SU THEATRE CORPORATION
(d/b/a Syracuse Stage)

Financial Statements

June 30, 2019 and 2018

Together with Independent Auditors' Report

Bonadio & Co., LLP
Certified Public Accountants

SU THEATRE CORPORATION
(d/b/a Syracuse Stage)

Notes to Financial Statements

June 30, 2019 and 2018

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Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

October 29, 2019

To the Board of Trustees of
SU Theatre Corporation (d/b/a Syracuse Stage):

We have audited the accompanying financial statements of SU Theatre Corporation (d/b/a Syracuse Stage) (a nonprofit organization) which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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

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

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INDEPENDENT AUDITOR'S REPORT
(Continued)

Auditor's Responsibility (Continued)
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 SU Theatre Corporation (d/b/a Syracuse Stage) as of June 30, 2019 and 2018, and the change 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.

Change in Accounting Principle
As described in Note 1 to the financial statements, SU Theatre Corporation (d/b/a Syracuse Stage) implemented Accounting Standards Update 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, and the effects have been included in these financial statements. Our opinion is not modified with respect to this matter.

Bonadio & Co., LLP

SU THEATRE CORPORATION
(dba Syracuse Stage)

Statements of Financial Position

June 30, 2019 and 2018

Assets	**2019**	**2018**
Current assets:		
Cash and cash equivalents	$ 1,110,432	$ 666,385
Short-term investments	116,359	110,347
Accounts receivable, net	11,098	3,691
Pledges receivable, net	4,750	8,314
Operating grants receivable, net	24,025	19,679
Prepaid expenses and other assets	239,344	290,891
Total current assets	1,506,008	1,099,307
Investments held by Syracuse University	1,423,621	1,388,213
Property and equipment, net	315,557	312,217
Total assets	$ 3,245,186	$ 2,799,737
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	$ 110,319	$ 34,862
Payable to Syracuse University	21,163	40,963
Deferred revenue	1,041,212	819,836
Total current liabilities	1,172,694	895,661
Net assets:		
Without donor restrictions	1,284,047	1,088,748
With donor restrictions	788,445	815,328
Total net assets	2,072,492	1,904,076
Total liabilities and net assets	$ 3,245,186	$ 2,799,737

The accompanying notes are an integral part of these statements.

SU THEATRE CORPORATION
(dba Syracuse Stage)

Statements of Activities

Years ended June 30, 2019 and 2018

	2019	2018
Change in net assets without donor restrictions:		
Revenues:		
Ticket sales	$ 2,391,784	$ 2,090,346
Co-Production Revenue	28,680	712
Concessions	168,539	165,132
Interest and investment income	49,854	48,675
Production service	43,881	43,054
Program advertising	85,607	87,245
Education	11,450	13,850
Miscellaneous	87,863	77,000
Subsidies, grants and donations	3,137,458	3,122,101
In-kind contributions and donated goods and services	817,472	681,286
Fundraising events	143,863	166,138
Net assets released from restrictions	101,033	121,455
Total revenues	7,067,484	6,616,994
Expenses:		
Program Service	5,068,980	4,612,067
Management & General	1,476,795	1,529,152
Fundraising	367,830	356,438
Total expenses	6,913,605	6,497,657
Change in net assets without donor restrictions before unrealized change in fair value of investments	153,879	119,337
Unrealized change in fair value of investments	41,420	52,712
Change in net assets without donor restrictions	195,299	172,049
Change in net assets with donor restrictions:		
Contributions	74,150	101,033
Released from restrictions	(101,033)	(121,455)
Change in net assets with donor restrictions	(26,883)	(20,422)
Change in net assets	168,416	151,627
Net assets, beginning of year	1,904,076	1,752,449
Net assets, end of year	$ 2,072,492	$ 1,904,076

The accompanying notes are an integral part of these statements.

SU THEATRE CORPORATION
(dba Syracuse Stage)

Statements of Functional Expense

Years ended June 30, 2019 and 2018

	2019				2018			
	Total Expense	**Program Service Expense**	**Management & General Expense**	**Fundraising Expense**	**Total Expense**	**Program Service Expense**	**Management & General Expense**	**Fundraising Expense**
Expense Categories								
Director, Designers, etc. Fees	$ 231,973	$ 231,973	$ —	$ —	$ 196,141	$ 196,141	$ —	$ —
Compensation, Salaries, Wages	3,165,058	2,099,510	904,086	161,462	2,863,875	1,875,111	832,947	155,817
Pension Plans	172,413	101,989	60,613	9,811	154,582	94,631	49,873	10,078
Other Benefits	335,770	235,118	86,847	13,805	330,539	222,325	88,491	19,723
Payroll Taxes	332,084	246,105	70,590	15,389	318,478	216,213	86,992	15,273
Fees for Legal Services	11,458	—	11,458	—	250	—	250	—
Fees for Account & Payroll Services	32,609	—	32,609	—	31,240	—	31,240	—
Other Fees for Service	955	—	955	—	2,224	—	2,224	—
Advertising & Promotions	387,868	387,868	—	—	353,947	353,947	—	—
Office Supplies, Telephone, Postage, etc.	205,953	87,461	89,731	28,761	365,043	85,506	249,376	30,161
Information Technology Equipment & Services	56,445	—	56,445	—	55,673	—	55,673	—
Royalties	243,902	243,902	—	—	220,803	220,803	—	—
Occupancy	116,283	81,398	23,257	11,628	108,441	75,909	21,688	10,844
Travel	290,957	282,999	7,131	827	294,578	281,642	11,841	1,095
Depreciation	74,819	66,602	8,217	—	68,527	61,275	7,252	—
Insurance	3,169	—	3,169	—	3,141	—	3,141	—
Production Supplies & Materials	312,012	312,012	—	—	365,570	365,570	—	—
Casting	60,278	60,278	—	—	21,713	21,713	—	—
Education Programs	16,677	16,677	—	—	14,085	14,085	—	—
Accessibility & Open Captioning	10,773	10,773	—	—	8,894	8,894	—	—
In-kind	817,472	604,315	121,687	91,470	681,286	518,302	88,164	74,820
Fundraising Events	34,677	—	—	34,677	38,627	—	—	38,627
	$ 6,913,605	$ 5,068,980	$ 1,476,795	$ 367,830	$ 6,497,657	$ 4,612,067	$ 1,529,152	$ 356,438

The accompanying notes are an integral part of these statements.

SU THEATRE CORPORATION
(dba Syracuse Stage)

Statements of Cash Flows

Years ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	$ 168,416	$ 151,627
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	74,819	68,527
Bad debt expense	110	8,947
Unrealized change in fair value of investments held by Syracuse University	(35,408)	(52,512)
Unrealized change in fair value of short-term investments	(6,012)	(200)
Changes in operating assets and liabilities:		
Accounts receivable	(7,517)	2,299
Pledges receivable	3,564	24,822
Operating grants receivable	(4,346)	(1,786)
Prepaid expenses and other assets	51,547	(120,354)
Accounts payable and accrued expenses	75,457	(27,314)
Payable to Syracuse University	(19,800)	22,942
Deferred revenue	221,376	154,748
Net cash provided by operating activities	522,206	231,746
Cash flows from investing activities:		
Purchases of property and equipment	(78,159)	(49,733)
Net cash used in investing activities	(78,159)	(49,733)
Net increase in cash and cash equivalents	444,047	182,013
Cash and cash equivalents:		
Beginning of year	666,385	484,372
End of year	$ 1,110,432	$ 666,385

The accompanying notes are an integral part of these statements.

SU THEATRE CORPORATION
(d/b/a Syracuse Stage)

Notes to Financial Statements

June 30, 2019 and 2018

(1) Summary of Significant Accounting Policies

(a) Description of Business

Syracuse Stage is the non-profit, professional theatre company in residence at Syracuse University. We are nationally recognized for creating stimulating theatrical work that engages Central New York, and for our significant contribution to the artistic life of Syracuse University, where we are a vital partner in achieving the educational mission of the University's Department of Drama.

Our Mission: Syracuse Stage tells stories that engage, entertain, and inspire us to see life beyond our own experience.

Our Vision: Reimaging what's possible for regional theater – through active inclusion, innovative outreach, and bold productions – Syracuse Stage shapes the culture and social vitality of Central New York, enriches the Syracuse University student experience, and fosters change in ourselves, our communities, and our world.

Our Core Values:

People – Actively including diverse individuals, communities, ideas & perspectives.
Passion – Commitment to integrity, excellence and enthusiasm in our work.
Curiosity – Fostering an innovative and adaptive environment that elicits wonder.

(b) Basis of Presentation

The Corporation's financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles and with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*, which addresses the presentation of financial statements for not-for-profit entities. Accordingly, the Corporation's financial position and activities are classified based on the existence or absence of donor-imposed restrictions. The net assets of the Corporation are classified as follows:

Net Assets Without Donor Restrictions – Net assets without donor restrictions include resources, which are available for the support of the Corporation's operating activities. In addition, they include resources set aside by the Board of Directors for endowment purposes, over which the Board retains control and may at its discretion subsequently use for other purposes.

Net Assets With Donor Restrictions – Net assets with donor restrictions include those resources, whose use by the Corporation is limited by donor imposed stipulations that expire; donor imposed stipulations that do not expire; and donor imposed stipulations that can be fulfilled or removed by actions of the Corporations pursuant to those stipulations. In the case where the donor imposed stipulation does not expire, generally the donors of these assets permit the Corporation to use all or part of the investment return from these assets to support program activities.

Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor-imposed stipulations that simultaneously increase one class of net assets and decrease another are reported as net assets released from restrictions between the applicable classes of net assets.

(c) Cash and Cash Equivalents

Investments acquired with an original maturity date of three months or less are reported as cash equivalents, unless they are part of long-term investment funds.

(d) Investments

Investments are reported at estimated fair value. Fair values for investments that are in the long-term investment pool are reported by Syracuse University (the University) at the unit fair value. The unit fair value for the pool is used to account for pool transactions and as a practical expedient to estimate the fair value of the Corporation's interest therein, unless it is probable that all or a portion of the investment will be sold for an amount different from unit fair value. As of June 30, 2019 and 2018, the Corporation had no specific plans or intentions to sell investments at amounts different than unit fair value. The Corporation believes the carrying amounts of these financial instruments are reasonable estimates of fair value. The estimates, because of the inherent uncertainty of valuations for these investments, may differ from the values that would have been used had ready markets existed.

(e) Fair Value Measurements

The Corporation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Corporation determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.
- Investments reported at net asset value or its equivalent (NAV) as a practical expedient to estimated fair value are not classified in the fair value hierarchy.

(f) Accounts and Pledges Receivable

Accounts and pledges receivable represent amounts owed to the Corporation from organizations, businesses and individuals. It is the Corporation's policy to write off uncollectible receivables when management determines that the receivable will not be collected. Accounts receivable are shown net of allowances for doubtful accounts of $584 and $195 at June 30, 2019 and 2018, respectively. Pledges receivable, which are generally due in one year or less, are shown net of allowances of $250 and $438 for June 30, 2019 and 2018, respectively.

(g) Operating and Renovation Grants Receivable

Operating grants receivable represent the balance on grants from governmental entities and foundations. Grants are shown net of allowances of $1,265 and $1,036 at June 30, 2019 and 2018, respectively.

(h) Property and Equipment

Property and equipment are stated at cost. Depreciation on plant and equipment is calculated on the straight-line method over the estimated useful lives of the related assets.

General infrastructure/public spaces	7 – 10 years
Electrical systems	15 years
Theatre seats	15 years
Theatre equipment	3 – 5 years
Leasehold improvements	7 – 15 years
Production equipment	5 – 10 years
Vehicles	5 – 7 years
Computer hardware	3 – 5 years

Property and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. If circumstances require a long-lived asset or asset group be tested for possible impairment, the Corporation first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying amount. If the carrying amount of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying amount exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary.

(i) Revenue Recognition

The Corporation recognizes program revenue in the fiscal year of the performance or event. Advance ticket sales are deferred and recognized in the fiscal year the performances are presented.

In-kind contributions and donated goods and services consist of insurance, rent, custodial services and building maintenance, legal services, fundraising materials, advertising, and auction items that were donated to the Corporation. Donated services and in-kind contributions are recorded as revenues and corresponding expenses at fair value in the year services are performed or goods are provided.

(j) Allocation of Certain Expenses

The cost of providing the various programs have been summarized on a functional basis in the statements of functional expenses. The costs are functionalized on a direct basis where possible; and certain categories of expenses, occupancy and in-kind occupancy, that are attributable to more than one program or supporting multiple functions are allocated based on employee function.

(k) Advertising Costs

Advertising costs are expensed in the year they are associated with. Barter transactions (revenue and expense) are recognized in the Statement of Activities at fair value of the advertising surrendered which approximates the amount of advertising received. The revenues recorded for barter transactions is recorded within in-kind contributions and donated goods and services with the associated expense recorded within marketing, education and fundraising within the Statements of Activities. Advertising expense was $387,868 and $353,947 for the years ended June 30, 2019 and 2018, respectively.

(l) Income Taxes

The Corporation is a tax-exempt corporation as described in Section 501(c)(3) of the Internal Revenue Code and is generally exempt from income taxes pursuant to Section 501(a) of the Internal Revenue Code. In addition, the Corporation has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. The Corporation believes it has taken no significant uncertain tax positions.

(m) Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those amounts. Significant estimates made in the preparation of these financial statements include the allowances for receivables, the valuation of in-kind gifts, investments, and useful lives of property and equipment.

(n) Changes in Accounting Principle

August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, with the purpose of improving financial reporting by not-for-profit (NFP) entities. ASU 2016-14 changes the presentation and accounting for not-for-profit organization's financial statements including:

- Reducing the number of classes of net assets from three to two (net assets with donor restrictions and net assets without donor restrictions);
- Requiring the presentation of expenses in both natural and functional classifications;
- Eliminating the requirement to disclose the components of investment return as well as reporting investment return net of external and direct internal investment expenses;
- Requiring qualitative and quantitative disclosure regarding an entity's liquidity and availability of resources; and
- Accounting for underwater endowment funds.

ASU 2016-14 is effective for the Corporation's year ending June 30, 2019 and was applied retrospectively. The effects of this ASU have been included in these financial statements. There was no effect on total net assets or changes in net assets.

(2) Liquidity

The Corporation has a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Corporation has a $70,000 committed line of credit which could be drawn upon in the event of an unanticipated liquidity need.

The Corporation's financial assets as of June 30, 2019 do not include amounts set aside for long-term investing in the quasi-endowment that could be drawn upon if the governing board approves that action. However, amounts already appropriated from either the donor-restricted endowment or quasi-endowment for general expenditure within one year of the statement of financial position date have not been subtracted as unavailable.

The Corporation's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

		2019		2018
Cash	$	1,110,432	$	666,385
Short-term Investments		116,359		110,347
Accounts Receivable		11,098		3,691
Pledges Receivable		4,750		8,314
Operating Grants Receivable		24,025		19,679
Total financial assets available within one year	$	1,266,664	$	808,416

(3) Related-Party Transactions

Syracuse University contributes to the support of the Corporation by directly paying certain operating expenses, which totaled $574,186 and $568,985 in fiscal years ended 2019 and 2018, respectively. The University also allows the rent-free use of the Regent Theatre Complex, valued at $358,667 and $305,060 in fiscal years ended 2019 and 2018, respectively, recognized as part of in-kind contributions and donated goods and services. See note 10.

The University provided a general subsidy of $1,786,037 and $1,748,726 recognized in subsidies, grants and donations on the statements of activities in fiscal years ended 2019 and 2018, respectively. If the University were to reduce this funding it could have a material adverse effect on the Corporation's results of operations and financial position.

(4) Investments

The investment objective of the Corporation is to invest its assets in a prudent manner to achieve a long-term rate of return sufficient to fund a portion of its spending and to increase investment value after inflation. In order to accomplish this objective, the Corporation's long-term investments are held and managed by the University in a long-term investment pool. The University diversifies these investments among asset classes by incorporating several strategies and managers. The Corporation has the ability to redeem these investments on demand.

The June 30, 2019 and 2018, unit fair values for the pooled investments were $469.50 and $457.83, respectively, and the distributions of investment income to the Corporation were $49,091 and $48,485 in fiscal years ended 2019 and 2018, respectively.

In addition to the long-term investments managed by the University, the Corporation invests in a mutual fund. Fair values for shares in registered mutual funds are based on share prices reported by the fund as of the last business day of the fiscal year and are classified in Level 1 of the fair value hierarchy.

The Corporation's investments as June 30, 2019 and 2018 are summarized in the following table:

	2019		2018	
	Level 1	**Total**	**Level 1**	**Total**
Short-term investments, measured at fair value:				
Mutual fund	$ 116,359	$ 116,359	$ 110,347	$ 110,347
Investments held by Syracuse University, measured at net asset value		$ 1,423,621		$ 1,388,213

As of June 30, 2019 and 2018, the managed endowment investment pool of the University was invested as follows:

	2019	**2018**
Marketable equity securities	31.8%	33.2%
Fixed income	13.3	13.6
Real assets	8.2	7.2
Hedge funds	29.1	28.2
Private equity	17.6	17.8
	100.0%	100.0%

(5) Endowment Funds

The Corporation's endowment consists of five individual funds established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the Corporation to function as endowments (quasi-endowments).

The Corporation invests its endowment with the University. The University employs asset allocation models having multiyear investment horizons, and it manages its long-term investments in accordance with the total return concept and the goal of maximizing long-term return within acceptable levels of risk. The University's spending policy is aligned with the asset allocation model and is designed to provide a stable level of financial support and to preserve the real value of its endowment. The University compares the performance of its investments against several benchmarks, including its asset allocation spending model policy index.

The Corporation, in accordance with the approval of the Finance Committee of its Board of Directors, utilizes the amount of distribution received from the University for operating purposes.

The Corporation adheres to the New York State Prudent Management of Institutional Funds Act (NYPMIFA). The Corporation has interpreted NYPMIFA as allowing the Corporation to spend or accumulate the amount of an endowment fund that the Corporation determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. The Corporation has not changed the way net assets with donor restrictions in perpetuity are classified as a result of this interpretation and classifies as net assets with donor restrictions in perpetuity (a) the original values of gifts donated to permanent endowments, (b) the original values of subsequent gifts to permanent endowments, and (c) accumulations to permanent endowments made in accordance with the directions of the applicable donors' gift instruments at the times the accumulations are added to the funds. The portion of a donor restricted endowment fund that is not classified in net assets with donor restrictions in perpetuity is required to be classified as net assets with donor restrictions until those amounts are appropriated for spending by the Finance/Administrative Operations Committee of the Corporation's Board of Directors in a manner consistent with the standard of prudence prescribed by NYPMIFA.

In accordance with NYPMIFA, the Finance/Administrative Operations Committee of the Board of Directors considers the following factors in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the fund
- The purposes of the Corporation and the 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 Corporation

- Where appropriate and where circumstances would otherwise warrant, alternatives to expenditure of an endowment fund, giving due consideration to the effect that such alternatives may have on the Corporation
- The investment policies of the Corporation

Endowment net assets consisted of the following at June 30:

	2019		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Donor restricted	$ —	$ 714,295	$ 714,295
Quasi (board designated)	709,326	—	709,326
Total	$ 709,326	$ 714,295	$ 1,423,621

	2018		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Donor restricted	$ —	$ 714,295	$ 714,295
Quasi (board designated)	673,918	—	673,918
Total	$ 673,918	$ 714,295	$ 1,388,213

Changes in endowment net assets for the fiscal years ended June 30, 2019 and 2018 were as follows:

	2019		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Net assets, June 30, 2018	$ 673,918	$ 714,295	$ 1,388,213
Investment return	49,091	—	49,091
Unrealized gain	35,408	—	35,408
Distributions	(49,091)	—	(49,091)
Net assets, June 30, 2019	$ 709,326	$ 714,295	$ 1,423,621

	2018		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Net assets, June 30, 2017	$ 621,406	$ 714,295	$ 1,335,701
Investment return	48,485	—	48,485
Unrealized gain	52,512	—	52,512
Distributions	(48,485)	—	(48,485)
Net assets, June 30, 2018	$ 673,918	$ 714,295	$ 1,388,213

(6) Property and Equipment

Property and equipment consisted of the following at June 30:

	2019	**2018**
General infrastruction/public spaces	$ 146,712	$ 146,712
Electrical systems	307,594	307,594
Theatre seats	121,343	121,343
Theatre equipment	68,090	68,090
Leasehold Improvements/Theatre Reconfiguration	29,871	29,871
Production equipment	433,842	364,175
Vehicles	21,400	21,400
Computer hardware	82,295	73,803
	1,211,147	1,132,988
Less: accumulated depreciation	(895,590)	(820,771)
Total	$ 315,557	$ 312,217

Total depreciation expense for the years ended June 30, 2019 and 2018 was $74,819 and $68,527, respectively.

(7) Commitments

The Corporation is required to maintain a reserve of $70,000 under a union contract with Actors' Equity Association. The reserve represents two weeks of the maximum actors and stage managers' payroll, pension and benefit costs for the applicable season.

The Corporation has a $70,000 line of credit with Manufacturers and Traders Trust Company (M&T Bank) with an annual expiration. As of June 30, 2019 and 2018, there were no amounts outstanding under this line of credit.

(8) Net Assets with Donor Restrictions

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

		2019		2018
Restricted in perpetuity	$	714,295	$	714,295
Time restricted:				
Individual donations		17,150		93,533
Organization donations		37,000		7,500
Foundation donations		20,000		—
Total time restricted net assets		74,150		101,033
Total net assets with donor restrictions	$	788,445	$	815,328

(9) Benefit Plans

Actors, directors, and designers employed by the Corporation are eligible to participate in the Equity League Pension Trust Fund, SDC League Pension Fund, and the United Scenic Artists Pension Fund. In accordance with the union agreements, the Corporation is required to contribute 8%, 8%, and 9.5%, respectively, of the members' gross earnings to the funds. The totals contributed by the Corporation amounted to $45,750 and $38,376 for the fiscal years ended June 30, 2019 and 2018, respectively.

The risks of participating in these multiemployer defined benefit pension plans are different from single-employer plans because: (a) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers, (b) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be required to be borne by the remaining participating employers, and (c) if the Corporation chooses to stop participating in one of its multiemployer plans, it may be required to pay a withdrawal liability to the plan. In connection with ongoing renegotiation of collective bargaining agreements, the Corporation may discuss and negotiate for the complete or partial withdrawal from one or more multiemployer pension plan. Depending on the number of employees withdrawn in any future period and the financial condition of the multiemployer plan at the time of withdrawal, the associated withdrawal liabilities could be material to the Corporation's change in net assets in the period of the withdrawal. The Corporation has no plans to withdraw from its multiemployer pension plans.

Eligible, nonunion employees participate in a TIAA defined-contribution plan. Employer contributions under the plan, which were based on 3%, 7%, or 11% of qualifying payroll, based on years of service, amounted to $126,663 and $116,206 for the fiscal years ended June 30, 2019 and 2018, respectively.

(10) Subsidies, Grants and Donations

		2019		2018
Subsidies:				
Syracuse University – general	$	1,786,037	$	1,748,726
Syracuse University – operating		574,186		568,985
Grants:				
New York State		31,000		3,000
Onondaga County		65,829		70,430
Foundations		198,050		239,250
Donations:				
Individuals		347,559		365,450
Corporations		132,297		126,260
Service organizations		2,500		—
Subtotal		3,137,458		3,122,101
In-kind contributions, donated goods and services		817,472		681,286
Total	$	3,954,930	$	3,803,387

(11) Concentrations of Credit Risk

The Corporation maintains its principal banking relationship with one financial institution. At times, the Corporation has deposit funds in excess of Federal Deposit Insurance Corporation (FDIC) limits. The Corporation has never experienced losses in such accounts.

(12) Subsequent Pronouncements

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers. The standard outlines a comprehensive model for organizations to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. Although the Corporation does not expect a materials impact on revenues or net assets upon adoption, it is anticipated that the new standard will expand disclosures. The ASU will be effective for years beginning after December 15, 2018.

In February 2016, the FASB issued ASU 2016-02, Leases. This standard requires that lessees recognize virtually all leases on the balance sheet, be recording a right-of-use asset and a lease liability. The Corporation will evaluate lease contracts as well as other existing arrangements to determine the effect of the new standard. The implementation date for this standard will likely be postponed until the Corporation's 2022 fiscal year.

(13) Subsequent Events

The Corporation has evaluated subsequent events for potential recognition or disclosure through October 29, 2019, the date on which the financial statements were available to be issued.