PLANO CHILDREN'S THEATRE

(DBA NORTH TEXAS PERFORMING ARTS)

FINANCIAL STATEMENTS
&
INDEPENDENT AUDITOR'S REPORT

SEPTEMBER 30, 2019

PLANO CHILDREN'S THEATRE
(DBA NORTH TEXAS PERFORMING ARTS)

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SEPTEMBER 30, 2019

INDEPENDENT AUDITOR'S REPORT

To the Governing Board of Directors of
Plano Children's Theatre:

We have audited the accompanying financial statements of Plano Children's Theatre (a nonprofit organization dba North Texas Performing Arts), which comprise the statement of financial position as of September 30, 2019, and the related statements of activities, 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 of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 Plano Children's Theatre as of September 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 of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, Plano Children's Theatre adopted the amendments in Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, and No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the*

Accounting Guidance for Contributions Received and Contributions Made, during the year ended September 30, 2019. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

The 2018 financial statements were audited by other auditors, and their report thereon, dated April 2, 2019, expressed an unmodified opinion. The summarized comparative information presented herein as of and for the year ended September 30, 2018, is consistent with the audited financial statements from which it has been derived.

CMRosen, LLC

Dallas, Texas
June 3, 2020

STATEMENT OF FINANCIAL POSITION

(As of September 30, 2019, with summarized totals as of September 30, 2018)

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 272,785	$ 322,020
Accounts receivable	87,371	48,465
Grants and contributions receivable	41,968	44,927
Prepaid expenses	153,045	181,144
	555,169	596,556
NON-CURRENT ASSETS		
Grants and contributions receivable	6,667	-
Cash reserved for an endowment	15,004	-
Fixed assets, net	1,055,059	1,094,855
Security deposits	17,450	19,175
	1,094,180	1,114,030
Total assets	**1,649,349**	**1,710,586**
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	127,866	49,881
Deferred revenue	76,767	58,905
Deferred lease incentive	8,500	8,500
Notes payable	101,380	229,639
	314,513	346,925
NON-CURRENT LIABILITIES		
Deferred rent	113,702	65,767
Deferred lease incentive	59,500	68,000
Notes payable	130,766	382,242
	303,968	516,009
Total liabilities	**618,481**	**862,934**
NET ASSETS		
Without donor restrictions	989,673	817,702
With donor restrictions	41,195	29,950
	1,030,868	847,652
Total liabilities and net assets	**1,649,349**	**1,710,586**

The accompanying notes are an integral part of these financial statements.

STATEMENT OF ACTIVITIES

(For the year ended September 30, 2019, with summarized totals for the year ended September 30, 2018)

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUES				
Tuition and fees	$ 1,213,836	$ -	$ 1,213,836	$ 931,604
Ticket fees	966,983	-	966,983	685,854
Contributions	438,065	41,195	479,260	339,501
Government grants	294,152	-	294,152	264,996
In-kind donations	167,883	-	167,883	-
Concessions and other sales, net	102,471	-	102,471	78,961
AMP events, net	50,347	-	50,347	43,877
Memberships	42,034	-	42,034	32,084
Theatre rentals	37,322	-	37,322	23,902
Investment earnings	618	-	618	679
Other income	17,287	-	17,287	19,690
	3,330,998	41,195	3,372,193	2,421,148
Net assets released from restrictions	29,950	(29,950)	-	-
	3,360,948	11,245	3,372,193	2,421,148
EXPENSES				
Program services				
Youth theatre	1,882,049	-	1,882,049	
Academy	303,699	-	303,699	
Repertory theatre	268,915	-	268,915	
Starcatchers	155,974	-	155,974	
Total program services	2,610,637	-	2,610,637	1,925,253
Supporting services				
Management and general	424,755	-	424,755	268,467
Fundraising	153,585	-	153,585	23,354
Total supporting services	578,340	-	578,340	291,821
Total expenses	3,188,977	-	3,188,977	2,217,074
CHANGES IN NET ASSETS	**171,971**	**11,245**	**183,216**	**204,074**
Net assets at beginning of year	831,442	29,950	861,392	657,318
As restated	817,702	29,950	847,652	
Net assets at end of year	**989,673**	**41,195**	**1,030,868**	**861,392**

The accompanying notes are an integral part of these financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

(For the year ended September 30, 2019)

	2019						
	Youth Theatre	Academy	Repertory Theatre	Starcatchers	Manage-ment and General	Fundraising	Total
Employee compensation	$ 706,894	$ 93,693	$ 100,935	$ 82,936	$ 196,353	$ 107,930	$ 1,288,741
Occupancy	298,299	55,148	35,094	27,574	23,635	7,878	447,628
Contract service fees	205,950	56,045	20,152	3,351	105,306	7,704	398,508
Royalties	260,586	20,143	39,765	496	-	-	320,990
Office expenses	151,440	27,997	17,816	13,999	11,999	4,000	227,251
Amortization	74,066	13,693	8,714	6,846	5,868	1,956	111,143
Advertising & promotion	-	-	-	-	65,956	21,985	87,941
Sets, costumes, & supplies	51,862	2,105	23,329	799	-	-	78,095
Conferences & meetings	43,818	8,101	5,155	4,050	-	-	61,124
Information technology	8,465	11,860	8,465	8,466	9,246	-	46,502
Interest	15,470	2,860	1,820	1,430	1,226	409	23,215
Insurance	10,929	2,021	1,286	1,010	866	289	16,401
Depreciation & amortization	7,593	1,404	893	702	602	201	11,395
Travel	904	167	106	84	72	24	1,357
Other	45,773	8,462	5,385	4,231	3,626	1,209	68,686
	1,882,049	303,699	268,915	155,974	424,755	153,585	3,188,977
Other costs not reported previously							
Cost of goods sold	50,536	-	-	-	-	-	50,536
AMP expenses	6,691	-	-	-	-	-	6,691

STATEMENT OF CASH FLOWS

(For the year ended September 30, 2019, with summarized totals for the year ended September 30, 2018)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
RECONCILIATION OF CHANGE IN NET ASSETS TO NET OPERATING CASH FLOWS		
Change in net assets	$ 183,216	$ 204,074
Depreciation & amortization	122,537	40,146
Contributions restricted for long-term purposes	(17,861)	(75,406)
Noncash expenses by means of creating notes payble	20,997	-
Changes in operating assets and liabilities, net		
Accounts receivable	(38,906)	(17,568)
Grants and contributions receivable	(3,708)	11,666
Prepaid expenses	28,099	(55,218)
Accounts payable and accrued expenses	77,985	(46,437)
Deferred revenue	17,862	12,177
Deferred lease incentive	(8,500)	(8,500)
Deferred rent	47,935	150,767
Security deposits	1,725	(16,600)
Net cash provided by (used in) operating activities	431,381	199,101
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(82,741)	(252,577)
Purchases of assets restricted to investment as an endowment	(15,004)	-
Net cash provided by (used in) investing activities	(97,745)	(252,577)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contribution restricted for an endowment	17,861	75,406
Proceeds on notes payable	-	320,500
Payments on notes payable	(400,732)	(93,859)
Net cash provided by (used in) financing activities	(382,871)	302,047
INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	**(49,235)**	**248,571**
Cash and cash equivalents, beginning of year	322,020	73,449
Cash and cash equivalents, end of year	**272,785**	**322,020**
SUPPLEMENTAL CASH FLOW DISCLOSURES		
Cash paid for interest (net of amounts capitalized of $0)	23,215	
Noncash proceeds on note payables via unpaid expense reimbursements	(20,997)	

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

1. BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Background

Plano Children's Theatre (the "Organization"), a Texas nonprofit corporation doing business as North Texas Performing Arts, was incorporated in 1991 and is dedicated to developing the character of youth through quality performing arts education and family entertainment. It serves a diverse community of adults, children, and artists primarily by means of four program segments at its four North Texas locations: Youth Theatre, NTPA Academy, Repertory Theatre, and Starcatchers.

The Youth Theatre provides youth ages 3 to 18 with opportunities to participate in a wide range of theatrical productions in front of live audiences through after-school programs and summer camps. NTPA Academy offers educational programming as an alternative to traditional schools to assist youth who have a passion for the performing arts. The Repertory Theatre provides theatrical experiences for adult actors, and Starcatchers provides children and adults who have special needs with opportunities to shine through drama, music, dance, and visual art.

The Organization's revenues are derived primarily from tuition, ticket sales, and contributions and grants.

Tax-Exempt Status

The Organization has been determined by the Internal Revenue Service to be a Section 501(c)(3) charitable organization exempt from federal income taxes. Contributions to the Organization are considered tax-deductible under Section 170 of the Internal Revenue Code. The Organization did not have any unrelated business income for the year ended September 30, 2019.

Management has concluded that any tax positions which would not meet the more-likely-than-not criterion of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740-10, *Accounting for Income Taxes*, would be immaterial to the financial statements taken as a whole. Accordingly, the accompanying financial statements do not include any provision for uncertain tax positions, and no related interest or penalties have been recorded in the operating statement or accrued in the statement of financial position. Federal and state tax returns of the Organization are generally open to examination by the relevant taxing authorities for a period of three years from the date on which the returns are filed.

Estimates

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. This requires management to make estimates and judgments that affect the reported amount of assets, liabilities, and disclosures of contingencies at the date of the financial statements. Such estimates and judgments also affect the reported amounts of revenues and expenses recognized during the reporting period. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with a maturity of three months or less at time of purchase. The Organization maintains cash in bank accounts which, at times, may exceed federally insured limits. As of September 30, 2019, it had uninsured deposits of about $30,000. Cash is placed in financial institutions with high credit quality to minimize any associated risk.

Receivables

Receivables, including accounts, contributions, and grants receivable, are unsecured and reported net of allowances for uncollectible amounts based on historical experience. Amounts due within one year are reported at net realizable value, which approximates fair value. Receivables with payments due after one year are initially reported at fair value computed using expected cash flows reflecting the credit worthiness of each donor and a discount rate adjusted to include a risk premium. No allowance for uncollectible accounts has been recorded because the full amounts are estimated to be collectable based on historical experience.

Fixed Assets

Expenditures for fixed assets are capitalized if each recorded value exceeds $1,000 and if each has an estimated useful life of greater than one year. They are recorded at cost, if purchased, or fair value at the date of gift, if donated. Depreciation and amortization is provided on a straight-line basis over the estimated useful lives of the assets or, in the case of leasehold improvements, over the life of each lease if shorter. Estimated useful lives are as follows:

Leasehold improvements	5 - 10 years
Theatre, sound, music, and lighting equipment	3 - 10 years
Office furniture and equipment	3 - 7 years
Signage and website	7 - 15 years
Other equipment	5 - 10 years

Net Asset Classifications

Net assets, and changes in net assets by means of revenues, expenses, gains, and losses, are classified into the following categories:

Without donor restrictions – Those available for use in general operations and not subject to donor stipulations.

With donor restrictions – Those subject to donor-imposed stipulations. Some restrictions are temporary in nature, such as those which will be met by the passage of time or by other events specified by the donor. Other restrictions are perpetual in nature, whereby the donor stipulates that resources be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions which are not met in the current period. Expenses are reported as decreases in net assets without donor restrictions. Restrictions are released when the stipulated time

NOTES TO FINANCIAL STATEMENTS

has elapsed, the purposes for which the resources were restricted have been fulfilled, or both. Upon release, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. In the absence of explicit donor stipulations, gifts of both long-lived assets and other assets restricted for the acquisition of long-lived assets are released from restrictions when the long-lived assets are placed in service.

Revenue Recognition

Contributions are recognized as revenue in the period made. Any donated services are recognized as revenue in the period in which they were performed if they either enhance the Organization's non-financial assets or if they require specialized skills, were performed by individuals possessing those skills, and would typically need to be purchased. Any recognized revenue is offset by a corresponding expense or asset.

Membership is offered to individuals with specific benefits attributable to membership. The Organization has calculated the contribution portion and exchange portion of each membership level. Each exchange portion is deferred and recognized as revenue evenly throughout a full twelve-month period beginning on the first day on which membership begins. Amounts not yet recognizable as revenue are included in deferred revenue.

Functional Allocation of Expenses

The costs of program and supporting activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Many costs are identified with a specific program or supporting function when incurred and are reported accordingly. Certain costs are attributed to more than one program or supporting function and, therefore, require allocation among the functions benefited on a reasonable and consistent basis. Such conference, employee compensation, occupancy, and office expenses are allocated based on estimates of time and effort; and depreciation, amortization, advertising, and promotion expenses are allocated based on estimates of usage.

Advertising

Advertising costs are expensed as incurred. The Organization recognized $83,310 in advertising expenses during the year ended September 30, 2019.

Accounting Standards Updates

During the year ended September 30, 2019, the Organization adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities.* The ASU modifies the net asset classification requirements and information presented about a not-for-profit's liquidity, financial performance, and cash flows. It was issued in August 2016 and is effective for annual periods beginning after December 15, 2017. Adopting this update resulted in reclassifying amounts previously reported as unrestricted net assets to net assets without donor restrictions, combining amounts previously reported as temporarily and permanently restricted net assets into net assets with donor restrictions, and adding new disclosures.

NOTES TO FINANCIAL STATEMENTS

During the year ended September 30, 2019, the Organization adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.* The ASU primarily modifies the criteria for determining whether transactions are contributions or exchanges and for determining whether contributions contain relevant conditions. It was issued in June 2018 and is effective for annual periods beginning after December 15, 2018, for contributions received and December 15, 2019, for contributions made. Early adoption is permitted, and it was applied on a modified prospective basis to agreements that were either not completed or entered into afterward. Adoption resulted in no significant financial effects.

2. PRIOR-YEAR INFORMATION

Prior-year information, as of and for the year ended September 30, 2018, is summarized and presented for comparative purposes only. It does not include sufficient detail to constitute a complete presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2018, from which the summarized information was derived. In addition, certain prior-year information has been reclassified to conform to current-year presentation.

3. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Organization's financial assets which are available within one year at September 30, 2019, reduced by amounts not available for general use because of contractual or donor-imposed restrictions. Certain restrictions are not subtracted, such as those which stipulate the use of resources for specific general expenditures to be incurred within one year and those which are expected to be satisfied by the use of non-current or non-financial assets.

Financial assets available within one year:	
Cash and cash equivalents	$ 287,789
Accounts receivable (current)	87,371
Grants and contributions receivable (current)	41,968
	417,128
Less amounts unavailable for general expenditures within one year:	
Restricted as an endowment	(17,861)
Total financial assets available to meet cash needs for general expenditures within one year	399,267

General and capital expenditures, along with other liabilities and obligations, are anticipated to be funded primarily through cash received for services and by donation. The Organization manages its liquidity by developing and adopting annual operating and capital budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they come due. Actual performance is reported and monitored monthly in comparison to the budgets. Adjustments are made to plan as needed

NOTES TO FINANCIAL STATEMENTS

to ensure adequate liquidity. In the event of an unanticipated liquidity need, the Organization could draw upon its unused $300,000 of an available line of credit (as further discussed in Note 7).

4. RECEIVABLES

As of September 30, 2019, all accounts receivable were due within one year. Grants and contributions receivable consisted of the following:

Unconditional promises expected to be collected in:		
Less than one year	$	41,968
One to five years		6,667
More than five years		-
		48,635
Less:		
Unamortized discount		-
Allowance for uncollectible contributions		-
		48,635

5. CASH RESERVED AS AN ENDOWMENT

The Organization began soliciting for funds to serve as an endowment during the year ended September 30, 2019. Accordingly, the development of spending and investing policies is in process.

6. FIXED ASSETS

All fixed assets are used for operating purposes and consisted of the following at September 30, 2019:

Leasehold improvements	$	1,101,148
Theatre, sound, music, and lighting equipment		126,420
Office furniture and equipment		24,511
Signage and website		16,748
Other equipment		8,773
		1,277,600
Less: accumulated depreciation and amortization		(222,541)
		1,055,059

NOTES TO FINANCIAL STATEMENTS

7. NOTES PAYABLE

Notes payable consisted of the following as of September 30, 2019:

Loan from the Organization's CEO, secured by the Organization's assets, requiring payments of interest at 5.50% quarterly until April 2020. Then, eight equal installments of principal and interest are due quarterly until maturity in April 2022.	$ 102,108
Construction loan from a commercial bank, secured by the improvements at the Willow Bend location, with payments of $12,250 consisting of principal and interest at the Wall Street Journal Prime Rate plus 1.25 percentage points (resulting in a rate of 6.25% as of September 30, 2019), due monthly until June 2020, at which time a final payment of all outstanding principal and interest is due.	82,699
Loan from the Organization's chief development officer, secured by the Organization's assets, requiring payments of interest at 5.50% quarterly until April 2020. Then, eight equal installments of principal and interest are due quarterly until maturity in April 2022.	47,339
Line of credit from a financial institution for up to $300,000, secured by the Organization's accounts receivable and equipment, requiring monthly payments of interest only at the greater of the Wall Street Journal Prime Rate plus 1.00 percentage point (resulting in a rate of 6.00% as of September 30, 2019) or 5.00%, with one final payment of principal and unpaid interest due upon maturity in December 2019. Renewed on December 7, 2019, upon similar terms with a maturity date of December 2020.	-
	232,146
Less: current portion	(101,380)
	130,766

Maturities for each of the subsequent five years and thereafter as of September 30, 2019, are as follows:

2020	$ 101,380
2021	74,724
2022	56,042
2023	-
2024	-
Thereafter	-
Indefinite	-
	232,146

Interest of $23,215 was incurred and expensed during the year ended September 30, 2019.

NOTES TO FINANCIAL STATEMENTS

8. LEASE COMMITMENTS

The Organization entered into various operating lease agreements for office and performance space and a high-end copier. Its Fairview location is leased until December 2016, with a renewal option for an additional four years. Its Frisco rehearsal location is leased until November 2023 and has two options to renew for additional terms of five years each. Its other Frisco location is leased beginning October 2019 through October 2034. Its Plano location is leased until October 2027 and originally included a cash incentive of $85,000 for leasehold improvements, recorded as a deferred lease incentive. Its copier is leased until August 2023. Other performance and rehearsal space is leased as needed on a short-term basis. Future minimum lease payments consisted of the following at September 30, 2019:

2020	$	426,664
2021		431,096
2022		462,505
2023		480,591
2024		371,852
Thereafter		2,020,507
		4,193,215

The Organization recognized rental expenses of $434,570 during the year ended September 30, 2019.

9. NET ASSETS

Net assets with donor restrictions at September 30, 2019, included amounts restricted as follows:

Subject to the Organization's spending policy and appropriation:		
Investment in perpetuity which, once appropriated, is expendable to support creating performing and technical theatre opportunites at the Organization for underprivileged children and teens.	$	17,861
Subject to the passage of time:		
For periods after September 30, 2019		13,334
Subject to expenditure for a specified purpose:		
Specific productions		10,000
		41,195

NOTES TO FINANCIAL STATEMENTS

10. IN-KIND DONATIONS

The accompanying financial statements including the following recognized in-kind donations:

Contribution	Amount	Purpose
Volunteer chief executive officer	$ 124,831	Administrative
Accounting services	20,000	Administrative
Lighting and musical instruments	5,050	Programs
Vending machines	5,000	Convience of patrons
Office furniture	4,000	Administrative
Food	2,260	Events
Legal services	2,100	Administrative
Entertainment	2,738	Events
Advertising	1,269	Programs and fundraising
Other services	635	Miscellaneous
	167,883	

The Organization benefited from the services of many other volunteers throughout the year who assisted during performances. The value of this time has not been reflected in the financial statements because the criteria for recognition are not met. The fair value of such time has been impracticable to determine.

11. LEASING ACTIVITIES AS LESSOR

The Organization periodically rents out its theatre facilities to entities who use them for performing arts purposes. Such operating leases are short-term in nature; accordingly, there are no significant cash flows to be received in future years as a result of existing leases as of September 30, 3019.

12. COMPENSATED ABSENCES

The Organization has a wide variety of policies applicable to different employees; as such no liability is reported on the accompanying financial statements because it is considered to be impracticable to determine.

NOTES TO FINANCIAL STATEMENTS

13. RELATED PARTY TRANSACTIONS

During the year ended September 30, 2019, related party transactions consisted of the following:

Relationship / Description	Transaction Value for the Year	Balance Due From / (To) as of Year-End
Major funders		
Grant income	$ 294,152	$ -
Rent expense	21,314	-
Directors and top management, their immediate family members, and associated entities:		
Donated services	144,831	-
Loan proceeds by means of expense reimbursements	36,257	(102,108)
Other outstanding loan	(15,260)	(47,339)

14. SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 3, 2020. This is the date on which the financial statements were available to be issued.

The Organization's activities are heavily dependent upon live, social interaction in the DFW area. The recent stay-at-home orders and guidance resulting from the spread of COVID-19 have significantly disrupted these activities beginning in March 2020. Though the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. In the meantime, this matter is significantly affecting the Organization's performance, financial results, and cash flow, potentially hindering its ability to meet its obligations as they become due. Management has received some relief in the form of a forgivable loan under the Payroll Protection Program of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and has pivoted to offer online programming to generate an alternative income stream in the interim. Management's plans to further strengthen its financial position and maintain financial liquidity during this time include applying for an Economic Injury Disaster Loan from the U.S. Small Business Administration, reducing discretionary spending, and resuming its regular programming as soon as possible, albeit with some modifications to reduce risks of virus transmission.