Michigan Theater Foundation, Inc.
(a nonprofit Michigan corporation)
Ann Arbor, Michigan

Single Audit Reports

September 30, 2021
Michigan Theater Foundation, Inc.

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Issued under separate cover and not included herein

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Independent Auditors' 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 Directors
Michigan Theater Foundation, Inc.
Ann Arbor, Michigan

We have audited, in accordance with the 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 Michigan Theater Foundation, Inc. ("Michigan Theater") (a nonprofit organization) which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 13, 2023

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Michigan Theater's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Michigan Theater's internal control. Accordingly, we do not express an opinion on the effectiveness of Michigan Theater'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 a 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.

Our 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 our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Michigan Theater's financial statements are free from material misstatement, we 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Michigan Theater'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 Michigan Theater's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Altruic Advisors, CPAs

Certified Public Accountants

Ann Arbor, Michigan
March 13, 2023
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors
Michigan Theater Foundation, Inc.
Ann Arbor, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Michigan Theater Foundation, Inc.’s ("Michigan Theater") compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Michigan Theater's major federal programs for the year ended September 30, 2021. Michigan Theater's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Michigan Theater complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Michigan Theater and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Michigan Theater’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Michigan Theater’s federal programs.
Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Michigan Theater's compliance based on our audit. 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, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Michigan Theater's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Michigan Theater's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Michigan Theater's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Michigan Theater's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.
Report on Internal Control over Compliance (continued)

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Altruic Advisors, CPAs
Certified Public Accountants
Ann Arbor, Michigan
March 13, 2023
Michigan Theater Foundation, Inc.

Schedule of Expenditures of Federal Awards

<table>
<thead>
<tr>
<th>Federal Grantor and Program Title</th>
<th>Assistance Listing Number</th>
<th>Total Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. Small Business Administration</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shuttered Venue Operators Grant</td>
<td>59.075</td>
<td>$ 1,494,914</td>
</tr>
<tr>
<td><strong>Total U.S. Small Business Administration</strong></td>
<td></td>
<td>1,494,914</td>
</tr>
<tr>
<td><strong>Total Federal Expenditures</strong></td>
<td></td>
<td>$ 1,494,914</td>
</tr>
</tbody>
</table>

See Notes to Schedule of Expenditures of Federal Awards
Michigan Theater Foundation, Inc.

Notes to Schedule of Expenditures of Federal Awards
As of and for the year ended September 30, 2021

Note 1 – Basis of Presentation and Summary of Significant Accounting Policies

*Basis of Presentation*. The accompanying schedule of expenditures of federal awards ("the schedule") includes the federal grant activity of Michigan Theater, Inc. ("Michigan Theater") under programs of the federal government for the year ended September 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Michigan Theater, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Michigan Theater.

*Basis of Accounting*. The schedule of expenditures of federal awards has been prepared on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, appear on the schedule to represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers, if applicable, are presented where available.

Note 2 – SEFA Reconciliation to Financial Statement Federal Government Grants

<table>
<thead>
<tr>
<th>U.S. Small Business Administration</th>
<th>Federal CFDA Number</th>
<th>Expenditures Per SEFA</th>
<th>Support Per Audited Financial Statements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shuttered Venue Operators Grant</td>
<td>59.075</td>
<td>$1,494,914</td>
<td>$1,494,914</td>
</tr>
<tr>
<td>Total Federal government grants</td>
<td></td>
<td>$1,494,914</td>
<td>$1,494,914</td>
</tr>
</tbody>
</table>

Note 3 – Indirect Cost Rate

Michigan Theater has not elected to use the option of the 10% de minimis indirect cost rate covered in 2 U.S. Code of Federal Regulations Part 200, Subpart E, Cost Principles.
Michigan Theater Foundation, Inc.

Schedule of Findings and Questioned Costs
Year ended September 30, 2021

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:
• Material weakness(es) identified? no
• Significant deficiency(ies) identified that are not considered to be material weaknesses? none reported

Noncompliance material to financial statements noted? no

Federal Awards

Internal control over major programs:
• Material weakness(es) identified? no
• Significant deficiency(ies) identified that are not considered to be material weaknesses? no

Type of auditors' report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? no

Identification of major programs:

<table>
<thead>
<tr>
<th>CFDA</th>
<th>Identifying Number</th>
<th>Name of Federal Program or Cluster</th>
</tr>
</thead>
<tbody>
<tr>
<td>59.075</td>
<td>SBAHQ21SV003485</td>
<td>Shuttered Venue Operators Grant</td>
</tr>
</tbody>
</table>

Dollar threshold used to distinguish between Type A and Type B programs $750,000

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings and Questioned Costs

No matters were reported

Section III - Federal Award Findings and Questioned Costs

No matters were reported
Michigan Theater Foundation, Inc.

Summary Schedule of Prior Audit Findings and Questioned Costs
Year ended September 30, 2021

Section I - Prior Year Financial Statement Findings
No matters were reported.

Section II - Prior Year Federal Award Findings and Questioned Costs
No matters were reported.