Report of Independent Auditors
and Financial Statements for

Geffen Playhouse, Inc.

August 31, 2015 and 2014

MOSS-ADAMS LLP

Certified Public Accountants | Business Consultants

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REPORT OF INDEPENDENT AUDITORS

The Audit Committee of the Board of Directors
Geffen Playhouse, Inc.

Report on Financial Statements

We have audited the accompanying financial statements of Geffen Playhouse, Inc., which comprise the statement of financial position as of August 31, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence 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 Geffen Playhouse, Inc. as of August 31, 2015, and the change in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

MOSS ADAMS LLP

Other Matter

Prior Period Financial Statements and Summarized Comparative Information

The summarized comparative information presented herein was derived from the prior year financial statements of Geffen Playhouse, Inc., as of and for the year ended August 31, 2014. The prior year financial statements were audited by other auditors whose report dated December 11, 2014, except Note 14 as to which the date is April 22, 2015, expressed an unmodified opinion on those statements.

Moss Adams LLP

Los Angeles, California
December 21, 2015

GEFFEN PLAYHOUSE, INC.
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2015 AND 2014

ASSETS	2015	2014
CURRENT ASSETS		
Cash and cash equivalents	$ 1,102,625	$ 1,364,175
Investments	5,015,648	3,524,927
Current portion of pledges receivable	1,796,300	577,850
Other receivables	111,426	97,504
Prepaid expenses and other assets	1,233,666	1,132,256
Total current assets	9,259,665	6,696,712
Leasehold interest in building, net	1,806,155	1,904,194
Property and equipment, net	13,725,514	14,041,413
Pledges receivable, net of current portion	9,811,371	1,860,168
Total assets	$ 34,602,705	$ 24,502,487
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 403,181	$ 390,354
Deferred revenue	3,452,120	3,298,335
Total current liabilities	3,855,301	3,688,689
Total liabilities	3,855,301	3,688,689
NET ASSETS		
Unrestricted	17,034,398	16,196,653
Temporarily restricted	13,713,006	4,617,145
Total net assets	30,747,404	20,813,798
Total liabilities and net assets	$ 34,602,705	$ 24,502,487

See accompanying notes.

GEFFEN PLAYHOUSE, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED AUGUST 31, 2015 WITH SUMMARIZED TOTALS FOR 2014

	Unrestricted	Temporarily Restricted	Total 2015	Total 2014
REVENUE AND SUPPORT				
Ticket sales	$ 7,361,250	$ -	$ 7,361,250	$ 9,020,316
Contributions	3,112,074	9,983,095	13,095,169	3,918,732
Special events	2,102,878	-	2,102,878	1,932,820
UCLA reimbursed maintenance	427,872	-	427,872	379,960
Other income	192,525	-	192,525	199,759
Contributed services and in-kind donations	241,358	-	241,358	69,087
Interest and investment income, net	45,122	-	45,122	47,948
Net assets released from restrictions:				
Collection of pledges receivable	789,195	(789,195)	-	-
Amortization of leasehold interest in building	98,039	(98,039)	-	-
Total revenues and support	14,370,313	9,095,861	23,466,174	15,568,622
EXPENSES				
Program services				
Production and education	5,486,668	-	5,486,668	6,588,875
Ticket service and front house	1,064,058	-	1,064,058	1,646,179
Program promotion	2,370,638	-	2,370,638	1,817,399
Facilities	1,208,300	-	1,208,300	1,111,041
Fundraising services				
Development	1,333,438	-	1,333,438	1,189,973
Special events	912,747	-	912,747	708,121
Supporting services				
General and administrative	1,156,719	-	1,156,719	1,101,739
Total expenses	13,532,568	-	13,532,568	14,163,327
Changes in net assets	837,745	9,095,861	9,933,606	1,405,295
Net assets, beginning of year	16,196,653	4,617,145	20,813,798	19,408,503
Net assets, end of year	$ 17,034,398	$ 13,713,006	$ 30,747,404	$ 20,813,798

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ 9,933,606	$ 1,405,295
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Change in discount of pledges receivable	1,179,955	6,629
Depreciation and amortization	559,997	562,846
Amortization of leasehold interest in building	98,039	98,039
Changes in operating assets and liabilities		
Pledges receivable	(10,349,608)	(1,474,900)
Other receivables	(4,421)	47,092
Prepaid expenses and other assets	(157,097)	178,214
Accounts payable and accrued expenses	11,698	157,756
Deferred revenue	154,914	(68,534)
Contributions restricted for long-term purposes	(9,983,095)	(2,091,053)
Net cash used in operating activities	(8,556,012)	(1,178,616)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	1,000,000	1,250,000
Purchases of funds held by UCLA Foundation	(2,444,534)	(1,902,372)
Purchases of property and equipment	(244,099)	(112,508)
Net cash used in investing activities	(1,688,633)	(764,880)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from contributions restricted for long-term purposes	9,983,095	2,091,053
Net cash provided by financing activities	9,983,095	2,091,053
Change in cash and cash equivalents	(261,550)	147,557
Cash and cash equivalents, beginning of year	1,364,175	1,216,618
Cash and cash equivalents, end of year	$ 1,102,625	$ 1,364,175

See accompanying notes.

Note 1 – Organization

Geffen Playhouse, Inc. (a nonprofit organization) (the "Organization") is devoted to providing professional quality theater through a series of productions, workshops, seminars and play readings for the city of Los Angeles, surrounding counties and the University of California at Los Angeles ("UCLA"). An active member of the community, the Organization has education and outreach programs that target students, seniors and others who otherwise would not have access to live theater. The Organization strives to produce original, quality works that inspire thought, evoke conversation and engage the community in the live arts. The Organization, incorporated on August 29, 1994, was previously named Westwood Playhouse, Inc.

Note 2 – Summary of Significant Accounting Policies

Basis of accounting – The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial statement presentation – The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. The net assets of the Organization and changes therein are classified and reported as follows:

- **Unrestricted net assets** – Net assets that are not subject to donor imposed stipulations and that may be expendable for any purpose in performing the primary objectives of the Organization. Included in unrestricted net assets is $450,000 of board-designated assets related to the Legacy Fund, which is designated as a reserve fund for future financial use of the Organization.

- **Temporarily restricted net assets** – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. As the restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the accompanying financial statements as net assets released from restrictions. Donor-restricted contributions received and expended in the same reporting period are recorded as unrestricted support.

- **Permanently restricted net assets** – Net assets that are restricted by the donors for investment in perpetuity. The investment income generated from these funds is available for general support of the Organization's programs and operations or restricted for donor intended purposes. As of August 31, 2015 and 2014, the Organization had no permanently restricted net assets.

Note 2 – Summary of Significant Accounting Policies (continued)

Comparative amounts – The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended August 31, 2014, from which the summarized information was derived.

Contributions – Contributions received, including unconditional promises to give, are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence or nature of any donor restrictions. Contributions for which donors have imposed restrictions which limit the use of the donated assets are reported as restricted support if the restrictions are not met in the same reporting period. When such donor-imposed restrictions are met in subsequent reporting periods, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions. Contributions of assets which donors have stipulated must be maintained permanently, which only the income earned thereon available for current use, are classified as permanently restricted assets. Contributions for which donors have stipulated restrictions, as well as contributions for which donors have stipulated restrictions but which are met within the same reporting period, are reported as unrestricted support.

Unconditional promises to give with payments due in future periods are reported as restricted support. Gifts of land, buildings and equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulation, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Conditional promise to give, which depend on the occurrence of a specified future and uncertain event to bind the promisor, shall be recognized when the conditions on which they depend are substantially met, when the conditional promise becomes unconditional.

Contributed services and in-kind donations – During the years ended August 31, 2015 and 2014, the Organization recognized $241,358 and $69,087, respectively, of in-kind donations that are related to the operations of the Organization and have been included in program services in the accompanying statements of activities. In addition, during the years ended August 31, 2015 and 2014, the Organization recognized $258,591 and $205,785, respectively, of in-kind donations that have been included in special events in the accompanying statements of activities.

Note 2 – Summary of Significant Accounting Policies (continued)

Revenue and expenses recognition – The Organization recognizes revenue and related expenses based on the production season. Revenue from season ticket sales which are received in advance of the related production season is deferred. Expenses (construction sets and props and production) for productions to be presented in subsequent fiscal years are deferred and subsequently expensed in the year in which the production occurs. Concession and merchandise revenue is recognized as items are sold. Ticket handling fees are recognized as tickets are sold. Special event revenue is recognized as it is received.

The production season typically is from September 1 to August 31, though occasionally, shows for the upcoming season may begin before September 1.

Functional allocation of expenses – The costs of providing the various programs and activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Cash and cash equivalents – The Organization considers all highly liquid investments with a maturity at the date of purchase of three months or less to be cash and cash equivalents.

Pledges receivable – Pledges receivable are stated at unpaid balances, less an allowance for doubtful accounts, if any. The Organization provides for losses on receivables using the allowance method. The allowance is based on experience and other circumstances, which may affect the ability of the donor to meet their obligations. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. Management has determined that no allowance is considered necessary at August 31, 2015 and 2014.

Investments – The Organization invests its funds with the UCLA foundation in order to maximize the return on its investments. Investments in UCLA's short-term investment pool ("STIP") and certificates of deposit are reported at their fair values in the statements of financial position. Realized and unrealized gains and losses are included in the change in net assets. At August 31, 2015 and 2014, the Organization has $110,820 and $64,633, respectively, of short-term investments consisting mainly of certificates of deposit.

Certificates of deposit are valued based on investment yield. The short term investment pool is valued based on net asset value of shares held by the Organization at year end. The fair value of the STIP is based on information provided by the UCLA Foundation fund managers at the most recent valuation date prior to fiscal year-end adjusted for certain cash flows. Management agrees with the assumptions used and fair values determined by the Foundation fund managers. Management monitors the activity of the STIP and performs reconciliations and other procedures to assure that the valuation used in the financial statements are accurately stated.

Note 2 – Summary of Significant Accounting Policies (continued)

A substantial portion of the Organization's investments are held by the UCLA Foundation which is invested in the Foundation's short-term investment pool ("STIP"). The Organization receives a pro rate share of the income from the investment pool. Shares of the STIP are purchased or redeemed at a constant value of $1 per share. The investments of the pool are comprised of banker's acceptance instruments, commercial paper, corporate debt securities and United States government and agency obligations. These funds are available to the Organization at any time subject to a maximum of two withdrawals per month. At August 31, 2015 and 2014, the Organization has $4,904,828 and $3,460,294, respectively, of funds held by the UCLA Foundation. As noted in Note 4, these investments have been classified as Level 2 investments due to similar items in active markets.

Property and equipment – Property and equipment are stated at cost if purchased or fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally between three and ten years. Expenditures for major renewals and improvements that extend the useful lives of the property and equipment are capitalized. Expenditures for repairs and maintenance are charged to expense as incurred. Leasehold improvements are amortized using the straight-line method ranging from ten to forty years, over the shorter of the estimated useful life of the asset or the lease term. The Organization maintains a capitalization policy for expenditures in excess of $1,500.

Long-lived assets – The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Impairment losses, if any, are recognized when estimated future cash flows (undiscounted and without interest charges) derived from such assets are less than their carrying values. No impairment losses were recognized during the years ended August 31, 2015 and 2014.

Income taxes – The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701 (d) of the Revenue Taxation Code of California. Accordingly, no provision for income taxes is included in the accompanying financial statements.

During the year ended August 31, 2015, the Organization performed an evaluation of uncertain tax positions and did not note any, matters that would require recognition in the financial statements or which may have an effect on its tax exempt status.

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 – Summary of Significant Accounting Policies (continued)

Advertising – Advertising costs are expensed as incurred except for direct response advertising, which is capitalized and amortized over its expected period of future benefits, not to exceed 12 months. Direct response advertising consists primarily of the Organization's annual brochures for the following season subscriptions and the marketing of ticket sales to specific individuals. Advertising expense was $2,370,638 and $1,817,399 for the years ended August 31, 2015 and 2014, respectively. At August 31, 2015 and 2014, direct response advertising included in prepaid expenses and other is $397,979 and $373,789, respectively.

Legal proceedings – From time to time, the Organization is party to various legal proceedings incidental to its business. In the opinion of management, none of these items, individually or in the aggregate, would have a significant effect on the financial position, change in nest assets, cash flows or liquidity of the Organization.

Recently issued accounting pronouncements – In April 2013, the FASB issued Accounting Standards Update ("ASU") No. 2013-06, "No-for-Profit Entities (Topic 958): Services Received from Personnel of an Affiliate." This amendment requires a recipient not-for-profit entity to recognize all services received from personnel of an affiliate that directly benefit the recipient not-for-profit entity. Those services should be measured at the cost recognized by the affiliate for the personnel providing those services. However, if measuring a service received from personnel of an affiliate at cost will significantly overstate or understate the value of the service received, the recipient not-for-profit entity may elect to recognize that service received at either (1) the cost recognized by the affiliate for the personnel providing that service or (2) the fair value of that service. The amendments in this Update improve current U.S. GAAP by requiring all not-for-profit entities to apply similar recognition and measurement bases for services received from personnel of an affiliate does not charge the recipient not-for-profit entity. The changes are effective for the fiscal years beginning after June 15, 2014. The Organization is still in process of evaluating the impact of the Organization's financial statements.

Reclassification – Certain 2014 balances have been reclassified to conform to the 2015 presentation. The reclassifications were for the presentation of contributions restricted for long-term purposes on the statement of cashflows. The reclassifications had no impact on the Organization's financial position or results of operations.

Note 3 – Concentrations of Credit Risk

Credit risk is the failure of another party to perform in accordance with the contract terms. Financial instruments which potentially subject the Organization to concentrations of credit risk consist primarily of cash and cash equivalents and pledges receivable.

The investment policy limits the Organization's exposure to concentrations of credit risk. Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk and overall market volatility risk. Due to the level of risk associated with certain investment securities, it is

Note 3 – Concentrations of Credit Risk (continued)

reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of financial position.

Cash and cash equivalents generally consist of cash and highly liquid investments with an initial maturity of three months or less. These securities are primarily held at one financial institution and are insured by the Federal Deposit Insurance Corporation ("FDIC") coverage up to $250,000. At times during the year, cash in these accounts may exceed the federally insured amounts. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

For the year ended August 31, 2015, approximately 73% of the Organization's contributions were from 28 donors. For the year ended August 31, 2014, approximately 18% of the Organization's contributions were from five donors.

At August 31, 2015, approximately 99% of the Organization's pledges receivable was from 14 donors. At August 31, 2014, approximately 94% of the Organization's pledges received was from three donors.

Note 4 – Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization uses the market or income approach. Based on this approach, the Organization utilizes certain assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. As a basis for considering such assumptions, the organization uses a three-tier value hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value.

Note 4 – Fair Value Measurements (continued)

The standard describes 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.

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.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. For the fiscal year ended August 31, 2015, the application of valuation techniques applied to similar assets has been consistent. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given instrument is based on the lowest level of input that is significant to the fair value measurement. The Organization's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the instrument.

Financial instruments included in the Organization's statements of financial position include cash and cash equivalents, investments, receivables and accounts payable and accrued expenses. For cash and cash equivalents, receivables and accounts payable and accrued expenses, the carrying amounts represent a reasonable estimate of fair values due to their short-term maturities. Investments are reflected at estimated fair value as described above.

Financial assets carried at recurring fair value at August 31, 2015 are classified as follows:

	Level 1	Level 2	Level 3	Total
Investments	$ -	$ 4,904,828	$ -	$ 4,904,828
Certificates of deposit	110,820	-	-	110,820
Total	$ 110,820	$ 4,904,828	$ -	$ 5,015,648

Note 4 – Fair Value Measurements (continued)

Financial assets and liabilities carried at fair value at August 31, 2014 are classified as follows:

	Level 1	Level 2	Level 3	Total
Investments	$ -	$ 3,460,294	$ -	$ 3,460,294
Certificates of deposit	64,633	-	-	64,633
Total	$ 64,633	$ 3,460,294	$ -	$ 3,524,927

The following table summarizes the Organization's financial assets that are valued using the net asset value:

	Fair Value, August 31, 2015	Redemption Frequency	Redemption Notice Period
Funds held in UCLA Foundation's STIP	$ 4,904,828	monthly	two days
Total	$ 4,904,828		

The organization has no unfunded commitments as of August 31, 2015 and 2014.

Note 5 – Unconditional Pledges Receivable

Unconditional pledges receivable have been recorded at the present value of estimated future cash flows using a discount rate of approximately 0.39-2.95%. At August 31, 2015 and 2014, the Organization has not provided for an allowance for uncollectible pledges, as all amounts are considered fully collectible. Pledges receivable are recorded as follows:

	2015	2014
Amounts due		
In less than one year	$ 1,796,300	$ 577,850
In one to five years	6,625,000	1,875,000
In six years and after	4,366,326	-
Total gross pledges receivable	12,787,626	2,452,850
Less present value discount	(1,179,955)	(14,832)
Total pledges receivable, net	11,607,671	2,438,018
Less current portion of pledges receivable, net	(1,796,300)	(577,850)
Pledges receivable, net of current portion	$ 9,811,371	$ 1,860,168

Note 6 – Leasehold Interest in Building

The Organization leases its facilities from UCLA at a rate of $1 per year under an original 30 year lease which commenced in May 1995. In April 2003, the lease term was extended to 55 years to expire in May 2050. In March 2010, the lease term was reduced by four years to expire in May 2046. At the inception date of the original lease, the fair value of the building was approximately $5,000,000. This amount was recognized in prior years as a contribution and a leasehold interest. The unamortized leasehold interest is reflected in the accompanying statements of financial position as a temporarily restricted net asset and is being amortized over the extended lease term of 51 years. At August 31, 2015 and 2014, the unamortized leasehold interest is $1,806,155 and $1,904,194, respectively. Amortization expense for the years ended August 31, 2015 and 2014 was $98,039.

Note 7 – Property and Equipment

At August 31, 2015 and 2014, property and equipment consisted of the following:

	2015	2014
Equipment	$ 1,531,602	$ 1,410,601
Furniture and fixtures	418,826	360,019
Leasehold improvements	17,769,518	17,705,228
Less accumulated depreciation and amortization	(5,994,432)	(5,434,435)
	$ 13,725,514	$ 14,041,413

Depreciation and amortization expense for the years ended August 31, 2015 and 2014 was $559,997 and $562,846, respectively.

Note 8 – Line of Credit

In October 2012, the Organization entered into a line of credit agreement with a bank for a $500,000 line of credit. The line expired on January 31, 2015 and was subsequently extended to February 15, 2016. Advances under the line of credit bear interest at the current prime rate (5.25% at August 31, 2015) and are secured by property held by the Organization. As of August 31, 2015 and 2014, there were no outstanding borrowings on this line of credit.

Note 9 – Lease Commitments

The Organization leases certain office equipment under a noncancelable operating lease agreement that expire March 2018. Total rent expense under the lease was $49,675 and $48,603, respectively, for the years ended August 31, 2015 and 2014. In addition, the Organization has noncancelable operating lease agreements on a storage space and an office space that expire August 2016. Total rent expense under these leases were $43,622 and $9,000, respectively, for the years ended August 31, 2015 and 2014.

Note 9 – Lease Commitments (continued)

The following is a schedule of the Organization's minimum lease requirements under these non-cancelable leases:

Years Ending August 31,		
2016	$	67,946
2017		67,946
2018		50,386
2019		15,468
2020		15,468
Thereafter		77,340
Total	$	294,554

Note 10 – Temporarily Restricted Net Assets

At August 31, 2015 and 2014, temporarily restricted net assets consisted of the following:

	Available August 31, 2014	Additions	Released	Available August 31, 2015
Time resricted, pledges receivable	$ 2,438,018	$ 9,660,326	$ (549,263)	$ 11,549,081
Time restricted, cash	269,932	153,977	(239,932)	183,977
Time restricted, leasehold interest in building	1,904,194	-	(98,039)	1,806,155
Production, specific purpose	5,001	141,117	-	146,118
Total	$ 4,617,145	$ 9,955,420	$ (887,234)	$ 13,685,331

Note 11 – Related Party Transactions

The Organization has an affiliation agreement with UCLA under which the Organization must provide artistic programming to the community and educational/professional opportunities for UCLA theater students. UCLA may appoint five members to the Organization's board of directors.

Under the lease agreement with UCLA, the Organization incurs expenses for the maintenance of the facility, which are either paid directly or reimbursed by UCLA. Accordingly, the Organization recognizes certain maintenance expenses as incurred and records the reimbursement from UCLA as support. For the years ended August 31, 2015 and 2014, UCLA reimbursed the Organization $427,872 and $379,960, respectively, for maintenance expenses. At August 31, 2015 and 2014, the Organization has a receivable from UCLA of $97,070 and $74,247, respectively, which is included in other receivables in the accompanying statements of financial position.

Note 11 – Related Party Transactions (continued)

As noted at Note 4, at August 31, 2015 and 2014, the Organization has $4,904,828 and $3,460,294, respectively, of funds held by the UCLA Foundation.

During the years ended August 31, 2015 and 2014, a relative of a member of management provided IT consulting services to the Organization. During the year ended August 31, 2015, the IT consulting service expense was $165,247, of which $0 was payable at year end. During the year ended August 31, 2014, the IT consulting service expense was $199,491, of which $0 was payable at year end.

During the year ended August 31, 2015 62% of contributions were from related parties. During the year ended August 31, 2014 48% of contributions were from related parties

Note 12 – Employee Benefit Plans

The Organization maintains a 401(k) profit sharing plan available to all full time employees after completing one year of service, except those who are covered by a collective bargaining agreement. The retirement plan is subject to a discretionary employer contribution. For the years ended August 31, 2015 and 2014, no contributions were made by the Organization.

Note 13 – Subsequent Events

Subsequent events are events or transactions that occur after the statement of financial position date but before financial statements are available to be issued. The Organization 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 Organization'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 financial statements are available to be issued. The Organization has evaluated subsequent events through December 21, 2015 which is the date the financial statements were available to be issued.