



Report of Independent Auditors and  
Financial Statements

**Old Globe Theatre dba The Old Globe**

December 31, 2023 and 2022

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## **Report of Independent Auditors**

The Board of Directors  
Old Globe Theatre dba The Old Globe

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Old Globe Theatre dba The Old Globe which comprise the statements of financial position as of December 31, 2023 and 2022, and the statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Old Globe Theatre dba The Old Globe as of December 31, 2023 and 2022, and its changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Old Globe Theatre dba The Old Globe and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Old Globe Theatre dba The Old Globe's ability to continue as a going concern within one year after the date that the financial statements are issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Old Globe Theatre dba The Old Globe's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Old Globe Theatre dba The Old Globe's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



San Diego, California  
April 2, 2024

## **Financial Statements**

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**Old Globe Theatre dba The Old Globe**  
**Statements of Financial Position**  
**December 31, 2023 and 2022**

	2023	2022
<b>ASSETS</b>		
<b>ASSETS</b>		
Cash and cash equivalents	\$ 5,818,908	\$ 5,354,303
Investments	55,767,501	52,438,746
Receivables, net	5,940,113	11,813,535
Inventories	175,912	176,801
Prepaid expenses	856,282	548,006
Property and equipment, net	17,633,512	18,807,575
Other asset	28,955,451	28,955,451
Endowment assets		
Investments	7,477,751	7,190,370
Pledges receivable, net	7,025,698	6,971,620
Total assets	\$ 129,651,128	\$ 132,256,407
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 3,388,780	\$ 3,591,823
Deferred revenue	6,628,596	5,506,216
Total liabilities	10,017,376	9,098,039
<b>COMMITMENTS AND CONTINGENCIES (Note 8)</b>		
<b>NET ASSETS</b>		
Without donor restrictions		
Undesignated	-	-
Designated by Board of Directors	46,862,758	47,826,943
Designated for property and equipment	16,345,230	17,519,293
Total without donor restrictions	63,207,988	65,346,236
With donor restrictions	56,425,764	57,812,132
Total net assets	119,633,752	123,158,368
Total liabilities and net assets	\$ 129,651,128	\$ 132,256,407

See accompanying notes.

**Old Globe Theatre dba The Old Globe**  
**Statements of Activities**  
**Years Ended December 31, 2023 and 2022**

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>OPERATING REVENUE</b>						
Ticket sales	\$ 12,974,982	\$ -	\$ 12,974,982	\$ 12,912,717	\$ -	\$ 12,912,717
Investment income	2,069,666	-	2,069,666	1,934,242	-	1,934,242
Other revenue	931,945	-	931,945	1,242,706	-	1,242,706
Retail	982,656	-	982,656	930,717	-	930,717
Rental income	176,683	-	176,683	128,804	-	128,804
Royalties	35,661	-	35,661	16,868	-	16,868
Arts engagement	11,877	-	11,877	1,627	-	1,627
Production enhancements	983,431	-	983,431	7,182,331	-	7,182,331
Total operating revenue	<u>18,166,901</u>	<u>-</u>	<u>18,166,901</u>	<u>24,350,012</u>	<u>-</u>	<u>24,350,012</u>
<b>OPERATING EXPENSES</b>						
Program services	28,442,422	-	28,442,422	31,997,960	-	31,997,960
Management and general	5,589,894	-	5,589,894	5,443,287	-	5,443,287
Total operating expenses	<u>34,032,316</u>	<u>-</u>	<u>34,032,316</u>	<u>37,441,247</u>	<u>-</u>	<u>37,441,247</u>
Operating loss	<u>(15,865,415)</u>	<u>-</u>	<u>(15,865,415)</u>	<u>(13,091,235)</u>	<u>-</u>	<u>(13,091,235)</u>
<b>CONTRIBUTED INCOME</b>						
Contributions	6,338,621	527,021	6,865,642	6,259,330	988,611	7,247,941
Net assets released from restrictions	3,164,343	(3,164,343)	-	1,461,587	(1,461,587)	-
	9,502,964	(2,637,322)	6,865,642	7,720,917	(472,976)	7,247,941
Special events	1,145,664	-	1,145,664	1,089,085	-	1,089,085
Government grants	1,019,655	164,497	1,184,152	5,981,264	62,187	6,043,451
Endowment earnings	-	1,593,911	1,593,911	-	(1,376,814)	(1,376,814)
Appropriated endowment earnings	-	(507,454)	(507,454)	-	(280,772)	(280,772)
In-kind contributions	559,194	-	559,194	425,468	-	425,468
Total contributed income	<u>12,227,477</u>	<u>(1,386,368)</u>	<u>10,841,109</u>	<u>15,216,734</u>	<u>(2,068,375)</u>	<u>13,148,359</u>
<b>EXPENSES</b>						
Fundraising	2,590,965	-	2,590,965	2,094,569	-	2,094,569
Special events	515,740	-	515,740	602,805	-	602,805
Total expenses	<u>3,106,705</u>	<u>-</u>	<u>3,106,705</u>	<u>2,697,374</u>	<u>-</u>	<u>2,697,374</u>
Net contributed income (loss)	<u>9,120,772</u>	<u>(1,386,368)</u>	<u>7,734,404</u>	<u>12,519,360</u>	<u>(2,068,375)</u>	<u>10,450,985</u>
Change in net assets before gains (losses)	(6,744,643)	(1,386,368)	(8,131,011)	(571,875)	(2,068,375)	(2,640,250)
Gains/(losses)						
Net realized and unrealized gains/(losses) on investments	4,606,395	-	4,606,395	(7,279,972)	-	(7,279,972)
Total gains/(losses)	<u>4,606,395</u>	<u>-</u>	<u>4,606,395</u>	<u>(7,279,972)</u>	<u>-</u>	<u>(7,279,972)</u>
<b>CHANGE IN NET ASSETS</b>	<u>(2,138,248)</u>	<u>(1,386,368)</u>	<u>(3,524,616)</u>	<u>(7,851,847)</u>	<u>(2,068,375)</u>	<u>(9,920,222)</u>
<b>NET ASSETS</b>						
Beginning of year	65,346,236	57,812,132	123,158,368	73,198,083	59,880,507	133,078,590
End of year	<u>\$ 63,207,988</u>	<u>\$ 56,425,764</u>	<u>\$ 119,633,752</u>	<u>\$ 65,346,236</u>	<u>\$ 57,812,132</u>	<u>\$ 123,158,368</u>

See accompanying notes.

**Old Globe Theatre dba The Old Globe**  
**Statements of Cash Flows**  
**Years Ended December 31, 2023 and 2022**

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ (3,524,616)	\$ (9,920,222)
Reconciliation to net cash from operating activities		
Depreciation and amortization	1,855,000	1,830,354
Change in allowance on pledges receivable	(80,000)	-
Change in discount on pledges receivable	(268,448)	(320,981)
Change in allowance on enhancement receivable	825,458	-
Net realized and unrealized losses (gains)	(7,645,814)	7,050,610
Change in restricted contributions – pledges receivable	658,972	(141,528)
Forgiveness of Paycheck Protection Program loan	-	(1,999,999)
(Increase) decrease in operating assets		
Receivables	4,082,718	(5,076,381)
Inventories	889	(40,716)
Prepaid expenses	(308,276)	80,732
Increase in operating liabilities		
Accounts payable and accrued expenses	(203,043)	1,083,965
Deferred revenue	1,122,380	696,322
	<u>(3,484,780)</u>	<u>(6,757,844)</u>
<b>INVESTING ACTIVITIES</b>		
Purchases of investments	(5,227,215)	(1,057,375)
Proceeds from sale of investments	9,256,894	9,056,597
Purchases of property and equipment	(680,938)	(434,048)
	<u>3,348,741</u>	<u>7,565,174</u>
<b>FINANCING ACTIVITIES</b>		
Collections of restricted pledges receivable	600,645	940,838
Principal payments on debt	-	(2,000,880)
	<u>600,645</u>	<u>(1,060,042)</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>464,606</b>	<b>(252,712)</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>5,354,303</u>	<u>5,607,015</u>
End of year	<u>\$ 5,818,909</u>	<u>\$ 5,354,303</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for interest	<u>\$ -</u>	<u>\$ 13,177</u>
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH FLOW INFORMATION</b>		
Forgiveness of Paycheck Protection Program loan	<u>\$ -</u>	<u>\$ 1,999,999</u>

See accompanying notes.

## Old Globe Theatre dba The Old Globe

### Notes to Financial Statements

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#### **Note 1 – Nature of the Organization and Significant Accounting Policies**

**Nature of the organization** – Old Globe Theatre dba The Old Globe (The Old Globe) is a not-for-profit California organization located in San Diego, California. The Old Globe’s mission is to preserve, strengthen, and advance American theatre by creating theatrical experiences of the highest professional standards; producing and presenting works of exceptional merit designed to reach current and future audiences; ensuring diversity and balance in programming; and providing an environment for the growth and education of theatre professionals, audiences, and the community at large.

The Old Globe Endowment Trust (the Trust) is a not-for-profit California supporting organization created only for the purpose of holding the endowment donations for The Old Globe. The Old Globe is trustee of the Trust. The Trust does not have any employees and is managed by The Old Globe.

**Income taxes** – The Old Globe and the Trust are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. The Old Globe may be subject to federal or state income taxes on unrelated business income. For each of the years ended December 31, 2023 and 2022, no provision for such taxes is required. The Old Globe has no unrecognized tax benefits or liabilities as of December 31, 2023 and 2022. The Old Globe and the Trust file exempt organization returns in the United States federal jurisdiction and with the Franchise Tax Board in the state of California.

**Method of accounting** – The accompanying financial statements have been prepared on the accrual basis of accounting.

**Net assets** – Net assets are classified as with or without donor restrictions based upon the following criteria:

- Net assets without donor restrictions represent expendable funds available for operations that are not otherwise limited by donor restrictions.
- Net assets with donor restrictions consist of contributed funds subject to specific donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before The Old Globe can spend the funds or contributed funds subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity, usually for the purpose of generating investment income to fund current operations.

**Cash and cash equivalents** – The Old Globe considers all highly liquid investments with original maturities of three months or less to be cash and cash equivalents. Cash and cash equivalents held within the investment portfolio as part of The Old Globe’s investment strategy are included in investments in the statements of financial position.

**Restricted cash** – The Actors’ Equity Association requires The Old Globe to maintain a separate bank account to ensure payments of actors’ benefits. As of December 31, 2023 and 2022, approximately \$225,000 and \$223,000, respectively, is held in a cash account in The Old Globe’s name, but is not available to The Old Globe unless a release is received from the Actors’ Equity Association. This amount is included in cash and cash equivalents in the accompanying statements of financial position.

## Old Globe Theatre dba The Old Globe

### Notes to Financial Statements

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**Investments** – The Old Globe accounts for its investments using fair value.

The fair value of investments in equities, corporate bond funds, and money market funds is based on quoted prices in an active market.

The fair value of corporate bonds, and government and government agency securities is determined by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the creditworthiness of the issuer.

Alternative investments for which quoted prices are not available are stated at fair values as reported by the third-party fund managers which are typically based on the fair value of the underlying investments on the funds. The Old Globe uses net asset value (NAV) provided by a third-party fund manager to determine the fair value of the alternative investments. The Old Globe uses analysis provided by its investment advisor to monitor changes in fair values of funds from period to period. The Finance Director, under the supervision of the Investment Committee, determines fair value measurement policies and procedures in consultation with The Old Globe's investment advisors. These policies and procedures are reassessed at least annually, or as new assets are acquired, to determine if the current valuation techniques are appropriate. At that time, any unobservable inputs used in the fair value measurements are evaluated and adjusted, as necessary, based on current market conditions and other third-party information. Alternative investments are less liquid than publicly traded securities and may require a period of several months to liquidate.

Investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position and statements of activities.

Investment income or loss (including interest and realized and unrealized gains and losses), net of investment fees, is included in revenues without restrictions, unless restricted by donor or law.

**Receivables** – Pledges receivable that are expected to be collected in future years are recorded at fair value when the promise is made based on a discounted cash-flow model. Discounts are computed using risk-free rates applicable in the years in which those promises are received. Amortization of the discounts is included in contributions. Conditional promises to give are not recorded as revenues or receivables until the conditions are substantially met.

Government grant receivables are recorded when the conditions of the grant have been met.

The Old Globe was the beneficiary of an irrevocable charitable remainder trust administered by a third-party. The trust terminated upon the death of the grantor during the year ended December 31, 2021, but The Old Globe did not receive the remaining trust assets until all administrative procedures were completed. The fair value of the future benefits received by The Old Globe was determined using a discounted cash-flow model and was recorded as a contribution in the statement of activities in the year the trust was established. The fair value of the remainder interest was based on the final settlement balance received during the year ended December 31, 2023. The fair value of the remainder interest on December 31, 2022, was based on the estimated value of the trust as of the most recently available donor correspondence. The unobservable inputs used in this calculation were evaluated and adjusted annually by finance management of The Old Globe, as necessary.

## Old Globe Theatre dba The Old Globe

### Notes to Financial Statements

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Other receivables are recorded when services are provided or as expenses are incurred. This includes \$52,000 in Employee Retention Tax Credits as of December 31, 2023 which are expected to be collected within the next year. A production enhancement receivable is also included in other receivables, in the amount of \$1,653,677, net of allowance for credit loss of \$825,458 as of December 31, 2023. The receivable is non-interest bearing and is considered past due as of December 31, 2023.

An allowance for credit losses is based on management's analysis of historical collection experience, current and reasonable supportable expected future economic conditions, and the customer or producer's willingness or ability to pay. Receivables are considered past due when payments are not received according to an established payment schedule. Receivables are written off against the allowance in the period deemed uncollectible. The Old Globe does not obtain collateral.

**Inventories** – Inventories, which consist of gift shop items, concession foods and beverages, and stage materials, are stated at the lower of cost (first-in, first-out) or net realizable value.

**Property and equipment** – Property and equipment are recorded at cost if purchased or estimated fair value at the date of donation, if donated. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which is generally 5 years for furniture, fixtures, and equipment; 25 years for building and improvements; and 25 to 50 years for leasehold improvements based on the lesser of estimated useful lives or associated lease terms, whichever is lesser. It is The Old Globe's policy to capitalize property and equipment costing in excess of \$10,000.

Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as an increase in net assets with donor restrictions. The Old Globe reclassifies net assets with donor restrictions to net assets without donor restrictions when the related property or equipment is acquired and placed in service.

**Impairment of long-lived assets** – The Old Globe evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the estimated future cash flows (undiscounted and without interest charges) from the use of an asset are less than the carrying value, a write-down is recorded to reduce the related asset to its estimated fair value. To date, no such write-downs have occurred.

**Other asset** – The other asset, representing contributed units in a limited partnership, was recorded at fair value at the date of receipt of the contribution. The Old Globe owns less than a 20% interest in the partnership. This asset is not accounted for under the equity method and there is no readily determinable fair value, so it is accounted for at cost, using the initial fair value as the cost, minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or similar investment of the same issuer. The asset is evaluated for impairment annually.

## Old Globe Theatre dba The Old Globe

### Notes to Financial Statements

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Annually, The Old Globe reviews the carrying value of its units in limited partnerships to determine if facts and circumstances exist which would suggest that these assets may be impaired. Among the factors considered by The Old Globe in making the evaluation are distributions from the limited partnership and other factors relevant to the partnership. Using these factors, if indicators are present which may indicate impairment is probable, The Old Globe will prepare a projection of the undiscounted cash flows of the asset and determine if the carrying value of the asset is recoverable. If impairment is indicated, then an adjustment will be made to reduce the carrying value to equal the estimated undiscounted cash flows of the related assets. The Old Globe concluded there are no significant factors indicating a material adjustment for impairment as of December 31, 2023 and 2022.

Annually, The Old Globe also considers relevant transactions that occurred on or before the balance sheet date that are known or can be reasonably known to identify whether there are observable price changes that may indicate an adjustment in the value of the units in a limited partnership. A significant observable price change that The Old Globe is aware of is analyzed to determine whether the change occurred in an orderly transaction for the identical or similar investment and if so, the fair value is estimated as of the date of the observable price change.

Distributions received from the limited partnership are recognized as revenue when received and are included in other revenue on the accompanying statements of activities. Approximately \$762,000 and \$655,000 was received and recognized as revenue during the years ended December 31, 2023 and 2022, respectively.

#### **Revenue Recognition**

*Ticket sales* – Ticket sales to the general public are recorded as operating revenue on a specific performance basis. Ticket sales for future performances are initially deferred in the statements of financial position and are subsequently recognized as revenue when the performances take place and The Old Globe's performance obligation is completed.

*Retail* – Retail sales to the general public represent revenue earned at the gift shop and pub. Revenue is recognized at the time of sale when The Old Globe's performance obligation is completed.

*Royalties* – Royalties represent revenue earned under agreements with other performing arts-related entities for the use of specific productions created by The Old Globe. Revenue is recognized as others perform the productions as The Old Globe's performance obligation for the provision of the rights to use of its production is completed.

*Arts engagement* – Arts engagement revenue represents fees charged for arts engagement programs and is recognized at the time the programs are offered, at which time The Old Globe's performance obligation is completed.

*Production enhancements* – Production enhancements represent funds received from others to expand budgets for specific productions. Revenue is recognized when the performance obligations present in the associated agreements are completed, which is generally when the related performance is performed.

## Old Globe Theatre dba The Old Globe

### Notes to Financial Statements

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*Contributions* – Unconditional contributions are recognized as revenue when received or unconditionally pledged. Contributions subject to donor-imposed restrictions for use in a future period or for a specific purpose are reported as net assets with donor restrictions. When a donor restriction expires, 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. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as contributions without donor restrictions. Donated assets are initially recorded at fair value at the date of the gift.

*Special events* – Special events revenue is generated from sponsorships, ticket sales, and sale of items at events held during the year, and is recognized when the events occur, which is the completion of The Old Globe’s performance obligation.

*Government grants* – Revenue from grants, depending on the terms of the grants, is recognized when an unconditional promise to give has been made to The Old Globe. The Globe recognizes revenues from certain government grants when eligible costs are incurred or services are performed per the terms of the agreement.

*In-kind contributions* – The value of in-kind contributions is recorded as contributions with or without donor restrictions and expensed in the year donated. These contributions are valued at the estimated fair value of similar services and materials. Donated assets are capitalized at fair value at the date of donation and recorded as in-kind contributions with or without donor restrictions, depending on the wishes of the donor. The Old Globe receives donated services from a variety of unpaid volunteers assisting in the operations of The Old Globe, which have not been recognized in the accompanying financial statements because the criteria for recognition under generally accepted accounting principles (GAAP) have not been satisfied. In-kind contributions consist of the following as of December 31, 2023 and 2022:

	2023	2022
Services	\$ 111,000	\$ 15,000
Facilities (meals and travel)	150,000	175,000
Non-capitalized equipment and supplies	298,000	235,000
Total	\$ 559,000	\$ 425,000

*Rental income* – Rental income represents revenues generated from the leasing of a warehouse to an unrelated party. Revenue is recognized for the period which the rental income relates to.

**Marketing and production costs** – Costs of marketing (which includes advertising), scenery, costumes, and stage properties are recorded as expenses in the year the related production is first performed. Marketing and production costs relating to future performances are deferred and included in prepaid expenses in the statements of financial position until the production is presented. Total advertising costs for the years ended December 31, 2023 and 2022, were approximately \$859,000 and \$923,000, respectively.

## Old Globe Theatre dba The Old Globe

### Notes to Financial Statements

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**Functional allocation of expenses** – The costs of providing the programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Depreciation, interest, and facilities costs are allocated to functional categories based on square footage dedicated to the specific function. Labor is allocated to functional categories based on time spent on activities within each function.

**Use of estimates** – The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Recently adopted accounting pronouncements** – The Old Globe has adopted Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments - Credit Losses (Topic 326) Measurement of Credit Losses on Financial Instruments*, and thereafter, has subsequently provided updates and improvements (“as so updated and improved,” ASU 2016-13). ASU 2016-13 requires entities to estimate expected lifetime credit losses on certain financial assets, including enhancement receivables. The Old Globe adopted ASU 2016-13 on January 1, 2023, using the prospective transition method. The implementation of this guidance requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates on the The Old Globe’s applicable receivables. The adoption of ASU 2016-13 did not have a material impact on The Old Globe’s financial statements.

**Subsequent events** – Subsequent events are events or transactions that occur after the statement of financial position date but before the financial statements are issued. The Old Globe recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. The Old Globe’s financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after the statement of financial position date and before the financial statements are available to be issued. The Old Globe has evaluated subsequent events through April 2, 2024, which is the date the financial statements were available to be issued.

#### **Note 2 – Concentrations**

Financial instruments that potentially subject The Old Globe to concentrations of credit risk consist principally of cash deposits at financial institutions and investments. At times, balances in The Old Globe’s cash and investment accounts exceed the Federal Deposit Insurance Corporation or Securities Investors Protection Corporation insurance limits. The Old Globe has not experienced any losses in such accounts as of December 31, 2023 and 2022.

As of December 31, 2023, approximately 82% of non-endowment pledges receivable is due from three donors. As of December 31, 2022, approximately 83% of non-endowment pledges receivable is due from four donors. For both of the years ended December 31, 2023 and 2022, approximately 99% of endowment pledges receivable is due from one donor.

For the year ended December 31, 2022, approximately 85% of government grants were from two organizations.

**Old Globe Theatre dba The Old Globe**  
**Notes to Financial Statements**

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For the year ended December 31, 2022, approximately 29% of operating revenues are from two producers for production enhancement revenue.

**Note 3 – Investments**

Investments at December 31, 2023 and 2022, are comprised of the following:

	<u>2023</u>	<u>2022</u>
Equities		
Domestic equities	\$ 20,045,120	\$ 18,700,671
International equities	6,353,961	6,480,631
Fixed income		
Corporate bond funds	4,908,561	4,633,386
Government and government agency securities	8,026,111	6,359,678
Corporate bonds	6,040,338	8,247,665
Alternative investments		
Hedge fund	2,875,825	2,725,344
Private equity fund	2,673,691	1,823,493
Multi-strategy fund	722,645	407,960
Money market funds	100,946	78,694
Cash and cash equivalents	<u>222,904</u>	<u>270,282</u>
	51,970,102	49,727,804
Accumulated endowment earnings	<u>3,797,399</u>	<u>2,710,942</u>
	<u>\$ 55,767,501</u>	<u>\$ 52,438,746</u>

Endowment investments for which the corpus is restricted at December 31, 2023 and 2022, are comprised of the following:

	<u>2023</u>	<u>2022</u>
Equities		
Domestic equities	\$ 5,481,829	\$ 4,852,565
International equities	1,431,450	1,724,708
Fixed income		
Corporate bond funds	1,371,611	957,889
Government and government agency securities	1,450,794	1,167,272
Corporate bonds	1,498,071	1,151,481
Cash and cash equivalents	25,654	25,376
Money market funds	<u>15,741</u>	<u>22,021</u>
	11,275,150	9,901,312
Accumulated endowment earnings	<u>(3,797,399)</u>	<u>(2,710,942)</u>
	<u>\$ 7,477,751</u>	<u>\$ 7,190,370</u>

**Old Globe Theatre dba The Old Globe**  
**Notes to Financial Statements**

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**Note 4 – Receivables**

Receivables at December 31, 2023 and 2022, consisted of the following:

	<u>2023</u>	<u>2022</u>
Pledges receivable	\$ 4,686,496	\$ 5,541,234
Charitable remainder trust	<u>-</u>	<u>850,000</u>
	4,686,496	6,391,234
Other receivables	1,033,861	5,152,063
Government grants	<u>219,756</u>	<u>270,238</u>
Total	<u>\$ 5,940,113</u>	<u>\$ 11,813,535</u>

Pledges receivable and charitable remainder trust included in receivables at December 31, 2023 and 2022, are due as follows:

	<u>2023</u>	<u>2022</u>
Due in less than one year	\$ 1,575,014	\$ 1,650,373
Due in one to five years	4,120,000	5,641,750
Due in more than five years	<u>25,000</u>	<u>127,500</u>
Total unconditional promises to give	5,720,014	7,419,623
Less allowance for uncollectible receivables	(460,000)	(510,000)
Less discount to net present value <sup>(a)</sup>	<u>(573,518)</u>	<u>(518,389)</u>
Net unconditional promises to give	<u>\$ 4,686,496</u>	<u>\$ 6,391,234</u>

(a) Pledges receivable due in more than one year have been discounted to their net present value using a rate of approximately 1.5 to 4.5%.

**Old Globe Theatre dba The Old Globe**  
**Notes to Financial Statements**

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**Endowment assets** – Pledges receivable at December 31, 2023 and 2022, are due as follows:

	2023	2022
Due in less than one year	\$ -	\$ -
Due in one to five years	-	-
Due in more than five years	13,049,500	13,349,000
Total unconditional promises to give	13,049,500	13,349,000
Less allowance for uncollectible receivables	(1,290,000)	(1,320,000)
Less discount to net present value <sup>(a)</sup>	(4,733,802)	(5,057,380)
Net unconditional promises to give	\$ 7,025,698	\$ 6,971,620

(a) Pledges receivable due in more than one year have been discounted to their net present value using a rate of approximately 1.5 to 4.5%.

**Note 5 – Fair Value Measurements**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

**Level 1** – Quoted prices in active markets for identical assets or liabilities;

**Level 2** – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and

**Level 3** – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

See Note 1 for the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statements of financial position. See Note 3 for investments and endowment investments by class.

## Old Globe Theatre dba The Old Globe Notes to Financial Statements

The following fair value hierarchy table presents information about each major category of The Old Globe's financial assets measured at fair value on a recurring basis as of December 31, 2023 and 2022:

	Fair Value Measurements				2023 Total
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	NAV	
Investments <sup>(a)</sup>	\$ 31,631,492	\$ 14,066,449	\$ -	\$ 6,272,161	\$ 51,970,102
Endowment investments <sup>(a)</sup>	8,326,285	2,948,865	-	-	11,275,150
Charitable remainder trust	-	-	-	-	-
	<u>\$ 39,957,777</u>	<u>\$ 17,015,314</u>	<u>\$ -</u>	<u>\$ 6,272,161</u>	<u>\$ 63,245,252</u>

  

	Fair Value Measurements				2022 Total
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	NAV	
Investments <sup>(a)</sup>	\$ 30,163,664	\$ 14,607,343	\$ -	\$ 4,956,797	\$ 49,727,804
Endowment investments <sup>(a)</sup>	7,582,559	2,318,753	-	-	9,901,312
Charitable remainder trust	-	-	850,000	-	850,000
	<u>\$ 37,746,223</u>	<u>\$ 16,926,096</u>	<u>\$ 850,000</u>	<u>\$ 4,956,797</u>	<u>\$ 60,479,116</u>

(a) Investments exclude accumulated endowment earnings and endowment investments include accumulated endowment earnings in the fair value measurements table.

Information regarding investments valued at NAV at December 31, 2023, is as follows:

Investment Class	Totals	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge fund <sup>(a)</sup>	\$ 2,875,825	N/A	Quarterly	65 days <sup>(d)</sup>
Private equity funds <sup>(b)</sup>	2,673,691	10,828,566	N/A	N/A
Multi-strategy fund <sup>(c)</sup>	722,645	2,909,415	N/A	N/A
	<u>\$ 6,272,161</u>	<u>\$ 13,737,981</u>		

(a) Hedge fund that applies a range of strategies including, without limitation, alternative investment strategies with a broad range of advisors targeting risk-adjusted long-term returns.

(b) Private equity funds include a fund with structured portfolios of private equity partnerships and other assets with limited liquidity in the secondary market on a global basis across all sectors of the private funds market and a fund with diversified set of private equity strategies which may include middle-market buyout, large buyout, distressed, growth, equity, credit, venture capital, and industry focused strategies.

(c) Multi-strategy fund that invests in private investments of fixed income and equity securities.

(d) Generally, 1/12th of each shareholder's capital balance is eligible for withdrawal each calendar quarter upon a 65-day notice and subject to a 60% master fund level gate.

## Old Globe Theatre dba The Old Globe

### Notes to Financial Statements

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The fair value of The Old Globe's charitable remainder trust remained unchanged for the year ended December 31, 2022. During 2023, The Old Globe received final settlement of the charitable remainder trust.

Changes in the fair value of The Old Globe's Level 3 assets for the years ended December 31, 2023 and 2022, are as follows:

	Charitable Remainder Trust
BALANCE, January 1, 2022	\$ 850,000
Interest and dividends	-
Distributions	-
Transfer	-
Unrealized gains	-
Change in value of charitable remainder trust	-
 BALANCE, December 31, 2022	 850,000
Interest and dividends	-
Distributions	(438,346)
Transfer	-
Unrealized gains	-
Change in value of charitable remainder trust	(411,654)
 BALANCE, December 31, 2023	 \$ <u><u>-</u></u>

#### Note 6 – Property and Equipment

Property and equipment at December 31, 2023 and 2022, are comprised of the following:

	2023	2022
Leasehold improvements	\$ 34,931,993	\$ 34,866,524
Furniture, fixtures, and equipment	7,291,526	6,886,495
Building and improvements	5,644,934	5,595,100
Land	1,750,000	1,750,000
Construction in progress	502,005	341,401
	50,120,458	49,439,520
Less accumulated depreciation	(32,486,946)	(30,631,945)
Total	\$ 17,633,512	\$ 18,807,575

## Old Globe Theatre dba The Old Globe

### Notes to Financial Statements

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#### Note 7 – Deferred Revenue

Deferred revenue at December 31, 2023 and 2022, is comprised of amounts related to future performance obligations under contracts for tickets sold in advance of the related performance, amounts related to contributions received in advance of the conditions associated with the contribution being met, rents received in advance, and amounts received under enhancement agreements not yet earned.

	2023	2022	2021
Deferred ticket sales	\$ 4,892,241	\$ 4,266,449	\$ 3,811,694
Conditional contribution	1,586,355	788,500	838,200
Production enhancement revenue	150,000	451,267	150,000
	\$ 6,628,596	\$ 5,506,216	\$ 4,799,894

#### Note 8 – Commitments and Contingencies

**Leases** – The Old Globe’s facilities are on land leased from the City of San Diego, and The Old Globe also leases rehearsal space from the City of San Diego. The leases expire in August 2029 and 2026, respectively. In lieu of rental payments, The Old Globe is obligated to conduct a minimum number of specific theatrical performances annually. As The Old Globe is required to conduct these performances in connection with the leases, no amount is recorded in the accompanying financial statements for an estimated fair value of the leases.

**Benefit plans** – The Old Globe offers a 401(k) plan which is available to eligible employees with an employer contribution of three percent of annual eligible compensation. Contributions totaling approximately \$199,000 and \$168,000 were made by The Old Globe during the years ended December 31, 2023 and 2022, respectively.

The Old Globe contributes to various pension and welfare funds for its actors, stagehands, stage directors, musicians, choreographers, and designers pursuant to collective bargaining agreements in amounts ranging from five to 14% of eligible compensation. Total contributions for the years ended December 31, 2023 and 2022, were approximately \$748,000 and \$869,000, respectively.

In 2021, The Old Globe established a 457(b) deferred compensation plan (457(b) Plan) for qualified employees. Eligible employees can elect to defer up to 100% of their compensation in accordance with Internal Revenue Service deferral limits. During the years ended December 31, 2023 and 2022, \$45,000 and \$41,000, respectively, was deferred by the employees. The 457(b) Plan had assets of \$125,000 and \$62,000 as of December 31, 2023 and 2022, respectively. These amounts are included in investments, and a corresponding amount is included in accounts payable and accrued expenses on the statements of financial position.

In 2021, The Old Globe established a 457(f) deferred compensation retirement plan. Eligible employees accrue annual benefits as determined by their employment compensation agreement. During both years ended December 31, 2023 and 2022, The Old Globe contributed \$200,000. Benefits awarded become fully vested December 31, 2025. These amounts are included in investments, and a corresponding amount is included in accounts payable and accrued expenses on the statements of financial position.

## Old Globe Theatre dba The Old Globe

### Notes to Financial Statements

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**Legal matters** – The Old Globe is involved in legal matters in the ordinary course of business. Management is not aware of any legal matters that could have a material adverse impact on The Old Globe’s current financial position.

#### Note 9 – Net Assets

Net assets with donor restrictions at December 31, 2023 and 2022, are comprised of:

	2023	2022
Subject to expenditure for specified purpose		
Future seasons (donor restricted cash reserve)	\$ 2,629,524	\$ 3,841,178
General operating expenses, including artistic and educational outreach	1,181,941	1,256,449
Subject to the passage of time		
Pledges receivable and charitable remainder trust	5,358,000	6,886,122
Other asset – to be held in perpetuity	28,955,451	28,955,451
Subject to The Old Globe spending policy and appropriation		
Investment in perpetuity (including amounts above original gift amounts) which, once appropriated, is expendable to support		
General operating expenses, including artistic and educational outreach	18,282,466	16,854,550
Pagliotti Fund	18,382	18,382
	\$ 56,425,764	\$ 57,812,132

During the years ended December 31, 2023 and 2022, net assets were released from net assets with donor restrictions by incurring expenditures satisfying the restricted purposes and satisfying time restrictions in the amount of approximately \$3,160,000 and \$1,462,000, respectively.

**Endowment** – The Board of Directors of The Old Globe (the Board) has interpreted California’s enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, The Old Globe classifies as net assets with donor restrictions to be held in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Also included in the donor-restricted endowment fund are amounts in excess of the original gift amounts that have not yet been appropriated for expenditure by The Old Globe in a manner consistent with the standard of prudence prescribed by UPMIFA.

## **Old Globe Theatre dba The Old Globe**

### **Notes to Financial Statements**

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**Endowment assets managed by The Old Globe (held and administered by Goldman Sachs)** – In accordance with UPMIFA, The Old Globe considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The mission of The Old Globe and the donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation and depreciation of investments;
- Other resources of The Old Globe; and
- The investment policies of The Old Globe.

In order to meet its needs, the investment strategy of The Old Globe is to emphasize total return; that is, the aggregate return from capital appreciation and dividend and interest income. Specifically, the primary objective in the investment management of the endowment assets is to emphasize long-term growth of principal while avoiding excessive risk. Short-term volatility will be tolerated in as much as it is consistent with the volatility of a comparable market index.

The Old Globe has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs. The overriding objective of this endowment is to grow the aggregate portfolio value at the rate of inflation over the endowment's investment horizon.

Endowment earnings are undesignated, allowing The Old Globe to use them to support artistic and educational projects and general operations. The Board approved a spending policy for the use of the earnings on endowment investments which states that a maximum of up to 5% (5% in 2023 and 2.5% in 2022) of the trailing twelve quarter average market value of the investments is available for use in operations, unless otherwise restricted.

## Old Globe Theatre dba The Old Globe

### Notes to Financial Statements

The net asset composition of board-designated (without donor restrictions) and donor-restricted net assets for the endowment at December 31, 2023 and 2022, is as follows:

	Without Donor Restrictions	With Donor Restrictions			2023 Total
		Accumulated Endowment Earnings	Original Gift Amount	Total With Donor Restrictions	
Board-designated endowment funds	\$ 36,945,316	\$ -	\$ -	\$ -	\$ 36,945,316
Donor-restricted endowment funds					
Donor corpus restricted in perpetuity	-	-	7,477,751	7,477,751	7,477,751
Unappropriated endowment earnings	-	3,797,399	-	3,797,399	3,797,399
Pledges receivable	-	-	7,025,698	7,025,698	7,025,698
<b>Total</b>	<b>\$ 36,945,316</b>	<b>\$ 3,797,399</b>	<b>\$ 14,503,449</b>	<b>\$ 18,300,848</b>	<b>\$ 55,246,164</b>

	Without Donor Restrictions	With Donor Restrictions			2022 Total
		Accumulated Endowment Earnings	Original Gift Amount	Total With Donor Restrictions	
Board-designated endowment funds	\$34,039,631	\$ -	\$ -	\$ -	\$ 34,039,631
Donor-restricted endowment funds					
Donor corpus restricted in perpetuity	-	-	7,190,370	7,190,370	7,190,370
Unappropriated endowment earnings	-	2,710,942	-	2,710,942	2,710,942
Pledges receivable	-	-	6,971,620	6,971,620	6,971,620
<b>Total</b>	<b>\$ 34,039,631</b>	<b>\$ 2,710,942</b>	<b>\$ 14,161,990</b>	<b>\$ 16,872,932</b>	<b>\$ 50,912,563</b>

Changes in endowment net assets for the years ended December 31, 2023 and 2022 are as follows:

	Without Donor Restrictions	With Donor Restrictions			Total
		Accumulated Endowment Earnings	Original Gift Amount	Total With Donor Restrictions	
Net assets December 31, 2021	\$ 38,878,520	\$ 4,395,910	\$ 13,682,515	\$ 18,078,425	\$ 56,956,945
Contributions	83,590	-	479,475	479,475	563,065
Investment income					
Interest income	867,309	346,210	-	346,210	1,213,519
Realized and unrealized losses	(5,162,708)	(1,750,406)	-	(1,750,406)	(6,913,114)
Appropriated earnings	(627,080)	(280,772)	-	(280,772)	(907,852)
Net assets December 31, 2022	34,039,631	2,710,942	14,161,990	16,872,932	50,912,563
Contributions	14,045	-	341,459	341,459	355,504
Investment income					
Interest income	804,889	293,079	-	293,079	1,097,968
Realized and unrealized gains	3,803,327	1,300,832	-	1,300,832	5,104,159
Appropriated earnings	(1,716,576)	(507,454)	-	(507,454)	(2,224,030)
Net assets December 31, 2023	<b>\$ 36,945,316</b>	<b>\$ 3,797,399</b>	<b>\$ 14,503,449</b>	<b>\$ 18,300,848</b>	<b>\$ 55,246,164</b>

## Old Globe Theatre dba The Old Globe

### Notes to Financial Statements

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In addition to the board-designated net assets for endowment, the Board has also designated net assets without donor restrictions for other purposes. Total board-designated net assets as of December 31, 2023 and 2022, are comprised of the following:

	2023	2022
Physical plant reserve	\$ 2,807,703	\$ 3,451,098
Cash reserve	3,436,867	6,478,775
Social justice	1,763,290	1,933,519
Artistic reserve	1,909,582	1,923,920
Total board-designated nonendowment net assets	9,917,442	13,787,312
Endowment	36,945,316	34,039,631
Total board-designated net assets	\$ 46,862,758	\$ 47,826,943

#### Note 10 – Government Grants

Income from government grants on the accompanying statements of activities for the years ending December 31, 2023 and 2022, is comprised of the following:

	2023	2022
City of San Diego	\$ 488,919	\$ 423,564
State of California	247,256	225,000
California Department of Corrections	88,000	146,632
US Department of Education	5,454	-
SBA PPP Loan forgiveness	-	1,999,999
California State Arts Council	141,381	90,592
National Endowment for the Arts	127,413	44,640
Internal Revenue Service – Tax Credits	52,087	3,113,024
County of San Diego	33,642	-
Total	\$ 1,184,152	\$ 6,043,451

The Old Globe's grants with government agencies are subject to audit. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined. Management believes that any liability which may result from such audits would not be material.

## **Old Globe Theatre dba The Old Globe**

### **Notes to Financial Statements**

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#### **Note 11 – Leases**

The Old Globe's rental revenue consists of rent earned from a lease for The Old Globe's industrial warehouse space.

The lease was originally scheduled to expire in July 2026 and consisted of fixed annual rent that escalated annually throughout the term of the lease. The lease did not contain variable lease payments or non-lease components. The Old Globe assessed the classification of the lease and determined the lease was an operating lease. The lessee decided to terminate the lease early and vacated the premises in November 2023.

Rental income for the years ended December 31, 2023 and 2022, was approximately \$169,000 and \$122,000, respectively.

#### **Note 12 – Collective Bargaining Agreement**

Substantially all actors employed by The Old Globe are subject to being under a collective bargaining agreement (CBA) with the Actors' Equity Association, which expired February 12, 2023. Negotiations for an extension are currently ongoing and both parties continue to operate under the existing CBA while actively bargaining. Certain crew members employed by The Old Globe are subject to a collective bargaining agreement with the International Alliance of Theatrical Stage Employees that expires in December 2024.

#### **Note 13 – Related Parties**

Certain members of the Board are employed at banks that have provided financing to The Old Globe and in which The Old Globe maintains cash and investment accounts.

Contributions in the accompanying statements of activities for the years ended December 31, 2023 and 2022, include approximately \$3,161,000 and \$2,723,000, respectively, received from members of the Board. Receivables on the accompanying statements of financial position as of December 31, 2023 and 2022, include approximately \$4,102,000 and \$4,458,000, respectively, of pledges receivable due from members of the Board.

#### **Note 14 – Liquidity**

The Old Globe is supported primarily by ticket sales revenue and contributions. Because donor restrictions may require resources to be used in a particular manner or in a future period, financial assets may not be available for general expenditures within one year. The Old Globe structures its financial assets to be available as general expenditures, liabilities, and other obligations become due. In addition, The Old Globe invests cash in excess of immediate requirements in short-term investments.

## Old Globe Theatre dba The Old Globe

### Notes to Financial Statements

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The following table reflects The Old Globe's financial assets, excluding endowment assets, as of December 31, 2023 and 2022, reduced by amounts not available for general expenditures due to contractual or donor-imposed restrictions within one year. Amounts not available for general expenditures include cash and pledges receivable with purpose or time restrictions imposed by donors, accumulated earnings on endowment funds included in investments, cash on hand restricted to support for future seasons, and amounts set aside for long-term investing in board-designated net assets that could be drawn only upon the approval of the Board. However, amounts appropriated for expenditure from the donor-restricted accumulated earnings on the endowment within one year of December 31, 2023 and 2022, are considered available.

	2023	2022
Cash and cash equivalents	\$ 5,818,908	\$ 5,354,303
Investments	55,767,501	52,438,746
Receivables, net	5,940,113	11,813,535
Total financial assets	67,526,522	69,606,584
Restricted cash – Actors' Equity Association	(224,542)	(223,130)
Deferred revenue – conditional contribution	(1,586,355)	(788,500)
Assets restricted for specified purpose or passage of time	(6,539,941)	(8,142,571)
Enhancement revenue received in advance	(150,000)	(451,267)
Accumulated earnings on endowment included in investments	(3,797,399)	(2,710,942)
Board-approved appropriation of accumulated earnings on endowment	532,779	494,000
Financial assets available before restricted cash for future seasons and board-designated net assets subject to Board approval before use	55,761,064	57,784,174
Restricted cash to support future seasons (bridge)	(2,629,524)	(3,841,178)
Board-designated net assets	(46,862,758)	(47,826,943)
Financial assets available to meet cash needs for general expenditures within one year	\$ 6,268,782	\$ 6,116,053

## Old Globe Theatre dba The Old Globe

### Notes to Financial Statements

#### Note 15 – Classification of Expenses

The following reflects the classification of The Old Globe’s expenses by both the underlying nature of the expense and the function for the years ended December 31, 2023 and 2022. An individual expense is allocated to the underlying activity to which it was incurred. The statements of activities include certain expenses that must be allocated on a reasonable basis, which has been consistently applied; see methodology in Note 1.

	Year Ended December 31, 2023					Total
	Program Services	Management and General	Fundraising	Special Events	Supporting Services	
Salaries and related expenses					Total Supporting Services	
Salaries and wages	\$ 13,338,446	\$ 1,966,378	\$ 1,307,409	\$ 30,676	\$ 3,304,464	\$ 16,642,910
Other employee benefits	1,241,863	140,471	104,015	3,228	247,714	1,489,577
Payroll taxes	1,202,029	142,866	96,791	2,820	242,477	1,444,506
Pension plan expenses	954,844	110,898	77,896	2,710	191,504	1,146,348
Total	<u>16,737,182</u>	<u>2,360,613</u>	<u>1,586,112</u>	<u>39,435</u>	<u>3,986,159</u>	<u>20,723,341</u>
Operating expenses						
Fees for services	1,583,183	929,058	521,629	100,640	1,551,328	3,134,511
Production expense	2,302,167	-	-	15,991	15,991	2,318,158
Office expense	501,421	188,869	46,320	23,725	258,914	760,336
Advertising and promotion	816,991	14,234	18,751	9,272	42,257	859,249
Insurance	595,818	263,948	7,631	1,155	272,734	868,552
Credit losses	825,458	-	-	-	-	825,458
Royalties	802,134	-	-	-	-	802,134
Occupancy	644,789	114,862	-	-	114,862	759,651
In kind	356,122	12,231	93,062	97,780	203,072	559,194
Catering	172,668	1,132	177,802	131,841	310,774	483,442
Miscellaneous	152,036	83,003	129,365	95,897	308,266	460,303
Bank charges	-	455,008	3,209	-	458,217	458,217
Cost of goods sold	450,111	-	-	-	-	450,111
Maintenance	371,637	66,398	-	-	66,398	438,034
Information technology	14,124	400,175	-	-	400,175	414,300
Travel	383,757	20,024	3,740	4	23,768	407,525
Accounting	-	254,387	-	-	254,387	254,387
Fellowships	209,900	-	-	-	-	209,900
Legal	15,340	53,699	-	-	53,699	69,038
Conferences	5,034	19,804	3,345	-	23,148	28,182
Total	<u>10,202,690</u>	<u>2,876,831</u>	<u>1,004,853</u>	<u>476,305</u>	<u>4,357,990</u>	<u>14,560,680</u>
Depreciation and amortization	<u>1,502,550</u>	<u>352,450</u>	<u>-</u>	<u>-</u>	<u>352,450</u>	<u>1,855,000</u>
Total	<u>\$ 28,442,422</u>	<u>\$ 5,589,894</u>	<u>\$ 2,590,965</u>	<u>\$ 515,740</u>	<u>\$ 8,696,599</u>	<u>\$ 37,139,021</u>

## Old Globe Theatre dba The Old Globe

### Notes to Financial Statements

	Year Ended December 31, 2022					
	Supporting Services					Total
	Program Services	Management and General	Fundraising	Special Events	Supporting Services	
Salaries and related expenses						
Salaries and wages	\$ 14,499,134	\$ 1,770,786	\$ 1,335,381	\$ 37,791	\$ 3,143,958	\$ 17,643,092
Other employee benefits	1,431,431	148,344	87,813	4,028	240,185	1,671,616
Payroll taxes	1,363,907	132,293	97,365	3,691	233,349	1,597,256
Pension plan expenses	1,059,726	99,814	74,658	3,037	177,509	1,237,235
Total	<u>18,354,198</u>	<u>2,151,237</u>	<u>1,595,217</u>	<u>48,547</u>	<u>3,795,001</u>	<u>22,149,199</u>
Operating expenses						
Production expense	4,620,071	-	-	77,157	77,157	4,697,228
Fees for services	2,079,936	953,033	67,881	66,578	1,087,492	3,167,428
Office expense	437,986	454,035	57,146	41,731	552,912	990,898
Advertising and promotion	885,303	10,580	19,911	7,190	37,681	922,984
Insurance	774,089	113,737	9,599	1,590	124,926	899,015
Royalties	709,002	-	-	-	-	709,002
Occupancy	580,456	105,575	-	-	105,575	686,031
Miscellaneous	171,935	58,731	116,169	206,513	381,413	553,348
Travel	523,958	17,210	2,512	1,581	21,303	545,261
Bank charges	-	445,020	2,560	-	447,580	447,580
Catering	161,063	1,457	152,688	116,788	270,933	431,996
In kind	304,559	16,773	69,006	35,130	120,909	425,468
Cost of goods sold	398,151	-	-	-	-	398,151
Maintenance	331,746	56,684	-	-	56,684	388,430
Information technology	13,978	358,190	-	-	358,190	372,168
Accounting	-	292,649	-	-	292,649	292,649
Fellowships	169,000	-	-	-	-	169,000
Legal	10,897	19,340	-	-	19,340	30,237
Conferences	6,721	10,416	1,880	-	12,296	19,017
Interest	13,177	-	-	-	-	13,177
Total	<u>12,192,028</u>	<u>2,913,430</u>	<u>499,352</u>	<u>554,258</u>	<u>3,967,040</u>	<u>16,159,068</u>
Depreciation and amortization	<u>1,451,734</u>	<u>378,620</u>	<u>-</u>	<u>-</u>	<u>378,620</u>	<u>1,830,354</u>
Total	<u>\$ 31,997,960</u>	<u>\$ 5,443,287</u>	<u>\$ 2,094,569</u>	<u>\$ 602,805</u>	<u>\$ 8,140,661</u>	<u>\$ 40,138,621</u>

**Old Globe Theatre dba The Old Globe**  
**Notes to Financial Statements**

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**Note 16 – Schedule to Reconcile to Internal 2023 Financial Statements**

	Audited Year Ended December 31, 2023
Change in net assets without donor restrictions	\$ (2,138,248)
Contribution designated by the Board	(114,097)
Earnings designated by the Board	(997,786)
Draws of board-designated funds	6,153,000
Depreciation of property and equipment	1,855,000
Acquisition of property and equipment	(680,938)
FEMA grant receivable	832,365
Solar Tax Credit	<u>92,720</u>
Change in undesignated net assets without donor restrictions	5,002,016
Net realized/unrealized gains on board-designated investments without donor restrictions	<u>(4,927,020)</u>
Change in undesignated net assets without donor restrictions	<u><u>\$ 74,996</u></u>

