



Financial Statements

For the Year Ended June 30, 2016

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Independent Auditor's Report

**To the Board of Directors
Town Hall Association
Seattle, Washington**

We have audited the accompanying financial statements of Town Hall Association ("THA"), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities and changes in net assets 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of THA as of June 30, 2016, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited THA's 2015 financial statements and expressed an unmodified opinion on those audited financial statements in our report dated December 16, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Clark Nuber P.S.

Certified Public Accountants
December 14, 2016

TOWN HALL ASSOCIATION

Statement of Financial Position

June 30, 2016

(With Comparative Totals for 2015)

	<u>2016</u>	<u>2015</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 1,127,318	\$ 1,236,208
Accounts receivable, net	9,380	3,500
Grants and pledges receivable	<u>135,225</u>	<u>24,394</u>
Total Current Assets	1,271,923	1,264,102
Long-term investments	1,363,143	1,333,339
Cash restricted for capital campaign	2,182,319	1,613,599
Capital campaign pledges, net	4,148,267	2,991,046
Land, building, improvements and equipment, net	7,162,178	6,069,036
Donated artwork	<u>20,750</u>	<u>20,000</u>
Total Assets	<u>\$ 16,148,580</u>	<u>\$ 13,291,122</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 147,393	\$ 131,574
Construction payables	20,892	144,023
Deferred revenue and deposits	<u>39,733</u>	<u>41,380</u>
Total Liabilities	208,018	316,977
Net Assets:		
Unrestricted-		
Undesignated, available for operations	772,080	930,848
Board-designated reserve funds	1,570,197	1,458,676
Net investment in land, building, improvements, equipment and artwork	<u>7,162,036</u>	<u>5,945,013</u>
Total unrestricted	9,504,313	8,334,537
Temporarily restricted	6,406,249	4,609,608
Permanently restricted	<u>30,000</u>	<u>30,000</u>
Total Net Assets	<u>15,940,562</u>	<u>12,974,145</u>
Total Liabilities and Net Assets	<u>\$ 16,148,580</u>	<u>\$ 13,291,122</u>

See accompanying notes.

TOWN HALL ASSOCIATION

**Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2016
(With Comparative Totals for 2015)**

	Unrestricted	Temporarily Restricted	Permanently Restricted	2016 Total	2015 Total
Operating Activities					
Support and Revenue:					
Tickets and rentals	\$ 728,965	\$ -	\$ -	\$ 728,965	\$ 640,550
Contributions and grants	1,119,732	70,000		1,189,732	1,048,387
Total Support and Revenue	1,848,697	70,000		1,918,697	1,688,937
Program and Operating Expenses:					
Program	1,239,713			1,239,713	1,241,538
Management and general	202,020			202,020	217,918
Fundraising	362,777			362,777	382,847
Total Program and Operating Expenses	1,804,510			1,804,510	1,842,303
Change in Net Assets From Operating Activities Before Depreciation	44,187	70,000		114,187	(153,366)
Depreciation	130,609			130,609	114,454
Change in Net Assets From Operating Activities	(86,422)	70,000		(16,422)	(267,820)
Nonoperating Activities					
Capital campaign contributions and grants		3,504,537		3,504,537	4,672,831
Capital campaign expenses	(556,817)			(556,817)	(437,498)
Investment income	34,419	700		35,119	23,318
Contributions released from restriction	1,778,596	(1,778,596)			
Change in Net Assets From Nonoperating Activities	1,256,198	1,726,641		2,982,839	4,258,651
Total Change in Net Assets	1,169,776	1,796,641		2,966,417	3,990,831
Net assets, beginning of year	8,334,537	4,609,608	30,000	12,974,145	8,983,314
Net Assets, End of Year	\$ 9,504,313	\$ 6,406,249	\$ 30,000	\$ 15,940,562	\$ 12,974,145

See accompanying notes.

TOWN HALL ASSOCIATION

**Statement of Cash Flows
For the Year Ended June 30, 2016
(With Comparative Totals for 2015)**

	<u>2016</u>	<u>2015</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 2,966,417	\$ 3,990,831
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities-		
Depreciation	130,609	114,454
Unrealized gain (loss) on investments	29	(2,599)
Contribution of art-work, in-kind	(750)	
Contributions and grants restricted by donors to investment in long-lived assets and endowment	(2,947,720)	(4,235,573)
Decrease (increase) in operating assets:		
Accounts receivable	(5,880)	(3,299)
Grants and pledges receivable	(110,831)	(16,384)
Prepaid expenses		10,000
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	15,819	(8,673)
Deferred revenue and deposits	(1,647)	17,733
Net Cash Provided by (Used in) Operating Activities	46,046	(133,510)
Cash Flows From Investing Activities:		
Increase in cash restricted for capital campaign	(568,720)	(1,613,599)
Purchases of long-term investments	(34,897)	(20,719)
Proceeds from sale of investments	5,064	
Purchases of land, building, improvements and equipment	(1,346,882)	(846,323)
Net Cash Used in Investing Activities	(1,945,435)	(2,480,641)
Cash Flows From Financing Activities:		
Proceeds from contributions and grants restricted by donors to investment in long-lived assets and endowment	1,790,499	2,947,078
Net Cash Provided by Financing Activities	1,790,499	2,947,078
Net Change in Cash and Cash Equivalents	(108,890)	332,927
Cash and Cash Equivalents:		
Beginning of year	1,236,208	903,281
End of Year	\$ 1,127,318	\$ 1,236,208
Capital additions purchased through construction payables	\$ 20,892	\$ 144,023

See accompanying notes.

TOWN HALL ASSOCIATION

Notes to Financial Statements For the Year Ended June 30, 2016 (With Comparative Totals for 2015)

Note 1 - Summary of Operations and Significant Accounting Policies

Description of the Organization - Town Hall Association (“THA”) is a nonprofit corporation incorporated in the State of Washington, and operates as Town Hall Seattle.

Town Hall Seattle’s mission is to foster an engaged community through civic, arts, and educational programs that reflect and inspire our region’s best impulses: creativity, empathy, and the belief that we all deserve a voice. Presenting or hosting 425+ programs for more than 110,000+ visitors annually, THA is a shared resource for nearly 90 community organizations that rely on the facility as an affordable performance and meeting home, as well as a source of production and promotional support. These community producers create half of the programs appearing on Town Hall’s season calendar.

Town Hall Seattle produces the other 200+ programs annually, spanning science, civics, the arts, and culture. From chamber, world, and family concerts to public policy forums and scientific discovery, Town Hall’s season is a present-tense reflection of life on the Puget Sound. With wide-open doors and deeply affordable ticket prices, Town Hall is where our community comes together to take part, be inspired, and use their voices to shape the future.

Town Hall Seattle is located in a renovated church dating to 1916. Continuously used and well-maintained for over 80 years, this First Hill landmark was purchased in 1998 from the Fourth Church of Christ Scientist by a group of 16 civic-minded Seattle citizens for conversion into the community culture center it is today. THA transitioned from tenant to landlord, assuming ownership of the building itself in late 2007.

Capital Campaign - THA is housed in a federally designated historic landmark that turned 100 in 2016. During the year ended June 30, 2015, THA began actively soliciting contributions for a capital campaign to renovate and upgrade THA’s historic building. The restored building will address necessary seismic and infrastructural improvements, introduce major ADA advances, transform the facility into a year-round venue through a climate control system, and will prepare the organization for its next century of service to the community through state-of-the-art performance and production upgrades.

Basis of Accounting - The financial statements of THA have been prepared on the accrual basis of accounting in accordance with accounting standards generally accepted in the United States of America (U.S. GAAP). The significant accounting policies followed by THA are described below to enhance the usefulness of the financial statements to the reader.

Basis of Presentation - Net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of THA and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that will be met either by actions of THA or the passage of time.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by THA.

TOWN HALL ASSOCIATION

Notes to Financial Statements For the Year Ended June 30, 2016 (With Comparative Totals for 2015)

Note 1 - Continued

Capital Campaign contributions are reported as increases in temporarily restricted net assets and then released to unrestricted net assets if the restriction is met during the year. Other contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the reporting period in which the revenue is recognized. All other temporarily restricted donor contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions. Contributions that the donor requires to be used to acquire long-lived assets (e.g., building improvements, furniture, fixtures and equipment) are reported as temporarily restricted. When the long-lived assets are acquired, THA reflects the expiration of the donor-imposed restriction as a release of net assets.

Cash and Cash Equivalents - For the purpose of the statement of cash flows, cash and cash equivalents include all cash on hand and in banks except for cash associated with the investment accounts. THA maintains its cash in accounts with one bank that, at times, exceed the limits insured by the Federal Deposit Insurance Corporation.

Investments - Investments are reported at fair value. Realized and unrealized gains and losses are reflected in the statement of activities and changes in net assets.

Board-Designated Reserve Funds - Board-designated reserve funds represent cash and investments that the Board of Directors has set aside for operating and long-term reserves.

Cash Restricted for Capital Campaign - Cash restricted for capital campaign represents cash received to be expended for future capital campaign purposes.

Accounts and Pledges Receivable - Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to expense and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

Land, Building, Improvements and Equipment - THA capitalizes assets with an estimated useful life greater than one year. Land, buildings, improvements and equipment are stated at cost if purchased and estimated fair value if donated. Depreciation of buildings, improvements, and equipment is computed using straight-line methods over the following estimated useful lives:

Equipment	3 - 7 years
Furniture	7 years
Building improvements	15 years
Building	40 years

Federal Income Tax - THA has been notified by the Internal Revenue Service that it is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code.

TOWN HALL ASSOCIATION

Notes to Financial Statements For the Year Ended June 30, 2016 (With Comparative Totals for 2015)

Note 1 - Continued

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

Revenue Recognition - Ticket and rental revenues are recognized as revenue when they are earned. Advance sales of tickets or advance rental deposits are deferred to the applicable period in which the event occurs. Unconditional promises to give and contributions are recorded at fair value as cash or receivables, and as revenues in the period received, in accordance with donor-imposed restrictions.

In-Kind Contributions - THA received donated catering, photography, software, equipment, event space and wine discounts for the years ended June 30, 2016, and 2015. For the years ended June 30, 2016 and 2015, in-kind contributions were \$8,871 and \$8,558, respectively.

Concentrations of Credit Risk - THA had two donors representing 36% of grants, pledges and capital campaign pledge receivables and one donor representing 13% of contributions and grants revenue for the year ended June 30, 2016. THA had two donors representing 35% of grants, pledges and capital campaign pledge receivables and 54% of contributions and grants revenue for the year ended June 30, 2015.

Donated Artwork - Donations of artwork are recorded upon receipt at the established fair value. Artwork is capitalized as an asset and reassessed annually for impaired value.

Operating and Nonoperating Activities - All activities are considered operating except for capital and endowment related transactions, and investment income.

Allocation of Functional Expenses - The costs of providing various programs and other activities have been summarized on a functional basis below. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

TOWN HALL ASSOCIATION

**Notes to Financial Statements
For the Year Ended June 30, 2016
(With Comparative Totals for 2015)**

Note 1 - Continued

Expenses allocated on a functional basis were as follows for the years ended June 30:

	<u>2016</u>	<u>2015</u>
Program-		
Program	\$ 1,363,791	\$ 1,350,269
Capital campaign project costs	<u>85,745</u>	<u>21,836</u>
Total program	1,449,536	1,372,105
Fundraising-		
Fundraising	364,084	383,992
Capital campaign fundraising	<u>471,072</u>	<u>415,662</u>
Total fundraising	835,156	799,654
Management and general	<u>207,244</u>	<u>222,496</u>
Total Expenses	<u>\$ 2,491,936</u>	<u>\$ 2,394,255</u>

Subsequent Events - THA has evaluated subsequent events through December 14, 2016, the date on which the financial statements were available to be issued.

Note 2 - Promises to Give

Promises to give as of June 30 are as follows:

	<u>Capital Campaign</u>	<u>Operations</u>	<u>2016 Total</u>	<u>2015 Total</u>
Amounts due in less than one year	\$ 2,212,562	\$ 135,225	\$ 2,347,787	\$ 1,159,925
Amounts due in one to five years	<u>1,983,595</u>		<u>1,983,595</u>	<u>1,934,553</u>
Present value discount (1.0%)	4,196,157 <u>(47,890)</u>	135,225	4,331,382 <u>(47,890)</u>	3,094,478 <u>(79,038)</u>
	<u>\$ 4,148,267</u>	<u>\$ 135,225</u>	<u>\$ 4,283,492</u>	<u>\$ 3,015,440</u>

All pledges to the capital campaign are considered long-term on the statement of financial position, regardless of when they are expected to be collected because they will be expended for long-term purposes.

TOWN HALL ASSOCIATION

Notes to Financial Statements For the Year Ended June 30, 2016 (With Comparative Totals for 2015)

Note 2 - Continued

During the year ended June 30, 2015 THA received a \$1.5 million pledge in support of the capital campaign. THA recognized approximately \$600,000 during fiscal year 2016, and approximately \$85,000 during fiscal year 2015, with the remaining amount conditional upon meeting certain fundraising matching milestones. Since the pledge represents a conditional promise to give, the remaining amount will not be recorded as contribution revenue until the donor condition is met.

Note 3 - Long-Term Investments

Investments at June 30 were comprised of the following:

	<u>2016</u>	<u>2015</u>
Money market funds	\$ 3,517	\$ 195,450
Mutual funds-		
Stock funds	561,280	
Bond funds	758,253	
Exchange traded funds-		
Stock funds	40,093	526,882
Bond funds		<u>611,007</u>
Total Long-Term Investments	<u>\$ 1,363,143</u>	<u>\$ 1,333,339</u>

U.S. GAAP defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. To increase consistency and comparability in fair value measurements, U.S. GAAP uses a fair value hierarchy that prioritizes the inputs to valuation approaches into three broad levels. The hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable inputs (Level 3).

Investments valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Investments valued using Level 2 inputs are based primarily on quoted prices for similar assets or liabilities in active or inactive markets. Investments using Level 3 inputs are primarily valued using management's assumptions about the assumptions market participants would utilize in pricing the asset or liability. Valuation techniques utilized to determine fair value are consistently applied. All investments held by THA are valued using Level 1 inputs.

Following is a description of the valuation methodologies used for investments. There have been no changes in the methodologies used at June 30, 2016.

Money Market Funds - Valued at cost plus accrued interest, which approximates fair value.

Mutual Funds and Exchange Traded Funds - Valued at the closing price reported on the active market on which the securities are traded.

TOWN HALL ASSOCIATION

Notes to Financial Statements For the Year Ended June 30, 2016 (With Comparative Totals for 2015)

Note 3 - Continued

Investment income was as follows for the years ended June 30:

	<u>2016</u>	<u>2015</u>
Interest and dividends	\$ 35,148	\$ 20,719
Unrealized (losses) gains	(29)	2,599
Total Investment Income	<u>\$ 35,119</u>	<u>\$ 23,318</u>

Note 4 - Land, Building, Improvements and Equipment

Land, building, improvements, and equipment consisted of the following at June 30:

	<u>2016</u>	<u>2015</u>
Land and land improvements	\$ 3,265,730	\$ 3,265,730
Building and building improvements	1,815,081	1,815,081
Furniture	208,063	208,063
Equipment	458,283	408,023
Construction in progress	2,343,505	1,170,014
	8,090,662	6,866,911
Less accumulated depreciation	(928,484)	(797,875)
Total Land, Building, Improvements and Equipment, Net	<u>\$ 7,162,178</u>	<u>\$ 6,069,036</u>

Depreciation expense for the years ended June 30, 2016 and 2015 was \$130,609 and \$114,454, respectively.

Note 5 - Employee Retirement Benefit Plan

THA has a section 403(b) retirement plan for qualified employees. The plan provides for voluntary employee contributions up to the maximum allowed by federal guidelines. THA provides a matching contribution on employee deferrals of 50% up to a maximum amount of \$2,000 per year. Contributions made to the plan by THA during the years ended June 30, 2016 and 2015, totaled \$22,820 and \$14,038, respectively.

TOWN HALL ASSOCIATION

Notes to Financial Statements For the Year Ended June 30, 2016 (With Comparative Totals for 2015)

Note 6 - Temporarily Restricted Net Assets

Temporarily restricted net assets were available for the following purposes at June 30:

	<u>2015</u>	<u>2014</u>
Capital related projects	\$ 6,330,586	\$ 4,604,645
Future programming	70,000	
Accumulated endowment earnings	<u>5,663</u>	<u>4,963</u>
Total Temporarily Restricted Net Assets	<u>\$ 6,406,249</u>	<u>\$ 4,609,608</u>

Note 7 - Endowments

THA's endowment consists of one fund established for the support of general operations of THA. As required by U.S. GAAP, net assets associated with endowment funds, including quasi-endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Endowment net assets for the year ended June 30, 2016 and 2015 consisted of \$30,000 of donor restricted funds, plus accumulated unspent earnings of \$5,663 the year ended June 30, 2016 and \$4,963 for the year ended June 30, 2015.

Interpretation of Relevant Law - The Board of Directors of THA has interpreted the Washington State Prudent Management of Institutional Funds Act (PMIFA) as making it advisable for THA to track 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, THA classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by THA in a manner consistent with the standard of prudence prescribed by PMIFA.

In accordance with PMIFA, THA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purposes of THA 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 of investments;
- Other resources of THA; and
- The investment policies of THA.

TOWN HALL ASSOCIATION

Notes to Financial Statements For the Year Ended June 30, 2016 (With Comparative Totals for 2015)

Note 7 - Continued

Return Objectives and Risk Parameters - THA has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that THA must hold in perpetuity. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to diversify investments within both equity and fixed-income securities so as to provide a balance that will enhance total return while avoiding undue risk concentration in any single asset class or investment category.

Strategies Employed for Achieving Objectives - The investment objectives for the endowment are to manage contributions in a manner that will produce current income to support various programs of THA, thereby maximizing the benefits intended by donors, and to achieve growth of both principal value and income over time sufficient to preserve or increase the purchasing power of the assets of the endowment, thereby protecting those assets against inflation.

Total return shall be the method for measuring the performance of the endowment. This refers to the combination of income (interest and dividends) and appreciation/depreciation in the fund's value for a certain period of time. The specific financial objective is for total return, less expenses and distributions pursuant to the spending policy for the endowment, to equal or exceed the consumer price index (CPI) for that period. Thus, achievement of this objective will result in real growth in the value of the endowment. Although real growth will not be attained every year due to market fluctuations, it is expected to be attained over a period of time.

Spending Policy and How the Investment Objectives Relate to Spending Policy - The Board of Directors sets the spending policy for the endowment, expressed as a percentage of market value of the endowment. The percentage shall be determined on a year-to-year basis by the Board of Directors upon recommendation of the Finance Committee not to exceed 3% until the endowment exceeds \$500,000, and then not to exceed 6.5% of the fair value of assets. In recommending a spending policy for a given fiscal year, the Finance Committee shall take into consideration, among other factors, total return and CPI for the immediately preceding year, projections for the year in question.

Distributions from the endowment shall be made on an annual basis in the first quarter of the fiscal year. The amount of each distribution shall equal the average value of the portfolio over the preceding eight quarters multiplied by the spending rate determined for the year, divided by four. Loans from the endowment are not permissible.

Note 8 - Commitments

Capital Campaign Expenses - THA has commitments of approximately \$420,000 with seven different companies related to consulting, design, advertising, architecture, engineering, photography, as well as pre-construction costs, for the capital campaign to rehabilitate THA's building as of June 30, 2016.

TOWN HALL ASSOCIATION

**Notes to Financial Statements
For the Year Ended June 30, 2016
(With Comparative Totals for 2015)**

Note 8 - Continued

Operating Lease Commitment - THA signed a lease agreement subsequent to year end, and is obligated under an operating lease for office space used for program, administrative, and fundraising activities, which expires 2024. Future minimum payments under this lease are as follows:

For the Year Ending June 30,

2017	\$	15,900
2018		63,918
2019		65,196
2020		66,500
2021		67,831
Thereafter		<u>193,476</u>
	\$	<u><u>472,821</u></u>