SEATTLE REPERTORY THEATER

Consolidated Financial Statements

For the Year Ended June 30, 2023

Table of Contents

	Page
Independent Auditor's Report	1 - 3
Financial Statements:	
Consolidated Balance Sheet	4
Consolidated Statement of Activities	5 - 6
Consolidated Statement of Functional Expenses	7
Consolidated Statement of Cash Flows	8
Notes to Consolidated Financial Statements	9 - 25
Supplementary Information:	
Consolidating Schedule - Balance Sheet	26
Consolidating Schedule - Statement of Activities	27
Consolidating Schedule - Statement of Cash Flows	28

Clark Nuber PS

Independent Auditor's Report

To the Boards of Trustees
Seattle Repertory Theater
Seattle, Washington

Opinion

We have audited the 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, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related consolidated notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 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 audit 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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on Summarized Comparative Information

We have previously audited the Organization's June 30, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 3, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Responsibilities of Management for the Financial Statements

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

CN
T: 425-454-4919
T: 800-504-8747
F: 425-454-4620

10900 NE 4th St
Suite 1400
Bellevue WA
98004

clarknuber.com

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 the Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Clark Nuber PS

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the Organization adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842),* and related ASUs, for the year ended June 30, 2023. Our opinion is not modified with respect to this matter.

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 26 through 28 are presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Clark Nuber P.S.

Certified Public Accountants
November 8, 2023

SEATTLE REPERTORY THEATER

Consolidated Balance Sheet
June 30, 2023
(With Comparative Totals for 2022)

	2023	2022
Assets		
Current Assets:		
Cash	$ 512,373	$ 812,463
Cash reserves (Note 1)	1,632,956	883,198
Restricted cash (Note 1 and 8)	879,013	876,605
Accounts receivable, net	103,630	106,227
Pledges receivable (Note 2)	3,106,925	2,414,348
Prepaid expenses and inventory	336,095	244,376
Total Current Assets	**6,570,992**	**5,337,217**
Investments, long-term (Note 3)	12,600,720	11,836,906
Pledges receivable, long-term, net (Note 2)	259,415	531,572
Property and equipment, net of accumulated depreciation (Note 4)	6,430,881	6,127,061
Financing lease, right-of-use asset (Note 8)	344,217	
Total Assets	**$ 26,206,225**	**$ 23,832,756**
Liabilities and Net Assets		
Current Liabilities:		
Deferred ticket revenue	$ 1,639,791	$ 1,734,293
Accounts payable and accrued liabilities	985,269	2,127,165
Line of credit (Note 11)	2,090,532	
Current portion of financing lease liability (Note 8)	112,176	116,802
Total Current Liabilities	**4,827,768**	**3,978,260**
Financing lease liability, net of current portion	29,081	128,432
Total Liabilities	**4,856,849**	**4,106,692**
Net Assets:		
Without donor restrictions (Note 5)	4,723,590	4,959,507
With donor restrictions (Note 6)	16,625,786	14,766,557
Total Net Assets	**21,349,376**	**19,726,064**
Total Liabilities and Net Assets	**$ 26,206,225**	**$ 23,832,756**

See accompanying notes.

SEATTLE REPERTORY THEATER

Consolidated Statement of Activities
For the Year Ended June 30, 2023
(With Comparative Totals for 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
Operating Revenue				
Box Office Income:				
Subscription revenue	$ 2,071,709	$ -	$ 2,071,709	$ 1,389,655
Donated tickets	84,886		84,886	334,897
Single ticket revenue	1,582,499		1,582,499	1,155,493
Service fees	293,751		293,751	287,521
Total Box Office Income	**4,032,845**		**4,032,845**	**3,167,566**
Other Earned Income:				
Royalty income	400,533		400,533	111,845
Production fees	92,802		92,802	916,361
Endowment appropriation (Note 7)	510,849		510,849	25,522
Other revenue, net of related expenses	154,732		154,732	22,612
Total Other Earned Income	**1,158,916**		**1,158,916**	**1,076,340**
Total Box Office and Earned Income	**5,191,761**		**5,191,761**	**4,243,906**
Contributions:				
Individual gifts	3,086,459	186,697	3,273,156	3,780,538
Corporate	205,635		205,635	200,575
Foundations	428,413	42,250	470,663	567,896
Advocacy	160,930		160,930	185,100
Government	650,776	115,180	765,956	685,691
In-kind gifts	52,779		52,779	24,884
Fundraising events, net of related expenses	812,353		812,353	798,701
Paycheck Protection Program revenue (Note 12)				414,864
Other pandemic relief revenue (Note 12)	376,000		376,000	4,201,414
Contributions released from restrictions (Act I campaign, Note 2)	3,247,550	(3,247,550)		
Contributions released from restrictions	763,843	(763,843)		
Total Contributions	**9,784,738**	**(3,667,266)**	**6,117,472**	**10,859,663**
Total Operating Revenue	**14,976,499**	**(3,667,266)**	**11,309,233**	**15,103,569**

See accompanying notes.

SEATTLE REPERTORY THEATER

Consolidated Statement of Activities (Continued)
For the Year Ended June 30, 2023
(With Comparative Totals for 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
Operating Expenses:				
Artistic	2,725,894		2,725,894	2,651,688
Production	6,026,032		6,026,032	6,261,994
Marketing and communications	3,306,434		3,306,434	3,177,646
Development	1,299,723		1,299,723	1,431,821
Administration	2,385,810		2,385,810	2,242,812
Total Operating Expenses	**15,743,893**		**15,743,893**	**15,765,961**
Change in Net Assets Before Depreciation and Nonoperating Activity	**(767,394)**	**(3,667,266)**	**(4,434,660)**	**(662,392)**
Depreciation and amortization	727,427		727,427	819,942
Nonoperating Activity:				
Contributions to the Act I campaign		5,963,999	5,963,999	3,190,742
Contributions released from restrictions (Act 1 campaign, Note 2)	1,258,904	(1,258,904)		
Endowment investment return		1,224,456	1,224,456	(1,716,861)
Contributions to endowment		107,793	107,793	66,863
Endowment appropriation		(510,849)	(510,849)	(25,522)
Total Nonoperating Activity	**1,258,904**	**5,526,495**	**6,785,399**	**1,515,222**
Total Change in Net Assets	**(235,917)**	**1,859,229**	**1,623,312**	**32,888**
Net Assets:				
Beginning of year	4,959,507	14,766,557	19,726,064	19,693,176
End of Year	**$ 4,723,590**	**$ 16,625,786**	**$ 21,349,376**	**$ 19,726,064**

See accompanying notes.

SEATTLE REPERTORY THEATER

Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2023
(With Comparative Totals for 2022)

	Artistic	Production	Marketing and Communications	Total Program	Development	Administration	2023 Total	2022 Total
Payroll costs-								
Salaries	$ 948,593	$ 3,894,410	$ 1,510,806	$ 6,353,809	$ 833,404	$ 1,185,583	$ 8,372,796	$ 8,032,468
Benefits and taxes	185,119	1,137,875	378,364	1,701,358	201,451	240,228	2,143,037	2,103,657
Total payroll costs	1,133,712	5,032,285	1,889,170	8,055,167	1,034,855	1,425,811	10,515,833	10,136,125
Other expenses-								
Royalties	233,015			233,015		2,600	235,615	206,043
Co-production fees	440,975			440,975			440,975	447,000
Production materials		295,758		295,758		120	295,878	601,721
Artist housing	59,074	43,323		102,397			102,397	93,895
Travel, housing, meetings	318,679	39,387	28,457	386,523	78,242	44,327	509,092	678,910
Advertising			685,727	685,727		32,908	718,635	634,212
Printing, publications	4,447		63,092	67,539	18,832	8,015	94,386	226,805
Professional fees	522,047	66,715	224,607	813,369	81,904	401,869	1,297,142	1,271,711
Supplies and equipment	13,945	40,608	89,265	143,818	1,587	190,164	335,569	389,493
Postage and shipping		42,389	6,048	48,437	11,151	8,382	67,970	54,709
Facilities		463,485	125,468	588,953	7,211	118,214	714,378	664,891
Bank service charges, taxes, miscellaneous		2,082	194,600	196,682	65,941	153,400	416,023	360,446
Total other expenses	1,592,182	993,747	1,417,264	4,003,193	264,868	959,999	5,228,060	5,629,836
Total Expenses Presented on the Consolidated Statement of Activities	**2,725,894**	**6,026,032**	**3,306,434**	**12,058,360**	**1,299,723**	**2,385,810**	**15,743,893**	**15,765,961**
Plus expenses netted with revenues and depreciation and amortization-								
Bar and concessions			167,345	167,345			167,345	53,776
Theater rental	71,728			71,728			71,728	11,620
Special event direct donor costs					367,864		367,864	332,437
Depreciation		569,350	45,280	614,630		112,797	727,427	819,942
Total Functional Expenses	**$ 2,797,622**	**$ 6,595,382**	**$ 3,519,059**	**$ 12,912,063**	**$ 1,667,587**	**$ 2,498,607**	**$ 17,078,257**	**$ 16,983,736**
Total 2022 Functional Expenses	**$ 2,658,316**	**$ 6,785,778**	**$ 3,407,513**	**$ 12,851,607**	**$ 1,764,258**	**$ 2,367,871**		**$ 16,983,736**

See accompanying notes.

SEATTLE REPERTORY THEATER

Consolidated Statement of Cash Flows
For the Year Ended June 30, 2023
(With Comparative Totals for 2022)

	2023	2022
Operating Activities:		
Change in net assets	$ 1,623,312	$ 32,888
Adjustments to reconcile change in net assets		
to net cash provided by operating activities-		
Depreciation and amortization	727,427	819,942
Net (gain) loss on investments	(976,498)	1,867,923
Contributions and investment return restricted for endowment	261,292	130,355
Cash (used) provided by changes in operating assets and liabilities:		
Accounts receivable	2,597	(56,021)
Pledges receivable	(420,420)	(566,754)
Prepaid expenses and inventory	(91,719)	(51,649)
Deferred ticket revenue	(94,502)	441,200
Accounts payable and accrued liabilities	(1,141,896)	1,001,499
Paycheck Protection Program liability		(414,864)
Net Cash (Used in) Provided by Operating Activities	**(110,407)**	**3,204,519**
Investing Activities:		
Purchase of investments	(2,975,657)	(2,482,104)
Proceeds from sale of investments	3,188,341	2,276,265
Purchase of property and equipment	(1,375,464)	(2,352,737)
Net Cash Used in Investing Activities	**(1,162,780)**	**(2,558,576)**
Financing Activities:		
Collections on contributions and investment return restricted		
for endowment corpus	(261,292)	(130,355)
Payments on line of credit	(8,315,000)	(1,410,000)
Proceeds from line of credit	10,405,532	
Payments of financing lease liabilities	(103,977)	(100,707)
Net Cash Provided by (Used in) Financing Activities	**1,725,263**	**(1,641,062)**
Net Change in Cash, Cash Reserves and Restricted Cash	**452,076**	**(995,119)**
Cash, cash reserves and restricted cash, beginning of year	2,572,266	3,567,385
Cash, Cash Reserves and Restricted Cash, End of Year	**$ 3,024,342**	**$ 2,572,266**
Reconciliation to Consolidated Balance Sheet:		
Cash	$ 512,373	$ 812,463
Cash reserves	1,632,956	883,198
Restricted cash	879,013	876,605
Cash, Cash Reserves and Restricted Cash	**$ 3,024,342**	**$ 2,572,266**
Supplementary Disclosure:		
Cash paid for interest	$ 97,411	$ 2,578
Property and equipment in accounts payable	$ 5,594	$ 251,515

See accompanying notes.

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 59 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 through January 22, 2023, Artistic Director Dámaso Rodríguez starting July 31, 2023, 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 - To mitigate the effects of the pandemic, the Organization applied for and received two Paycheck Protection Program loans totaling $3.4 million. 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 were used to fund operations through June 30, 2022.

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.

Note 1 - Continued

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 and the Theater are further classified as organizations that are not private foundations under Section 509(a)(3) of the Code. Accordingly, no provision for income taxes has been recorded.

Cash - For purposes of the consolidated statement of cash flow, 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.

Restricted Cash - Restricted cash represents the required maintenance reserve fund for the Seattle Center lease (Note 8) and cash associated with gift annuities.

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, 2023 or 2022. 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 allowance for uncollectible pledges as of June 30, 2023 and 2022. 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.

Note 1 - Continued

In-Kind Gifts - The Organization recognizes contribution revenue for certain donated services and materials received at the market value at the time of contribution of those services and materials. During the years ending June 30, 2023 and 2022, contributed services and materials totaled $52,779 and $24,884, 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 expensed 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, 2023 and 2022 was $718,875 and $631,684, respectively.

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 activities. Securities are generally held in custodial investment accounts administered by certain financial institutions. See Note 3 for further details.

Nonoperating Activity - The Organization presents the activity associated with its endowment funds and capital campaign as a separate subsection within the consolidated statement of activities. The investment return and contributions and related releases of net asset restrictions to endowments and capital campaign 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 and capital campaign is included in Note 7 and Note 2, respectively.

Property and Equipment - Equipment and leasehold improvements are stated at cost if purchased or fair market value if contributed. The Organization capitalized all assets greater than $3,000 and an estimated useful life of more than one year. 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

Note 1 - Continued

Leasehold improvements made near the end of the lease life where the Organization has the ability and intent to extend the lease are estimated to have a useful life consistent with similar assets where the underlying property is owned.

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 $14,101 and $14,684 at June 30, 2023 and 2022, respectively. Net present values are calculated using the applicable risk free 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.

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 36% of total pledges receivable at June 30, 2023. Pledges receivable from two individuals comprised 40% of total pledges receivable at June 30, 2022.

Comparative Amounts for 2022 - The financial statements include certain summarized comparative information in total, but not by net asset class, for the year ended June 30, 2022. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2022, from which summarized information was derived.

Reclassifications - Certain reclassification have been made to the 2022 amounts to conform to the 2023 presentation. The reclassification have no effect of the previously reported total assets, liabilities, net assets, or change in net assets for 2022.

Note 1 - Continued

Leases - Effective July 1, 2022, the Organization adopted the new lease accounting guidance in Accounting Standards Update No. 2016-02, *Leases (ASC Topic 842)* using the modified retrospective approach with comparative accounting periods continuing to be presented under previous lease guidance (ASC Topic 840). The Organization has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, the Organization accounted for its existing leases under the new guidance, without reassessing (a) whether the contract contains a lease under ASC Topic 842, (b) whether classification of the leases would be different in accordance with ASC Topic 842, or (c) whether the unamortized initial direct costs before transition would have met the definition of initial direct costs in ASC Topic 842 at lease commencement. Additionally, the Organization did elect the practical expedient not to use hindsight in determining the lease term (that is, when considering lessee options to extend or terminate the lease and to purchase the underlying asset) and in assessing impairment of the entity's right-of-use (ROU) assets.

The Organization determines whether the arrangement is or contains a lease at inception. Operating and finance leases are recognized on the statement of financial position as right-of-use assets (ROU assets), current lease liabilities, and long-term lease liabilities. ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Lease liabilities and their corresponding ROU assets are recorded based on the present value of lease payments over the expected remaining lease term. For this purpose, the Organization considers only payments that are fixed and determinable at the time of commencement. The lease ROU assets also include any lease payments made and adjustments for prepayments and lease incentives. The interest rate implicit in the lease contracts is typically not readily determinable. As a result, the Organization utilizes the risk-free rate. The lease terms include an option to extend or terminate the lease. Operating lease expense for lease payments is recognized on a straight-line basis over the operating lease term and is recorded in expense on the statement of activities and changes in net assets. An ROU asset and operating lease liability is not recognized for leases with an initial term of 12 months or less.

Subsequent Events - The Organization has evaluated subsequent events through November 8, 2023, the date on which the financial statements were available to be issued.

Note 2 - Pledges Receivable

Pledges receivable at June 30 were as follows:

	Operating	Act I Campaign	2023	2022
Due in less than one year	$ 1,017,578	$ 2,089,347	$ 3,106,925	$ 2,444,348
Due in one to five years		303,018	303,018	546,740
	1,017,578	2,392,365	3,409,943	2,991,088
Present value discount (4.70% - 2023; 2.80% - 2022)		(13,603)	(13,603)	(15,168)
Allowance for doubtful accounts		(30,000)	(30,000)	(30,000)
Total pledges receivable, net	1,017,578	2,348,762	3,366,340	2,945,920
Less current portion	(1,017,578)	(2,089,347)	(3,106,925)	(2,414,348)
Noncurrent Portion of Pledges Receivable, Net	**$ -**	**$ 259,415**	**$ 259,415**	**$ 531,572**

Note 2 - Continued

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

In 2019, the Organization started the Act I Campaign with the goal of raising over $20 million in contributions to support Artistic Vitality, Sustainability, and Generous & Inclusive Practices over three years. The Organization has raised approximately $15 million to date. During the years ended June 20, 2023 and 2022 the Organization raised $5,963,999 and $3,190,742 respectively.

Note 3 - Investments and Fair Value Measurements

Investments consisted of the following at June 30:

	2023	2022
Cash equivalents	$ 19,186	$ 13,147
Mutual funds-		
Cash	892,793	
Equities	4,637,120	4,259,228
Fixed income	1,745,013	2,800,502
Alternatives	453,542	476,493
Total mutual funds	7,728,468	7,536,223
Exchange traded funds-		
Equities	3,475,133	3,099,503
Fixed income	573,000	398,366
Total exchange traded funds	4,048,133	3,497,869
Real Estate Income Trust (REIT)	804,933	789,667
Total Investments	**$ 12,600,720**	**$ 11,836,906**

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

	2023	2022
Interest and dividends, net of investment fees of $57,483 (2022 - $64,611)	$ 247,958	$ 151,062
Realized gain	263,845	579,848
Unrealized (loss) gain	712,653	(2,447,771)
Total Endowment Investment Return	**$ 1,224,456**	**$ (1,716,861)**

Note 3 - Continued

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, 2023 and 2022.

> 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, 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.

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.

Note 3 - Continued

Total investments and fair values of assets measured on a recurring basis were as follows:

	Fair Value Measurements as of June 30, 2023			
	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 19,186	$ -	$ -	$ 19,186
Mutual funds-				
Cash	892,793			892,793
Equities	4,637,120			4,637,120
Fixed income	1,745,013			1,745,013
Alternatives	453,542			453,542
Exchange traded funds-				
Equities	3,475,133			3,475,133
Fixed income	573,000			573,000
Total Investments in the Fair Value Hierarchy	**$ 11,795,787**	**$ -**	**$ -**	11,795,787
Investments measured at NAV (a)				804,933
Total Investments at Fair Value				**$ 12,600,720**

Note 3 - Continued

	Fair Value Measurements as of June 30, 2022			
	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 13,147	$ -	$ -	$ 13,147
Mutual funds-				
Equities	4,259,228			4,259,228
Fixed income	2,800,502			2,800,502
Alternatives	476,493			476,493
Exchange traded funds-				
Equities	3,099,503			3,099,503
Fixed income	398,366			398,366
Total Investments in the Fair Value Hierarchy	**$ 11,047,239**	**$ -**	**$ -**	11,047,239
Investments measured at NAV (a)				789,667
Total Investments at Fair Value	**$ 11,047,239**	**$ -**	**$ -**	**$ 11,836,906**

(a) In accordance with U.S. GAAP, certain investments that were measured at fair value using the net asset value (NAV) per share (or its equivalent) practical expedient, which is industry standard, have not been classified in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the investment line item presented in the consolidated balance sheet.

The Organization's investment in a REIT had a NAV of $804,933 and $789,667 at June 30, 2023 and June 30, 2022, respectively, perpetual remaining life, and no unfunded commitments. Redemptions may not be requested later than the second to the last business day of each month. Redemptions are limited to 2% of the total fund's NAV per month and 5% of the total fund's NAV per calendar quarter.

Note 4 - Property and Equipment

Property and equipment at June 30 was as follows:

	2023	2022
Building and leasehold improvements	$ 13,561,260	$ 12,302,355
Equipment and furniture	6,513,878	6,931,300
	20,075,138	19,233,655
Accumulated depreciation	(13,644,257)	(13,106,594)
Total Property and Equipment	**$ 6,430,881**	**$ 6,127,061**

Note 5 - Board-Designated Net Assets

As of June 30, 2023 and 2022, net assets without donor restrictions included board-designated net assets for operating and working capital reserves, which totaled $1,632,956 and $876,605, respectively.

Note 6 - Net Assets With Donor Restrictions

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

	2023	2022
Subject to the Passage of Time or Expenditure for Specified Purpose:		
Campaign	$ 3,709,710	$ 2,250,899
General support for future periods	330,834	719,423
Support for investment in capital assets		3,012
Total Subject to the Passage of Time or Expenditure for Specified Purpose	**4,040,544**	**2,973,334**
Endowment Funds:		
Original gifts and required retained earnings (corpus)-		
Theater operations funds:		
General	5,078,615	4,970,822
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	125,925	117,012
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
Kreielsheimer Signature Works Fund	1,854,960	1,719,869
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	145,528	136,033
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
	16,233,362	15,972,070
Accumulated deficit	(3,648,120)	(4,178,847)
Total Endowment Funds	**12,585,242**	**11,793,223**
Total Net Assets With Donor Restrictions	**$ 16,625,786**	**$ 14,766,557**

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 year ended June 30, 2022 the Theater Board authorized the application of $147,980 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, 2022.

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.

Note 7 - Continued

Changes to endowment net assets for the years ended June 30, 2023 and 2022, are as follows:

	Endowment Corpus	Accumulated Deficit	Total
Endowment net assets, June 30, 2021	$ 15,841,715	$ (2,724,992)	$ 13,116,723
Endowment investment return*	63,492	(1,780,353)	(1,716,861)
Endowment contributions	66,863		66,863
Endowment related expenses		(147,980)	(147,980)
Foundation transfer of support		(25,522)	(25,522)
Operating transfer for interfund borrowing		500,000	500,000
Endowment Net Assets, June 30, 2022	**15,972,070**	**(4,178,847)**	**11,793,223**
Endowment investment return*	153,499	1,070,957	1,224,456
Endowment contributions	107,793		107,793
Endowment related expenses		(29,381)	(29,381)
Foundation transfer of support		(510,849)	(510,849)
Endowment Net Assets, June 30, 2023	**$ 16,233,362**	**$ (3,648,120)**	**$ 12,585,242**

* Three individual endowment funds require a portion of the annual investment income to be added to the corpus of the fund.

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 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 - Lease Commitments

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 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.

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 $863,839 and $860,438 as of June 20, 2023 and 2022, 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 Kreielsheimer Theater (Leo K.) 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.

The Organization leases theater equipment under noncancelable financing leases expiring in various years through 2025. Future minimum payments required under financing leases as of June 30, 2023 are as follows:

For the Year Ending June 30,	
2024	$ 116,802
2025	29,662
Total undiscounted cash flows	146,464
Less present value discount	(5,207)
Total Lease Liability	**$ 141,257**

The components of lease expense for the year ended June 30, 2023 are as follows:

Finance Lease Costs:	
Amortization of right-of-use asset	$ 52,905
Interest on finance lease liabilities	9,641
Short-term and other lease costs	169,238
Total Lease Expense	**$ 231,784**

Supplemental cash flow information related to leases as of June 30, 2023 is as follows:

Cash paid for amounts included in measurement of lease liabilities -	
Financing cash flows from finance leases	$ 103,977
Operating cash flows from finance leases	8,163
Weighted average remaining lease term - financing lease	3.7 years
Weighted average discount rate - financing lease	5.36%

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, 2023 and 2022. 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 $181,459 and $198,445 during the years ended June 30, 2023 and 2022, respectively.

Note 10 - Collective Bargaining Agreements

The Organization has several multi-year collective bargaining agreements with specific union locals that cover the work of their stage crews, costume shop and wardrobe, scenic painters and musicians. They also participate in three national labor agreements covering the work of their actors and stage managers, directors, and designers. All of these agreements include specific stipulations covering working conditions, wage rates and benefit percentages including health and welfare and pension. These agreements have various ending dates through 2025 and have addressed variances related to COVID-19 in specific memorandums of understanding. These relationships are core to the Organization's ability to produce theatre, and management works closely with union representatives throughout the contract periods to facilitate timely renewal of all contracts.

Note 11 - 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, 2024. At June 30, 2023, the line carried interest at the Daily Simple SOFR rate plus 1.68% (a total borrowing rate of 6.73% at June 30, 2023). At June 30, 2022, the line carried interest at the Daily Simple SOFR rate plus 1.68% (a total borrowing rate of 3.18% at June 30, 2022). The outstanding balance at June 30, 2023 was $2,090,532. There was no outstanding balance at June 30, 2022. The line is secured by the investments held by the Foundation (at another bank).

Note 12 - Federal COVID-Relief Funding

The following reflects the federal COVID-19 relief funding received by the Organization in response to the pandemic.

	2023	2022
Paycheck Protection Program loan forgiveness	$ -	$ 414,864
Shuttered Venue Operators Grant		3,274,197
Federal Emergency Management Agency Grant	376,000	
Employee Retention Tax Credits		927,217
Total Federal COVID-Relief Funding	**$ 376,000**	**$ 4,616,278**

Note 12 - Continued

Paycheck Protection Program - 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. The Organization obtained two loans under the PPP with principal balances of $1,752,015 and $1,700,434. All or a portion of the PPP loans may be forgiven if certain term and conditions of the program are met. 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.

The first PPP loan was forgiven in full on May 21, 2021. The second PPP loan was forgiven in full on August 8, 2022. All revenue was recognized prior to the year ended June 30, 2023.

Shuttered Venue Operators Grant - On July 7, 2021, the Organization was awarded a Shuttered Venue Operators Grant (SVOG) of $1,615,987 and on September 24, 2021, the Organization was awarded a SVOG supplemental grant of $1,658,210. Both grants were recognized as revenue during the year ended June 30, 2022. The SVOG program was established by the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, and amended by the American Rescue Plan Act, and provides COVID-19 relief funding for operators of venues impacted by the pandemic. This grant program is administered by the Small Business Administration and required compliance auditing in accordance with federal guidelines for the year ended June 30, 2022.

Employee Retention Tax Credit (ERTC) - In response to the COVID-19 pandemic, the U.S. Congress passed the CARES Act. Included in the CARES Act was the ERTC to encourage businesses and not-for-profit organizations impacted by COVID-19 to keep employees on their payroll. The ERTC is a refundable tax credit computed based on wages paid by the Organization. The Organization’s accounting policy for the ERTC is to record revenue when the refundable tax credits are received from the government. Total ERTC revenue recognized during the year ended June 30, 2022, was $927,217.

Federal Emergency Management Agency (FEMA) - In response to the COVID-19 pandemic, FEMA granted funding to cover all or a portion of pandemic related costs. The award is a cost reimbursement grant for qualifying costs incurred in prior years. The Organization’s accounting policy for the grant is to record revenue when the contract was signed as the qualifying costs were incurred in advance of the grant being awarded.

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 11 for further description of this line.

Note 13 - Continued

The following reflects the Organization’s financial assets as of the consolidated balance sheet date, reduced by amounts not available for general use within one year of the consolidated 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 general operating support appropriations occurred during 2022 as the Board of the Foundation temporarily suspended appropriations to the Theater 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.

	2023	2022
Cash	$ 3,024,342	$ 2,572,266
Accounts receivable, net, collected in less than one year	103,630	106,227
Pledges receivable, due in less than one year	3,106,925	2,414,348
Investments	12,600,720	11,836,906
Total financial assets, excluding noncurrent receivables	18,835,617	16,929,747
Contractual or donor-imposed restrictions-		
Cash restricted by lessor and others to specific uses	(879,013)	(876,605)
Pledges recievable restricted for capital purposes	(1,500,000)	(50,000)
Endowment fund investments	(12,585,242)	(11,793,223)
Board designations-		
Operating reserves and other	(1,632,956)	(876,605)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	**$ 2,238,406**	**$ 3,333,314**

SUPPLEMENTARY INFORMATION

SEATTLE REPERTORY THEATER

Consolidating Schedule - Balance Sheet
June 30, 2023

	Theater	Foundation	Total
Assets			
Current Assets:			
Cash	$ 512,373	$ -	$ 512,373
Cash reserves	1,632,956		1,632,956
Restricted cash	879,013		879,013
Accounts receivable, net	103,630		103,630
Pledges receivable, net	3,106,826	99	3,106,925
Interfund receivable (payable)	15,577	(15,577)	
Prepaid expenses and inventory	336,095		336,095
Total Current Assets	**6,586,470**	**(15,478)**	**6,570,992**
Investments, long-term		12,600,720	12,600,720
Pledges receivable, long-term, net	259,415		259,415
Property and equipment, net	6,430,881		6,430,881
Financing lease, right-of-use asset	344,217		344,217
Total Assets	**$ 13,620,983**	**$ 12,585,242**	**$ 26,206,225**
Liabilities and Net Assets			
Current Liabilities:			
Deferred ticket revenue	$ 1,639,791	$ -	$ 1,639,791
Accounts payable and accrued liabilities	985,269		985,269
Line of credit	2,090,532		2,090,532
Current portion of financing lease liability	112,176		112,176
Total Current Liabilities	**4,827,768**		**4,827,768**
Financing lease liability, net of current portion	29,081		29,081
Total Liabilities	**4,856,849**		**4,856,849**
Net Assets:			
Without donor restrictions	4,723,590		4,723,590
With donor restrictions	4,040,544	12,585,242	16,625,786
Total Net Assets	**8,764,134**	**12,585,242**	**21,349,376**
Total Liabilities and Net Assets	**$ 13,620,983**	**$ 12,585,242**	**$ 26,206,225**

See independent auditor's report.

SEATTLE REPERTORY THEATER

Consolidating Schedule - Statement of Activities
For the Year Ended June 30, 2023

	Theater	Foundation	Total
Revenue			
Box Office Income:			
Subscription revenue	$ 2,071,709	$ -	$ 2,071,709
Donated tickets	84,886		84,886
Single ticket revenue	1,582,499		1,582,499
Service fees	293,751		293,751
Total Box Office Income	**4,032,845**		**4,032,845**
Other Earned Income:			
Royalty income	400,533		400,533
Production Fees	92,802		92,802
Endowment appropriation	510,849		510,849
Other revenue, net of related expenses	154,732		154,732
Total Other Earned Income	**1,158,916**		**1,158,916**
Total Earned Income	**5,191,761**		**5,191,761**
Contributions:			
Individual gifts	3,273,156		3,273,156
Corporate	205,635		205,635
Foundations	470,663		470,663
Government	160,930		160,930
Advocacy	765,956		765,956
In-kind gifts	52,779		52,779
Fundraising events, net of related expenses	812,353		812,353
Paycheck Protection Program revenue			
Other pandemic relief revenue	376,000		376,000
Total Contributions	**6,117,472**		**6,117,472**
Total Revenue	**11,309,233**		**11,309,233**
Expenses:			
Artistic	2,725,894		2,725,894
Production	6,026,032		6,026,032
Marketing and communications	3,306,434		3,306,434
Development	1,299,723		1,299,723
Administration	2,356,429	29,381	2,385,810
Total Expenses	**15,714,512**	**29,381**	**15,743,893**
Change in Net Assets Before Depreciation and Nonoperating Activity	**(4,405,279)**	**(29,381)**	**(4,434,660)**
Depreciation	727,427		727,427
Nonoperating Activity:			
Contributions to the capital campaign	5,963,999		5,963,999
Endowment investment return		1,224,456	1,224,456
Contributions to endowment		107,793	107,793
Endowment appropriation		(510,849)	(510,849)
Total Nonoperating Activity	**5,963,999**	**821,400**	**6,785,399**
Change in Net Assets	**831,293**	**792,019**	**1,623,312**
Net Assets:			
Beginning of year	7,932,841	11,793,223	19,726,064
End of Year	**$ 8,764,134**	**$ 12,585,242**	**$ 21,349,376**

See independent auditor’s report.

SEATTLE REPERTORY THEATER

Consolidating Schedule - Statement of Cash Flows
For the Year Ended June 30, 2023

	Theater	Foundation	Total
Operating Activities:			
Change in net assets	$ 831,293	$ 792,019	$ 1,623,312
Adjustments to reconcile change in net assets to net cash provided by operating activities-			
Depreciation	727,427		727,427
Net loss on investments		(976,498)	(976,498)
Contributions and investment return restricted for capital assets and endowment		261,292	261,292
Cash (used) provided by changes in operating assets and liabilities:			
Accounts receivable	2,597		2,597
Pledges receivable	(420,420)		(420,420)
Prepaid expenses and inventory	(91,719)		(91,719)
Deferred ticket revenue	(94,502)		(94,502)
Accounts payable and accrued liabilities	(1,141,896)		(1,141,896)
Net Cash Provided by Operating Activities	**(187,220)**	**76,813**	**(110,407)**
Investing Activities:			
Purchase of investments		(2,975,657)	(2,975,657)
Proceeds from sale of investments		3,188,341	3,188,341
Purchase of property and equipment	(1,375,464)		(1,375,464)
Net Cash Used in Investing Activities	**(1,375,464)**	**212,684**	**(1,162,780)**
Financing Activities:			
Collections on contributions and investment return restricted for capital assets and endowment		(261,292)	(261,292)
Payments on line of credit	(8,315,000)		(8,315,000)
Proceeds from line of credit	10,405,532		10,405,532
Principal payments on financing leases	(103,977)		(103,977)
Net Cash Used by Financing Activities	**1,986,555**	**(261,292)**	**1,725,263**
Net Change in Cash	**423,871**	**28,205**	**452,076**
Cash, cash reserves and restricted cash, beginning of year	2,607,788	(35,522)	2,572,266
Cash, Cash Reserves and Restricted Cash, End of Year	**$ 3,031,659**	**$ (7,317)**	**$ 3,024,342**
Reconciliation to Consolidating Schedule - Balance Sheet:			
Cash	$ 512,373	$ -	$ 512,373
Cash reserves	1,632,956		1,632,956
Restricted cash	879,013		879,013
Cash, Cash Reserves and Restricted Cash	**$ 3,024,342**	**$ -**	**$ 3,024,342**
Supplementary Disclosure:			
Cash paid for interest	$ 97,411	$ -	$ 97,411
Property and equipment in accounts payable	$ 5,594	$ -	$ 5,594

See independent auditor’s report.