



AUDITED FINANCIAL STATEMENTS

**Financial Statements
and Independent Auditors' Report**
Year Ended July 31, 2023

Bodner & Morse LLP
Certified Public Accountants



**THEATER BREAKING
THROUGH BARRIERS, CORP.**

**Financial Statements
and Independent Auditors' Report**
Year Ended July 31, 2023

Theater Breaking Through Barriers, Corp.

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Bodner & Morse LLP
Certified Public Accountants
26 Bayberry Road
Lawrence, NY 11559
(917) 353-2074

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Theater Breaking Through Barriers, Corp

Opinion

We have audited the financial statements of Theater Breaking Through Barriers, Corp ("TBTB" a nonprofit organization), which comprise the statements of financial position as of July 31, 2023, and the related statements of activities, cash flows, and supplemental schedules for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of TBTB as of July 31, 2023 and the results of their activities and their cash flows for the year then ended in accordance with generally accepted accounting principles in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of TBTB 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.

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; 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.

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 TBTB's ability to continue as a going concern for a reasonable period of time.

Auditor's Responsibilities for the Audit of the Financial Statements

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 auditor's 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 GAAS 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 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 GAAS, 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 are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Organization'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 the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Bodner & Morse LLP
November 19, 2023

THEATER BREAKING THROUGH BARRIERS, CORP.
Statement of Financial Position

<i>July 31,</i>	2023	2022
Assets		
Cash and cash equivalents.....	\$ 218,544	\$ 312,285
Grants receivable.....	142,520	153,950
Other receivables.....	340	-
Prepaid expenses.....	-	1,772
Fixed assets, net.....	1,132	3,396
Security Deposits.....	24,630	8,200
Total Assets		
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses.....	10,960	15,114
Total Liabilities		
Net Assets		
Without donor restrictions.....	233,686	310,539
With donor restrictions.....	142,520	153,950
Total Net Assets		
Total Liabilities and Net Assets		
	\$ 387,166	\$ 479,603

See accompanying notes to financial statements

THEATER BREAKING THROUGH BARRIERS, CORP.
Statement of Activities

<i>Year ended July 31,</i>	Without Donor Restrictions	With Donor Restrictions	Totals	
			2023	2022
Public support and revenue:				
Government grants.....	\$ 182,510	-	\$ 182,510	\$ 270,800
Foundation grants.....	87,220	142,520	229,740	157,725
Contributions.....	27,809	-	27,809	51,582
Program income.....	67,665	-	67,665	24,406
Interest & other income.....	50	-	50	12,407
Net assets released from restriction.....	153,950	(153,950)	-	-
Total support and revenues	519,205	(11,430)	507,775	516,920
Expenses:				
Program services.....	492,307	-	492,307	425,919
Management and general.....	36,047	-	36,047	57,803
Fundraising.....	67,704	-	67,704	26,105
Total expenses	596,058	-	596,058	509,827
Change in net assets.....	(76,854)	(11,430)	(88,284)	7,093
Net assets, beginning of year.....	310,539	153,950	464,489	457,396
Net assets, end of year	\$ 233,686	\$ 142,520	\$ 376,206	\$ 464,489

See accompanying notes to financial statements

THEATER BREAKING THROUGH BARRIERS, CORP.
Statement of Functional Expense

	Program Services	Management and General	Fundraising	2023 Totals	2022 Totals
Personnel.....	\$ 133,733	\$ 14,236	\$ 42,707	\$ 190,676	\$ 213,229
Tax and benefits.....	33,080	3,368	10,104	46,552	52,529
Occupancy.....	15,098	5,757	-	20,855	15,225
Professional fees.....	45,222	7,573	9,935	62,730	54,910
Advertising.....	24,014	-	3,875	27,889	16,481
Insurance.....	4,431	-	-	4,431	2,911
Telephone and Internet.....	10,591	-	-	10,591	5,688
Travel.....	42,725	73	25	42,823	2,801
Office expenses.....	3,255	2,449	1,058	6,762	6,584
Bank & filing fees.....	-	832	-	832	3,572
Depreciation.....	1,924	340	-	2,264	2,264
Program.....	178,234	1,419	-	179,653	133,633
	<u>\$ 492,307</u>	<u>\$ 36,047</u>	<u>\$ 67,704</u>	<u>\$ 596,058</u>	<u>\$ 509,827</u>

See accompanying notes to financial statements

THEATER BREAKING THROUGH BARRIERS, CORP.
Statement of Cash Flows

<i>Year ended July 31,</i>	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ (88,284)	\$ 7,093
<u>Adjustments to reconcile change in net assets to net cash</u> provided by (used in) operating activities:		
Depreciation.....	2,264	2,263
Grant receivable.....	11,430	(92,550)
Other receivable.....	(340)	-
Prepaid expenses.....	1,772	(1,772)
Security deposits.....	(16,430)	3,000
<u>Changes in operating assets and liabilities:</u>		
Accounts payable and accrued expenses.....	(4,154)	(4,409)
Net change in cash	(93,741)	(86,375)
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Cash and cash equivalents, beginning of year.....	312,285	398,660
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Cash and cash equivalents, end of year.....	218,544	312,285
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See accompanying notes to financial statements

Theater Breaking Through Barriers, Corp.

Notes to Financial Statements

NOTE 1 – ORGANIZATION

Theater Breaking Through Barriers Corp. (hereinafter, “TBTB”) was organized in New York in 1982 as a not-for-profit organization. Its purpose is to promote theatrical arts by actors, writers, and directors with disabilities, through the production of plays, musicals, and other theatrical forms, and to develop and train new actors, writers, and directors with disabilities, for entry in the company and into mainstream American theater. The primary source of revenue for TBTB is contributions.

Income Tax Status:

TBTB is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. TBTB has not been designated as a private foundation. TBTB files an IRS form 990 and respective state and local tax returns. These returns are subject to review and examination by federal, state, and local authorities.

NOTE 2 – SUMMARY OF ACCOUNTING PRINCIPLES

Basis for Accounting:

The accompanying financial statements of TBTB have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

Basis of Presentation

The classification of TBTB’s net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of two classes of net assets - without donor restrictions and with donor restrictions - be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

These two classes are defined as follows:

Net Assets Without Donor Restrictions - represents all activity without donor-imposed restrictions as well as activity with donor-imposed restrictions that expire within the same period.

Net Assets With Donor Restrictions – represents those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact in perpetuity.

Revenue Recognition

TBTB follows the requirements of Financial Accounting Standards Board’s (“FASB”) Accounting Standards Codification (“ASC”) 958-605 for recording contributions, which are recorded at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions are recorded in one of the classes of net assets described above, depending on the existence and/or nature of any donor-imposed restriction. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor

Theater Breaking Through Barriers, Corp.

Notes to Financial Statements

restrictions. If donor restricted contributions are satisfied in the same period they are received, they are classified as without donor restrictions.

Contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments or release from obligations and are recognized as income once the conditions have been substantially met.

Contributions and grants expected to be received within one year are recorded at net realizable value. Long-term pledges are recorded at fair value, using risk adjusted present value techniques.

TBTB follows the requirements of FASB's ASC 606 for recognizing revenue from contracts with customers. Grants are recognized as revenue in the corresponding period in which they are earned. Unearned contracts and agreements that have not been collected at year-end are reflected as a receivable, while those received in advance of the membership period are treated as deferred income.

All receivables at July 31, 2023 are due within one year. Receivables are reviewed for collectability. Based on knowledge of specific donors and factoring in historical experience, no allowance for doubtful accounts exists as of July 31, 2023. Write-offs will be made in the period the receivable is deemed to be uncollectable.

Revenue is reported as increases in net assets without donor restrictions unless its use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. When TBTB receives an unconditional promise to give that is expected to be collected within one year, it is recorded at net realizable value. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Cash and Cash Equivalents

TBTB considers all liquid investments with an initial maturity of three months or less to be cash and cash equivalents except for cash held in the investment accounts.

Concentration of Credit Risk

Financial instruments that potentially subject TBTB to concentration of credit risk consist of cash, money market accounts, and investment securities which are placed with financial institutions that management deems to be creditworthy. Throughout the year, balances did not exceed insurance levels.

Fixed Assets

Fixed Assets that TBTB owns and which benefit future periods are capitalized at cost or, if donated, at the estimated fair value at the time of donation. Routine maintenance that does not extend the life of fixed assets is expensed when incurred. Depreciation is recorded using the straight-line method over each asset's estimated useful life. Fixed assets consist of building improvements, furniture, equipment and computers, which are carried at cost and are depreciated over their useful lives using the straight-line method.

Theater Breaking Through Barriers, Corp.

Notes to Financial Statements

In-Kind Contributions:

TBTB recognizes contributions for donated advertising, professional fees, and program expenses that create or enhance non-financial assets and requires specialized skills, are performed by those who possess those skills, and would have been purchased if they had not been donated.

Many individuals volunteer their time and perform a variety of tasks to assist with specific assistance programs, campaign solicitation, and various committee assignments. No amounts have been reflected in the financial statements for these types of donated services because they do not meet the criteria for recognition as outlined above.

Advertising Costs

Costs of promotion and advertising were expensed as incurred.

Use of Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Functional Allocation of Expenses:

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying statement of activities. Accordingly, expenses have been allocated among the programs and supporting services using appropriate measurement methodologies developed by management. Natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques such as time and effort of individuals.

Accounting for Uncertainty of Income Taxes

TBTB does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending July 30, 2020 and later are subject to examination by applicable taxing authorities.

Comparative Financial Information:

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with TBTB's financial statements for the year ended July 31, 2022, from which the summarized information was derived.

Theater Breaking Through Barriers, Corp.

Notes to Financial Statements

NOTE 3 – FIXED ASSETS

Property and equipment consisted of the following:

<i>Year ended July 31, 2023</i>		Estimated Useful Lives
Equipment	15,705	3-5 years
Less: Accumulated depreciation	(14,573)	
Net Property and Equipment	\$ 1,132	

NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS

	Balance @ 7/31/22	Contributions	Released from Restriction	Balance @ 7/31/23
Operating Support	153,950	142,520	(153,950)	142,520
Total	153,950	142,520	(153,950)	142,520

NOTE 5 – LEASE COMMITMENTS

TBTB leases space for its administrative office and program site. Rent expense for the year ended July 31, 2023 was \$18,135. Rent increases to 19,096 on January 2024 and expires December 31, 2024.

NOTE 6 – AVAILABILITY AND LIQUIDITY

TBTB's financial assets available to meet cash needs for general expenditures within one year are \$218,544 which consist of cash and cash equivalents at July 31, 2023. There are no external or internal limits imposed on these balances. As part of its liquidity management, TBTB operates its programs within a board approved budget and relies on contributions, grants, and revenue from program activities.

NOTE 7 – SUBSEQUENT EVENTS

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through November 19, 2023, the date the financial statements were available to be issued. All events that have occurred subsequent to the statement of financial position date through our evaluation date that would require adjustment to or disclosure in the financial statements have been made.