

GEORGE STREET PLAYHOUSE, INC.
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
George Street Playhouse, Inc.
New Brunswick, New Jersey

Report on the Financial Statements

Opinion

I have audited the accompanying financial statements of George Street Playhouse, Inc. (the Company) (a nonprofit organization) which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In my opinion, the financial statements present fairly, in all material respects, the financial position of George Street Playhouse, Inc. as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of George Street Playhouse, Inc. and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Responsibilities of Management 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, 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 the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 auditor's report that includes my 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 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 generally accepted auditing standards and *Government Auditing Standards*, I:

- 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 are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Supplementary Information

My audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for the purpose of additional analysis, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of expenditures of state financial awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued a report dated January 21, 2025 on my consideration of George Street Playhouse Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Company's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Company's internal control over financial reporting and compliance.

James M. Holt, CPA

January 21, 2025
Hillsborough, NJ

GEORGE STREET PLAYHOUSE, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	2024	2023
Assets		
Cash	\$ 140,961	\$ 3,073,626
Certificate of deposit	200,057	200,020
Accounts & pledges receivable, net of allowance for doubtful accounts of \$0 and \$11,400	163,187	207,316
Prepaid expenses	20,285	21,364
	<u>524,490</u>	<u>3,502,326</u>
Property & equipment, net of accumulated depreciation	251,217	272,655
Intangible asset	62,482	34,713
Right of use leased premises	340,424	407,604
Security deposits	13,382	15,933
	<u>\$ 1,191,995</u>	<u>\$ 4,233,231</u>
Liabilities & Net Assets		
Liabilities		
Accounts payable	\$ 293,054	\$ 135,172
Accrued payroll & payroll tax	36,748	1,595
Revenue received in advance		
Subscriptions & tickets	440,379	364,285
Grants received with conditions	-	33,173
Naming pledge commitments	-	79,000
Obligations under capital leases	340,424	407,604
	<u>1,110,605</u>	<u>1,020,829</u>
Net assets		
Without Donor Restrictions	60,390	2,800,322
With Donor Restrictions	21,000	412,080
	<u>81,390</u>	<u>3,212,402</u>
	<u>\$ 1,191,995</u>	<u>\$ 4,233,231</u>

See accompanying notes to financial statements.

GEORGE STREET PLAYHOUSE, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue						
Subscriptions	\$ 343,931	\$ -	\$ 343,931	\$ 369,153	\$ -	\$ 369,153
Ticket sales	526,754	-	526,754	477,303	-	477,303
Ticketing fees	138,156	-	138,156	112,697	-	112,697
Enhancement	458,850	-	458,850	2,073,590	-	2,073,590
Program advertising	-	-	-	8,000	-	8,000
Tour & education fees	43,749	-	43,749	67,772	-	67,772
Rentals	-	-	-	20,078	-	20,078
Interest & dividends	17,300	-	17,300	2,215	13,232	15,447
Outside set construction	-	-	-	11,000	-	11,000
Other	24,899	-	24,899	23,496	-	23,496
	<u>1,553,639</u>	<u>-</u>	<u>1,553,639</u>	<u>3,165,304</u>	<u>13,232</u>	<u>3,178,536</u>
Grants & contributions						
Government grants	633,659	-	633,659	914,645	-	914,645
Contributions						
Foundation	845,604	21,000	866,604	798,919	75,146	874,065
Corporate	71,430	-	71,430	338,847	-	338,847
Individual	389,731	-	389,731	378,216	15,272	393,488
Benefit & special events, net of direct costs of \$133,924 and \$136,033	<u>273,412</u>	<u>-</u>	<u>273,412</u>	<u>249,800</u>	<u>-</u>	<u>249,800</u>
	<u>2,213,836</u>	<u>21,000</u>	<u>2,234,836</u>	<u>2,680,427</u>	<u>90,418</u>	<u>2,770,845</u>
Total revenue, grants & contributions	3,767,475	21,000	3,788,475	5,845,731	103,650	5,949,381
Net assets released from restriction	<u>412,080</u>	<u>(412,080)</u>	<u>-</u>	<u>4,595,261</u>	<u>(4,595,261)</u>	<u>-</u>
	4,179,555	(391,080)	3,788,475	10,440,992	(4,491,611)	5,949,381
Expenses						
Production	6,109,567	-	6,109,567	7,357,862	-	7,357,862
General & administrative	589,811	-	589,811	966,920	-	966,920
Fund raising	220,109	-	220,109	206,521	-	206,521
	<u>6,919,487</u>	<u>-</u>	<u>6,919,487</u>	<u>8,531,303</u>	<u>-</u>	<u>8,531,303</u>
Increase (decrease) in net assets	(2,739,932)	(391,080)	(3,131,012)	1,909,689	(4,491,611)	(2,581,922)
Net assets						
Beginning of year	<u>2,800,322</u>	<u>412,080</u>	<u>3,212,402</u>	<u>890,633</u>	<u>4,903,691</u>	<u>5,794,324</u>
End of year	<u>\$ 60,390</u>	<u>\$ 21,000</u>	<u>\$ 81,390</u>	<u>\$ 2,800,322</u>	<u>\$ 412,080</u>	<u>\$ 3,212,402</u>

See accompanying notes to financial statements.

GEORGE STREET PLAYHOUSE, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2024 AND 2023

	2024				2023			
	Production	General & Administrative	Fund Raising	Total	Production	General & Administrative	Fund Raising	Total
Salaries	\$ 2,588,138	\$ 205,875	\$ 147,053	\$ 2,941,066	\$ 2,546,828	\$ 202,589	\$ 144,706	\$ 2,894,123
Payroll taxes	307,878	24,490	17,493	349,861	305,146	24,273	17,338	346,757
Employee benefits	367,407	29,226	20,875	417,508	404,345	32,164	22,974	459,483
	<u>3,263,423</u>	<u>259,591</u>	<u>185,421</u>	<u>3,708,435</u>	<u>3,256,319</u>	<u>259,026</u>	<u>185,018</u>	<u>3,700,363</u>
Direct production	1,275,003	-	-	1,275,003	1,745,223	-	-	1,745,223
Royalties	62,393	-	-	62,393	85,132	-	-	85,132
Theater playbill	20,086	-	-	20,086	15,730	-	-	15,730
Marketing	285,483	-	22,967	308,450	358,253	-	10,701	368,954
Production supplies	12,838	-	-	12,838	12,349	-	-	12,349
Insurance	83,114	6,611	4,722	94,447	99,886	7,945	5,675	113,506
Telephone	-	3,172	-	3,172	172	1,573	-	1,745
Repairs & maintenance	15,323	850	-	16,173	28,403	791	-	29,194
Outside services	281,383	9,817	-	291,200	992,041	251,189	-	1,243,230
Accommodations & travel	230,396	14,771	-	245,167	334,157	1,108	941	336,206
Office expenses	68,045	97,897	5,269	171,211	39,671	97,935	2,088	139,694
Dues & subscriptions	11,238	-	380	11,618	28,370	-	619	28,989
Professional fees	127,713	48,894	-	176,607	-	179,981	-	179,981
Rent & utilities	305,311	142,906	-	448,217	299,636	162,004	-	461,640
Credit card & bank charges	11,112	884	631	12,627	13,804	1,098	784	15,686
Education expense	4,648	-	-	4,648	6,426	-	-	6,426
Accessibility services	13,306	-	-	13,306	4,841	-	-	4,841
Total expenses before depreciation	6,070,815	585,393	219,390	6,875,598	7,320,413	962,650	205,826	8,488,889
Depreciation & amortization	38,752	4,418	719	43,889	37,449	4,270	695	42,414
Total expenses	<u>\$ 6,109,567</u>	<u>\$ 589,811</u>	<u>\$ 220,109</u>	<u>\$ 6,919,487</u>	<u>\$ 7,357,862</u>	<u>\$ 966,920</u>	<u>\$ 206,521</u>	<u>\$ 8,531,303</u>

See accompanying notes to financial statements.

GEORGE STREET PLAYHOUSE, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Decrease in net assets	\$ (3,131,012)	\$ (2,581,922)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Depreciation & amortization	43,889	42,414
Pledges received with restrictions	-	(19,073)
(Increase) decrease in		
Grants and accounts receivable	44,129	527,685
Prepaid expenses	1,079	74,800
Security deposits	2,551	-
Increase (decrease) in		
Accounts payable	157,882	(36,449)
Accrued payroll & payroll tax	35,153	(1,199)
Revenue received in advance	76,094	(94,621)
Grants received with conditions	<u>(33,173)</u>	<u>(159,291)</u>
Net cash used in operating activities	(2,803,408)	(2,247,656)
Cash flows from investing activities		
Proceeds from maturity of certificate of deposit	200,020	200,020
Acquisition of certificate of deposit	(200,057)	(200,020)
Acquisition of property & equipment	(15,507)	(13,909)
Acquisition of intangible asset	<u>(34,713)</u>	<u>(34,713)</u>
Net cash used in investing activities	(50,257)	(48,622)
Cash flows from financing activities		
Collections on pledges receivable with restrictions	-	1,405,000
Remittance to New Brunswick Performing Arts Center	<u>(79,000)</u>	<u>(201,000)</u>
Net cash provided by (used in) financing activities	<u>(79,000)</u>	<u>1,204,000</u>
Net decrease in cash & cash equivalents	(2,932,665)	(1,092,278)
Cash		
Beginning of year	<u>3,073,626</u>	<u>4,165,904</u>
End of year	<u>\$ 140,961</u>	<u>\$ 3,073,626</u>

See accompanying notes to financial statements.

GEORGE STREET PLAYHOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

(1) **Nature of Organization**

George Street Playhouse, Inc. (the Company) is a non-profit Equity theater in New Brunswick, New Jersey, presenting new and established plays and musicals.

George Street Playhouse, Inc. is a resident company of the New Brunswick Performing Arts Center located at 11 Livingston Avenue, New Brunswick, New Jersey.

(2) **Summary of Significant Accounting Policies**

Basis of presentation

In accordance with generally accepted accounting principles in the United States, the Company reports its financial position and activities on the accrual basis of accounting and according to two classes of net assets: without donor restrictions and with donor restrictions. Revenue with donor restrictions which is expended in the year of recognition is presented as without donor restrictions for financial statement presentation.

Contributions

Contributions received are recorded as revenue when received without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor-imposed conditions.

Grants

Grants received from foundations and corporations are treated as contributions and are recorded as without or with donor restrictions depending on the nature of any donor imposed conditions. Grants which are conditional in nature are recognized when the underlying conditions are substantially satisfied.

Grants received from government agencies are recognized as income when the terms and conditions of each grant award are substantially met.

Revenue

Revenue from performance and educational activities is recognized when the related service or event has occurred.

Certificates of deposit

Certificates of deposit are carried at cost plus accrued interest which approximates fair value.

Cash

For the purposes of the statement of cash flows, cash includes demand deposit accounts in financial institutions.

Property & equipment

Property & equipment are stated at cost, less accumulated depreciation. Depreciation is provided for using the straight-line method over the estimated useful lives of the assets as follows:

Capital improvements	5-40 years
Office and theater equipment	3-15 years

GEORGE STREET PLAYHOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

Donated materials & services

Donated materials and services are recorded as contributions at fair market value at the date of receipt. Expense values are recorded at an amount equal to the gift in kind contributions, except for capitalized furniture and equipment contributions with a remaining economic life in excess of one year.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Direct costs are charged to production or fund raising. Indirect costs and general support items are charged to general and administrative. Certain costs have been allocated among functions based on the benefit derived.

Reclassifications

Certain items in the 2023 financial statements have been reclassified to conform with the current year presentation.

Use of estimates

The preparation of financial statements in conformity with 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.

Concentrations of credit and market risk

Financial instruments that potentially expose the Company to concentrations of credit and market risk consist primarily of cash and investments in a certificates of deposit. The Company has not experienced any losses on its cash. The Company's investments do not represent significant concentrations of market risk inasmuch as the investment portfolio is invested in a certificate of deposit.

Accounting for uncertainty in income taxes

The Company's accounting policy is to provide liabilities for uncertain tax positions when a liability is probable and estimable. Management is not aware of any violation of tax status or exposure to uncertain tax positions that could require accrual or which could affect its liquidity or future cash flows. The Company's exempt organization filings for the years ended June 30, 2021 through 2024 are subject to examination by the Internal Revenue Service and the State of New Jersey. Further, the Internal Revenue Service may examine the Company's financial activities for income and unrelated business income tax for those years.

GEORGE STREET PLAYHOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

Recently adopted accounting pronouncements

Beginning July 1, 2023, the Company recognizes and measures its leases in accordance with FASB ASC 842, *Leases*. The Company is a lessee in noncancellable operating leases for office and fabrication space. The Company determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Company recognizes a lease liability and a right to use asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. The discount rate is the risk-free rate of return at the lease's inception. The right of use asset is subsequently measured throughout the lease term at the amount of the re-measured lease liability which is the represent value of the remaining lease payments. Lease cost for lease payments is recognized on a straight-line basis over the lease term. The Company used the modified retrospective transition approach for the adoption.

The Company has elected not to recognize right of use assets and lease liabilities for short-term leases that have a term of 12 months or less at lease commencement.

(3) Certificate of Deposit

As of June 30, 2024 and 2023, the Company holds a certificate of deposit of \$200,057 and \$200,020, respectively, bearing interest at .02% and maturing on January 1, 2025 and 2024, respectively.

(4) Naming Pledge Commitments

The Company has received pledges for naming opportunities in the Campaign for George Street Playhouse, Inc. for specific areas of the New Brunswick Performing Arts Center (NBPAC). As a resident company of NBPAC, the Company has agreed to share 20% of these pledge collections with NBPAC through Cultural Center Redevelopment Associates Urban Renewal LLC and has recorded a related liability in conjunction with the underlying pledge revenue. As of June 30, 2023, \$79,000 was due to NBPAC for naming opportunities which was remitted during the year ended June 30, 2024.

(5) Pledge Revenue

Pledge revenue recognized during the year ended June 30, 2023 relating to the Campaign for George Street Playhouse, Inc. is recorded as follows:

	<u>2023</u>
Amortization of pledge discount	\$ 19,073
Change in liability discount to NBPAC	(3,801)
Net pledge revenue	<u>\$15,272</u>

(6) Property & Equipment

Property & equipment at June 30, 2024 and 2023 consist of the following:

	<u>2024</u>	<u>2023</u>
Office equipment	\$118,005	\$118,005
Capital improvements	32,409	32,409
Theater equipment	<u>793,942</u>	<u>778,435</u>
	944,356	928,849
Less accumulated depreciation	<u>693,139</u>	<u>656,194</u>
	<u>\$251,217</u>	<u>\$272,655</u>

GEORGE STREET PLAYHOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
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(7) **Lines of Credit**

Letter of credit - Amboy Bank

The Company maintains a letter of credit in the of amount of \$33,127 with Amboy Bank. The letter is extended to the Actors' Equity Association to guarantee Equity members a minimum of two weeks' salary in accordance with Actors' Equity Association regulations. The letter expires July 31, 2025.

Line of credit - PNC Bank

The Company maintains a \$300,000 line of credit with PNC Bank to provide for working capital requirements. Amounts borrowed on the line bear interest at .50% below the highest prime rate as published by the Wall Street Journal. Outstanding balances are secured by a certificate of deposit in the amount of \$200,057 and \$200,020 for 2024 and 2023 respectively; the line matures on December 12, 2025. As of June 30, 2024 and 2023, outstanding advances were \$0.

(8) **Operating Leases**

The Company has an obligation as a lessee for office and fabrication space with an initial noncancellable term in excess of one year. The leases are classified as operating.

Lease expense for the years ended June 30, 2024 and 2023 was \$243,072 and \$246,863, respectively.

As of June 30, 2024, amounts reported in the statement of financial position are as follows:

Right of use leased premises	\$340,424
Obligations under capital leases	340,424

Other information related to leases as of June 30, is as follows:

Supplemental cash flow information:

Cash paid for operating lease expenses for the years ended June 30:	
2024	\$323,648
2023	298,822

Remaining operating lease term 1.33 years

Risk-free rates of return 2%-4%

As of June 30, 2024, maturity of the lease liability under its noncancellable operating lease is as follows for the years ending June 30:

2025	\$279,989
2026	<u>66,766</u>
Total undiscounted lease payments	346,755
Less imputed interest	<u>(6,331)</u>
Net lease liability	<u>\$340,424</u>

GEORGE STREET PLAYHOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
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(9) **Related Parties**

The Company occupies performance and administrative space in the New Brunswick Performing Arts Center. The Company has an arrangement with the New Brunswick Performing Arts Center wherein it is obligated to pay \$5 per ticket sold in lieu of rent. Administrative space is located in the same building and is being leased from Middlesex County.

(10) **Income Taxes**

The Company is exempt from income taxes as a non-profit corporation under Internal Revenue Code Section 501(c)(3) and, accordingly, the financial statements do not reflect a provision for federal or state income taxes. All applicable returns for the exempt organization are filed in a timely manner. The Company is liable for payment of payroll taxes as an employer; all such amounts are paid in a timely manner as required by state and federal regulations.

(11) **Retirement Plan**

The Company sponsors a salary reduction plan under Section 403(b) of the Internal Revenue Code wherein employees may make elective contributions. The Company made no contributions or employer match for the years ended June 30, 2024 and 2023.

(12) **Insured Deposits**

As of June 30, 2023, cash exceeding federally insured limits in depository institutions totaled \$998,519.

(13) **Net Assets With Donor Restrictions**

The nature of net assets with donor restrictions, is as follows as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Fixed Assets	\$ 21,000	\$ -
Website & software	-	45,724
Touring program	-	14,711
Matinee program	-	14,711
Endowment temporarily restricted	-	336,934
	<u>\$ 21,000</u>	<u>\$412,080</u>

Net assets released from donor imposed restrictions by incurring expenses satisfying the restricted purpose are as follows for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Campaign for George Street Playhouse, Inc.	\$336,934	\$4,595,261
Website & software	45,724	-
Touring program	14,711	-
Matinee program	14,711	-
	<u>\$412,080</u>	<u>\$4,595,261</u>

Net assets relating to the Campaign for George Street Playhouse, Inc. carry donor-imposed restrictions relating to the Company's move from downtown New Brunswick to temporary space and back to the New Brunswick Performing Arts Center. The campaign and the moves concluded during the year ended June 30, 2023.

GEORGE STREET PLAYHOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

(14) Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are as follows as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash	\$ 140,961	\$3,073,626
Certificate of deposit	200,057	200,020
Accounts & pledges receivable	<u>163,187</u>	<u>207,316</u>
Financial assets	504,205	3,480,962
Less:		
Net assets with restrictions	<u>21,000</u>	<u>412,080</u>
Financial assets available for general expenditure	<u>\$ 483,205</u>	<u>\$3,068,882</u>

As part of the Company's liquidity management plan, cash in excess of daily requirements is invested in interest-bearing demand deposits. Additionally, the Company has an available line of credit in the amount of \$300,000 to assist with cash flow requirements (see Note 7).

(15) Government Grants

For the years ended June 30, 2024 and 2023, government grant income is comprised of the following;

	<u>2024</u>	<u>2023</u>
New Jersey State Council on the Arts	\$228,659	\$213,700
Arts Institute of Middlesex County	405,000	405,000
United States Employee Retention	<u>-</u>	<u>295,945</u>
	<u>\$633,659</u>	<u>\$914,645</u>

(16) Contingency

In July 2024, the Company embarked on a fundraising campaign entitled *Bridge to the Future, the Campaign for George Street Playhouse, Inc.* (the Campaign). The Campaign's purpose is to ensure the future of the Company's artistic programs, grow audiences, and re-imagine education and community initiatives. With a goal of \$10 million, the Company has received commitments totaling approximately \$2,403,000 through January 31, 2025 and has collected approximately \$1,232,000 through the same date. The Campaign will enable the Company to stabilize its financial and cash position after experiencing losses of approximately \$3.1 million and \$2.6 million for the years ended June 30, 2024 and 2023, respectively.

(17) Subsequent Events

The Company has evaluated the need for adjustments resulting from subsequent events through January 21, 2025, the date the financial statements were available to be issued. Based upon this evaluation, no adjustments or additional disclosures were required to the financial statements as of as of June 30, 2024.

GEORGE STREET PLAYHOUSE, INC.
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL AWARDS
YEAR ENDED JUNE 30, 2024

Grantor					
Pass-through Grantor				Award	Period
<u>Program Title</u>	<u>Contract Number</u>	<u>Grant Period</u>		<u>Amount</u>	<u>Expenditures</u>
New Jersey State Council on the Arts					
General Operating Support	2404X010073	7/1/23-6/30/24	\$	228,659	\$ 228,659

See independent auditor's report and notes to schedule of expenditures of state financial awards.

GEORGE STREET PLAYHOUSE, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL AWARDS
YEAR ENDED JUNE 30, 2024

(1) **Basis of Presentation**

The accompanying schedule of expenditures of state awards includes the government grant activity of George Street Playhouse, Inc. (The Company) and is presented on the accrual basis of accounting. The information is presented in accordance with *Government Auditing Standards*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. Because the Schedule presents only a selected portion of the operations of the Company, it is not intended to and does not present the financial position, change in net assets or cash flows of the Company.

(2) **Summary of Significant Accountant Policies**

Expenditures reported on the schedule are reported on the accrual basis of accounting.

(3) **Noncash Assistance**

The Company did not receive any state noncash assistance for the year ended June 30, 2024.



**INDEPENDENT AUDITOR'S
REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees
George Street Playhouse, Inc.
New Brunswick, New Jersey

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of George Street Playhouse, Inc., as of and for the year ended June 30, 2024 and the related notes to the financial statements and have issued my report thereon dated January 21, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered George Street Playhouse, Inc.'s internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, I do not express an opinion on the effectiveness of George Street Playhouse Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit, I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the organization's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

James M. Wood, Certified Public Accountant
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jmwood@jmwoodcpa.com

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

January 21, 2025
Hillsborough, NJ

James M. Wood, CPA