

**Marin Theatre Company**

Financial Statements

with

Report of Independent Auditors

For the year ended June 30, 2019



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## Report of Independent Auditors

To the Board of Directors  
of Marin Theatre Company

We have audited the accompanying financial statements of Marin Theatre Company (a nonprofit corporation) which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 Marin Theatre Company as of June 30, 2019, 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.

### **Report on Summarized Comparative Information**

We have previously audited Marin Theatre Company's financial statements for the year ended June 30, 2018, and in our report dated November 13, 2018, we expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*WMB2*

WMB2, LLP  
Larkspur, California  
January 10, 2020

**Marin Theatre Company**  
**Statement of Financial Position**  
**As of June 30, 2019**  
with comparative totals only as of June 30, 2018

	<u>2019 Totals</u>	<u>2018 Totals</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 194,809	\$ 333,730
Receivables		
Grants and contributions, due within one year	105,000	223,449
Executive housing contribution, due within one year	150,000	155,211
Other		37,839
Investments, at fair value	30,788	57,836
Prepaid expenses	<u>70,605</u>	<u>117,959</u>
Total current assets	551,202	926,024
Property and equipment, net of accumulated depreciation	2,694,192	2,782,104
Grants and contributions receivable, due after one year	48,750	81,633
Executive housing contribution receivable, due after one year	80,250	196,408
Special purpose reserves, at fair value	1,024,712	829,520
Deposits and other assets	<u>44,314</u>	<u>44,259</u>
Total assets	<u>\$ 4,443,420</u>	<u>\$ 4,859,948</u>
<b>Liabilities and net assets</b>		
Current liabilities		
Bank line of credit	\$	\$ 140,000
Accounts payable and accrued expenses	114,695	97,448
Deferred revenue	451,252	477,551
Mortgage note payable, due within one year	<u>21,800</u>	<u>19,170</u>
Total current liabilities	587,747	734,169
Mortgage note payable	<u>142,225</u>	<u>284,982</u>
Total liabilities	729,972	1,019,151
<b>Net assets</b>		
With donor restrictions	718,180	900,463
Without donor restrictions	<u>2,995,268</u>	<u>2,940,334</u>
Total net assets	<u>3,713,448</u>	<u>3,840,797</u>
Total liabilities and net assets	<u>\$ 4,443,420</u>	<u>\$ 4,859,948</u>

See accompanying notes.

**Marin Theatre Company**  
Statement of Activities and Changes in Net Assets  
For the year ended June 30, 2019  
with comparative totals only for the year ended June 30, 2018

	Without donor restrictions	With donor restrictions	2019 Totals	2018 Totals
<b>Revenue</b>				
Subscription sales	\$ 461,911	\$ -	\$ 461,911	\$ 464,674
Single ticket sales	607,978	-	607,978	482,964
Tuition income	209,032	-	209,032	170,544
Ticket and order fees	150,954	-	150,954	105,074
Rental income	38,300	-	38,300	54,850
Concession income, net	31,643	-	31,643	28,683
Investment income	9,205	-	9,205	41,122
Other income	58,019	-	58,019	40,741
<b>Total revenue</b>	<b>1,567,042</b>	<b>-</b>	<b>1,567,042</b>	<b>1,388,652</b>
<b>Support</b>				
Contributions from				
Board members	596,938	-	596,938	378,103
Individuals	530,642	-	530,642	1,126,159
Foundations	85,900	497,340	583,240	209,500
Corporations	20,467	-	20,467	32,557
Government	3,962	20,000	23,962	36,662
Donated services and materials	5,654	-	5,654	80,321
Special events, net of direct costs of \$108,615 (2018 - \$114,616)	372,424	-	372,424	206,414
Net assets released from restrictions	699,623	(699,623)		
<b>Total support</b>	<b>2,315,610</b>	<b>(182,283)</b>	<b>2,133,327</b>	<b>2,069,716</b>
<b>Total revenue and support</b>	<b>3,882,652</b>	<b>(182,283)</b>	<b>3,700,369</b>	<b>3,458,368</b>
<b>Expenses</b>				
Program services				
Theatre	2,705,579	-	2,705,579	2,607,569
Education	309,731	-	309,731	232,290
<b>Total program services</b>	<b>3,015,310</b>	<b>-</b>	<b>3,015,310</b>	<b>2,839,859</b>
General and administrative	398,763	-	398,763	379,858
Development	413,645	-	413,645	356,368
<b>Total expenses</b>	<b>3,827,718</b>	<b>-</b>	<b>3,827,718</b>	<b>3,576,085</b>
Change in net assets	54,934	(182,283)	(127,349)	(117,717)
Net assets, beginning of year	2,940,334	900,463	3,840,797	3,958,514
Net assets, end of year	<u>\$ 2,995,268</u>	<u>\$ 718,180</u>	<u>\$ 3,713,448</u>	<u>\$ 3,840,797</u>

See accompanying notes.

**Marin Theatre Company**  
**Statement of Functional Expenses**  
**For the year ended June 30, 2019**  
with comparative totals only for the year ended June 30, 2018

	<u>Program Services</u>			General and administrative	Development	2019 Totals	2018 Totals
	<u>Theatre</u>	<u>Education</u>	<u>Totals</u>				
Artistic salaries and fees	\$ 880,002	\$ 165,723	1,045,725	\$ -	\$ -	\$ 1,045,725	\$ 1,017,672
Administrative salaries and fees	136,593	23,153	159,746	258,795	-	418,541	430,478
Production salaries and fees	647,351	4,572	651,923	-	-	651,923	631,838
Marketing salaries and fees	97,381	15,218	112,599	-	289,342	401,941	379,094
Production costs	369,229	49,836	419,065	-	-	419,065	295,933
Marketing and advertising	220,232	1,000	221,232	1,831	65,384	288,447	269,256
Facility maintenance and utilities	109,707	11,946	121,653	19,830	8,397	149,880	180,973
Computer software and technology	36,094	9,098	45,192	4,497	15,262	64,951	71,329
Supplies	19,443	5,942	25,385	3,984	1,313	30,682	29,458
Bank charges and fees	65,708	981	66,689	3,883	1,966	72,538	70,902
Insurance	18,555	1,349	19,904	5,249	2,394	27,547	30,028
Professional fees	-	-	-	20,673	-	20,673	24,500
Other	40,403	15,352	55,755	40,173	19,391	115,319	28,100
Interest	-	-	-	27,798	-	27,798	24,247
Depreciation	64,881	5,561	70,442	12,050	10,196	92,688	92,277
<b>Total expenses</b>	<b>\$ 2,705,579</b>	<b>\$ 309,731</b>	<b>\$ 3,015,310</b>	<b>\$ 398,763</b>	<b>\$ 413,645</b>	<b>\$ 3,827,718</b>	<b>\$ 3,576,085</b>

See accompanying notes.

**Marin Theatre Company**  
Statement of Cash Flows  
For the year ended June 30, 2019  
with comparative totals only for the year ended June 30, 2018

	<u>2019 Totals</u>	<u>2018 Totals</u>
Cash flows from operating activities		
Change in net assets	\$ (127,349)	\$ (117,717)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	92,688	92,277
Changes in certain assets and liabilities		
Receivables	310,540	175,195
Prepaid expenses	40,789	(11,209)
Accounts payable and accrued expenses	17,247	(224,508)
Deferred revenue	<u>(26,299)</u>	<u>22,508</u>
Cash provided (used) by operating activities	307,616	(63,454)
Cash flows from investing activities		
Purchases of equipment	(4,776)	
Decrease in investments	27,048	219,873
Special purpose reserve activity, net	(195,192)	116,489
Decrease in deposits	<u>6,510</u>	<u>7,541</u>
Cash provided (used) by investing activities	(166,410)	343,903
Cash flows from financing activities		
Bank line of credit repayments	(350,000)	(272,553)
Bank line of credit advances	210,000	365,000
Repayment of mortgage notes	<u>(140,127)</u>	<u>(149,913)</u>
Cash used by financing activities	<u>(280,127)</u>	<u>(57,466)</u>
Change in cash and cash equivalents	(138,921)	222,983
Cash and cash equivalents, beginning of year	<u>333,730</u>	<u>110,747</u>
Cash and cash equivalents, end of year	<u>\$ 194,809</u>	<u>\$ 333,730</u>
Cash paid during year for interest	<u>\$ 27,798</u>	<u>\$ 24,247</u>

See accompanying notes.

**Marin Theatre Company**  
Notes to Financial Statements  
June 30, 2019

Note 1 - Organization and nature of activities

Marin Theatre Company (the Company) is a nonprofit corporation that was organized in 1968 as the Mill Valley Center for the Performing Arts. In 1984 the Company was reincorporated as a professional theater company, the name was changed to Marin Theatre Company, and a contract agreement was entered into with Actors' Equity Association (AEA). The building at 397 Miller Avenue in Mill Valley was acquired and construction of the Sali Lieberman Studio Theatre commenced. By the end of 1987 the construction of both the main stage and the studio theater was completed.

The Company is a professional, regional theater that produces a six-show season of provocative plays by passionate playwrights from the 20<sup>th</sup> century and today. It is committed to the development and production of new plays by American playwrights, with a comprehensive New Play Program that includes two nationally recognized annual playwriting awards, numerous new play readings and workshops by the nation's best emerging playwrights, and a leadership position in the National New Play Network. It also has numerous educational programs that serve more than 6,000 students each year.

The Company's operating principles mandate that the performances remain accessible to the community at large. Therefore, ticket sales cover less than one third of the Company's expenses. The Company relies on support from foundations, businesses and individuals for the balance required to sustain its operations.

Note 2 – Summary of significant accounting policies

Basis of accounting

The Company prepares its financial statements using the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States.

Recent pronouncements

Effective July 1, 2017, the Company adopted FASB ASU 2016-14 *Presentation of Financial Statements of Not for Profit Entities*. The new pronouncement changed the presentation of certain information in the financial statements and footnote disclosures.

Basis of presentation

Certain support for the programs of the Company may be directed by the donors to specific periods or programs. The Company classifies such amounts as revenues and net assets

**Marin Theatre Company**  
Notes to Financial Statements  
June 30, 2019

Note 2 - Summary of significant accounting policies (continued)

Basis of presentation (continued)

with donor restrictions in the accompanying financial statements. When donor restrictions expire or are otherwise met, the Company reclassifies the net assets to those without donor restrictions under the heading "net assets released from restrictions" in the statement of activities and changes in net assets.

Revenue and expense recognition

Season subscriptions, single ticket payments received in advance of performances, and tuition revenue received in advance of the school sessions are deferred and recognized as revenue once the applicable performance is presented or the school session concludes. Expenditures relating to annual subscription campaigns and future productions are recorded as prepaid expenses and charged to expense in the applicable fiscal year. Advertising costs are expensed as incurred unless they are specifically related to productions in the next fiscal year.

Support recognition

Unconditional promises to give are recorded as support and as receivable when the promises are made. Gifts, grants, and unconditional promises to give cash or other assets, the uses of which are limited by the donor, are reported as revenues with donor restrictions. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restrictions are accomplished, the donor restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of discounts is included in contribution revenue.

Donated materials and services

Contributions of securities, materials and facilities are reflected in the accompanying financial statements at their fair value at the date of receipt. Contributions for services are recognized only if such services create or enhance a nonfinancial asset or require specialized skills and are provided by individuals possessing those skills and would typically need to be paid for if not provided by donation.



**Marin Theatre Company**  
Notes to Financial Statements  
June 30, 2019

Note 2 - Summary of significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and on deposit with a commercial bank, available on demand.

Investments

Investments include marketable securities, which are carried at fair value. Interest, dividends, and realized and unrealized gains and losses are reflected as unrestricted income in the statement of activity.

Allowance for doubtful accounts

The Company uses the allowance method to account for uncollectible accounts receivable. Under this method, the Company reviews all receivables for any problems with collectability. If the Company feels that there may be a problem with collections, an allowance is provided for the receivable. When attempts to collect a specific receivable are unsuccessful, the account is considered uncollectible and is written off against the allowance. As of June 30, 2019, management concluded that any allowance for doubtful accounts would not be material to the financial position of the Company.

Property and equipment

Property and equipment acquisitions costing more than \$2,500 and with useful lives of one year or greater are capitalized, stated at cost or fair value if donated, and depreciated using the straight-line method over the estimated economic lives of the assets.

Tax-exempt status

The Company is exempt from federal and state income taxes under Section 501(c) (3) of the Internal Revenue Code and a similar California statute. In addition, the Company has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code. Accordingly, donors are entitled to the maximum charitable contribution allowed by law. Consequently, no provision for federal or state income taxes has been recorded.

The Company generates unrelated business income from advertising and rent; however, allocable expenses exceed income and therefore no income taxes are payable. The Company's informational returns are subject to examination by the Internal Revenue Service and the California Franchise Tax Board for three years and four years, respectively, after they are filed.

Fair value measurements

The Company adopted a framework for measuring fair value. Fair value is defined as the price that would be received to sell the asset or would be paid to transfer the liability in an orderly transaction between market participants. The Company financial assets reported

**Marin Theatre Company**  
Notes to Financial Statements  
June 30, 2019

Note 2 - Summary of significant accounting policies (continued)

Fair value measurements (continued)

at fair value include investments and special purpose reserves which are valued using a market approach based on quoted market prices (Level 1 – quoted prices in active markets for identical investments.)

Use of estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Allocation of functional expenses

Functional expenses of the Company include program and supporting expenses. Supporting expenses include management, general and administrative, and fundraising. The Company records expenses that directly benefit an activity to that specific activity. The Company allocates expenses that do not directly benefit an activity between program and supporting activities based on estimates of the relative benefits to each.

The Company bases its estimates on either time spent by personnel on various activities or space used by various activities, whichever management deems more relevant to the particular expense. The management of the Company reviews and adjusts the estimates at least annually.

Credit and market risk

Cash and cash equivalents held by the commercial banks exceeded federal deposit insurance limits at various times during the years ended June 30, 2019.

Investments are subject to credit and market risks. Credit risk is the probability that parties holding or supporting an investment will default or otherwise fail to perform. Market risk is the inherent change in the value of an investment due to changes in conditions.

Comparative totals

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States. Accordingly, such information should be read in conjunction with the Company's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

**Marin Theatre Company**  
Notes to Financial Statements  
June 30, 2019

Note 2 - Summary of significant accounting policies (continued)

Subsequent events

Subsequent events have been evaluated through January 10, 2020, the date in which the financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2019 that required recognition or disclosure.

Note 3 - Grants and contributions receivable

During the year ended June 30, 2015, the Company was awarded a multi-year grant, which has annual payments expected through June 30, 2021. For financial statement purposes, the grant receivable has been discounted at what was considered a risk-free rate of return (2.5%) to reflect its present value.

As of June 30, 2019, the grant receivable expected to be collected in successive years is as follows:

2020	\$ 105,000
2021	50,000
Less discount	(1,250)
Less amount due with one year	<u>(105,000)</u>
	<u>\$ 48,750</u>

An additional grant of \$180,000 payable over three years and restricted to the acquisition of rehearsal space has not been recognized as it is contingent, in part, on its being matched by other contributions.

Note 4 - Executive housing contribution receivable

In September 2012 and February 2013, the Company acquired two residential properties that are intended to provide housing for top-level executive and artistic staff. The Company executed two mortgages to finance the acquisitions. A donor had pledged \$250,000 in total annual contributions for the years ending June 30, 2016 and 2017, and \$150,000 thereafter until the mortgages are paid in full. For financial statement purposes, this contribution has been discounted to reflect its present value using a rate of 3.77%, consistent with the approximate interest rate incurred on the related debt.

**Marin Theatre Company**  
Notes to Financial Statements  
June 30, 2019

Note 4 - Executive housing contribution receivable (continued)

As of June 30, 2019, the contribution receivable expected to be collected in successive years is as follows:

2020		\$ 150,000
2021		82,250
Less discount		(2,000)
Less amount due with one year		<u>(150,000)</u>
		<u>\$ 80,250</u>

The Company received \$38,300 in rental income during the year ended June 30, 2019 from employees who have lived on the two properties. The Company has executed month-to-month leases for each of the properties. The rents are used to defray maintenance costs.

Note 5 - Investments

Investments and money market accounts held as of June 30, 2019 are held by two different financial institutions. The Company's portfolio of accounts consists of the following:

	<u>Cost</u>	<u>Fair value</u>
Money Market Fund (Mellon Foundation grant)	\$ 294,384	\$ 294,384
Money Market Fund (facilities reserve)	730,328	730,328
Operating reserve – liquid fund	6,773	6,773
Operating reserve - equity investments	22,947	24,015
<b>Total</b>	<b>\$ <u>1,054,432</u></b>	<b>\$ 1,055,500</b>

Although each account holds similar investments in nature, each account contains a specific operational purpose and has a designated functionality, as defined by the Company's Board of Directors.

**Marin Theatre Company**  
Notes to Financial Statements  
June 30, 2019

Note 5 – Investments (continued)

These accounts are classified in the accompanying statement of financial position as current or non-current assets.

Investments, at fair value	\$ 30,788
Special purpose reserves, at fair value	<u>1,024,712</u>
Total	<u>\$ 1,055,500</u>

Note 6 - Property and equipment

At June 30, 2019 property and equipment (at cost) consists of the following:

Related to theatre operations	
Land	\$ 870,568
Building and improvements	2,417,245
Production equipment and theatre furnishings	276,987
Office equipment	111,684
Vehicle	<u>2,500</u>
Total Theatre property	3,678,984
Executive housing (two residences)	
Land	1,000,000
Buildings and improvements	<u>564,582</u>
Total housing property	<u>1,564,582</u>
Total property and equipment	5,243,566
Less accumulated depreciation	<u>(2,549,374)</u>
Net property and equipment	\$ 2,694,192

**Marin Theatre Company**  
Notes to Financial Statements  
June 30, 2019

Note 7 – Special purpose reserves

The Company holds reserve funds, which can be either donor restricted or board designated, for specific initiatives. As of June 30, 2019, the Company held accounts at one commercial institution, all held as money market funds.

In May 2017 the Company received a large stock donation from an individual donor, for a total value equaling \$495,542. The donor provided this gift with no restrictions; however, the Board of Directors elected to designate this donation for facility growth and expansion.

Note 8 - Deposits

As of June 30, 2019, deposits include \$37,805, held by the Actors' Equity Association on behalf of the Company. The deposit ensures that the Company will meet current wage and benefit obligations to AEA members.

Note 9 – Bank line of credit

The Company has available a \$400,000 line of credit from a commercial bank. Of the available amount, none was borrowed as of June 30, 2019. Amounts borrowed bear interest at the bank's prime rate plus 1.00%, with a floor of 4.25%, and are secured by a Deed of Trust against the Company's real property at 397 Miller Avenue. The line of credit was renewed by the bank in August 2019. The bank will have the ability to renew the line of credit again in August 2020.

Note 10 - Mortgage note payable

During the year ended June 30, 2013, the Company acquired two residential properties that provide housing for top-level executive and artistic staff. To finance the acquisitions, the Company executed two mortgages, totaling \$1,296,500. One note has been paid in full. The remaining note has a remaining balance of \$164,025 as of June 30, 2019, currently bears interest at 3.70%, and requires monthly payments of \$2,895, including principal and interest. A donor has pledged funds to retire this note within the next two years.

**Marin Theatre Company**  
Notes to Financial Statements  
June 30, 2019

Note 10 - Mortgage note payable (continued)

Annual maturities related to the mortgage notes based on the above terms are as follows for the years ended June 30, 2019:

2020	\$	21,800
2021		23,000
2022		25,100
2023		27,500
2024		29,000
Thereafter		<u>37,625</u>
		164,025
Less amount due within one year		<u>(21,800)</u>
		<u>\$ 142,225</u>

Note 11 - Temporarily restricted net assets

Temporarily restricted net assets consist of the following for the year ended June 30, 2019. Amounts released were the result of meeting donor-imposed program restrictions.

	June 30, <u>2018</u>	<u>Received</u>	<u>Released</u>	June 30, <u>2019</u>
Executive housing	\$474,316		\$205,954	\$268,362
Play development	150,000		50,000	100,000
Education and outreach	7,682	67,000	74,682	
Scholarships	43,047		42,529	518
General operations	110,000	12,500	67,500	55,000
Residencies	115,418	294,300	115,418	294,300
Mainstage programs		55,040	55,040	
	<u>\$900,463</u>	<u>\$428,840</u>	<u>\$611,123</u>	<u>\$718,180</u>

Note 12 - Retirement plan

The Company sponsors a qualified 403(b) plan for eligible employees. Employees may contribute any percentage of their annual compensation, but no more than the annual maximum limit as defined in the Internal Revenue Code. The Company has the option to make a discretionary matching contribution as determined by the board. The Company chose not to make a matching contribution to the plan for the year ended June 30, 2019.

**Marin Theatre Company**  
Notes to Financial Statements  
June 30, 2019

**Note 13 - Lease commitment**

Effective January 1, 2011, the Company entered into a five-year lease for industrial space to house their scene shop. The lease ended in June 2016. The space continues to be rented on an annual basis. Rent expenses aggregated \$56,848 for the year ended June 30, 2019.

Effective July 1, 2016 the Company entered into a three-year lease agreement with an independent third party to lease an apartment to act as an executive housing location. Rent is collected from the executive and paid directly to the third party by the Company. There are no outstanding amounts due from the executive as of June 30, 2019.

**Note 14 - Commitments and uncertainties**

The Company is a member of the League of Resident Theatres (LORT). As a member of LORT, the Company is required to comply with the agreements between LORT and Actors' Equity Association (AEA) and Stage Directors and Choreographers Society (SDCS). The agreements with AEA and SDCS require contributions to health and retirement plans for all employees covered by the contracts. The agreement with AEA requires increases in compensation based on the Company's tier, which is based on the weekly actual box office receipts average over the three most recently completed calendar years. The agreement with AEA expires in April 2022. The agreement with SDCS requires a minimum compensation based on the length of a performance. The agreement with SDCS extends through April 2022.

The Company has an agreement with United Scenic Artists that requires a minimum percentage of design positions to be filled by members of United Scenic Artists and stipulates contributions for pensions and welfare benefits.

Financial instruments that potentially subject the Company to credit risk include cash on deposit with financial institutions that at times exceed the insurance limit of the United States Federal Deposit Insurance Corporation.

The Company executed service agreements with its artistic director that extends through June 2021 and with its managing director that extends through December 2019.



**Marin Theatre Company**  
Notes to Financial Statements  
June 30, 2019

Note 15 – Liquidity and availability of financial assets

The following reflects the Company's financial assets as of June 30, 2019 available to meet cash needs for general expenditures within one year from June 30, 2019:

Cash and cash equivalents	\$ 194,809
Receivables	
Grants and contributions, due within one year	105,000
Executive housing contribution, due within one year	150,000
Investments	30,788
Special purpose reserves	1,024,712
Total	\$ 1,505,309