CENTER FOR PUPPETRY ARTS, INC.

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

CENTER FOR PUPPETRY ARTS, INC.

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BLAD & ASSOCIATES, P.C.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Center for Puppetry Arts, Inc.

We have audited the accompanying financial statements of the Center for Puppetry Arts, Inc. which comprise the statements of financial position, as of June 30, 2019 and 2018, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Center for Puppetry Arts, Inc., as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Blad & Associates, P.C.

Dunwoody, Georgia
November 5, 2019

CENTER FOR PUPPETRY ARTS, INC.
Statements of Financial Position

	As of June 30, 2019	As of June 30, 2018
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 100,769	$ 2,911
Marketable securities	715,418	795,544
Contributions and other receivables, less reserve of of $10,000 and $10,000 at 2019 and 2018	98,287	94,069
Grants and contracts receivable	57,173	37,848
Inventory	116,030	115,848
Prepaids	116,976	98,182
Total Current Assets	1,204,653	1,144,402
CONTRIBUTION RECEIVABLE (DUE MAY 2021)	50,000	-
CASH RESTRICTED FOR LONG TERM PURPOSES (NOTE 1)	298,172	463,603
ASSETS RESTRICTED FOR ENDOWMENTS:		
Marketable securities	1,707,795	1,707,795
PROPERTY AND EQUIPMENT- NET	12,782,263	13,027,344
MUSEUM COLLECTION (NOTE 1)	4,063,390	4,022,489
TOTAL ASSETS	$ 20,106,273	$ 20,365,633
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accruals	$ 133,430	$ 216,688
Deferred revenue	128,496	133,938
Line of credit (Note 2)	599,000	169,000
Total Current Liabilities	860,926	519,626
Total Liabilities	860,926	519,626
NET ASSETS (NOTE 1):		
Net Assets Without Donor Restrictions	12,204,908	12,582,289
Net Assets With Donor Restrictions:		
Restricted by purpose or time	1,269,254	1,533,433
Restricted in perpetuity	5,771,185	5,730,285
Total Net Assets With Donor Restrictions	7,040,439	7,263,718
Total Net Assets	19,245,347	19,846,007
TOTAL LIABILITIES AND NET ASSETS	$ 20,106,273	$ 20,365,633

See accompanying summary of accounting policies and notes to financial statements.

CENTER FOR PUPPETRY ARTS, INC.

Statement of Activities
For the Year Ended June 30, 2019

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total Net Assets
PUBLIC SUPPORT:			
Contributions	$ 424,731	$ 745,506	$ 1,170,237
Grants and contracts	110,923	-	110,923
Donated services and materials	255,460	-	255,460
Membership	44,480	-	44,480
Total Public Support	835,594	745,506	1,581,100
REVENUE:			
Performances	813,666	-	813,666
Museum	478,711	-	478,711
Education	378,395	-	378,395
String Fling, net of direct benefits costs of $53,759	144,048	-	144,048
Gift shop	200,277	-	200,277
Interest and dividends	-	93,787	93,787
Gain (loss) on marketable securities	-	67,312	67,312
Other revenue	91,730	-	91,730
Total Revenue	2,106,827	161,099	2,267,926
Total Public Support and Revenue before Transfers	2,942,421	906,605	3,849,026
Net Assets Released from Restrictions Due to Satisfaction of Donor-imposed Requirements	1,129,884	(1,129,884)	-
Total Public Support and Revenue	4,072,305	(223,279)	3,849,026
EXPENSES:			
Program	3,355,503	-	3,355,503
Management and general	770,548	-	770,548
Fundraising	323,635	-	323,635
Total Expenses	4,449,686	-	4,449,686
Net Changes in Net Assets	(377,381)	(223,279)	(600,660)
NET ASSETS:			
Beginning of Year	12,582,289	7,263,718	19,846,007
End of Year	$ 12,204,908	$ 7,040,439	$ 19,245,347

See accompanying summary of accounting policies and notes to financial statements.

CENTER FOR PUPPETRY ARTS, INC.

Statement of Activities
For the Year Ended June 30, 2018

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total Net Assets
PUBLIC SUPPORT:			
Contributions	$ 712,718	$ 560,682	$ 1,273,400
Grants and contracts	106,758	-	106,758
Donated services and materials	125,638	-	125,638
Membership	41,425	-	41,425
Total Public Support	986,539	560,682	1,547,221
REVENUE:			
Performances	906,429	-	906,429
Museum	555,996	-	555,996
Education	436,723	-	436,723
String Fling, net of direct benefits cost of $65,762	170,328	-	170,328
Henson Gala, net of direct benefits costs of $79,416	99,695		99,695
Gift shop	237,450	-	237,450
Interest and dividends	-	111,634	111,634
Gain (loss) on marketable securities	-	78,672	78,672
Other revenue	111,650	-	111,650
Total Revenue	2,518,271	190,306	2,708,577
Total Public Support and Revenue before Transfers	3,504,810	750,988	4,255,798
Net Assets Released from Restrictions Due to Satisfaction of Donor-imposed Requirements	693,152	(693,152)	-
Total Public Support and Revenue	4,197,962	57,836	4,255,798
EXPENSES:			
Program	3,167,586	-	3,167,586
Management and general	836,284	-	836,284
Fundraising	334,762	-	334,762
Total Expenses	4,338,632	-	4,338,632
Net Changes in Net Assets	(140,670)	57,836	(82,834)
NET ASSETS:			
Beginning of Year	12,722,959	7,205,882	19,928,841
End of Year	$ 12,582,289	$ 7,263,718	$ 19,846,007

See accompanying summary of accounting policies and notes to financial statements.

CENTER FOR PUPPETRY ARTS, INC.
Statement of Functional Allocation
For the Year Ended June 30, 2019

	Program	Management and General	Fundraising	Total
Compensation and related	$ 1,838,335	$ 392,469	$ 233,850	$ 2,464,654
Outside services	170,385	47,210	12,453	230,048
Marketing	44,272	56,399	5,298	105,969
Office	10,785	2,302	1,372	14,459
Supplies	62,921	1,062	11,332	75,315
Store Inventory	85,566	-	-	85,566
Occupancy	148,897	3,909	1,953	154,759
Travel	23,808	314	397	24,519
Insurance	75,002	1,969	984	77,955
Interest	17,008	446	223	17,677
Depreciation	557,999	14,649	7,320	579,968
Telecommunications	18,906	4,036	2,405	25,347
Postage and printing	35,399	35,763	19,076	90,238
Bank charges	-	69,963	-	69,963
Network fees	63,565	-	-	63,565
Royalties	50,701	-	-	50,701
Bad Debt	6,027	14,063	-	20,090
Regrants	3,000	-	-	3,000
Donated goods and services	115,682	101,159	14,539	231,380
Other	27,245	24,835	12,433	64,513
Total expenses	$ 3,355,503	$ 770,548	$ 323,635	$ 4,449,686

See accompanying summary of accounting policies and notes to financial statements.

CENTER FOR PUPPETRY ARTS, INC.
Statement of Functional Allocation
For the Year Ended June 30, 2018

	Program	Management and General	Fundraising	Total
Compensation and related	$ 1,647,582	473,168	$ 208,977	$ 2,329,727
Outside services	172,260	46,254	43,854	262,368
Marketing	51,738	66,384	6,217	124,339
Office	10,729	3,081	1,361	15,171
Supplies	70,576	1,961	10,806	83,343
Store Inventory	98,712	-	-	98,712
Occupancy	142,872	3,751	1,874	148,497
Travel	18,159	2,174	2,046	22,379
Insurance	77,979	2,047	1,023	81,049
Interest	9,783	257	128	10,168
Depreciation	540,710	14,195	7,093	561,998
Telecommunications	17,248	4,953	2,188	24,389
Postage and printing	39,760	38,137	19,178	97,075
Bank charges	-	81,402	-	81,402
Network fees	61,818	-	-	61,818
Royalties	78,748	-	-	78,748
Bad Debt	11,219	26,179	-	37,398
Regrants	32,500	-	-	32,500
Donated goods and services	70,571	45,815	9,252	125,638
Other	14,622	26,526	20,765	61,913
Total expenses	$ 3,167,586	$ 836,284	$ 334,762	$ 4,338,632

See accompanying summary of accounting policies and notes to financial statements.

CENTER FOR PUPPETRY ARTS, INC.
Statements of Cash Flows

	For the Year Ended June 30, 2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes In net assets	$ (600,660)	$ (82,834)
Adjustments to changes in net assets to net cash flows from operating activities:		
Depreciation	579,968	561,998
Unrealized loss (gain) on investments	(1,636)	(59,400)
Contributions restricted for long term purposes	(258,106)	(377,939)
Donated museum collection items	(40,901)	(21,292)
Bad debt provision	20,090	37,398
(Increase) decrease in accounts receivable	(93,633)	239,595
(Increase) decrease in inventory	(182)	(39,084)
(Increase) decrease in prepaids	(18,794)	6,043
Increase (decrease) in accounts payable and accruals	(83,258)	19,033
Increase (decrease) in deferred revenue	(5,442)	(27,133)
Net cash flows from operating activities	(502,554)	256,385
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net (increase) decrease of marketable securities (current) - net of unrealized gains and losses	81,762	5,523
Decrease (increase) in cash and securities restricted for long term purposes - net of unrealized gains and losses:	165,431	52,006
Purchases of property and equipment	(334,887)	(359,582)
Net cash flows from investing activities	(87,694)	(302,053)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net advances (repayments) on line of credit	430,000	(405,000)
Collections of contributions restricted for long term purposes:	258,106	377,939
Net cash flows from financing activities	688,106	(27,061)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	97,858	(72,729)
CASH AND CASH EQUIVALENTS:		
BEGINNING OF PERIOD	2,911	75,640
END OF PERIOD	$ 100,769	$ 2,911
SUPPLEMENTAL INFORMATION:		
Interest expense payments	$ 17,678	10,168
Income tax payments	$ -	$ -

See accompanying summary of accounting policies and notes to financial statements.

CENTER FOR PUPPETRY ARTS, INC.

SUMMARY OF ACCOUNTING POLICIES

ORGANIZATION

The Center for Puppetry Arts, Inc., (the "Organization"), is a Georgia non-profit corporation. The Organization's purpose is to promote puppetry arts to the public through performances, a museum and education.

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The net assets, revenue, support, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions into two classes:

> *Net assets without donor restrictions* are currently available for purposes under the direction of the board, designated by the board for specific use, or resources invested in furniture and equipment.
>
> *Net assets with donor restrictions* are contributed with donor stipulations for specific operating purposes or programs, with time restrictions, or not currently available for use until commitments regarding their use have been fulfilled

PUBLIC SUPPORT AND REVENUE RECOGNITION

Support is recognized in the year received at its fair market value. Contributions with donor-imposed restrictions are reported as restricted-support. The satisfaction or expiration of donor-imposed restrictions is recorded as a transfer from net assets with restrictions to net assets without restrictions in the year the satisfaction or expiration occur.

The Organization classifies donor-restricted contributions as net assets without donor restrictions if the restrictions are met in the same reporting period in which the contributions are received.

Pledges to give payments in future years are recorded as support in the year the pledge is made. The fair value of promises to give that are due in more than one year is estimated by discounting the future cash flows using current risk-free rates of return based on U.S. Treasury Securities yields with maturity dates similar to the expected collection period.

The Organization provides an allowance for doubtful accounts based upon a review of the outstanding receivables. The Organization determines if receivables are past due based on days outstanding and amounts are written off when determined to be uncollectible by management. The maximum accounting loss from the credit risk associated with the receivable is the amount of the receivable recorded.

EXPENSE RECOGNITION

All expenses are recognized in the statement of activities as decreases in net assets without donor restrictions.

CENTER FOR PUPPETRY ARTS, INC.

SUMMARY OF ACCOUNTING POLICIES
(CONTINUED)

FUNCTIONAL ALLOCATION OF EXPENSES

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support services are allocated directly according to their natural expenditure classification. Indirect expenses have been allocated based primarily on salary expenditures.

USE OF ESTIMATES

The preparation of financial statements in accordance with GAAP requires reliance on accounting information based on estimates which may or may not come true in the near term. Significant estimates include the functional expense allocation, the capitalization of property and equipment and the estimated fair value of donated museum collections.

INCOME TAXES

The Organization is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code. Accordingly, no income taxes are reflected in the accompanying financial statements. In addition, the Organization has been classified as an entity that is not a private foundation within the meaning of section 509(a).

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost or the fair market value at the time of the donation for contributed items. Depreciation is computed over the estimated useful lives (3-40 years) of the assets using the straight-line method. Acquisitions of property and equipment or repairs, maintenance, or betterments that materially prolong the useful lives of assets are capitalized. Property and equipment consists of the following:

	As of June 30,	
	2019	2018
Buildings and improvements	$16,828,524	$16,597,050
Furniture and equipment	1,308,912	1,196,321
Vehicles	59,403	59,403
Construction in progress	80,930	90,108
Land	1,781,074	1,781,074
Property and Equipment	20,058,843	19,723,956
Less accumulated depreciation	(7,276,580)	(6,696,612)
Property and Equipment - Net	$12,782,263	$13,027,344

ADVERTISING

The Organization charged advertising totaling $252,037 and $162,689 to expense during the years ended June 30, 2019 and 2018, respectively. Primarily all of the advertising was donated to the Organization. For nondirect-response advertising, the Organization's policy is to expense costs as incurred.

SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

MUSEUM COLLECTION

The museum collection represents works of arts or historically significant items in the field of puppetry that are held for public exhibition in the Organization's museum or exhibits. The Organization's policy is to capitalize all collections at cost or, for donated items, at fair market value at the time of the donation. In accordance with the Organization's policy, the proceeds from the sale of collection items must be used to acquire other collection items. The Organization has designated the collection as inexhaustible and, accordingly, does not record depreciation for these assets.

CASH AND CASH EQUIVALENTS

Cash includes interest bearing checking accounts and highly liquid temporary investments with a maturity of three months or less.

DONATED SERVICES AND MATERIALS

Donated services and materials are recognized at their estimated values at the date of service or donation. The accompanying statements of activities reflect the following contributed services and materials:

	For the year ended June 30,	
	2019	2018
Advertising and publicity	$ 146,066	$ 38,350
Supplies and maintenance	29,030	-
Travel	18,400	23,260
Legal	16,489	18,538
Information technology services	33,240	31,980
Other	12,235	13,510
	$ 255,460	$ 125,638

In addition, many individuals volunteer time and perform a variety of tasks that assist the Organization with various administrative and program functions. No amounts have been recorded in the financial statements to reflect these volunteers because these donated services do not meet the criteria for recognition.

CONCENTRATIONS

The Organization maintains bank accounts and brokerage accounts at financial institutions that may exceed federally insured limits at times.

INVENTORY

The Organization's inventory consists primarily of items held for resale in the gift shop. Inventory is stated at the lower of cost or market.

CENTER FOR PUPPETRY ARTS, INC.

SUMMARY OF ACCOUNTING POLICIES
(CONTINUED)

FINANCIAL INSTRUMENTS

The Organization's financial instruments consist of marketable securities, accounts payable and accrued expenses and a line of credit. These financial instruments are stated at cost, which approximates fair value, except for marketable securities which are stated at fair market value.

MARKETABLE SECURITIES

Marketable securities are carried at fair value. Realized and unrealized gains and losses are reflected in the statements of activities and changes in net assets. Marketable securities represent primarily amounts invested in publicly traded stocks, bonds and mutual funds (focused primarily on stocks and bonds). The marketable securities have been valued using level 1 and 2 inputs.

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than quoted prices included in level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Marketable securities consist of the following at June 30:

	2019	2018
Fixed income funds	$ 548,455	$ 412,081
Equity funds	1,562,204	1,541,797
Alternative strategies funds	207,667	362,188
Real estate investment funds	104,887	187,273
	$2,423,213	$2,503,339

UNCERTAIN TAX POSITIONS

The Organization recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authority, based on the technical merits of the position. As of June 30, 2019 and 2018, there are no known items which would result in a material accrual related to where the Organization has federal or state attributable tax positions. Generally, taxing authorities have three years to examine a filing from the later of the filing date or the extended due date of the filing.

SUBSEQUENT EVENTS

Subsequent events have been evaluated through the audit report date, which is the date the financial statements were available to be issued.

CENTER FOR PUPPETRY ARTS, INC.

SUMMARY OF ACCOUNTING POLICIES
(CONCLUDED)

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In May 2014, the FASB issued a new accounting standard, ASU 2014-09 (*Topic 606*), which impacts revenue recognition for exchange transactions. The standard will take effect for annual financial statements issued for fiscal years beginning after December 15, 2018. Early adoption is permitted subsequent to periods beginning after December 15, 2016. The Organization plans to adopt ASU 2014-09 (*Topic 606*) for the year beginning after December 15, 2018. The Organization is currently evaluating the impact that the adoption of this guidance will have on the Organization's financial statements.

In February 2016, the Financial Accounting Standards Board (FASB) issued a new accounting standard, ASU No. 2016-02, *Leases (Topic 842)*, which provides guidance for accounting for leases. The new guidance requires companies to recognize the assets and liabilities for the rights and obligations created by leased assets, initially measured at the present value of the lease payments. The accounting guidance for lessors is largely unchanged. The ASU is effective for fiscal years beginning after December 15, 2020. It is to be adopted using a modified retrospective approach. The Organization is currently evaluating the impact that the adoption of this guidance will have on the Organization's financial statements.

In June 2018, the FASB issued a new accounting standard, ASU 2018-08 (Topic 958), to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The standard will take effect for annual financial statements issued for fiscal years beginning after December 15, 2018. Early adoption is permitted. The Organization plans to adopt ASU 2018-08 (Topic 958) for the year beginning after December 15, 2018. The Organization is currently evaluating the impact that the adoption of this guidance will have on the Organization's financial statements.

RECENTLY ADOPTED ACCOUNTING POLICY

In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Presentation of Financial Statements of Not-for-Profit Entities. The Organization adopted the provisions of this new standard during the year ended June 30, 2019. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and the availability of resources (see Note 5).

CENTER FOR PUPPETRY ARTS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NET ASSETS WITH DONOR RESTRICTIONS

Amounts required to be invested in perpetuity:

	As of June 30, 2019	2018
General endowment fund (a)	$ 402,500	$ 402,500
Artistic endowment fund (b)	945,918	945,918
Barbara Wylly endowment fund (c)	209,377	209,377
Goizueta Foundation endowment(b)	150,000	150,000
Museum collection	4,063,390	4,022,490
	$5,771,185	$5,730,285

(a) -income is unrestricted (Capital Campaign III)
(b) -income is restricted for creative programming, portion of income must be reinvested (Artistic Endowment Campaign)
(c) -income is restricted to support the executive director's artistic and programming responsibilities (Barbara Wylly Endowment Campaign)

The Organization’s endowment investment policy is to primarily invest in money market funds and publicly traded equity and debt instruments. Amounts are spent from the endowments at the Organization’s discretion. Changes in assets invested with endowment funds are as follows:

	Restricted for specified purpose	Restricted in perpetuity	Total
Balance at 6/30/17	$ 720,622	$ 1,707,795	$2,428,417
Interest and dividends earned	111,634	-	111,634
Management fees	(12,143)	-	(12,143)
Realized and unrealized gains (loss)	78,672	-	78,672
Withdrawals	-	-	-
Balance at 6/30/18	898,785	1,707,795	2,606,580
Interest and dividends earned	93,787	-	93,787
Management fees	(12,066)	-	(12,066)
Realized and unrealized gains (loss)	67,312	-	67,312
Withdrawals	(296,000)	-	(296,000)
Balance at 6/30/19	$ 751,818	$1,707,795	$2,459,613

CENTER FOR PUPPETRY ARTS, INC.

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

NOTE 1 - NET ASSETS WITH DONOR RESTRICTIONS-concluded

The Uniform Prudent Management of Institutional Funds Act (UPMIFA) has been adopted by the State of Georgia. The Board of the Organization has reviewed UPMIFA and, having considered its rights and obligations thereunder, has determined that it is desirable to preserve, on a long-term basis, the fair value of original gifts as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this determination, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers: (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 or 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.

The assets of the general endowment are invested in a segregated investment account and the remaining endowment funds (collectively referred to as the “consolidated artistic endowment fund”) are invested in another investment account.

Net assets with specified purposes consisted of cash and receivables restricted for the following:

	As of June 30,	
	2019	2018
Capital campaign purpose related to facility renovation	$ 215,126 *	$ 463,604 *
Artistic purposes – accum. earnings on artistic endowment	288,408	389,058
Operating – accum. earnings on general endowment	463,411	509,727
Field Trips	100,000	-
Website redesign	83,046 *	-
Distance learning/education	25,000	39,100
Museum	26,764	34,593
New production	25,000	-
Programming – FYE 6/30/20	10,000	2,000
Programming – FYE 6/30/19	-	85,250
Other	32,500	10,101
	$1,269,255	$1,533,433

*donor-imposed restrictions that limit their use to long term purposes are reflected as noncurrent assets.

NOTE 2 - LINE OF CREDIT

The Organization has an $800,000 line of credit from a bank. The line of credit is secured by all assets and matures in January 29, 2020. Under the terms of the agreement, interest is payable monthly at the LIBOR rate plus 1.5 percent with the principal payable in full at maturity. One month LIBOR rate at June 30, 2019 was 2.4%. The outstanding balance at June 30, 2019 was $599,000.

NOTE 3 – CONTINGENCIES

Grants and contributions often require the fulfillment of certain conditions as set forth in the terms of the related instrument. Failure to fulfill the conditions could result in the return of the funds to the grantor. Management represents that the Organization has complied with any such conditions. Although the return of funds is a possibility, management deems the contingency unlikely.

NOTE 4 - PENSION PLAN

The Organization has a Tax Deferred Annuity plan, as defined under Section 403(b) of the Internal Revenue Code. The employee can make contributions to the plan through a salary reduction agreement with the Organization, subject to certain maximum limitations. The Organization can make a discretionary contribution to the plan up to three percent of the employee's compensation. The plan is underwritten and maintained by an outside party. During the years ended June 30, 2019 and 2018, total employer's contributions to the plan were $33,582 and $20,513, respectively.

NOTE 5 – LIQUIDITY AND FUNDS AVAILABLE

The Organization has $1,204,653 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash and cash equivalents of $100,769, marketable securities of $715,418, receivables of $155,460, inventory of $116,030 and prepaid expenses of $116,976. The Organization has a goal to maintain financial assets, which consist of cash and cash equivalents to meet short term normal operating expenses. Including in these financial assets are a total amount of $971,083 with donor-imposed restrictions. the Organization has a $800,000 line of credit as discussed in Note 2. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.