Independent Auditor's Report

Board of Directors
Egyptian Theatre
DeKalb, Illinois

Report on the Financial Statements
We have audited the accompanying financial statements of Egyptian Theatre (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statement of activities, statement of 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Egyptian Theatre as of June 30, 2020, 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.

Wipfli LLP
Rockford, Illinois
March 17, 2021
# Egyptian Theatre
## Statement of Financial Position
### June 30, 2020

### Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$106,443</td>
</tr>
<tr>
<td>Beneficial interest in trusts, at fair value</td>
<td>$131,779</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>$6,481,024</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$6,719,246</strong></td>
</tr>
</tbody>
</table>

### Liabilities and Net Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities:</td>
<td></td>
</tr>
<tr>
<td>Line of credit</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>$18,472</td>
</tr>
<tr>
<td>Deferred ticket revenue</td>
<td>$39,297</td>
</tr>
<tr>
<td>Notes payable</td>
<td>$2,700,867</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>$4,258,636</strong></td>
</tr>
</tbody>
</table>

| Net Assets:                                                      |          |
| Net assets without donor restrictions                            | $2,361,847|
| Net assets with donor restrictions                               | $98,763  |
| **Total net assets**                                             | **$2,460,610**|

| **Total liabilities and net assets**                             | **$6,719,246**|

See accompanying notes to financial statements.
### Egyptian Theatre

**Statement of Activities**

**For the Year Ended June 30, 2020**

<table>
<thead>
<tr>
<th></th>
<th>Without donor restrictions</th>
<th>With donor restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Support and revenue:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$59,564</td>
<td>$617,185</td>
<td>$676,749</td>
</tr>
<tr>
<td>Grants</td>
<td>35,063</td>
<td>35,063</td>
<td></td>
</tr>
<tr>
<td>Theatre income</td>
<td>777,759</td>
<td>777,759</td>
<td></td>
</tr>
<tr>
<td>Rental income</td>
<td>24,419</td>
<td>24,419</td>
<td></td>
</tr>
<tr>
<td>Membership revenue</td>
<td>9,100</td>
<td>9,100</td>
<td></td>
</tr>
<tr>
<td>Fundraising, net</td>
<td>37,128</td>
<td>37,128</td>
<td></td>
</tr>
<tr>
<td>Merchandise, net</td>
<td>2,487</td>
<td>2,487</td>
<td></td>
</tr>
<tr>
<td>Investment income, net</td>
<td>3,759</td>
<td>(4,577)</td>
<td>(818)</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>5,744</td>
<td>5,744</td>
<td></td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>872,827</td>
<td>(872,827)</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total revenue and support</strong></td>
<td>1,827,850</td>
<td>(260,219)</td>
<td>1,567,631</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program services</td>
<td>663,308</td>
<td>663,308</td>
<td></td>
</tr>
<tr>
<td>Management and general</td>
<td>339,698</td>
<td>339,698</td>
<td></td>
</tr>
<tr>
<td>Fundraising</td>
<td>72,032</td>
<td>72,032</td>
<td></td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>1,075,038</td>
<td>1,075,038</td>
<td></td>
</tr>
<tr>
<td><strong>Change in net assets</strong></td>
<td>752,812</td>
<td>(260,219)</td>
<td>492,593</td>
</tr>
<tr>
<td><strong>Net asset, beginning of year</strong></td>
<td>1,609,035</td>
<td>358,982</td>
<td>1,968,017</td>
</tr>
<tr>
<td><strong>Net assets, end of year</strong></td>
<td>$2,361,847</td>
<td>$98,763</td>
<td>$2,460,610</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
## Egyptian Theatre
### Statement of Cash Flows
#### For the Year Ended June 30, 2020

### Cash Flows from Operating Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net assets</td>
<td>$492,593</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash flows from operating activities:</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>113,989</td>
</tr>
<tr>
<td>Unrealized loss on beneficial interest in trusts</td>
<td>2,521</td>
</tr>
<tr>
<td>Realized gain on beneficial interest in trusts</td>
<td>(3,253)</td>
</tr>
<tr>
<td>Reinvested investment income, net</td>
<td>1,557</td>
</tr>
<tr>
<td>Contribution to beneficial interest in trust</td>
<td>(51)</td>
</tr>
<tr>
<td>Distribution from beneficial interest in trust</td>
<td>33,088</td>
</tr>
<tr>
<td>Change in assets and liabilities:</td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(4,557)</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>(1,450)</td>
</tr>
<tr>
<td>Deferred ticket revenue</td>
<td>(6,540)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>(25,000)</td>
</tr>
</tbody>
</table>

| Total                                                            | $602,897 |

### Cash Flows from Investing Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchases of property and equipment</td>
<td>(5,129,780)</td>
</tr>
</tbody>
</table>

| Total                                                            | (5,129,780) |

### Cash Flows from Financing Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from personal building line of credit</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Proceeds from SBA loans</td>
<td>200,867</td>
</tr>
<tr>
<td>Proceeds from TIF funds</td>
<td>2,500,000</td>
</tr>
</tbody>
</table>

| Total                                                            | 4,200,867|

### Net change in cash and cash equivalents

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning</td>
<td>432,459</td>
</tr>
<tr>
<td>Ending</td>
<td>106,443</td>
</tr>
</tbody>
</table>

| Total                                                            | (326,016) |

### Net Cash and Cash Equivalents

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash payments for interest</td>
<td>$0</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
### Egyptian Theatre
#### Statement of Functional Expenses
For the Year Ended June 30, 2020

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Management and General</th>
<th>Fund Raising</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production and event</td>
<td>$441,198</td>
<td>$441,198</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ticket system expense</td>
<td>22,743</td>
<td>22,743</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct labor</td>
<td>1,087</td>
<td>1,087</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Merchandise and concessions</td>
<td>13,935</td>
<td>13,935</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplies</td>
<td>1,717 $</td>
<td>1,716</td>
<td></td>
<td>3,433</td>
</tr>
<tr>
<td><strong>Total direct show related costs</strong></td>
<td>480,680</td>
<td>1,716</td>
<td></td>
<td>482,396</td>
</tr>
<tr>
<td>Advertising</td>
<td>97,679</td>
<td>$10,853</td>
<td>108,532</td>
<td></td>
</tr>
<tr>
<td>Bank charges</td>
<td>21,041</td>
<td>21,041</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>1,640</td>
<td>1,640</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant expenses</td>
<td>1,650</td>
<td>1,650</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations</td>
<td>500</td>
<td>500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance</td>
<td>17,429</td>
<td>1,937</td>
<td>19,366</td>
<td></td>
</tr>
<tr>
<td>Interest expense</td>
<td>8,608</td>
<td>8,608</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal and accounting</td>
<td>15,549</td>
<td>15,549</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical reimbursements</td>
<td>8,208</td>
<td>8,208</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>101</td>
<td>101</td>
<td>202</td>
<td></td>
</tr>
<tr>
<td>Office expense</td>
<td>3,561</td>
<td>3,560</td>
<td>1,780</td>
<td>8,901</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>12,835</td>
<td>4,279</td>
<td>17,114</td>
<td></td>
</tr>
<tr>
<td>Postage</td>
<td>294</td>
<td>177</td>
<td>118</td>
<td>589</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>2,525</td>
<td>10,098</td>
<td>12,623</td>
<td></td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>155,487</td>
<td>51,829</td>
<td>207,316</td>
<td></td>
</tr>
<tr>
<td>Sales tax</td>
<td>3,860</td>
<td></td>
<td>3,860</td>
<td></td>
</tr>
<tr>
<td>Telephone and internet</td>
<td>5,435</td>
<td>1,812</td>
<td>7,247</td>
<td></td>
</tr>
<tr>
<td>Training and seminars</td>
<td>5,444</td>
<td>1,361</td>
<td>6,805</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>14,374</td>
<td>14,374</td>
<td>28,748</td>
<td></td>
</tr>
<tr>
<td>Waste removal</td>
<td>154</td>
<td></td>
<td>154</td>
<td></td>
</tr>
<tr>
<td><strong>Expenses before depreciation</strong></td>
<td>629,111</td>
<td>259,906</td>
<td>72,032</td>
<td>961,049</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td>34,197</td>
<td>79,792</td>
<td>113,989</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$663,308</td>
<td>$339,698</td>
<td>$72,032</td>
<td>$1,075,038</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
Note 1: Nature of Business and Significant Accounting Policies

Nature of business

Egyptian Theatre is a not-for-profit corporation located in DeKalb, Illinois. Egyptian Theatre was created to share and protect the historical integrity of the theatre as a regional arts center for entertainment and community involvement. The historic Egyptian Theatre is recognized as a center for the arts and entertainment in the region, enriching the community culturally and economically. The Theatre is a beloved gathering place and source of pride, providing programming and excitement now and for future generations.

Basis of accounting:

The financial statements are on the accrual basis of accounting in which revenue is recognized when earned and expenses are recognized when incurred.

Cash and cash equivalents

For purposes of reporting the statements of cash flows, the Theatre includes all cash accounts which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with a maturity of three months or less as cash and cash equivalents on the accompanying statement of financial position. At times the balances may exceed federally insured limits. At June 30, 2020 the bank balance did not exceed those limits.

Property and equipment

Property and equipment are carried at cost. Expenditures for maintenance, repairs and improvements which do not significantly extend the useful lives of the assets are charged to operations as incurred. The fair value of donated property and equipment is capitalized. Depreciation is computed over the estimated useful lives of the assets under the straight-line method. The estimated useful lives of the property and equipment are as follows:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>39</td>
</tr>
<tr>
<td>Building improvements</td>
<td>7 - 15</td>
</tr>
<tr>
<td>Equipment</td>
<td>5 - 15</td>
</tr>
</tbody>
</table>

Net assets are presented as follows:

Net assets are classified into one of the following two categories depending on the presence or absence of donor-imposed restrictions:
Egyptian Theatre
Notes to Financial Statements

Note 1: Nature of Business and Significant Accounting Policies (Continued)

Net assets without donor restrictions - Net assets are reflective of revenues and expenses associated with the principal programs and activities of the Theatre and are not subject to donor-imposed stipulations. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. Board designated funds are established annually by the Board of Directors and represent designated amounts from net assets without donor restrictions which are to be used for future improvements, programs, emergency reserves, and other unanticipated needs of the Theatre.

Net assets with donor restrictions - Net assets with donor or certain grantor imposed restrictions. Some donor-imposed restrictions or stipulations are temporary in nature and will be met either by actions of the Theatre and/or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity by the Theatre. Generally, the donors of these assets permit the Theatre to use all or part of the income earned on related investments for general or specific purposes.

Revenues

Earned income consists of income from ticket sales, facility rentals, concessions, and other miscellaneous sources. Ticket sales are recorded as income or deferred income, dependent upon the performance in which they relate. Ticket sales are initially recognized as deferred revenues and recognized as income as each show is performed.

Recognition of revenue and support with donor restrictions

Contributions received are recorded as without donor restrictions or with donor restrictions support depending on the existence or nature of any donor restrictions. Contributions with time and purpose restrictions are reported as temporarily restricted support and reclassified to unrestricted net assets upon expiration or fulfillment of the restrictions. However, contributions that are with donor restrictions are reported as increases in without donor restriction net assets if the restrictions expire in the year in which the contributions are recognized.

Contribution recognition

Donated services and materials are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Theatre. A substantial number of volunteers have made significant contributions of their time to the Theatre’s program and supporting services. The value of this contributed time is not reflected in these financial statements because the criteria for recognition have not been satisfied. Contributed goods and services from professionals are recorded when utilized and are reflected in the financial statements at their estimated fair value. During the year ending June 30, 2020, contributed services and materials totaled $0.
Note 1: Nature of Business and Significant Accounting Policies (Continued)

Management use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional allocation of expenses

The costs of providing program services and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Income taxes

The Theatre qualifies for tax exempt status under Section 501(c)(3) of the Internal Revenue Code as a Theatre organized as not-for-profit.

The Theatre accounts for income taxes in accordance with FASB ASC 740 Income Taxes. FASB ASC 740 provides detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in an enterprise's financial statements and requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. The Theatre recorded no liabilities for uncertain tax positions or unrecognized tax benefits. The Theatre's tax years that remain open and subject to possible examination by federal and state of Illinois jurisdictions included tax years 2017 through 2019.

Accounting standards update

In 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606). This ASU, as amended, provides comprehensive guidance on the recognition of revenue from customers arising from the transfer of goods and services, guidance on accounting for certain contract costs, and new disclosures. The new standard supersedes current revenue recognition requirements in FASB Accounting Standards Codification (ASC) Topic 605, Revenue Recognition, and most industry specific guidance. When adopted, the amendments in the ASU must be applied using one of two retrospective methods. ASU No. 2014-09 is effective for nonpublic organizations for annual periods beginning after December 15, 2020. Management is evaluating what impact this new standard will have on its financial statements.
Note 1: Nature of Business and Significant Accounting Policies (Continued)

Accounting standards update (continued)
In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, which is intended to improve financial reporting on leasing transactions. ASU 2016-02 will require lessees to recognize right of use assets and lease obligations for operating and finance leases under terms greater than 12 months. ASU 2016-02 is effective for fiscal years beginning after December 15, 2021, with early adoption permitted. ASU 2016-02 must be applied modified retrospectively. Management is evaluating what impact this new standard will have on its financial statements.

Note 2: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions or designations limiting their use, within twelve months of the statement of financial position date, comprise the following as of June 30, 2020:

<table>
<thead>
<tr>
<th>Financial assets, at year-end*</th>
<th>$ 238,222</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less those unavailable for general expenditures</td>
<td></td>
</tr>
<tr>
<td>Contractual or donor-imposed restrictions:</td>
<td></td>
</tr>
<tr>
<td>Beneficial interest in trust</td>
<td>(98,543)</td>
</tr>
<tr>
<td>Unavailable assets released within one year:</td>
<td></td>
</tr>
<tr>
<td>Beneficial interest in trust</td>
<td>4,262</td>
</tr>
<tr>
<td>Financial assets available to meet cash needs for general expenditures within one year</td>
<td>$ 143,941</td>
</tr>
</tbody>
</table>

* Total assets, less nonfinancial assets

The Theatre's beneficial interest in assets held by DeKalb County Community Foundation totaling $131,779 as of June 30, 2020. Of this balance, $98,543 represents the Theatre's restricted investments. The Theatre receives an annual distribution as described further in note 3. Fiscal year 2020's distribution was $4,157. The average distribution over the past three years was used in estimating the unavailable assets realized within one year.

The Theatre does not have a formal liquidity policy.

Note 3: Beneficial Interest in Endowment

Egyptian Theatre is an income beneficiary of an endowment held by DeKalb County Community Foundation. Under the endowment agreement, Egyptian Theatre is to receive a distribution from the Foundation annually a sum equal to a percentage (“the Spending Rate”) of the Average Fair Market Value of the Fund net of all expenses and costs (including fees). The Average Fair Market Value shall be the average of the monthly value of the Fund calculated toward the end of each calendar year following the inception of the Fund. The grant distribution (Payout) from the fund shall be based on a three-year (or since inception if less than three years old) trailing average of the Average Fair Market Value amounts. The Foundation may at any time, and from time to time, change either the Spending Rate or the manner in which the Average Fair Market Value is determined, or both; and may adopt a different plan of distribution. The fair value of the principal of the endowment is accounted for as a with donor restriction net asset.
Note 4: Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. A three tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The methods described below may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while the Theatre believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Theatre's assets at fair value as of June 30, 2020:

<table>
<thead>
<tr>
<th>Description</th>
<th>Fair Value</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2020</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beneficial interests</td>
<td>$131,779</td>
<td>$0</td>
<td>$0</td>
<td>$131,779</td>
</tr>
</tbody>
</table>

Reconciliation of assets measured using Level 3 inputs as of June 30, 2020:

<table>
<thead>
<tr>
<th>Description</th>
<th>June 30, 2019</th>
<th>Gains (losses), net</th>
<th>Investment income and expenses, net</th>
<th>Contributions</th>
<th>Distributions</th>
<th>June 30, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments held by Community Foundation</td>
<td>165,641</td>
<td>$732</td>
<td>($1,558)</td>
<td>$52</td>
<td>($33,088)</td>
<td>$131,779</td>
</tr>
</tbody>
</table>

Note 5: Investment Income

Investment income consisted of the following for the year ended June 30, 2020:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank interest</td>
<td>$ 7</td>
</tr>
<tr>
<td>Realized gains</td>
<td>3,253</td>
</tr>
<tr>
<td>Unrealized loss</td>
<td>(2,521)</td>
</tr>
<tr>
<td>Investment fees</td>
<td>(1,557)</td>
</tr>
<tr>
<td>Investment income (loss), net</td>
<td>$ (818)</td>
</tr>
</tbody>
</table>
Note 6: Property and Equipment

Property and equipment consisted of the following for the year ended June 30, 2020:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building and improvements</td>
<td>$6,895,667</td>
</tr>
<tr>
<td>Wurlitzer organ</td>
<td>75,000</td>
</tr>
<tr>
<td>Theatre seats</td>
<td>196,341</td>
</tr>
<tr>
<td>Theatre Equipment</td>
<td>568,928</td>
</tr>
<tr>
<td><strong>Total property and equipment</strong></td>
<td><strong>7,735,936</strong></td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>1,254,912</td>
</tr>
<tr>
<td><strong>Property and equipment, net</strong></td>
<td><strong>$6,481,024</strong></td>
</tr>
</tbody>
</table>

Of the $6,895,667 capitalized as building and improvements, $5,633,098 is related to a building remodel which at June 30, 2020 is still in process. This amount is considered not in service and is not being depreciated.

Note 7: Private Line of Credit

The Organization obtained a line of credit from a private funder. The maximum amount of borrowing on the line is $1,500,000. The line has no stated payback terms or maturity date. Interest is charged at a 2.50% fixed rate. As of June 30, 2020, the outstanding balance on the line was $1,500,000.

Note 8: Notes Payable

The Theatre has the following notes payable as of June 30, 2020:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of DeKalb TIF Funds, no payments required, no stated interest rate. Forgivable after 30 years upon certain conditions.</td>
<td>$2,500,000</td>
</tr>
<tr>
<td>US Small Business Administration economic disaster relief loan, payable in monthly installments of $641 including interest at 2.75% beginning May 2022. The note matures April 2051. The note is collateralized by all property owned by the Theatre.</td>
<td>149,900</td>
</tr>
<tr>
<td>US Small Business Administration paycheck protection loan. See Note 9 for further details.</td>
<td>50,967</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,700,867</strong></td>
</tr>
</tbody>
</table>
Note 8: Notes Payable (Continued)

For years ended June 30, 2020, future scheduled maturities of notes payable are as follows:

<table>
<thead>
<tr>
<th>Year Ended June 30, 2020</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$25,573</td>
</tr>
<tr>
<td>2022</td>
<td>29,205</td>
</tr>
<tr>
<td>2023</td>
<td>3,620</td>
</tr>
<tr>
<td>2024</td>
<td>3,721</td>
</tr>
<tr>
<td>2025</td>
<td>3,824</td>
</tr>
<tr>
<td>Thereafter</td>
<td>2,634,924</td>
</tr>
</tbody>
</table>

Total: $2,700,867

Note 9: SBA PPP Loan

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to, amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the coronavirus pandemic. Under the provisions of the CARES Act, in April 2020, the Theatre secured funding under the Payment Protection Plan provisions of the Small Business Administration (SBA) of $50,967. The loan has a maturity period of 2 year and an interest rate of 1%.

Subsequent to year end, the Theatre received notice from the SBA that the loan will be fully forgiven. The Theatre will recognize this as other income, non operating, in the 2021 fiscal year.

Note 10: Accrued Expenses

Accrued expenses consisted of the following for the year ended June 30, 2020:

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll and related</td>
<td>$5,406</td>
</tr>
<tr>
<td>Accrued interest</td>
<td>8,607</td>
</tr>
<tr>
<td>Medical reimbursement</td>
<td>4,459</td>
</tr>
</tbody>
</table>

Total: $18,472

Note 11: Deposits

The Theatre collects revenues for shows in advance. These revenues are held as deposits until the future performance is performed. After performance the deposits for a particular show are transferred to recognized revenues. As of June 30, 2020, the Theatre was currently holding $39,297 as deposits for future performances.
Note 12: Net Assets with Donor Restrictions

Net assets with donor restrictions as of June 30 consisted of the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted contributions for specific purposes</td>
<td>$220</td>
</tr>
<tr>
<td>Beneficial interest in endowment</td>
<td>$98,543</td>
</tr>
<tr>
<td><strong>Total net assets with donor restrictions</strong></td>
<td><strong>$98,763</strong></td>
</tr>
</tbody>
</table>

Note 13: Major Funding Source

The Theatre received approximately $2,500,000 of support from the City of DeKalb in 2020. The Theatre received the monies through its TIF agreement with the city. Any future termination or failure of the TIF agreement to continue could result in a substantial loss of contributions.

On March 11, 2019 the Theatre entered into a final development incentive agreement with the City of DeKalb for the renovation of the Egyptian Theatre. The city shall provide $2,500,000 payable through phases for the renovation and capital upgrades to the Theatre. The amount provided is secured by a lien on the property and substantially all assets of the Theatre. The development incentive is intended to be repaid as a forgivable grant. The forgiveness period shall be for a period of 30 years commencing on the last date of payment of any portion of the grant from the escrow. The terms of the forgiveness require the Theatre to maintain operations and its 501(c)(3) status. If the Theatre at any time fails to meet the requirements the City may, at such point, enforce its right of repayment by virtue of the contract, may initiate an action for foreclosure or pursue other legal remedies.

Note 14: Subsequent Events

The Theatre has evaluated subsequent events through March 17, 2021, which is the date these financial statements were available to be issued. Subsequent to year end the Theatre received approximately $912,700 in loans from two different contributors.

The Theatre has evaluated the potential impacts of COVID-19 on the financial statements as of June 30, 2020 and for the year then ended. As of the date of issuance of the financial statements, the effects of the COVID pandemic during the FY 2020, though significant have been properly accounted for in this statement. The future impact of the COVID-19 crisis on the Theatre, cannot be reasonably estimated at this time

All subsequent events requiring recognition as of June 30, 2020 have been incorporated herein.