

Parker Players Theater Company

FINANCIAL STATEMENTS AND INDEPENDENT REVIEW REPORT

For the Year Ended December 31, 2023

PARKER PLAYERS THEATER COMPANY

Table of Contents

Independent Accountant’s Review Report.....2

Financial Statements:

 Statements of Financial Position.....3

 Statements of Activities.....4

 Statement of Functional Expenses.....5

 Statements of Cash Flows6

Notes to the Financial Statements.....7-12

Independent Accountant's Review Report

To Board of Directors
Parker Players Theater Company
Barrington, IL

Opinion

We have reviewed the statement of financial position of The Parker Players Theater Company (a nonprofit organization) as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an 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 financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of The Parker Players Theater Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Bush & Associates

Bush & Associates CPA LLC
Henderson, Nevada
May 14, 2024

**PARKER PLAYERS THEATER COMPANY
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023**

Assets

Current Assets

| | |
|-----------------------------|----------------|
| Cash and cash equivalents | \$ 333,580 |
| Total Current Assets | 333,580 |

Property and Equipment

| | |
|--|---------------|
| Furniture and equipment | 23,551 |
| Leasehold improvements | 2,559 |
| Accumulated depreciation | (1,178) |
| Total Property and Equipment, Net | 24,932 |

Non-Current Assets

| | |
|---------------------------------|---------------|
| Deposits and other assets | 18,369 |
| Total Non-Current Assets | 18,369 |

| | |
|---------------------|-------------------|
| Total Assets | \$ 376,881 |
|---------------------|-------------------|

Liabilities and Net Assets

Current Liabilities

| | |
|----------------------------------|------------|
| Accrued expenses | \$ 928 |
| Total Current Liabilities | 928 |

| | |
|--------------------------|------------|
| Total Liabilities | 928 |
|--------------------------|------------|

Net Assets

| | |
|---------------------------|----------------|
| With donor restriction | 275,445 |
| Without donor restriction | 100,508 |
| Total Net Assets | 375,953 |

| | |
|---|-------------------|
| Total Liabilities and Net Assets | \$ 376,881 |
|---|-------------------|

The accompanying notes to the financial statements are an integral part of these statements.

**PARKER PLAYERS THEATER COMPANY
STATEMENT OF ACTIVITEIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | Without donor restrictions | With donor restrictions | Total |
|--------------------------------------|---------------------------------------|------------------------------------|--------------|
| Operating Support | | | |
| Contributions | \$ 61,898 | \$ 358,152 | \$ 420,050 |
| Donations | - | - | - |
| Program income | 37,337 | - | 37,337 |
| Service income | - | - | - |
| Total Operating Support | 99,235 | 358,152 | 457,387 |
| Expenses | | | |
| Program | 102,106 | - | 102,106 |
| General and administrative | 91,326 | - | 91,326 |
| Fundraising | - | - | - |
| Total Expenses | 193,432 | - | 193,432 |
| Net Asset Release | (96,707) | 96,707 | - |
| Changes in Net Assets | 2,510 | 261,445 | 263,955 |
| Net Assets, Beginning of Year | 97,998 | 14,000 | 111,998 |
| Net Assets, End of Year | \$ 100,508 | \$ 275,445 | \$ 375,953 |

The accompanying notes to the financial statements are an integral part of these statements.

**PARKER PLAYERS THEATER COMPANY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | Program Services | General and Administrative | Fundraising | Total |
|-----------------------------------|-------------------------|---------------------------------------|--------------------|-------------------|
| Business expenses | \$ 546 | \$ 1,127 | \$ — | 1,673.00 |
| Contract services | - | 84,363 | - | 84,363 |
| Facilities and equipment | 42,486 | - | - | 42,486 |
| Insurance | - | 5,397 | - | 5,397 |
| Program production costs | 27,519 | - | - | 27,519 |
| Operations | 25,303 | 439 | - | 25,742 |
| Payroll expenses | 6,563 | - | - | 6,563 |
| Other | - | (311) | - | (311) |
| Total Expenses by Function | \$ 102,417 | \$ 91,015 | \$ — | \$ 193,432 |

The accompanying notes to the financial statements are an integral part of these statements.

**PARKER PLAYERS THEATER COMPANY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | |
|--|--------------------------|
| Cash Flows from Operating Activities | |
| Change in net assets | \$ 263,955 |
| Adjustments to reconcile change in net assets to net cash (used in) operating activities: | |
| Depreciation and amortization | 1,178 |
| (Increase) decrease in operating assets: | |
| Other assets | (6,014) |
| Increase (decrease) in operating liabilities: | |
| Accrued expenses | 928 |
| Net Cash Used in Operating Activities | <u>260,047</u> |
| Cash Flows from Investing Activities | |
| Purchase of property and equipment | <u>(26,110)</u> |
| Net Cash Used in Investing Activities | <u>(26,110)</u> |
| Net Increase in Cash and Cash Equivalents | 233,937 |
| Cash - Beginning of Year | <u>99,643</u> |
| Cash - End of Year | <u><u>\$ 333,580</u></u> |

The accompanying notes to the financial statements
are an integral part of these statements.

**PARKER PLAYERS THEATER COMPANY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

1. NATURE OF ORGANIZATION

Parker Players Theater Company (“Parker Players”), Parker Players Theater Company (the "Organization"), established in Barrington, Illinois, is a not-for-profit organization dedicated to promoting and preserving the art of live theater. Through diverse theatrical productions spanning classic to contemporary works, the Organization aims to captivate audiences with compelling storytelling and exceptional performances. It strives to enrich the cultural landscape of the community by providing high-quality entertainment and educational opportunities.

In addition to its mainstage productions, the Organization offers educational programs, workshops, and mentorship for aspiring artists of all ages. These initiatives foster artistic expression, skill development, and a love for theater arts. The Organization actively collaborates with local schools, cultural groups, and community partners to nurture the next generation of theater enthusiasts and practitioners.

Parker Players Theater Company's dedication extends beyond its own initiatives. It plays a vital role in promoting the appreciation and understanding of theater as an essential art form. By providing a platform for creative expression and fostering an inclusive arts community, the Organization contributes to the cultural enrichment and intellectual growth of Barrington and its surrounding areas.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Parker Players prepares its financial statements on the accrual basis of accounting and follows accounting principles generally accepted in the United States for nonprofit organizations and reports information regarding its financial position and activities according to two classes of net assets, with donor restrictions and without donor restrictions, based upon the following criteria:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Parker Players management and the designation of the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature: those restrictions will be met by actions of the Parker Players or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds.

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 disclosure of

**PARKER PLAYERS THEATER COMPANY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Accordingly, actual amounts could differ from these estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Parker Players considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents. At various times throughout the year, the Parker Players maintains deposits in financial institutions which may exceed federally insured amounts. The Parker Players has not experienced losses in these accounts.

Receivables

Receivables are recorded at their estimated fair value less an appropriate allowance for uncollectible amounts. Allowances are based on historical experience and management's analysis of specific balances. An account is written off when it is determined that all collection efforts have been exhausted.

Leasehold Improvements, Equipment, and Software Development Costs

Purchased leasehold improvements, equipment and software development costs are stated at cost. Depreciation is calculated using the straight-line method. Useful lives are applicable to the various categories of assets as follows:

| <u>Assets</u> | <u>Useful Lives</u> |
|---------------------------|---|
| Leasehold improvements | Shorter of lease term or life of the improvements |
| Equipment | 5 – 7 years |
| Software development cost | 3 – 5 years |

Net Assets

The Parker Players reports contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose for the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Net assets without donor restrictions are available for future expenditures as determined by the Parker Player's Directors. See Note 4 for more information regarding the nature of restrictions.

Revenue Recognition

Parker Players generates revenue through ticket sales for theatrical productions, educational program fees, and contributions from donors and sponsors. Revenue is recognized as follows:

Ticket Sales and Program Fees

Revenue from ticket sales for theatrical productions and fees for educational programs is

**PARKER PLAYERS THEATER COMPANY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

recognized at the point in time when the related performance or program occurs. Amounts received in advance are recorded as deferred revenue until earned.

Contributions and Grants

Contributions and grants are recognized as revenue when received or unconditionally promised. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions.

Net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions when the time or purpose restriction is satisfied. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions.

Sponsorships and Fundraising Events

Revenue from sponsorships and fundraising events is recognized when the related event occurs or the sponsorship term begins. Amounts received in advance are recorded as deferred revenue until earned.

The Organization recognizes contributions of services received if the services create or enhance non-financial assets, or require specialized skills provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Income Taxes

The Parker Players is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code on the excess of revenue over expenses generated in the normal course of business. Accordingly, no provision for federal income taxes has been included in the accompanying financial statements. Activities considered to be unrelated to the normal exempt purposes of the Parker Players are taxable as "unrelated business income." No tax was due for the year ending December 31, 2023.

ASC Topic 740, *Income Taxes*, provides guidance on how uncertain tax positions should be recognized, measured, disclosed, and presented in the financial statements. This requires the evaluation by management of tax positions taken or expected to be taken in preparation of the Center's tax returns to determine if the positions are more-likely-than-not of being sustained if examined by the taxing authorities. Management has determined there are no uncertain income tax positions. Generally, tax years remain subject to examination for three years from the date filed.

Advertising

The Parker Players uses advertising to promote its programs among the audiences it services. Advertising costs are expensed as incurred and totaled approximately \$13,829 for the year ended December 31, 2023.

**PARKER PLAYERS THEATER COMPANY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of programs and supporting services have been summarized on a functional basis in the statement of activities. A more detailed schedule of such expenses by the nature of expenses incurred is presented in the Statement of Functional Expenses. All direct costs are charged to the functional area they pertain to. Indirect costs are charged to the programs and supporting services based on estimates made by management, taking into account the nature of the expense and how it relates to the functional area. General and administrative costs include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the organization.

Recent Developments Related to COVID-19

The World Health Organization has declared the recent COVID-19 outbreak to constitute a “Public Health Emergency of International Concern.” The outbreak has caused business disruption through mandated and voluntary closings of various industry business operations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of effects of COVID-19. The related financial impact and duration cannot be reasonably estimated at this time.

Recently Issued Accounting Pronouncements

In March 2016, the FASB issued Accounting Standards Update (“ASU”) 2016-02, *Leases*, which requires all leases that have a term of more than 12 months to be recognized as assets and liabilities on the balance sheet at inception. A lessee would recognize a lease liability to make lease payments owed to a lessor (liability) and a benefit for the right to use the leased asset (asset) for the lease term. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee would depend on whether the lessee is expected to consume more than an insignificant portion of the economic benefits embedded in the underlying asset. This new guidance is effective for fiscal years beginning after December 15, 2021. The Parker Players does not anticipate a significant impact on the results of operations, financial position, or cash flows as a result of this new standard.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which increases the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure requirements. The amendments in this update require organizations to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. Additionally, organizations are required to enhance disclosures by disaggregating the amount of nonfinancial assets recognized within the statement of activities by type of contributed nonfinancial asset and providing additional qualitative information for each disaggregated category. This new guidance is effective for fiscal years beginning after June 15, 2021. The Parker Players has adopted this standard for the year ended December 31, 2023, and has applied the guidance retrospectively.

**PARKER PLAYERS THEATER COMPANY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

| | 2023 |
|--|----------------------|
| Cash and cash equivalents | \$ 333,580 |
| Accounts receivables | - |
| Total Current Financial Assets | 333,580 |
| Less: amounts not available to be used within one year: | |
| Net assets with donor restrictions | 275,445 |
| Designated net assets | - |
| Total amounts not available to be used within one year | 275,445 |
| Financial assets available to meet general expenditures over the next twelve months | \$ 58,135 |

4. NET ASSETS

As of December 31, 2023, Parker Players had the following net assets with donor restrictions.

| Description of Restriction | 2023 |
|--|-------------------|
| Building improvements | \$ 275,445 |
| Total Net Assets with Donor Restriction | \$ 275,445 |

5. LEASEHOLD IMPROVEMENTS AND EQUIPMENT

Major classes of leasehold improvements, equipment, and software development costs held as of December 31, 2023, consisted of the following:

| | |
|--|---------------|
| Furniture and equipment | 23,551 |
| Leasehold improvements | 2,559 |
| | 26,110 |
| Less: accumulated depreciation | (1,178) |
| Total Property and Equipment, Net | 24,932 |

Depreciation expense for the year ended December 31, 2023, was \$1,178.

**PARKER PLAYERS THEATER COMPANY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

6. SUBSEQUENT EVENTS

Management has evaluated events and accounts through the date of the independent accountant's review report, which is the date the financial statements were available to be issued, and noted nothing that would require disclosure.