTLE REPERTORY THEATER**

Consolidated Financial Statements

For the Year Ended June 30, 2021

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## **Independent Auditor's Report**

**To the Boards of Trustees  
Seattle Repertory Theater  
Seattle, Washington**

We have audited the accompanying consolidated financial statements of Seattle Repertory Theater and Seattle Repertory Theatre Foundation (collectively, the Organization), which comprise the consolidated balance sheet as of June 30, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated 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 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 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.



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## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited the Organization's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 12, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating schedules on pages 21 through 23 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Clark Nuber P.S.*

Certified Public Accountants  
November 11, 2021

SEATTLE REPERTORY THEATER

Consolidated Balance Sheet

June 30, 2021

(With Comparative Totals for 2020)

	2021	2020
<b>Assets</b>		
<b>Current Assets:</b>		
Cash	\$ 134,863	\$ 2,727,253
Cash reserves (Note 1)	2,550,680	247,063
Restricted cash (Note 1 and 8)	881,842	882,601
Accounts receivable, net	50,206	53,262
Pledges receivable, net (Note 2)	1,684,077	952,263
Prepaid expenses and inventory	181,432	287,108
<b>Total Current Assets</b>	<b>5,483,100</b>	<b>5,149,550</b>
Investments, long-term (Note 3)	13,498,990	10,304,742
Pledges receivable, long-term, net (Note 2)	695,089	795,169
Property and equipment, net of accumulated depreciation (Note 4)	4,446,741	4,861,177
Other long-term assets (Note 1)	11,295	606,481
<b>Total Assets</b>	<b>\$ 24,135,215</b>	<b>\$ 21,717,119</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities:</b>		
Deferred ticket revenue	\$ 1,293,093	\$ 1,832,391
Accounts payable and accrued liabilities	978,141	1,290,273
Line of credit (Note 10)	1,410,000	4,410,000
Current portion of capital lease obligations (Note 11)	116,802	116,802
<b>Total Current Liabilities</b>	<b>3,798,036</b>	<b>7,649,466</b>
Paycheck Protection Program liability (Note 12)	414,864	1,202,015
Capital lease obligations, net of current portion (Note 11)	229,139	325,117
<b>Total Liabilities</b>	<b>4,442,039</b>	<b>9,176,598</b>
<b>Net Assets:</b>		
Without donor restrictions (Note 5)	2,353,461	1,492,785
With donor restrictions (Note 6)	17,339,715	11,047,736
<b>Total Net Assets</b>	<b>19,693,176</b>	<b>12,540,521</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 24,135,215</b>	<b>\$ 21,717,119</b>

See accompanying notes.

SEATTLE REPERTORY THEATER

**Consolidated Statement of Activities  
For the Year Ended June 30, 2021  
(With Comparative Totals for 2020)**

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
<b>Revenue</b>				
<b>Box Office Income:</b>				
Subscription revenue	\$ 39,130	\$ -	\$ 39,130	\$ 1,859,502
Donated tickets	292,271		292,271	822,711
Single ticket revenue	2,506		2,506	1,784,315
Service fees	11,260		11,260	385,882
<b>Total Box Office Income</b>	<b>345,167</b>		<b>345,167</b>	<b>4,852,410</b>
<b>Other Earned Income:</b>				
Royalty income	43,740		43,740	590,188
Production fees				250,000
Endowment appropriation (Note 7)	453,082		453,082	418,912
Other revenue, net of related expenses	159,150		159,150	37,032
<b>Total Other Earned Income</b>	<b>655,972</b>		<b>655,972</b>	<b>1,296,132</b>
<b>Total Earned Income</b>	<b>1,001,139</b>		<b>1,001,139</b>	<b>6,148,542</b>
<b>Contributions:</b>				
Individual gifts	1,828,496	3,956,109	5,784,605	5,554,065
Corporate	173,000	25,000	198,000	268,845
Foundations	377,134	120,800	497,934	545,157
Government	156,700	40,000	196,700	360,550
Advocacy	107,744	(24,900)	82,844	141,100
In-kind gifts	15,490		15,490	66,245
Seattle Repertory Organization				28,943
Fundraising events, net of related expenses	971,674		971,674	(33,052)
Paycheck Protection Program revenue (Note 12)	2,487,585		2,487,585	550,000
Contributions released from restriction	568,991	(568,991)		
<b>Total Contributions</b>	<b>6,686,814</b>	<b>3,548,018</b>	<b>10,234,832</b>	<b>7,481,853</b>
<b>Total Revenue</b>	<b>7,687,953</b>	<b>3,548,018</b>	<b>11,235,971</b>	<b>13,630,395</b>
<b>Expenses:</b>				
Artistic	696,497		696,497	2,849,462
Production	1,965,403		1,965,403	5,102,975
Marketing and communications	645,194		645,194	3,265,085
Development	952,454		952,454	1,113,066
Administration	1,780,408		1,780,408	1,747,247
<b>Total Expenses</b>	<b>6,039,956</b>		<b>6,039,956</b>	<b>14,077,835</b>
<b>Change in Net Assets Before</b>				
<b>Depreciation and Endowment Activity</b>	<b>1,647,997</b>	<b>3,548,018</b>	<b>5,196,015</b>	<b>(447,440)</b>
Depreciation	787,321		787,321	736,589
<b>Endowment Activity (Note 7):</b>				
Endowment investment return		3,194,043	3,194,043	24,098
Contributions to endowment		3,000	3,000	96,100
Endowment appropriation		(453,082)	(453,082)	(418,912)
<b>Total Change in Net Assets</b>	<b>860,676</b>	<b>6,291,979</b>	<b>7,152,655</b>	<b>(1,482,743)</b>
<b>Net Assets:</b>				
Beginning of year	1,492,785	11,047,736	12,540,521	14,023,264
<b>End of Year</b>	<b>\$ 2,353,461</b>	<b>\$ 17,339,715</b>	<b>\$ 19,693,176</b>	<b>\$ 12,540,521</b>

See accompanying notes.

SEATTLE REPERTORY THEATER

**Consolidated Statement of Functional Expenses  
For the Year Ended June 30, 2021  
(With Comparative Totals for 2020)**

	Artistic	Production	Marketing and Communications	Total Program	Development	Administration	2021 Total	2020 Total
Payroll costs-								
Salaries	\$ 337,370	\$ 746,432	\$ 443,249	\$ 1,527,051	\$ 610,953	\$ 929,351	\$ 3,067,355	\$ 6,805,335
Benefits and taxes	128,025	160,030	111,847	399,902	138,079	171,333	709,314	1,774,613
Total payroll costs	465,395	906,462	555,096	1,926,953	749,032	1,100,684	3,776,669	8,579,948
Other expenses-								
Royalties	167,451			167,451		2,749	170,200	478,535
Co-production fees								416,275
Production materials		583,903		583,903			583,903	381,796
Artist housing		88,293		88,293			88,293	88,767
Travel, housing, meetings	1,087	4,256	(4,389)	954	11,348	9,217	21,519	575,596
Advertising			(33,945)	(33,945)	12,368	15,099	(6,478)	844,133
Printing, publications	599	2,770	36,171	39,540	27,878	4,547	71,965	103,215
Professional fees	61,527	44,342	29,250	135,119	119,329	218,544	472,992	1,324,673
Supplies and equipment	223	10,494	59,773	70,490	72	122,581	193,143	276,728
Postage and shipping		832	3,228	4,060	9,623	7,877	21,560	83,257
Facilities	50	303,003		303,053		163,550	466,603	568,263
Bank service charges, taxes, miscellaneous	165	21,048	10	21,223	22,804	135,560	179,587	356,649
Total other expenses	231,102	1,058,941	90,098	1,380,141	203,422	679,724	2,263,287	5,497,887
<b>Total Expenses Presented on the Consolidated Statement of Activities</b>	<b>696,497</b>	<b>1,965,403</b>	<b>645,194</b>	<b>3,307,094</b>	<b>952,454</b>	<b>1,780,408</b>	<b>6,039,956</b>	<b>14,077,835</b>
Plus expenses netted with revenues and depreciation-								
Bar and concessions			4,150	4,150			4,150	116,648
Theatre rental		10,481		10,481			10,481	67,730
Special event direct donor costs					193,297		193,297	139,118
Depreciation		509,087	149,874	658,961		128,360	787,321	736,589
<b>Total Functional Expenses</b>	<b>\$ 696,497</b>	<b>\$ 2,484,971</b>	<b>\$ 799,218</b>	<b>\$ 3,980,686</b>	<b>\$ 1,145,751</b>	<b>\$ 1,908,768</b>	<b>\$ 7,035,205</b>	<b>\$ 15,137,920</b>
<b>Total 2020 Functional Expenses</b>	<b>\$ 2,849,462</b>	<b>\$ 5,660,455</b>	<b>\$ 3,513,546</b>	<b>\$ 12,023,463</b>	<b>\$ 1,252,184</b>	<b>\$ 1,862,273</b>	<b>\$ 15,137,920</b>	<b>\$ 15,137,920</b>

See accompanying notes.

SEATTLE REPERTORY THEATER

**Consolidated Statement of Cash Flows**  
**For the Year Ended June 30, 2021**  
**(With Comparative Totals for 2020)**

	<u>2021</u>	<u>2020</u>
<b>Operating Activities:</b>		
Change in net assets	\$ 7,152,655	\$ (1,482,743)
Adjustments to reconcile change in net assets to net cash provided by operating activities-		
Depreciation	787,321	736,589
Net (gain) loss on investments	(2,976,201)	337,260
Contributions and investment return restricted for endowment	(53,767)	(187,305)
Cash provided (used) by changes in operating assets and liabilities:		
Accounts receivable	3,056	219,049
Pledges receivable	(631,734)	159,961
Prepaid expenses and inventory	105,676	185,346
Other long-term assets	595,186	(36,589)
Deferred ticket sales income	(539,298)	(847,282)
Accounts payable and accrued liabilities	(372,992)	(10)
Paycheck Protection Program liability	(787,151)	1,202,015
<b>Net Cash Provided by Operating Activities</b>	<b>3,282,751</b>	<b>286,291</b>
<b>Investing Activities:</b>		
Purchase of investments	(2,597,286)	(3,211,862)
Proceeds from sale of investments	2,334,821	3,261,940
Net change in cash equivalents included in investments	44,418	168,508
Purchase of property and equipment	(312,025)	(405,650)
<b>Net Cash Used in Investing Activities</b>	<b>(530,072)</b>	<b>(187,064)</b>
<b>Financing Activities:</b>		
Collections on contributions and investment return restricted for capital assets and endowment	53,767	137,205
(Payments) draws on line of credit, net	(3,000,000)	2,510,000
Principal payments on capital leases	(95,978)	
<b>Net Cash (Used in) Provided by Financing Activities</b>	<b>(3,042,211)</b>	<b>2,647,205</b>
<b>Net Change in Cash, Cash Reserves and Restricted Cash</b>	<b>(289,532)</b>	<b>2,746,432</b>
Cash, cash reserves and restricted cash, beginning of year	3,856,917	1,110,485
<b>Cash, Cash Reserves and Restricted Cash, End of Year</b>	<b>\$ 3,567,385</b>	<b>\$ 3,856,917</b>
<b>Reconciliation to Consolidated Balance Sheet:</b>		
Cash	\$ 134,863	\$ 2,727,253
Cash reserves	2,550,680	247,063
Restricted cash	881,842	882,601
<b>Cash, Cash Reserves and Restricted Cash</b>	<b>\$ 3,567,385</b>	<b>\$ 3,856,917</b>
<b>Supplementary Disclosure:</b>		
Cash paid for interest	\$ 76,473	\$ 118,623
Property and equipment in accounts payable	\$ 103,990	\$ 43,130
Acquisition of long-term assets through capital leases	\$ -	\$ 441,919

See accompanying notes.



## SEATTLE REPERTORY THEATER

### Notes to Consolidated Financial Statements For the Year Ended June 30, 2021 (With Comparative Totals for 2020)

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#### Note 1 - Summary of Significant Accounting Policies

**General** - Seattle Repertory Theater's (the Theater) mission is to collaborate with extraordinary artists to create productions and programs that reflect and elevate the diverse cultures, perspectives, and life experiences of our region. Our vision for the Theater is to put theater at the heart of public life, positioning the work on our stages as a vital source for collective imagination, unbounded creativity, and meaningful conversation and social debate. The Theater was founded in 1963 by local citizens as a civic investment in a thriving community and has been awarded the Tony Award for Outstanding Regional Theater in recognition for its consistently high production and artistic standards. Over the last 58 years, the Theater has become both a home for local artists and a national incubator and destination for great art. Under the leadership of Artistic Director Braden Abraham and Managing Director Jeffrey Herrmann, the Theater serves approximately 120,000 audience members and program participants each year through our mainstage subscription season, new play readings and workshops, youth arts education programs, and community engagement initiatives.

The Seattle Repertory Theatre Foundation (the Foundation) was founded in 1998 to conduct and support activities exclusively for the benefit of the Theater. The Foundation receives and holds endowment funds for, and makes distributions to, the Theater. The endowed funds are also used to collateralize the line of credit and other banking functions of the Theater's operations.

**Principles of Consolidation** - The accounts of the Theater and the Foundation (collectively, the Organization), have been consolidated in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) which require that financially interrelated organizations be consolidated. All intercompany transactions and balances have been eliminated.

**Impacts of the COVID-19 Pandemic** - In early 2020, a novel strain of coronavirus (COVID-19) was identified and became prevalent throughout the world. The COVID-19 pandemic has caused business disruption through mandated and voluntary closings of businesses and restrictions on public gatherings. As a result of the spread of COVID-19 and at the government's direction, the Organization stopped production of all plays and events effective March 2020 for the final shows of the 2019-2020 season and also all shows for the 2020-2021 season. As a result of the pandemic, the Organization has experienced negative impacts to its operating revenues.

To mitigate the effects of the pandemic, the Organization applied for and received two Paycheck Protection Program loans totaling \$3.4 million (Note 12). The Organization has also communicated with subscribers and single ticket holders for the canceled shows in the 2019-2020 and 2020-2021 seasons and offered the option to donate the value of their tickets, convert them to credits for future performances, or contact the Organization about other arrangements. Additionally, the Organization has worked to reduce expenses significantly and modeled net revenue and cash flows through June 2022 based on updated budgeting. Performances are expected to resume in January of 2022.

In July 2021 and September 2021, the Organization received notifications of award funding under the Shuttered Venues Operators Grant (SVOG) totaling \$3,274,197 which are to be used to fund operations through June 30, 2022.

The full extent of the financial impact and duration of the impacts of the COVID-19 pandemic cannot be reasonably estimated as of the date of issuance of these financial statements.

## SEATTLE REPERTORY THEATER

### Notes to Consolidated Financial Statements For the Year Ended June 30, 2021 (With Comparative Totals for 2020)

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#### Note 1 - Continued

**Basis of Presentation** - The financial statements of the Organization have been prepared on the accrual basis of accounting. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

Net Assets Without Donor Restriction - Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net Assets With Donor Restriction - Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

**Use of Estimates** - The preparation of financial statements in conformity with U.S. GAAP 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 Tax Status** - The Theater and the Foundation have been notified by the Internal Revenue Service that they are both exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation is further classified as an organization that is not a private foundation under Section 509(a)(3) of the Code. Accordingly, no provision for income taxes has been recorded.

**Cash** - For purposes of the consolidated cash flow statement, cash includes cash on hand and in banks except for cash equivalents associated with the investment accounts.

**Cash Reserves** - Cash reserves represent board designated working cash reserves for operations and to management established cash reserves to support the launch of the new season in fiscal year 2022.

**Restricted Cash** - Restricted cash represents the required maintenance reserve fund for the Seattle Center lease (Note 8) and cash associated with gift annuities. Due to the impacts of COVID-19 the Organization requested that the City of Seattle allow the Organization to use some of the maintenance reserve fund for operating expenses during the pandemic. This request has since been approved by both the Seattle Center and the City Council.

## SEATTLE REPERTORY THEATER

### Notes to Consolidated Financial Statements For the Year Ended June 30, 2021 (With Comparative Totals for 2020)

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#### Note 1 - Continued

##### Revenue Recognition -

Subscriptions, Single Tickets and Service Fees - The Organization presents theater performances and earns revenue from ticket sales. Tickets are sold in subscription packages and as single tickets and are generally purchased by customers in advance of the performances. Service fees are processed as a portion of ticket sales. Tickets sold are non-refundable. The Organization's performance obligation for each ticket is to provide a seat at the applicable performance. Revenue from subscription packages and single tickets are recognized at the time the performance occurs.

Production Fees - The Organization partners with commercial producers and other theaters to produce performances. The Organization receives fees from these partners to offset the costs of such productions. The fees are agreed to in advance with co-producers including which costs are to be shared, and the timing of payments. Revenue from production fees is recorded when received.

Contribution Revenue - The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give are not recognized as revenues until the conditions on which they depend have been met. There were no conditional contributions as of June 30, 2021 or 2020. Contribution amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions.

The Organization uses the allowance method to determine uncollectible unconditional pledges receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. There was a \$30,000 and \$60,000 allowance for uncollectible pledges as of June 30, 2021 and 2020 respectively. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved. Amortization of the discount is reported as contribution revenue.

**In-Kind Gifts** - The Organization recognizes contribution revenue for certain donated services and materials received at the fair value of those services and materials. During the years ending June 30, 2021 and 2020, contributed services and materials totaled \$15,490 and \$66,245, and were used primarily in program activities.

**Functional Allocation of Expenses** - Expenses consist of costs related to providing artistic, production, marketing, development and administrative functions. These costs have been summarized on a functional basis in the consolidated statement of functional expenses. Costs are directly charged to the functions they benefit. Costs incurred in connection with specific performances are deferred until the show is performed. Facility related expenses are allocated to each function based on square footage utilized by the function.

**Deferred Expenses** - Production costs incurred associated with future shows are deferred and recognized and expense as each show is performed.

**Advertising Costs** - The Organization expenses advertising costs as they are incurred. Total advertising expense for the year ended June 30, 2020 was \$844,133. There were no advertising expenses for the year ended June 30, 2021.

## SEATTLE REPERTORY THEATER

### Notes to Consolidated Financial Statements For the Year Ended June 30, 2021 (With Comparative Totals for 2020)

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#### Note 1 - Continued

**Receivables** - Accounts and pledges receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to bad debt expense and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts or pledges receivable.

**Investments** - Investments in debt securities and equity securities with readily determinable market values are recorded at fair value. Unrealized and realized gains and losses on these investments are reported in the consolidated statement of revenues and expenses without donor restrictions and the consolidated statement of changes in net assets. Securities are generally held in custodial investment accounts administered by certain financial institutions. See Note 3 for further details.

**Endowment Activity** - The Organization presents the activity associated with its endowment funds as a separate subsection within the consolidated statement of activities. The investment return and contributions to endowments are included in this subsection. The annual appropriation from the endowment to support the Theater's operations is presented as a transfer out of the endowment activity and a transfer into the other earned income subsection of the consolidated statement of activities. Further information regarding the endowment funds is included in Note 7.

**Property and Equipment** - Equipment and leasehold improvements are stated at cost if purchased or fair market value if contributed. Depreciation and amortization are provided using the straight-line method over the estimated useful lives as follows:

Computer equipment	3 years
Other equipment	5 - 10 years
Building and improvements	30 years
Leasehold improvements	Shorter of asset life or life of lease

**Other Long-Lived Assets** - Other operating long-lived assets reported on the consolidated balance sheet at June 30, 2020 included \$549,554 of the set and scenic structure, and related storage costs, for a play constructed by the Organization that has a useful life longer than one year. The asset was fully expensed during the year ended June 30, 2021.

**Gift Annuities** - The Organization administers gift annuities for which it is obligated to make periodic distributions to designated beneficiaries. The contributed assets are recorded at their fair value as general assets of the Organization. The present value of the payments due to the beneficiaries are recorded as liabilities and totaled \$15,272 and \$15,894 at June 30, 2021 and 2020, respectively. Net present values are calculated using the applicable federal discount rate at the date of the gift. The annuity liability is revalued annually based upon actuarially computed present values. Resulting actuarial gain or loss is recorded as donor restricted revenue.

**Concentration of Credit Risk** - Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of receivables, cash, and investments. The concentration of credit risk with respect to receivables is limited due to a large base of donors consisting of public and private companies representing a variety of industries, government agencies, and individuals in the Pacific Northwest. The Organization does not require collateral or other security to support receivables. The Organization holds substantially all of its cash with one financial institution, and substantially all of its investments with another financial institution. These balances may at times exceed FDIC and SIPC insurance limits.

## SEATTLE REPERTORY THEATER

### Notes to Consolidated Financial Statements For the Year Ended June 30, 2021 (With Comparative Totals for 2020)

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#### Note 1 - Continued

The Organization invests only with financial institutions with strong credit ratings and has established guidelines relative to diversification and maturities that maintain safety and liquidity. The Organization monitors the performance of the financial institutions used to hold cash and investment balances to minimize the risk of balances held over FDIC and SIPC insurance limits.

Pledges receivable from one individual comprised 27% and 26% of total pledges receivable at June 30, 2021 and 2020, respectively.

**Reclassifications** - Certain reclassifications have been made to the 2020 amounts to conform to the 2021 presentation. The reclassifications have no effect on the previously reported total assets, liabilities, net assets, or change in net assets for 2020.

**Subsequent Events** - The Organization has evaluated subsequent events through November 11, 2021, the date on which the financial statements were available to be issued.

#### Note 2 - Pledges Receivable

Pledges receivable at June 30 were as follows:

	<u>2021</u>	<u>2020</u>
Due in less than one year	\$ 1,714,077	\$ 992,263
Due in one to five years	<u>705,952</u>	<u>829,721</u>
	2,420,029	1,821,984
Present value discount (0.46% - 2021; 0.19% - 2020)	(10,863)	(14,552)
Allowance for doubtful accounts	<u>(30,000)</u>	<u>(60,000)</u>
Total pledges receivable, net	2,379,166	1,747,432
Less current portion	<u>(1,684,077)</u>	<u>(952,263)</u>
<b>Noncurrent Portion of Pledges Receivable, Net</b>	<b><u>\$ 695,089</u></b>	<b><u>\$ 795,169</u></b>

Foundation pledges included in the above table are considered long term on the consolidated balance sheet.

## SEATTLE REPERTORY THEATER

### Notes to Consolidated Financial Statements For the Year Ended June 30, 2021 (With Comparative Totals for 2020)

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#### Note 3 - Investments

Investments consisted of the following at June 30:

	<u>2021</u>	<u>2020</u>
Cash equivalents	\$ 12,626	\$ 56,984
Mutual funds-		
Equities	5,695,719	4,308,732
Fixed income	2,361,547	2,007,346
Alternatives	<u>253,327</u>	<u>229,045</u>
Total mutual funds	8,310,593	6,545,123
Exchange traded funds-		
Equities	4,248,048	3,149,028
Fixed income	927,723	320,832
Alternatives	<u>232,775</u>	<u>232,775</u>
Total exchange traded funds	<u>5,175,771</u>	<u>3,702,635</u>
<b>Total Investments</b>	<b><u>\$ 13,498,990</u></b>	<b><u>\$ 10,304,742</u></b>

**Fair Value Measurements** - U.S. GAAP provides a framework for measuring fair value. To increase consistency and comparability in fair value measurements, the framework requires fair value to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the primary or most advantageous market for the asset or liability in an orderly transaction between market participants.

The framework uses a three-level valuation hierarchy based on observable and non-observable inputs. Observable inputs consist of data obtained from independent sources. Non-observable inputs reflect industry assumptions. These two types of inputs are used to create the fair value hierarchy, giving preference to observable inputs.

Assets classified as Level 1 have fair values based on unadjusted quoted market prices for identical instruments in active markets. Assets and liabilities classified as Level 2 have fair values based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in inactive markets, and model-derived valuations whose inputs are observable. Assets and liabilities classified as Level 3 have fair values based on value drivers that are unobservable.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2021 and 2020.

Cash Equivalents - Consist primarily of money market funds and are valued at the closing price reported on the active markets in which the securities are traded at fiscal year end.

Mutual Funds and Exchange Traded Funds - Valued at quoted market prices in active markets, which represent the net asset value (NAV) of shares held by the Organization at fiscal year end.

## SEATTLE REPERTORY THEATER

### Notes to Consolidated Financial Statements For the Year Ended June 30, 2021 (With Comparative Totals for 2020)

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#### Note 3 - Continued

All investments of the Organization are valued using Level 1 inputs. The valuation methodologies used by the Organization may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization's management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investment income was as follows for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Interest and dividends, net of investment fees of \$56,342 (2020 - \$49,732)	\$ 217,842	\$ 351,128
Realized gain (loss)	156,922	(150,251)
Unrealized gain (loss)	<u>2,819,279</u>	<u>(176,779)</u>
<b>Total Endowment Investment Return</b>	<b><u>\$ 3,194,043</u></b>	<b><u>\$ 24,098</u></b>

#### Note 4 - Property and Equipment

Property and equipment at June 30 was as follows:

	<u>2021</u>	<u>2020</u>
Building and leasehold improvements	\$ 9,928,599	\$ 9,606,664
Equipment and furniture	<u>6,804,780</u>	<u>6,753,817</u>
	16,733,379	16,360,481
Accumulated depreciation	<u>(12,286,638)</u>	<u>(11,499,304)</u>
<b>Total Property and Equipment</b>	<b><u>\$ 4,446,741</u></b>	<b><u>\$ 4,861,177</u></b>

#### Note 5 - Board-Designated Net Assets

As of June 30, 2021 and 2020, net assets without donor restrictions included board-designated net assets for operating and working capital reserves, which totaled \$247,259 and \$110,272, respectively.

SEATTLE REPERTORY THEATER

Notes to Consolidated Financial Statements  
For the Year Ended June 30, 2021  
(With Comparative Totals for 2020)

Note 6 - Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods at June 30:

	<u>2021</u>	<u>2020</u>
<b>Subject to the Passage of Time or Expenditure for Specified Purpose:</b>		
Campaign	\$ 3,592,512	\$ 417,068
General support for future periods	627,501	197,466
Support for investment in capital assets	3,012	3,012
	<u>4,223,025</u>	<u>617,546</u>
<b>Endowment Funds:</b>		
Original gifts and required retained earnings (corpus)-		
Theatre operations funds:		
General	4,903,925	4,900,959
Bill and Melinda Gates Foundation	2,500,000	2,500,000
Bagley and Virginia Wright and The Wright Family Fund	1,000,000	1,000,000
Fox Family Endowment in Memory of Rita D. Fox	250,000	250,000
Mary F. Stowe Fund	113,409	110,495
Jim and Camille Uhlir Fund	50,250	50,250
Education-		
Peter Donnelly Fund	240,953	240,953
William Randolph Hearst Endowment for Education	200,000	200,000
The Allen Foundation for the Arts	500,000	500,000
Artistic development-		
General	25,000	25,000
Daniel Sullivan Artistic Development Fund	1,240,746	1,240,746
Kreielshheimer Signature Works Fund	1,665,262	1,621,090
The Stuart Smailes Signature Works Fund	109,850	109,850
Henry and Nancy Ketcham Foundation	50,000	50,000
George and Carlyn Steiner Guest Artist Fund	130,752	127,071
Actors Fund	50,000	50,000
New Works-		
General	25,000	25,000
Mary Davis Clapp Fund for New Works	2,504,944	2,504,944
Laura Lundgren Fund for New Work	101,591	101,591
Herman and Faye Sarkowsky Commissioning Fund	100,000	100,000
Jerry Manning Fund for New Work	50,000	50,000
Playwright Commission Fund	30,000	30,000
	<u>15,841,682</u>	<u>15,787,949</u>
George and Carlyn Steiner Guest Artist Fund accumulated earnings	35,488	12,503
Accumulated deficit	<u>(2,760,480)</u>	<u>(5,370,262)</u>
<b>Total Endowment Funds</b>	<u><b>13,116,690</b></u>	<u><b>10,430,190</b></u>
<b>Total Net Assets With Donor Restrictions</b>	<u><b>\$ 17,339,715</b></u>	<u><b>\$ 11,047,736</b></u>



## SEATTLE REPERTORY THEATER

### Notes to Consolidated Financial Statements For the Year Ended June 30, 2021 (With Comparative Totals for 2020)

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#### Note 7 - Endowment Funds

The Organization's endowment consists of 22 individual funds established within a framework of four restricted purposes: theater operations, education, artistic development and new works. The donor contributions are maintained in perpetuity, the income of which is expendable for the donors' intended purpose in proportion to each fund's percentage of the total endowment fund corpus. Annual distributions are in accordance with the Organization's distribution policy.

The Organization is subject to the Washington State Prudent Management of Institutional Funds Act (PMIFA). The Board of Trustees of the Organization has interpreted PMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Organization considers the value of a fund to be deficient if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization has interpreted PMIFA to permit spending from deficient funds in accordance with the prudent measures required under the law. Additionally, in accordance with PMIFA, the Organization considers the following factors, included in its distribution policy, in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the endowment fund;
2. The purposes of the organization and the endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the organization; and
7. The investment policies of the Organization.

Utilizing the framework of total investment return, the investment objective and guidelines of the endowment portfolio emphasizes long-term growth of capital while providing annual distributions from the endowment fund to support Theater operations over the long term, while limiting volatility. It is acknowledged that volatility is inherent in any long-term growth strategy. Short-term volatility will be tolerated to the extent it is consistent with the volatility of a comparable market index.

The Organization has a 4% distribution policy, based on a three-year rolling average of market value of endowment investments at December 31 each year. This distribution is approved by the Foundation Board of Directors for use in the next fiscal year of the Theater's operations. From time to time, the Foundation may make additional distributions to the Theater. During the year ended June 30, 2014, the Foundation made a \$500,000 loan to the Theater as part of its annual distribution to support operations. During the years ended June 30, 2021 and 2020, the Theater Board authorized the application of \$28,873 and \$51,945, respectively in shared expense receivables from the Foundation against the outstanding loan in lieu of a cash payment. The loan was completely paid as of June 30, 2021.

SEATTLE REPERTORY THEATER

Notes to Consolidated Financial Statements  
For the Year Ended June 30, 2021  
(With Comparative Totals for 2020)

Note 7 - Continued

In addition to a review of monthly investment performance reports, the Organization meets with the endowment's investment manager quarterly to ensure that the investment guidelines and objectives are being followed.

Changes to endowment net assets for the years ended June 30, 2021 and 2020, are as follows:

	Endowment Corpus	Accumulated Unspent Earnings	Accumulated Deficit	Total
Endowment net assets, June 30, 2019	\$ 15,667,729	\$ 14,473	\$ (4,949,400)	\$ 10,732,802
Endowment investment return	24,120	(1,970)	1,948	24,098
Endowment contributions	96,100			96,100
Endowment related expenses			(3,898)	(3,898)
Foundation transfer of support			(421,528)	(421,528)
Operating transfer for interfund borrowing			2,616	2,616
<b>Endowment Net Assets, June 30, 2020</b>	<b>15,787,949</b>	<b>12,503</b>	<b>(5,370,262)</b>	<b>10,430,190</b>
Endowment investment return	50,767	22,985	3,120,291	3,194,043
Endowment contributions	3,000			3,000
Endowment related expenses			(57,428)	(57,428)
Foundation transfer of support			(429,666)	(429,666)
Operating transfer for interfund borrowing			(23,415)	(23,415)
<b>Endowment Net Assets, June 30, 2021</b>	<b>\$ 15,841,716</b>	<b>\$ 35,488</b>	<b>\$ (2,760,480)</b>	<b>\$ 13,116,724</b>

From time to time, the fair value of assets associated with donor restricted endowment funds may fall below the level that donors require the Organization to retain as a fund of perpetual duration. Deficiencies of this nature exist in all but one of the individual endowment funds and total to the accumulated deficit shown above. These deficiencies resulted from appropriations for programs that were deemed prudent by the Foundation's Board of Directors that exceeded net investment returns.

Note 8 - Operating Leases

The Organization has a lease agreement with the City of Seattle for the Bagley Wright Theater. The rental cost for the theater was \$8,546 per month, adjusted for the change in All-Urban Consumer Price Index (CPI) on January 1st of each year through September 30, 2014. On September 30, 2014, rent was reduced to \$1.00 per month until the expiration of the lease in June 2026, contingent on the Organization expending \$1,000,000 in 2010 dollars (plus an adjustment for the change in CPI) on capital renovations and improvement to the Bagley Wright Theater premises by September 30, 2018 along with other required milestones related to those capital projects. On September 27, 2019, the Organization received a letter from the City of Seattle confirming that the required capital renovation expenditures were met by the September 30, 2018 deadline.

## SEATTLE REPERTORY THEATER

### Notes to Consolidated Financial Statements For the Year Ended June 30, 2021 (With Comparative Totals for 2020)

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#### Note 8 - Continued

The lease also requires annual payments averaging approximately \$150,000 through the remainder of the lease term to a “maintenance reserve fund” to support the theatrical and building systems in the Bagley Wright Theater. The balance in the fund held by the Organization was \$860,394 and \$860,326 as of June 30, 2021 and 2020, respectively, and is included in restricted cash on the consolidated balance sheet.

The Organization has a lease agreement with the City of Seattle for the land on which the Leo K. Theater was constructed. The lease requires an annual payment of \$5,515 and expires in the year 2026. Upon expiration of the lease, ownership of the Leo K. Theater will transfer to the City of Seattle.

The Organization leases storage space and apartments under operating leases on a month-to-month basis, and leases rehearsal space as needed on a week-to-week basis.

Total rental expense under the leases was \$154,170 and \$154,040 for the years ending June 30, 2021 and 2020, respectively.

#### Note 9 - Employee Retirement Plan

The Organization has a Tax Deferred Annuity Plan (the Plan) allowing all eligible employees to defer a portion of their earnings on a pre-tax basis. There were no employer contributions made to the Plan during the years ended June 30, 2021 and 2020, respectively. The Plan qualifies as a tax deferred plan under section 401(k) of the Internal Revenue Code. The Organization made retirement related payments on behalf of its employees participating in collective bargaining units totaling \$163,574 and \$129,709 during the years ended June 30, 2021 and 2020, respectively.

#### Note 10 - Line of Credit

The Organization has a line of credit with a bank with an available borrowing limit of \$4.5 million that expires on February 28, 2022. The line carries interest at the one-month LIBOR rate plus 1.6% (a total borrowing rate of 1.701% and 1.771% at June 30, 2021 and 2020, respectively). The outstanding balance at June 30, 2021 and 2020 was \$1.4 million and \$4.4 million, respectively. The line is secured by the investments held by the Foundation (at another bank).

#### Note 11 - Capital Lease

The Organization leases theater equipment under noncancelable capital leases expiring in various years through 2025. The assets and liabilities under capital leases are initially recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The assets are amortized over their estimated useful lives. Amortization of assets under capital leases is included in depreciation expense. The total recorded cost of assets under capital leases is \$531,657. Related accumulated depreciation was \$83,446 and \$8,350 at June 30, 2021 and 2020, respectively.

## SEATTLE REPERTORY THEATER

### Notes to Consolidated Financial Statements For the Year Ended June 30, 2021 (With Comparative Totals for 2020)

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#### Note 11 - Continued

Scheduled lease payments are as follows:

For the Year Ending June 30,

2022	\$	116,802
2023		116,802
2024		116,802
2025		<u>29,662</u>
Total scheduled lease payments		380,068
Portion representing interest		<u>(34,127)</u>
Total capital lease obligation		345,941
Less current portion of capital lease obligation		<u>(116,802)</u>
<b>Noncurrent Portion of Capital Lease Obligation</b>	<b>\$</b>	<b><u>229,139</u></b>

#### Note 12 - Paycheck Protection Program Loans

In response to the COVID-19 pandemic, the U.S. Congress passed the Coronavirus Aid, Relief, and Economic Securities Act (CARES Act). Included in the CARES Act was the Paycheck Protection Program (PPP) to provide loans to qualifying small businesses and not-for-profit organizations to cover certain eligible expenses. On April 23, 2020, the Organization obtained a loan under the PPP with a principal balance of \$1,752,015 and an annual interest rate of 1%. This loan was forgiven in full on May 21, 2021.

On February 8, 2021, the Organization obtained a second loan under the PPP with a principal balance of \$1,700,434 and an annual interest rate of 1%. Principal and interest are payable in monthly installments beginning ten months after the last day of the covered period, on July 25, 2021, through the maturity date of the loan on February 11, 2026. All or a portion of this second PPP loan may be forgiven if certain terms and conditions of the program are met. The terms and conditions include, but are not limited to, spending the PPP loan funds on qualifying expenses.

The Organization follows the accounting guidance for government grants in U.S. GAAP for accounting for the recognition of revenue from forgiveness of the PPP loans. In applying that guidance, the Organization recognizes revenue when the barriers to entitlement to loan forgiveness are met. Management of the Organization has determined that the barriers to entitlement consist of the incurrence of qualifying expenses. Management has determined that \$2,487,585 and \$550,000 of qualifying expenses were incurred during the years ended June 30, 2021 and 2020, respectively, and so revenue in the amount of \$2,487,585 and \$550,000, respectively, has been recognized in the June 30, 2021 and 2020 consolidated statement of activities. A corresponding reduction to the loan liability has been recorded for the amount of revenue recognized.

## SEATTLE REPERTORY THEATER

### Notes to Consolidated Financial Statements For the Year Ended June 30, 2021 (With Comparative Totals for 2020)

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#### Note 12 - Continued

A rollforward of the PPP loan liability balance is presented below for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Liability balance at beginning of year	\$ 1,202,015	\$ -
Principal borrowed on PPP loan	1,700,434	1,752,015
Revenue recognized	<u>(2,487,585)</u>	<u>(550,000)</u>
<b>Liability Balance at End of Year</b>	<b><u>\$ 414,864</u></b>	<b><u>\$ 1,202,015</u></b>

To complete the loan forgiveness process management must submit a loan forgiveness application to the lender and then the lender and the Small Business Administration (SBA) must review and approve the application. A risk exists that the lender or the SBA may reject some or all of the requested forgiveness amount during the review process, in which case the Organization will be required to repay the amount that is not forgiven.

#### Note 13 - Liquidity and Availability of Financial Assets

The Organization's working capital and cash flows have seasonal variations during the year attributable to the annual cash receipts for prepaid subscription revenue in the fourth quarter of the fiscal year in advance of the next year and a concentration of contributions received near calendar year end and fiscal year end. Monthly cash outflows vary each year based on the specific requirements of the productions programmed that season. To manage liquidity the Organization maintains a line of credit of \$4.5 million with a bank that is drawn upon as needed during the year to manage cash flow. See Note 10 for further description of this line.

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use within one year of the balance sheet date because of contractual or donor-imposed restrictions or internal designations. Amounts available include the Foundation Board-approved appropriation from the endowment fund for the following year as well as donor-restricted amounts that are available for expenditure in the following year. No appropriation will occur during 2022 as the Board of the Foundation has temporarily suspended appropriations to the Theatre in order to increase the value of the endowment and reduce the size of endowment funds that are underwater. Amounts not available include amounts set aside for operating and other reserves that could be drawn upon if the Theater or Foundation Board approves that action.

SEATTLE REPERTORY THEATER

Notes to Consolidated Financial Statements  
 For the Year Ended June 30, 2021  
 (With Comparative Totals for 2020)

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Note 13 - Continued

	<u>2021</u>	<u>2020</u>
Cash	\$ 3,567,385	\$ 3,856,917
Accounts receivable, net, collected in less than one year	50,206	53,262
Pledges receivable, net, collected in less than one year	1,684,077	952,263
Investments	<u>13,498,990</u>	<u>10,304,742</u>
Total financial assets, excluding noncurrent receivables	18,800,658	15,167,184
Contractual or donor-imposed restrictions-		
Cash restricted by lessor and others to specific uses	(881,842)	(882,601)
Endowment fund investments	(13,498,990)	(10,304,742)
Add back amounts appropriated for following year		429,666
Board designations-		
Operating reserves and other	<u>(247,259)</u>	<u>(110,272)</u>
<b>Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year</b>	<b><u>\$ 4,172,567</u></b>	<b><u>\$ 4,299,235</u></b>

**SUPPLEMENTARY INFORMATION**

SEATTLE REPERTORY THEATER

Consolidating Schedule - Balance Sheet  
June 30, 2021

	<u>Theatre</u>	<u>Foundation</u>	<u>Total</u>
<b>Assets</b>			
<b>Current Assets:</b>			
Cash	\$ 134,863	\$ -	\$ 134,863
Cash reserves	2,550,680		2,550,680
Restricted cash	881,842		881,842
Accounts receivable, net	50,206		50,206
Pledges receivable, net	1,633,977	50,100	1,684,077
Interfund receivable (payable)	432,367	(432,367)	
Prepaid expenses and inventory	181,432		181,432
<b>Total Current Assets</b>	<b>5,865,367</b>	<b>(382,267)</b>	<b>5,483,100</b>
Investments, long-term		13,498,990	13,498,990
Pledges receivable, long-term, net	695,089		695,089
Property and equipment, net	4,446,741		4,446,741
Other long-term assets	11,295		11,295
<b>Total Assets</b>	<b>\$ 11,018,492</b>	<b>\$ 13,116,723</b>	<b>\$ 24,135,215</b>
<b>Liabilities and Net Assets</b>			
<b>Current Liabilities:</b>			
Deferred ticket revenue	\$ 1,293,093	\$ -	\$ 1,293,093
Accounts payable and accrued liabilities	978,141		978,141
Line of credit	1,410,000		1,410,000
Current portion of capital lease obligations	116,802		116,802
<b>Total Current Liabilities</b>	<b>3,798,036</b>		<b>3,798,036</b>
Paycheck Protection Program liability	414,864		414,864
Capital lease obligations, net of current portion	229,139		229,139
<b>Total Liabilities</b>	<b>4,442,039</b>		<b>4,442,039</b>
<b>Net Assets:</b>			
Without donor restrictions	2,353,461		2,353,461
With donor restrictions	4,222,992	13,116,723	17,339,715
<b>Total Net Assets</b>	<b>6,576,453</b>	<b>13,116,723</b>	<b>19,693,176</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 11,018,492</b>	<b>\$ 13,116,723</b>	<b>\$ 24,135,215</b>

See independent auditor's report.



SEATTLE REPERTORY THEATER

Consolidating Schedule - Statement of Changes in Net Assets  
For the Year Ended June 30, 2021

	Theatre	Foundation	Total
<b>Revenue</b>			
<b>Box Office Income:</b>			
Subscription revenue	\$ 39,130	\$ -	\$ 39,130
Donated tickets	292,271		292,271
Single ticket revenue	2,506		2,506
Service fees	11,260		11,260
<b>Total Box Office Income</b>	<b>345,167</b>		<b>345,167</b>
<b>Other Earned Income:</b>			
Royalty income	43,740		43,740
Endowment appropriation	453,082		453,082
Other revenue, net of related expenses	159,150		159,150
<b>Total Other Earned Income</b>	<b>655,972</b>		<b>655,972</b>
<b>Total Earned Income</b>	<b>1,001,139</b>		<b>1,001,139</b>
<b>Contributions:</b>			
Individual gifts	5,784,605		5,784,605
Corporate	198,000		198,000
Foundations	497,934		497,934
Government	196,700		196,700
Advocacy	82,844		82,844
In-kind gifts	15,490		15,490
Fundraising events, net of related expenses	971,674		971,674
Paycheck Protection Program revenue	2,487,585		2,487,585
<b>Total Contributions</b>	<b>10,234,832</b>		<b>10,234,832</b>
<b>Total Revenue</b>	<b>11,235,971</b>		<b>11,235,971</b>
<b>Expenses:</b>			
Artistic	696,497		696,497
Production	1,965,403		1,965,403
Marketing and communications	645,194		645,194
Development	952,454		952,454
Administration	1,722,980	57,428	1,780,408
<b>Total Expenses</b>	<b>5,982,528</b>	<b>57,428</b>	<b>6,039,956</b>
<b>Change in Net Assets Before</b>			
<b>Depreciation and Endowment Activity</b>	<b>5,253,443</b>	<b>(57,428)</b>	<b>5,196,015</b>
Depreciation	787,321		787,321
<b>Endowment Activity:</b>			
Endowment investment return		3,194,043	3,194,043
Contributions to endowment		3,000	3,000
Endowment appropriation		(453,082)	(453,082)
<b>Change in Net Assets</b>	<b>4,466,122</b>	<b>2,686,533</b>	<b>7,152,655</b>
<b>Net Assets:</b>			
Beginning of year	2,110,331	10,430,190	12,540,521
<b>End of Year</b>	<b>\$ 6,576,453</b>	<b>\$ 13,116,723</b>	<b>\$ 19,693,176</b>

See independent auditor's report.

SEATTLE REPERTORY THEATER

Consolidating Schedule - Statement of Cash Flows  
For the Year Ended June 30, 2021

	Theatre	Foundation	Total
<b>Operating Activities:</b>			
Change in net assets	\$ 4,466,122	\$ 2,686,533	\$ 7,152,655
Adjustments to reconcile change in net assets to net cash provided by operating activities-			
Depreciation	787,321		787,321
Net gains on investments		(2,976,201)	(2,976,201)
Contributions and investment return restricted for capital assets and endowment		(53,767)	(53,767)
Cash provided (used) by changes in operating assets and liabilities:			
Accounts receivable	3,056		3,056
Pledges receivable	(631,734)		(631,734)
Prepaid expenses and inventory	105,676		105,676
Other long-term assets	538,259	56,927	595,186
Interfund receivable/payable	(450,788)	450,788	
Deferred ticket sales income	(539,298)		(539,298)
Accounts payable and accrued liabilities	(372,992)		(372,992)
Paycheck Protection Program liability	(787,151)		(787,151)
<b>Net Cash Provided by Operating Activities</b>	<b>3,118,471</b>	<b>164,280</b>	<b>3,282,751</b>
<b>Investing Activities:</b>			
Purchase of investments		(2,597,286)	(2,597,286)
Proceeds from sale of investments		2,334,821	2,334,821
Net change in cash equivalents included in investments		44,418	44,418
Purchase of property and equipment	(312,025)		(312,025)
<b>Net Cash Used in Investing Activities</b>	<b>(312,025)</b>	<b>(218,047)</b>	<b>(530,072)</b>
<b>Financing Activities:</b>			
Collections on contributions and investment return restricted for capital assets and endowment		53,767	53,767
Payments on line of credit, net	(3,000,000)		(3,000,000)
Principal payments on capital leases	(95,978)		(95,978)
<b>Net Cash Used by Financing Activities</b>	<b>(3,095,978)</b>	<b>53,767</b>	<b>(3,042,211)</b>
<b>Net Change in Cash</b>	<b>(289,532)</b>		<b>(289,532)</b>
Cash, cash reserves and restricted cash, beginning of year	3,856,917		3,856,917
<b>Cash, Cash Reserves and Restricted Cash, End of Year</b>	<b>\$ 3,567,385</b>	<b>\$ -</b>	<b>\$ 3,567,385</b>
<b>Reconciliation to Consolidating Schedule - Balance Sheet:</b>			
Cash	\$ 134,863	\$ -	\$ 134,863
Cash reserves	2,550,680		2,550,680
Restricted cash	881,842		881,842
<b>Cash, Cash Reserves and Restricted Cash</b>	<b>\$ 3,567,385</b>	<b>\$ -</b>	<b>\$ 3,567,385</b>
<b>Supplementary Disclosure:</b>			
Cash paid for interest	\$ 76,473	\$ -	\$ 76,473
Property and equipment in accounts payable	\$ 103,990	\$ -	\$ 103,990

See independent auditor's report.