IAMA THEATRE COMPANY

INDEPENDENT AUDITORS' REPORT
AND
FINANCIAL STATEMENTS
June 30, 2025

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
IAMA Theatre Company

Opinion

We have audited the financial statements of IAMA Theatre Company (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year 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 IAMA Theatre Company as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the IAMA Theatre Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 representation 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 IAMA Theatre Company's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' 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 auditors' 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 risk 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 IAMA Theatre Company'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 IAMA Theatre Company'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.

Hinricher & Cousino, LLP

Thousand Oaks, California
February 25, 2026

IAMA THEATRE COMPANY

STATEMENT OF FINANCIAL POSITION

June 30, 2025

ASSETS

Assets, all current:	
Cash	
Cash and cash equivalents	$ 499,743
Cash - restricted	60,000
Total cash	559,743
Accounts receivable	687
Pledges receivable	450,000
Prepaid insurance	210
Total current assets	1,010,640
Total assets	$ 1,010,640

LIABILITIES

Liabilities, all current	
Accounts payable	$ 24,951
Accrued expenses	5,080
Total liabilities	30,031

NET ASSETS

Net assets:	
Without donor-imposed restrictions	900,609
With donor-imposed restrictions	80,000
	980,609
Total liabilities and net assets	$ 1,010,640

See accompanying independent auditors' report and notes to financial statements.

	Without Donor-Imposed Restrictions	With Donor-Imposed Restrictions	Total
Public support, revenue, and reclassifications			
Box office sales	$ 109,066	$ 0	$ 109,066
Education	53,940	0	53,940
Grants	210,894	80,000	290,894
Contributions	83,578	0	83,578
Special events, net of direct expenses of $43,606	140,287	0	140,287
Employee retention credit	57,033	0	57,033
Interest income	8	0	8
Rental income	3,458	0	3,458
Miscellaneous	4,116	0	4,116
Net assets reclassifications	342,780	(342,780)	0
Total public support, revenue, and reclassifications	1,005,160	(262,780)	742,380
Expenses			
Program services	668,243	0	668,243
Management and general	212,918	0	212,918
Fundraising expenses	98,423	0	98,423
Total expenses	979,584	0	979,584
Change in net assets	25,576	(262,780)	(237,204)
Net assets at beginning of year	875,033	342,780	1,217,813
Net assets at end of year	$ 900,609	$ 80,000	$ 980,609

CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$	(237,204)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Change in present value discount of pledges receivable		(92,840)
(Increase) or decrease in:		
Accounts receivable		28,753
Pledges receivable		350,000
Prepaid insurance		24,663
Security deposits		4
Increase or (decrease) in:		
Accounts payable		(28,464)
Accrued expenses		(1,810)
Net cash provided by (used in) operating activities		43,102
Total increase (decrease) in cash and restricted cash		43,102
Cash and restricted cash at beginning of year		516,641
Cash and restricted cash at end of year	$	559,743
Supplemental Information:		
Interest paid	$	0
Income taxes paid	$	0

IAMA THEATRE COMPANY

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2025

	Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 385,101	$ 159,036	$ 91,196	$ 635,333
Payroll taxes	29,934	11,061	2,212	43,207
	415,035	170,097	93,408	678,540
Advertising, publicity and marketing	6,854	2,448	490	9,792
Artist commissions	10,500	0	0	10,500
Bank fees	0	4,734	66	4,800
Dues and subscriptions	0	4,151	0	4,151
Education	8,150	2,038	0	10,188
Insurance	38,752	5,561	1,112	45,425
Meals and entertainment	707	628	67	1,402
General admin expenses	1,050	1,952	2	3,004
Miscellaneous	8,944	243	757	9,944
Postage and mailing service	0	335	0	335
Professional fees	9,419	9,419	0	18,838
Office expense	747	916	149	1,812
Rent and office space	84,006	10,283	2,342	96,631
Production	73,625	0	0	73,625
Taxes and licenses	0	113	30	143
Ticketing fees	10,454	0	0	10,454
Total expenses	$ 668,243	$ 212,918	$ 98,423	$ 979,584

NOTE 1 - DESCRIPTION OF ORGANIZATION

IAMA Theatre Company (the "Organization") is a Los Angeles-based ensemble of artists committed to cultivating new voices and creating new works that push boundaries and take risks, while fostering an inclusive community that inspires theatre-makers of future generations. The Organization is invested in challenging our audiences with an authentic experience that reflects our complex modern world.

The Organization was formed in 2016 and is a 501c(3) tax-exempt organization.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

Financial Statement Presentation
The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with Generally Accepted Accounting Principles ("GAAP") for not-for-profit organizations.

Net Assets Presentation
Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Descriptions of the two net asset categories and transactions affecting each category are as follows:

Without donor-imposed restrictions: Net assets that are not subject to donor-imposed restrictions and are currently available at the discretion of management and the governing board for use in operations.

With donor-imposed restrictions: Net assets that are subject to donor-imposed restrictions that will be met by actions the Organization or the passage of time. Transactions affecting this category include gifts with donor-imposed restrictions not met by year-end, endowments where the principal may be used upon the passage of time or used for a specific purpose. Included in this category are gifts with donor-imposed restrictions to be maintained permanently by the Organization. Generally, the donor requires the original corpus of the gift to be held in perpetuity, but the income generated from the gift may be used by management for general program and operating expenses.

Use of Estimates
The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities (e.g. the fair value of financial instruments, potential impairments to fixed assets and accrued expenses) at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Income Tax Status
The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal and state income taxes in the accompanying financial statements. In addition, the Internal Revenue Service has determined that the Organization is not a "private Organization" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for the year ended June 30, 2025. The Organization's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents
The Organization considers cash and short-term deposits to include all stable highly liquid instruments with an original maturity date of three months or less. At June 30, 2025, the Organization had $130,000 of cash equivalents (See note 7).

Accounts Receivable
Accounts receivable are stated at amounts expected to be received for providing services to clients and are recorded when the related services are provided or received. The Organization considers all accounts receivables to be fully collectible, and accordingly, no allowance for doubtful accounts is required.

Pledges Receivable
Pledges receivable that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a market interest rate applicable to the year in which the pledge is received. Future amortization of the discount will be included in contribution revenue. Management closely monitors outstanding balances and writes off any balances deemed uncollectible. The Organization considers all pledges receivable to be collectible.

Revenue Recognition
The Organization's major sources of revenue are box office sales, education, grants and contributions, and special events. Revenue recognition for each major source of revenue is defined as the following:

Box Office Sales and Education: The Organization recognizes revenue from box office sales and acting classes at the point of sale. Revenue from box office sales and acting classes is generally not refundable.

Grants and Contributions: Grants and contributions, including unconditional promises to give, are recognized as revenues when they are received. Conditional promises to give are not recognized until they become unconditional; that is when the conditions on which they depend have been substantially met. Revenue is recorded as with donor-imposed restrictions or without donor-imposed restrictions according to donor stipulations that limit the use of these assets due to either a time or purpose restriction. Grants and contributions received with donor-imposed restrictions that are met in the year of receipt are recorded as revenues without donor-imposed restrictions. When a restriction expires or is met in a subsequent year, net assets are reclassified from net assets with donor-imposed restrictions to net assets without donor-imposed restrictions in the accompanying statement of activities.

Special Events: The Organization conducts special events to assist in the program operations. Revenue from special events is recognized in the period the special event is held. Funds received in advance of the special event are presented as deferred revenue or revenue with donor-imposed restrictions depending on the nature and circumstances. Net proceeds from special events are used for programs and operations.

Contributed Goods or Services: The Organization records donated goods or services at their estimated fair value when the goods or services have been received. Estimated fair value is determined based on appraisals, other objective bases, or in certain circumstances, management's best estimate of fair value.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Contributed goods or services are donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased meeting GAAP requirements recognition in the accompanying financial statements. The Organization receives substantial donated services each year from volunteers. These volunteer services, however, do not meet the above criteria, and therefore, no recognition of their services is included in the accompanying financial statements.

Advertising

Advertising costs are expensed as incurred. Total advertising costs for the year ended June 30, 2025, was $9,791.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting activities (management and general, and fundraising). Expenses related to more than one function are allocated to programs and supporting services based on the ratio of each activity's direct salary costs to total direct salary costs for all activities. These are called shared costs and include occupancy, insurance, and office expenses.

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable consist of normal operating accounts receivable that are due within one year of the statement of financial position. At June 30, 2025, the accounts receivable balance was $687 and is considered to be fully collectible by management.

NOTE 4 - PLEDGES RECEIVABLE

At June 30, 2025, the Organization had several outstanding pledges receivable, two of which were multi-year pledges. One of the multi-year pledges requires the Organization to report to the donor at the end of the pledge period. The donor retains the rights to monitor and evaluate the activities funded by the pledge.

All remaining pledge balances are expected to be received within one year of the date of these financial statements, and accordingly, no discount was provided for in the accompanying financial statements. At June 30, 2025, the outstanding pledges balance was $450,000.

NOTE 5 - LEASES

The Organization leases theatre and office space in Atwater Village, California. Management determines if an arrangement is a lease at inception. The Organization's operating leases (there are no financing leases) are included in right-of-use assets ("ROU") and lease liabilities in the accompanying statement of financial position.

NOTE 5 - LEASES (Continued)

Right-of-use ("ROU") assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Operating ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Leases, generally, do not include an implicit rate; management elected to use the "risk-free rate" as its incremental rate to determine the present value of the lease payments, and accordingly, used the existing rates for United States Treasury Bills on July 1, 2024, for similar terms of its leases. Operating lease ROU assets exclude any lease incentives. Lease terms may include options to extend the lease term at the end of the initial lease period. When it is reasonably certain that the option will be exercised the renewal period is included in the lease term and the related payments are included in the ROU asset and lease liability. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The lease agreements do not include any material residual value guarantees or material restrictive covenants.

The lease agreements generally include annual increases in the monthly lease payments at pre-determined dates based on the change in the consumer price index. Additionally, leases may include separate payments to the lessor based on the lessor's insurance costs, property taxes, as well as a portion of the common area maintenance associated with the property. The Organization elected the practical expedient not to separate lease and non-lease components for all of the leases.

Management has elected to apply the short-term lease exemption to the Organization's leases, and accordingly, right-of-use assets and lease liabilities are not recognized for these leases. For the year ended June 30, 2025, all of the Organization's leases qualify for the exemption. For the year ended June 30, 2025, the lease expense recognized for these leases was $91,030. These leases are for a term of 12-months or less and may be renewed for an additional 12-month period or on a month-to-month basis.

Occasionally, the Organization will lease additional theatre space, however, this is limited to the period of production which is generally limited to a maximum term of three months at a time and on an as needed basis.

Future minimum lease payments under the existing leases for the next five years are as follows:

Year ending June 30:	
2026	$ 10,000
2027	0
2028	0
2029	0
2030	0
Thereafter	0
	$ 10,000

NOTE 6 - NET ASSETS WITH DONOR-IMPOSED RESTRICTIONS

As of June 30, 2025, net assets with donor-imposed restrictions are restricted for the following purposes:

Subject to expenditure for specified purpose:

Hotel Play - The Last Bohemian	$ 60,000
New Works Festival	20,000
	$ 80,000

NOTE 7 - CONCENTRATION OF CREDIT RISK

The Organization maintains several bank accounts at one financial institution. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) for up to $250,000. At times, the cash balances may exceed the FDIC limit. At June 30, 2025, the Organization had $130,000 in cash that is invested solely in U.S. Treasury Bills and included in “Cash and cash equivalents” in the accompanying statement of financial position. These funds are not insured by the FDIC. At June 30, 2025, the Organization had $170,907 in uninsured cash.

At June 30, 2025, 93% of pledges receivable are due from two (2) donors.

NOTE 8 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has $930,430 of financial assets available within one year of the statement of financial position date, consisting of $499,743 of cash, $687 of accounts receivable and $430,000 of pledges receivable to meet cash needs for general expenditures. None of these financial assets are subject to donor-imposed restrictions. In addition to the financial assets available the Organization anticipates collecting sufficient revenue to cover general expenditures.

NOTE 9 - EVALUATION OF SUBSEQUENT EVENTS

Subsequent events have been evaluated through, February 25, 2026, the date the financial statements were available to be issued.