



COMMUNITY CIRCLE PLAYERS, INC.

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITORS' REPORT

JUNE 30, 2022 AND 2021

COMMUNITY CIRLE PLAYERS, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Community Circle Players, Inc.
Lansing, MI

Opinion

We have audited the accompanying financial statements of Community Circle Players, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Circle Players, Inc. as of June 30, 2022, and its changes 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Community Circle Players, Inc. 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.

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 consolidated 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 Community Circle Players, Inc.'s ability to continue as a going concern withing one year after the date that the financial statements are available to be issued.

Auditor's Responsibility

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 generally accepted auditing

standards and Government Auditing Standards 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, including omissions, are considered material, if there is substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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, but not for the purpose of expressing an opinion on the effectiveness of Community Circle Players, Inc.'s internal control. Accordingly not 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 Community Circle Players, Inc.'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 our audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

The information for the fiscal year ended June 30, 2021 was audited by others and an unmodified opinion was expressed in their audit report dated September 3, 2021. The June 30, 2021 information is included for comparative purposes. We have not performed any audit procedures on this information and accordingly, we express no opinion on the June 30, 2021 information.

THE ALG Group CPAs

ALG Group, CPAs
East Lansing, MI
January 9, 2023

COMMUNITY CIRCLE PLAYERS, INC.

STATEMENTS OF FINANCIAL POSITION

As of June 30, 2022 and 2021

	ASSETS	
	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 77,445	\$ 77,158
Inventory	438	438
Prepaid Expenses	<u>28,784</u>	<u>10,672</u>
Total Current Assets	<u>106,667</u>	<u>88,268</u>
PROPERTY, FURNITURE AND EQUIPMENT		
Property, Furniture and Equipment	202,560	202,560
Building Improvements	1,348,925	1,337,216
Building	285,767	285,767
Less: Accumulated Depreciation	<u>(1,252,546)</u>	<u>(1,204,138)</u>
Net Property, Furniture and Equipment	<u>584,706</u>	<u>621,404</u>
TOTAL ASSETS	<u>\$ 691,373</u>	<u>\$ 709,673</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ -	\$ 1,657
Interfund Transfers	-	(280)
Payroll Liabilities	3,806	
Deferred Revenue	<u>37,874</u>	<u>17,955</u>
Total Current Liabilities	<u>41,680</u>	<u>19,333</u>
NET ASSETS		
Without Donor Restrictions	639,693	685,296
With Donor Restrictions	<u>10,000</u>	<u>5,044</u>
Total Net Assets	<u>649,693</u>	<u>690,340</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 691,373</u>	<u>\$ 709,673</u>

See Accountants' Audit Report and Notes to Financial Statements

COMMUNITY CIRCLE PLAYERS, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Years Ended June 30, 2022 and 2021

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE			
REVENUE AND SUPPORT			
Box Office, Season Tickets & Other	\$ 78,954	\$	\$ 78,954
Contributions	15,035	10,000	25,035
Government Grants		36,446	36,446
Concessions	420		420
Rents	10,750		10,750
	105,159	46,446	151,605
TOTAL PUBLIC SUPPORT AND REVENUE			
Released from restrictions	41,490	(41,490)	
NET PUBLIC SUPPORT AND REVENUE	146,649	4,956	151,605
EXPENSES			
Program services	151,898		151,898
Supporting services			
Administrative	66,487		66,487
Fundraising	3,812		3,812
TOTAL EXPENSES	222,197		222,197
CHANGES IN NET ASSETS From Operations	(75,548)	4,956	(70,592)
OTHER REVENUE AND (EXPENSE)			
ERC recovery	29,935		29,935
Interest	10		10
NET OTHER REVENUE AND EXPENSE	29,945	-	29,945
NET CHANGE IN NET ASSETS	(45,603)	4,956	(40,647)
UNRESTRICTED NET ASSETS, Beginning of Year	685,296	5,044	690,340
UNRESTRICTED NET ASSETS, End of Year	\$ 639,693	\$ 10,000	\$ 649,693

See independent auditors' report and notes to financial statements.

COMMUNITY CIRCLE PLAYERS, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Years Ended June 30, 2022 and 2021

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE			
REVENUE AND SUPPORT			
Box Office, Season Tickets & Other	\$ 14,825	\$	\$ 14,825
Contributions	63,120	5	63,125
Government Grants		38,790	38,790
Concessions	310		310
Rents	4,464		4,464
	82,719	38,795	121,514
TOTAL PUBLIC SUPPORT AND REVENUE	82,719	38,795	121,514
Released from restrictions	78,736	(78,736)	
NET PUBLIC SUPPORT AND REVENUE	161,455	(39,941)	121,514
EXPENSES			
Program services	141,248		141,248
Supporting services			
Administrative	46,913		46,913
Fundraising	-		-
TOTAL EXPENSES	188,161		188,161
CHANGES IN NET ASSETS From Operations	(26,706)	(39,941)	(66,647)
OTHER REVENUE AND (EXPENSE)			
Interest	21		21
NET OTHER REVENUE AND EXPENSE	21	-	21
NET CHANGE IN NET ASSETS	(26,685)	(39,941)	(66,626)
UNRESTRICTED NET ASSETS, Beginning of Year	711,981	44,985	756,966
UNRESTRICTED NET ASSETS, End of Year	\$ 685,296	\$ 5,044	\$ 690,340

See independent auditors' report and notes to financial statements.

COMMUNITY CIRCLE PLAYERS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ (40,647)	\$ (66,626)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	48,408	58,917
(Increase) Decrease in:		
Inventory	0	22
Prepaid Expenses	(18,112)	16,110
Increase (Decrease) in:		
Accounts payable	(1,657)	(268)
Interfund Transfers	280	(280)
Deferred Revenue	19,919	(10,650)
Payroll Liability	3,805	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>11,996</u>	<u>(2,774)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(11,709)</u>	<u>(57,893)</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>(11,709)</u>	<u>(57,893)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	287	(60,667)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>77,158</u>	<u>137,825</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 77,445</u>	<u>\$ 77,158</u>

See Auditors' Report and Notes to Financial Statements

COMMUNITY CIRCLE PLAYERS, INC.

STATEMENT OF FUNCTIONAL EXPENSE

For the Year Ended June 30, 2022

	Program Services	Supporting Services		TOTAL EXPENSES
		Management & General	Fundraising	
Salaries	\$ 31,303	\$ 26,464	\$ 3,040	\$ 60,807
Payroll Taxes and Benefits	4,756	4,281	476	9,513
Professional Fees	500	7,100		7,600
Advertising	344	-	-	344
Postage & Printing	1,179	1,061	118	2,358
Supplies & Miscellaneous	2,089	472		2,561
Telephone	1,776	1,598	178	3,552
Rent - Building	7,850			7,850
Leased Equipment	2,354	262		2,616
Maintenance	15,470	15,470		30,940
Utilities and Waste Removal	18,873	2,097		20,970
Productions Costs	2,619			2,619
Concessions	32	-	-	32
Credit Card Charges	2,663	-	-	2,663
Dues, Fees & Royalties	9,203	3,380	-	12,583
Insurance	5,425	1,356	-	6,781
Depreciation	45,462	2,946	-	48,408
 TOTAL EXPENSES	 \$ 151,898	 \$ 66,487	 \$ 3,812	 \$ 222,197

See Independent Auditors' Report and Notes to Financial Statements

COMMUNITY CIRCLE PLAYERS, INC.

STATEMENT OF FUNCTIONAL EXPENSE

For the Year Ended June 30, 2021

	Program Services	Supporting Services		TOTAL EXPENSES
		Management & General	Fundraising	
Salaries	\$ 27,749	\$ 27,749	\$ -	\$ 55,498
Payroll Taxes and Benefits	2,865	2,865	-	5,730
Professional Fees		5,800		5,800
Advertising	454	-	-	454
Postage & Printing	440			440
Supplies & Miscellaneous	1,823	826		2,649
Telephone	2,272	2,272		4,544
Rent - Building	7,200			7,200
Leased Equipment	1,837	204		2,041
Maintenance	12,999	684		13,683
Utilities and Waste Removal	10,643	1,112		11,755
Productions Costs	366			366
Concessions	9	-	-	9
Credit Card Charges	2,777	-	-	2,777
Dues, Fees & Royalties	7,923	1,059	-	8,982
Insurance	5,920	1,396	-	7,316
Depreciation	55,971	2,946	-	58,917
TOTAL EXPENSES	\$ <u>141,248</u>	\$ <u>46,913</u>	\$ <u>-</u>	\$ <u>188,161</u>

See Independent Auditors' Report and Notes to Financial Statements

COMMUNITY CIRCLE PLAYERS, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2022 and 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Community Circle Players, Inc. (the Organization) was formed on July 11, 1958 as a non-profit domestic corporation in Michigan and has received exempt status from federal income taxes as an organization that is not a private foundation. The Organization's mission is to provide resources for community theater productions. This is accomplished through the theatrical productions of Riverwalk Theatre. The Organization's support comes primarily from admission, program advertising, membership and concession fees related to the Riverwalk Theatre and from contributions and government grants.

Basis of Accounting

The Alliance maintains its accounts on the accrual basis of accounting according to accounting principles generally accepted in the United States of America. The accompanying financial statements have been prepared on that basis. Accordingly, all significant receivables, payables and other liabilities are reflected.

Financial Statement Presentation

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

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions - Net assets subject to donor or grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers certificates of deposit and all highly liquid investments with original maturities of three months or less to be cash equivalents. Fair values approximate the carrying amounts.

See independent auditors' report

COMMUNITY CIRCLE PLAYERS, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2022 and 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Accounts receivable are stated at their net realizable value. The receivables consist mainly of amounts due arising from the Organization's program activities and grant funding. The Organization considers the amounts to be fully collectible and uses the direct write-off method to account for any uncollectible receivables. No amounts were written off as uncollectible for the years ended June 30, 2022 and 2021. Balances in Accounts receivable were zero for the years ending June 30, 2022 and 2021.

Inventory

Inventory consists of concession items held for resale and is stated at the lower of cost or market.

Property and Equipment

The Organization's policy is to capitalize all expenditures for property and equipment in excess of \$500. Lesser amounts are expensed. Purchased property and equipment are carried at cost, or if donated, at the approximate fair value at the date of donation. Depreciation is computed on a straight-line basis over estimated useful lives ranging from five to forty years.

Revenue and Revenue Recognition

The Alliance reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Donated Services

The Organization receives a significant amount of donated services from unpaid volunteers who assist in all aspects of the Organization's productions. No amounts have been recognized in the statement of activities as the criteria for recognition under generally accepted accounting principles have not been satisfied.

See independent auditors' report

COMMUNITY CIRCLE PLAYERS, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2022 and 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising Expense

The Organization expenses advertising costs as incurred. Advertising expense for the years ended June 30, 2022 and 2021 was \$344 and \$454 respectively.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and others, which are allocated on based on actual cost or upon a reasonable method. Although the methods of allocation used are considered appropriate, other methods used could provide a different result.

Income Tax Status

The Organization has been classified as an other than private foundation and is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code. The Code requires that a tax-exempt organization is required to report and pay taxes on any activities that could be considered an unrelated business. Federal income tax was not required on revenue for the years ending June 30, 2022 and June 30, 2021.

The Organization evaluates significant tax positions under a “more likely than not” threshold as required by US generally accepted accounting principles. As of June 30, 2022, the Organization does not believe that it has taken any tax positions that would require the recording of any additional tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next twelve months. The Organization’s tax returns are subject to examination by the appropriate taxing jurisdictions. At June 30, 2022, the Organization’s federal tax returns generally remain open for the last three years.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Date of Management's Review

Subsequent events have been evaluated through January 9, 2023, which is the date the financial statements were available to be issued.

See independent auditors’ report

COMMUNITY CIRCLE PLAYERS, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2022 and 2021

2. LIQUIDITY AND AVAILABILITY

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

	<u>June 30, 2022</u>
Cash and Cash Equivalents	\$77,445
Less: Deferred Revenue	<u>(37,874)</u>
Available for future expenditures	<u>\$39,571</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are subject to expenditure for specific purposes Donor restrictions for the periods ending June 30, 2022 and June 30, 2021 were \$10,000 and \$5,044 respectively.

4. LEASE OBLIGATIONS

Operating Leases

The Organization entered a 60 month lease agreement on March 5, 2019 to lease a copier with monthly payments of \$138.41. The lease expires on March 4, 2024. Other charges apply on a per usage basis. Minimum future lease payments under non-cancelable operating leases as of June 30, 2022 are as follows:

<u>Year Ending</u>	<u>Copier</u>
June 30, 2023	1,660.92
June 30, 2024	<u>1,245.69</u>
Total	\$2,906.61

Total lease expense for equipment during the periods ending June 30, 2022 and June 30, 2021 were \$2,616 and \$2,041 respectively.

The Organization entered into an lease for space to operate its Costume Shop in 2019. The lease is for five years and began December 1, 2019. The lease calls for rents of \$600 per month or \$7,200 annually for the first three years and rents of \$650 per month or \$7,800 annually for the remaining two years. The lease expires on November 30, 2024.

See independent auditors' report

COMMUNITY CIRCLE PLAYERS, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2022 and 2021

5. DEFERRED REVENUE

The Organization provides local community theatre productions, educational events and other services to the greater Lansing area. Patrons are allowed to support the Organization by purchasing season tickets that allow them to attend all the productions that occur during the fiscal year. Patrons often purchase these tickets in advance of the beginning of the upcoming season. These purchases are recognized as deferred revenue until the season begins. At June 30, 2022 and 2021, the Organization had \$37,874 and \$17,955 in deferred revenue, respectively.

6. ERC CREDIT

The Employee Retention Credit was passed as part of the CARES Act and was designed to encourage employers to keep employees on payroll through COVID-19. The credit is claimed against wages paid for the first three quarters of 2021. The Organization was able to apply for and receive a benefit from this credit during the year ending June 30, 2022 of \$29,935.