

EAST BAY CENTER FOR THE PERFORMING ARTS
(A NONPROFIT PUBLIC BENEFIT CORPORATION)

REPORT ON AUDIT OF FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023)

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INDEPENDENT AUDITOR'S REPORT

February 12, 2025

To the Board of Directors
of East Bay Center for the Performing Arts
Richmond, California

Opinion

I have audited the accompanying financial statements of East Bay Center for the Performing Arts (a nonprofit public benefit corporation), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of East Bay Center for the Performing Arts as of June 30, 2024, and the changes in 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

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of East Bay Center for the Performing Arts and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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.

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 East Bay Center for the Performing Arts' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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

East Bay Center for the Performing Arts
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generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, I:

- 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 East Bay Center for the Performing Arts' 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about East Bay Center for the Performing Arts' ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Report on Summarized Comparative Information

I have previously audited East Bay Center for the Performing Arts' 2023 financial statements, and I expressed an unmodified audit opinion on those audited financial statements in my report dated April 1, 2024. In my opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Healy and Associates
Concord, California

EAST BAY CENTER FOR THE PERFORMING ARTS
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE INFORMATION AS OF JUNE 30, 2023)

	Total	
	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 493,889	\$ 1,100,208
Investments	6,052,853	3,248,636
Accounts receivable	160,246	169,875
Contributions receivable, current portion	2,419,198	2,199,139
Prepaid expenses	17,127	32,437
TOTAL CURRENT ASSETS	9,143,313	6,750,295
Contributions receivable, long-term portion	1,475,000	2,095,000
Restricted cash	374,475	472,876
Property and equipment, net	8,988,671	9,236,835
Intangible assets, net	9,333	11,733
Investment in LLC	1,930,000	1,930,000
Funds held by others	3,843,482	2,595,780
TOTAL ASSETS	\$ 25,764,274	\$ 23,092,519
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 106,044	\$ 78,593
Accrued vacation payable	82,500	106,932
Accrued income tax payable	37,600	37,600
TOTAL CURRENT LIABILITIES	226,144	223,125
TOTAL LIABILITIES	226,144	223,125
NET ASSETS		
Without donor restrictions:		
Board designated	2,619,297	693,947
General without restriction	13,978,674	13,708,167
	16,597,971	14,402,114
With donor restrictions	8,940,159	8,467,280
TOTAL NET ASSETS	25,538,130	22,869,394
TOTAL LIABILITIES AND NET ASSETS	\$ 25,764,274	\$ 23,092,519

EAST BAY CENTER FOR THE PERFORMING ARTS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2024	2023
<u>SUPPORT AND REVENUE</u>				
Support				
Foundations	\$ 1,818,229	\$ 2,181,196	\$ 3,999,425	\$ 4,364,050
Contributions	438,732	243,278	682,010	720,322
Government	120,250	515,450	635,700	317,741
Gala				
Gross proceeds	309,263			
Less: expenses	(93,838)			
In-kind donations	26,540	-	26,540	131,687
Corporations	19,085	-	19,085	4,832
Total Support	2,638,261	2,939,924	5,578,185	5,779,769
Revenue				
Endowments income, net	23,751	367,888	391,639	235,147
Program fees	260,449	-	260,449	268,173
Investment income, net	141,119	68,742	209,861	33,894
Interest income	19,733	-	19,733	6,728
Rental income (loss)	18,721	-	18,721	9,801
Other revenue	9,758	-	9,758	65,081
Performance fees	9,650	-	9,650	6,150
Tuition	9,356	-	9,356	11,218
Distribution income	-	-	-	150,000
Total Revenue	492,537	436,630	929,167	786,192
Net assets released from restriction	2,903,675	(2,903,675)	-	-
Total Support and Revenue	6,034,473	472,879	6,507,352	6,565,961
<u>EXPENSES</u>				
Program	2,754,067	-	2,754,067	2,606,926
Supporting Services:				
Management and General	496,646	-	496,646	611,089
Fundraising	564,541	-	564,541	521,277
Total Expenses	3,815,254	-	3,815,254	3,739,292
Change in net assets, before provision for tax	2,219,219	472,879	2,692,098	2,826,669
Provision for tax	(23,362)	-	(23,362)	(39,986)
Change in net assets, after provision for taxes	2,195,857	472,879	2,668,736	2,786,683
NET ASSETS, beginning of year	14,402,114	8,467,280	22,869,394	20,082,711
NET ASSETS, end of year	\$ 16,597,971	\$ 8,940,159	\$ 25,538,130	\$ 22,869,394

EAST BAY CENTER FOR THE PERFORMING ARTS**STATEMENT OF FUNCTIONAL EXPENSES**

YEAR ENDED JUNE 30, 2024

(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)

	Program	Management and General	Fundraising	Total	
				2024	2023
Salaries and wages	\$ 1,652,708	\$ 242,249	\$ 342,849	\$ 2,237,806	\$ 2,040,390
Payroll taxes	131,230	23,995	26,291	181,516	169,308
Employee benefits	108,415	102,879	21,161	232,455	142,718
Total Personnel and Benefits	1,892,353	369,123	390,301	2,651,777	2,352,416
Depreciation and amortization	364,952	2,400	-	367,352	367,427
Professional fees	77,466	56,045	144,286	277,797	246,300
Building maintenance and repair	65,854	5,017	5,745	76,616	87,421
Scholarships	91,825	-	-	91,825	57,551
Commission work	55,000	-	-	55,000	12,500
Events and consultants	-	-	54,664	54,664	79,581
Utilities	46,412	2,578	2,578	51,568	41,883
Membership and subscription	3,709	21,844	5,907	31,460	19,678
Advertising	4,800	2,174	21,224	28,198	18,721
In-kind expenses	24,135	2,405	-	26,540	131,687
Payroll fees	1,461	21,645	47	23,153	23,572
Food refreshment	11,631	7,061	3,755	22,447	29,987
Information technology	12,952	7,012	1,496	21,460	14,374
Artists fees	17,577	-	2,000	19,577	76,433
Conferences and meetings	11,855	2,686	4,736	19,277	30,929
Program supplies	12,122	-	3,849	15,971	18,947
Telecommunications	12,034	1,069	1,234	14,337	25,854
Travel	9,554	3,920	337	13,811	6,609
Insurance	7,220	5,016	401	12,637	31,845
Miscellaneous	5,748	1,809	3,359	10,916	(3,780)
Instrument purchases	10,772	-	-	10,772	20,008
Printing and copying	3,148	375	4,715	8,238	16,398
Website	-	-	6,300	6,300	16,020
Instrument rental and repairs	6,261	-	-	6,261	10,622
Supplies and office expenses	1,455	1,254	1,370	4,079	7,356
Camp and training sponsorship	3,500	-	-	3,500	-
Permits and licenses	-	413	75	488	540
Bank charges	271	(4,189)	-	(3,918)	22,343
Taxes and fees	-	(13,011)	-	(13,011)	1,006
Total Expenses	2,754,067	496,646	658,379	3,909,092	3,764,228
Less expenses included with revenues on the statement of activities:					
Direct fundraising expenses	-	-	(93,838)	(93,838)	(24,936)
Total expenses included in the expense section of the statement of activities	\$ 2,754,067	\$ 496,646	\$ 564,541	\$ 3,815,254	\$ 3,739,292

See Notes to Financial Statements

EAST BAY CENTER FOR THE PERFORMING ARTS**STATEMENT OF CASH FLOWS**

YEAR ENDED JUNE 30, 2024

(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 2,668,736	\$ 2,786,683
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation and amortization	367,352	367,427
Realized and unrealized gain on endowment	(391,639)	(217,524)
Realized and unrealized gain on investments	(209,861)	(16,163)
CHANGES IN ASSETS AND CURRENT LIABILITIES:		
Accounts receivable	9,629	(114,509)
Contributions receivable	399,941	(1,443,921)
Prepaid expenses	15,310	(28,764)
Accounts payable and accrued expenses	3,019	(4,623)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>2,862,487</u>	<u>1,328,606</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Change in investments	(2,594,356)	(3,232,473)
Change in endowment investments	(856,063)	(570,123)
Purchase and acquisition of equipment, net of disposals	<u>(116,788)</u>	<u>-</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(3,567,207)</u>	<u>(3,802,596)</u>
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(704,720)	(2,473,990)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of year	<u>1,573,084</u>	<u>4,047,074</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of year	<u><u>\$ 868,364</u></u>	<u><u>\$ 1,573,084</u></u>
Composition of cash, cash equivalents, and restricted cash:		
Cash and cash equivalents	\$ 493,889	\$ 1,100,208
Restricted cash	<u>374,475</u>	<u>472,876</u>
Total cash, cash equivalents, and restricted cash	<u><u>\$ 868,364</u></u>	<u><u>\$ 1,573,084</u></u>

EAST BAY CENTER FOR THE PERFORMING ARTS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)

NOTE A – NATURE OF ACTIVITIES

East Bay Center for the Performing Arts (Organization) is a California nonprofit public benefit corporation, founded in 1968, incorporated in 1982, with operations in Richmond. The Organization is a community-based arts training and production institution. The mission of the center is to engage youth and young adults in imagining and creating new worlds for themselves and new visions for their communities through the inspiration and discipline of distinctive training in world performance traditions. The Organization is supported primarily through donor contributions, grants, and programming fees.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Method and Basis of Presentation

The accounting records of the Organization are maintained on the accrual basis of accounting. The financial statements of the Organization have been prepared in accordance with ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the Organization to make estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

EAST BAY CENTER FOR THE PERFORMING ARTS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of three months or less, which are neither held for nor restricted by donors for long term purposes. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Accounts and Contributions Receivable

Accounts and contributions receivable consist primarily of unsecured non-interest bearing amounts due from school district agreements, grants, and contributions that are expected to be collected within one year at net realizable value. The amount receivable which extends beyond one year from the balance sheet date is classified as long-term receivable. The Organization evaluates the collectability of its receivables on an ongoing basis and records a provision for potential uncollectible receivables when appropriate. Management has an allowance for doubtful accounts and credit losses as of June 30, 2024 of \$0.

Fixed Assets

Fixed asset additions of \$10,000 or greater are recorded at cost, or if donated, at fair value on the date of donation. Additions are capitalized and depreciated over their respective useful lives, which range from three to forty years, using the straight-line method. Maintenance and repairs that do not extend the useful lives of the respective assets are expensed as incurred.

Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

A portion of the Organization's revenue is derived from cost-reimbursable government grants, which are conditioned upon the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures, if any, are reported as refundable advances in the statement of financial position. No amounts have been received in advance under the cost-reimbursable government grants.

Program and other fees are recognized as the services are provided ratably over the year, with the advance payments recognized in the statement of financial position as deferred revenue.

EAST BAY CENTER FOR THE PERFORMING ARTS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Facilities Use, Goods, and Services (In-kind)

The Organization records donated goods, facilities use, and services at their estimated fair value on the date of receipt if they meet the criteria for recognition. In-kind donations for the years ended June 30, 2024 and 2023 is \$26,540 and \$131,687, respectively.

Functional Allocation of Expenses

The costs of program activities and supporting services have been summarized on a functional basis in the statement of functional expenses. The statement presents the natural classification of detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Indirect costs such as general and administrative expenses include costs that are not directly identifiable with any specific program, but which provide the overall support and direction of the Organization. Such expenses which are common to multiple functions have been allocated among the various functions benefited based on time spent in the functional area or based on square footage used.

Fair Value Measurements

The Organization's financial instruments include cash, cash equivalents, and investments, measured using Level 1 Level 3 inputs. Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. U.S. GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Organization groups assets at fair value in three levels, based on the markets in which the assets are traded, and the reliability of the assumptions used to determine fair value. These levels are:

- **Level 1**— Quoted prices for identical assets in active markets.
- **Level 2**—Observable inputs other than Level 1, which include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument.
- **Level 3**— Unobservable inputs that cannot be corroborated by observable market data.

Endowment

The endowment consists of donor restricted gifts to be held in perpetuity. The endowment was established to advance the mission of the Organization.

EAST BAY CENTER FOR THE PERFORMING ARTS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment in Presidio Internet Center, LLC

The Organization holds a membership interest in Presidio Internet Center, LLC (LLC), a California limited liability company. The investment, acquired through a contribution, was initially measured at fair value. The Organization has elected the alternative measurement method to account for its investment in the LLC. Distributions received from the accumulated earnings of the LLC are recognized as dividend income. Management periodically evaluates its investment in the LLC for impairment and records a write-down if it is determined that any impairment in value is other than temporary. Management determined there was no impairment loss recognized during the year ended June 30, 2024.

Tax Exemption Status

East Bay Center for the Performing Arts is exempt from income tax under IRC section 501(c)(3) and Section 23701(d) of the State of California Revenue and Taxation Code, though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code(s). The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions.

The Organization holds a membership interest in a for-profit limited liability company. Income allocated to the Organization from the LLC is subject to tax on unrelated business income. As of June 30, 2024, the Organization has recorded a tax liability of \$37,600 on this unrelated business activity. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization uses the asset and liability method to provide income taxes on all transactions recorded in the financial statements. This method requires the income taxes reflect the expected future tax consequences of temporary differences between the carrying amounts of assets or liabilities for book and tax purposes. Accordingly, a deferred tax asset or liability for each temporary difference is determined based on the tax rates that the Organization expects to be in effect when the underlying items of income and expense are realized. Temporary differences are differences between the tax basis of assets and liabilities and their reported amounts in the financial statements that will result in taxable or deductible amounts in future years. The Organization's provision for tax includes the current and deferred portions of that expense. A valuation allowance is established if, based on the weight of the available evidence, it is more likely than not that some portion or all of the deferred income tax assets will not be realized. The valuation allowance reduces deferred tax assets to the amount the Organization expects to realize. As of June 30, 2024, the valuation allowance was \$0.

EAST BAY CENTER FOR THE PERFORMING ARTS**NOTES TO FINANCIAL STATEMENTS****YEAR ENDED JUNE 30, 2024**

(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Summarized Comparative Information and Reclassifications**

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets. 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 our audited financial statements for the year ended June 30, 2023, from which the summarized information was derived.

NOTE C – RESTRICTED CASH, INVESTMENTS, AND ENDOWMENT

The composition of restricted cash, investments, and endowments at June 30, 2024, is as follows:

Restricted cash – Board designated	\$374,475
Cash and money market funds held in investment accounts (Level 1)	581,709
Money market pool held by MCF (Level 3)	206,009
Fixed Income (Level 1)	3,265,135
Fixed Income (Level 1) – Board designated	2,000,000
Money market pool held by MCF (Level 3) – Endowment	3,598,660
Money market pool held by MCF (Level 3) – Board designated	244,822
Total	<u>\$10,270,810</u>

Activity for the year ended June 30, 2024, is as follows:

Beginning balance, 6/30/2023	\$ 6,317,292
Withdrawals and transfers	3,426,447
Grants paid	(91,825)
Interest and dividend income	245,027
Unrealized capital gain	401,482
Fees and other expenses	(27,613)
Ending balance, 6/30/2024	<u>\$ 10,270,810</u>

EAST BAY CENTER FOR THE PERFORMING ARTS**NOTES TO FINANCIAL STATEMENTS****YEAR ENDED JUNE 30, 2024**(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)

NOTE D – ACCOUNTS AND CONTRIBUTIONS RECEIVABLE

At June 30, 2024, accounts and contributions receivable are expected to be received as follows:

<u>Due within one year</u>	
Accounts receivable	\$ 160,246
Contributions receivable	2,419,198
<u>Due within two to four years</u>	
Contributions receivable	1,475,000
Total receivables	<u>\$ 4,054,444</u>

The long-term receivables have not been discounted for the present value. The Organization determined the amount would not be material to these financial statements taken as a whole.

NOTE E – PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2024 consist of the following:

Land	\$ 306,000
Building – 40 years	12,587,508
Building improvements – 15 years	755,189
Furniture and equipment – 3 -15 years	497,790
Less: Accumulated depreciation	(5,157,816)
Total property and equipment, net	<u>\$ 8,988,671</u>

Depreciation expense for the years ended June 30, 2024 and 2023 is \$364,952 and \$364,227, respectively.

NOTE F – INTANGIBLE ASSETS

Intangible assets at June 30, 2024 consist of the following:

Website	16,000
Less: Accumulated amortization	(6,667)
Total intangible assets, net	<u>\$ 9,333</u>

Amortization expense for the years ended June 30, 2024 is \$2,400 and \$3,200, respectively.

EAST BAY CENTER FOR THE PERFORMING ARTS**NOTES TO FINANCIAL STATEMENTS****YEAR ENDED JUNE 30, 2024**

(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)

NOTE G – LLC INVESTMENT AND RELATED PARTY TRANSACTIONS

On December 31, 2016, the Organization received interest of 25% in Presidio Internet Center, LLC (a limited liability corporation) that owns commercial property in San Francisco. The remaining interest in the LLC is owned by a member of the Board of Directors. As of June 30, 2024, the investment in the LLC is as follows:

Investment in LLC (25%)	<u>\$ 1,930,000</u>
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NOTE H – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash, cash equivalents, and restricted cash	\$ 868,364
Investments	6,052,853
Receivables	<u>2,579,444</u>
Total financial assets	<u>9,500,661</u>
Less:	
Net assets with Board designations	(2,619,297)
Net assets with purpose restrictions to be met in one year	<u>(3,621,677)</u>
	<u>(6,240,974)</u>

Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,259,687</u>
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As part of the Organization's liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization's board designated funds are \$2,619,297 at June 30, 2024. The board designated fund could be made available if necessary.

NOTE I –NET ASSETS WITH BOARD DESIGNATIONS

Net assets with board designations had the following activity for the year ended June 30, 2024:

<u>Designation</u>	<u>6/30/2023</u>	<u>Allocations and Earnings</u>	<u>Releases</u>	<u>6/30/2024</u>
Building reserve and Board designated endowment	<u>\$ 693,947</u>	<u>\$2,042,138</u>	<u>(\$116,788)</u>	<u>\$2,619,297</u>

EAST BAY CENTER FOR THE PERFORMING ARTS**NOTES TO FINANCIAL STATEMENTS****YEAR ENDED JUNE 30, 2024**

(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)

NOTE J – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions had the following activity for the year ended June 30, 2024:

<u>Restriction</u>	<u>6/30/2023</u>	<u>Revenue</u>	<u>Releases</u>	<u>6/30/2024</u>
Time	\$2,765,000	\$1,488,000	(\$1,903,000)	\$2,350,000
Purpose	-	84,000	(29,000)	55,000
Time and purpose	3,029,000	1,341,666	(971,675)	3,398,991
Endowment (Note M)	2,673,280	462,888	-	3,136,168
	<u>\$8,467,280</u>	<u>\$3,376,554</u>	<u>(\$2,903,675)</u>	<u>\$8,940,159</u>

The Organization has established an endowment fund using contributions restricted by donors. Restricted gifts or bequests with permanent restrictions, if any, are added to the endowment.

NOTE K – ENDOWMENT ASSET

The Board of Directors has determined it holds assets which meet the definition of endowment funds under the California Uniform Prudent Management of Institutional Funds Act (“UPMIFA”). As a result of this interpretation, the corpus of funds subject to UPMIFA is classified as with donor restrictions. The corpus represents the fair value of the original gifts as of the gift date, and all subsequent gifts where the donor has indicated the gift be retained permanently. The value of assets in excess of original gifts in donor-restricted endowment funds are classified as net assets with donor restrictions until appropriated for expenditures by the Organization.

In Accordance with UPMIFA, the Organization considers the following factors in making a determination as to the appropriation of assets for expenditures:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater

EAST BAY CENTER FOR THE PERFORMING ARTS**NOTES TO FINANCIAL STATEMENTS****YEAR ENDED JUNE 30, 2024**

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NOTE K – ENDOWMENT ASSET (Continued)

endowments). The Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2024, there were no underwater endowment funds.

The composition and activity of the endowment is as follows for the year ended June 30, 2024:

<u>Restricted in perpetuity and held by the Marin Community Foundation:</u>	<u>Level 3</u>
Endowment held by MCF, balance at June 30, 2023	\$ 2,673,280
Gifts received or pledged, net of disbursements	95,000
Interest and dividends	63,317
Unrealized gain	329,401
Fees	(24,830)
Endowment at June 30, 2024	<u>\$ 3,136,168</u>

NOTE L – IN-KIND DONATIONS

For the year ended June 30, 2024, donations of services were received as follows:

<u>Category/Use</u>	<u>Valuation Technique</u>	<u>Total Received</u>
Legal services – admin	FMV by donor	\$ 2,405
Instruments – programs	FMV of instruments	24,135
Total in-kind donations		<u>\$ 26,540</u>

NOTE M – EMPLOYEE BENEFITS

The Organization offers a deferred compensation plan to all employees for participation regardless of hours worked per week. The voluntary 401(k) plan allows for a matching contribution for the employees up to 3% of the employee's salary. For the year ended June 30, 2024, the Organization contributed \$77,035 to the retirement plan.

Employees accumulate vacation hours during their employment. The total accrued vacation payable at June 30, 2024 is \$82,500 and is reflected in the accompanying statement of financial position.

EAST BAY CENTER FOR THE PERFORMING ARTS**NOTES TO FINANCIAL STATEMENTS****YEAR ENDED JUNE 30, 2024****(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)**

NOTE N – CONCENTRATIONS

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents accounts in financial institutions exceeding federal or other insured limits. At June 30, 2024 the Organization had \$239,475 in financial institutions in excess of federally insured limits.

Support from one funder represented 30% of total revenue and support for the year ended June 30, 2024.

Receivables at June 30, 2024 contain concentrations as 40% of receivables are due from one funder.

Endowment and investments of \$4,049,491 are held by the Marin Community Foundation and carry no insurance or guarantee.

NOTE O – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through February 12, 2025, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2024, have been incorporated into these financial statements.