

THE JUNGLE THEATER
FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2021 AND 2020



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**THE JUNGLE THEATER
TABLE OF CONTENTS
YEARS ENDED AUGUST 31, 2021 AND 2020**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
BALANCE SHEETS	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL EXPENSES	6
STATEMENTS OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9



INDEPENDENT AUDITORS' REPORT

Board of Directors and Management
The Jungle Theater
Minneapolis, Minnesota

We have audited the accompanying financial statements of The Jungle Theater, which comprise the balance sheets as of August 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors and Management
The Jungle Theater

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Jungle Theater as of August 31, 2021 and 2020, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
December 20, 2021

**THE JUNGLE THEATER
BALANCE SHEETS
AUGUST 31, 2021 AND 2020**

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 639,031	\$ 286,653
Grants Receivable	164,706	84,423
Prepaid Expenses	57,560	56,436
Total Current Assets	861,297	427,512
PROPERTY AND EQUIPMENT, NET	1,059,739	1,150,651
Total Assets	\$ 1,921,036	\$ 1,578,163
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 7,860	\$ 29,939
Accrued Expenses	45,914	17,870
Current Portion of Notes Payable - Paycheck Protection Program	-	10,159
Current Portion of Notes Payable - Special Assessments	3,942	2,888
Current Portion of Notes Payable - Term Loan	24,835	23,433
Deferred Revenue	517,639	122,930
Total Current Liabilities	600,190	207,219
NOTES PAYABLE - PAYCHECK PROTECTION PROGRAM (NET OF CURRENT PORTION)	-	173,073
NOTES PAYABLE - SPECIAL ASSESSMENT (NET OF CURRENT PORTION)	6,905	12,166
NOTES PAYABLE - TERM LOAN (NET OF CURRENT PORTION)	15,547	37,943
Total Liabilities	622,642	430,401
NET ASSETS		
Without Donor Restrictions:		
Undesignated Net Assets	109,321	(162,534)
Net Investment in Property and Equipment	1,008,510	1,074,221
Without Donor Restrictions	1,117,831	911,687
With Donor Restrictions	180,563	236,075
Total Net Assets	1,298,394	1,147,762
Total Liabilities and Net Assets	\$ 1,921,036	\$ 1,578,163

See accompanying Notes to Financial Statements.

**THE JUNGLE THEATER
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT			
Foundation Contributions	\$ 134,275	\$ 65,000	\$ 199,275
Corporate Contributions	3,753	-	3,753
Government Grants	320,683	115,541	436,224
Individual Contributions	302,428	-	302,428
Special Events (Net of \$7,792 and \$6,566 of Expenses for 2021 and 2020, Respectively)	53,408	-	53,408
Total Support	814,547	180,541	995,088
REVENUE			
Ticket Sales	41,526	-	41,526
Advertising and Concession Income	-	-	-
Other Earned Income	5,116	-	5,116
Total Revenue	46,642	-	46,642
Net Assets Released from Restrictions	236,053	(236,053)	-
Total Support and Revenue	1,097,242	(55,512)	1,041,730
EXPENSES			
Program Services:			
Mainstage	547,288	-	547,288
Support Services:			
Management and General	206,452	-	206,452
Fundraising	137,358	-	137,358
Total Support Services	343,810	-	343,810
Total Expenses	891,098	-	891,098
CHANGE IN NET ASSETS	206,144	(55,512)	150,632
Net Assets - Beginning of the Year	911,687	236,075	1,147,762
NET ASSETS - END OF THE YEAR	\$ 1,117,831	\$ 180,563	\$ 1,298,394

See accompanying Notes to Financial Statements.

**THE JUNGLE THEATER
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT			
Foundation Contributions	\$ 147,400	\$ 176,000	\$ 323,400
Corporate Contributions	-	-	-
Government Grants	10,000	111,971	121,971
Individual Contributions	465,640	-	465,640
Special Events (Net of \$7,792 and \$6,566 of Expenses for 2021 and 2020, Respectively)	40,389	-	40,389
Total Support	<u>663,429</u>	<u>287,971</u>	<u>951,400</u>
 REVENUE			
Ticket Sales	513,395	-	513,395
Advertising and Concession Income	32,135	-	32,135
Other Earned Income	14,490	-	14,490
Total Revenue	<u>560,020</u>	<u>-</u>	<u>560,020</u>
 Net Assets Released from Restrictions	<u>437,130</u>	<u>(437,130)</u>	<u>-</u>
Total Support and Revenue	1,660,579	(149,159)	1,511,420
 EXPENSES			
Program Services:			
Mainstage	1,310,625	-	1,310,625
Support Services:			
Management and General	284,996	-	284,996
Fundraising	89,377	-	89,377
Total Support Services	<u>374,373</u>	<u>-</u>	<u>374,373</u>
Total Expenses	<u>1,684,998</u>	<u>-</u>	<u>1,684,998</u>
 CHANGE IN NET ASSETS	(24,419)	(149,159)	(173,578)
Net Assets - Beginning of the Year	<u>936,106</u>	<u>385,234</u>	<u>1,321,340</u>
 NET ASSETS - END OF THE YEAR	<u>\$ 911,687</u>	<u>\$ 236,075</u>	<u>\$ 1,147,762</u>

See accompanying Notes to Financial Statements.

THE JUNGLE THEATER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2021

	Program Services	Support Services			Total All Services
	Mainstage	Management and General	Fundraising	Total Support Services	
Salaries	\$ 230,723	\$ 106,738	\$ 95,788	\$ 202,526	\$ 433,249
Payroll Taxes	29,884	5,504	4,881	10,385	40,269
Benefits	13,259	3,883	6,771	10,654	23,913
Total Personnel Costs	273,866	116,125	107,440	223,565	497,431
Production Expense	85,160	-	-	-	85,160
Ticketing Expense	9,570	-	-	-	9,570
Concession Expense	2,646	-	-	-	2,646
Hospitality	123	1,968	-	1,968	2,091
Advertising and Marketing	-	1,570	3,549	5,119	5,119
Printing	7,621	1,100	6,839	7,939	15,560
Postage and Shipping	2,772	664	1,507	2,171	4,943
Supplies	1,874	1,017	-	1,017	2,891
Repair and Maintenance	7,636	22,909	-	22,909	30,545
Utilities	28,091	5,554	973	6,527	34,618
Telephone	7,198	1,214	260	1,474	8,672
Dues and Subscriptions	1,144	2,648	3,294	5,942	7,086
Legal and Accounting	-	19,923	-	19,923	19,923
Contract Services	9,231	1,034	8,828	9,862	19,093
Insurance	22,870	3,858	827	4,685	27,555
Interest	-	7,949	-	7,949	7,949
Bank Fees	7,518	1,447	389	1,836	9,354
Miscellaneous	-	3,984	8,354	12,338	12,338
Total	467,320	192,964	142,260	335,224	802,544
Less: Expenses Netted Against Revenues on the Statements of Activities:					
Special Event Expenses	-	-	(7,792)	(7,792)	(7,792)
Expenses Before Depreciation	467,320	192,964	134,468	327,432	794,752
Depreciation	79,968	13,488	2,890	16,378	96,346
Total Functional Expenses	\$ 547,288	\$ 206,452	\$ 137,358	\$ 343,810	\$ 891,098
Percentage	61.42%	23.17%	15.41%	38.58%	100.00%

See accompanying Notes to Financial Statements.

THE JUNGLE THEATER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2020

	Program Services		Support Services		Total All Services
	Mainstage	Management and General	Fundraising	Total Support Services	
Salaries	\$ 612,218	\$ 110,845	\$ 60,463	\$ 171,308	\$ 783,526
Payroll Taxes	57,441	6,497	1,675	8,172	65,613
Benefits	70,604	5,793	623	6,416	77,020
Total Personnel Costs	<u>740,263</u>	<u>123,135</u>	<u>62,761</u>	<u>185,896</u>	<u>926,159</u>
Production Expense	231,772	-	-	-	231,772
Ticketing Expense	56,945	-	-	-	56,945
Concession Expense	11,186	-	-	-	11,186
Travel and Housing	10,610	22	-	22	10,632
Hospitality	1,954	2,767	105	2,872	4,826
Advertising and Marketing	-	16,723	-	16,723	16,723
Printing	25,134	3,253	6,313	9,566	34,700
Postage and Shipping	5,342	1,088	466	1,554	6,896
Supplies	4,525	3,017	2,899	5,916	10,441
Repair and Maintenance	11,491	34,473	-	34,473	45,964
Utilities	32,104	5,415	1,160	6,575	38,679
Telephone	7,479	1,262	270	1,532	9,011
Dues and Subscriptions	7,054	25	-	25	7,079
Accounting	-	29,514	-	29,514	29,514
Contract Services	42,512	26,522	11,442	37,964	80,476
Insurance	40,089	7,029	1,449	8,478	48,567
Interest	-	10,528	-	10,528	10,528
Bank Fees	-	1,811	-	1,811	1,811
Income Taxes	-	4,109	-	4,109	4,109
Miscellaneous	263	488	6,118	6,606	6,869
Total	<u>1,228,723</u>	<u>271,181</u>	<u>92,983</u>	<u>364,164</u>	<u>1,592,887</u>
Less: Expenses Netted Against Revenues on the Statements of Activities:					
Special Event Expenses	-	-	(6,566)	(6,566)	(6,566)
Expenses Before Depreciation	1,228,723	271,181	86,417	357,598	1,586,321
Depreciation	81,902	13,815	2,960	16,775	98,677
Total Functional Expenses	<u>\$ 1,310,625</u>	<u>\$ 284,996</u>	<u>\$ 89,377</u>	<u>\$ 374,373</u>	<u>\$ 1,684,998</u>
Percentage	<u>77.78%</u>	<u>16.91%</u>	<u>5.30%</u>	<u>22.22%</u>	<u>100.00%</u>

See accompanying Notes to Financial Statements.

**THE JUNGLE THEATER
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2021 AND 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 150,632	\$ (173,578)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Forgiveness of Paycheck Protection Program Note	(183,232)	-
In-Kind Contributions of Fixed Assets	-	(10,000)
Depreciation	96,346	98,677
Loss on Disposal of Fixed Assets	1,215	-
(Increase) Decrease in Current Assets:		
Accounts Receivable	-	198
Grants Receivable	(80,283)	90,606
Prepaid Expenses	(1,124)	86,323
Increase (Decrease) in Current Liabilities:		
Accounts Payable	(22,079)	(94,339)
Accrued Expenses	28,044	(26,391)
Deferred Revenue	394,709	(250,366)
Net Cash Provided (Used) by Operating Activities	384,228	(278,870)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property and Equipment Purchases	(6,649)	(32,265)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from SBA Advance and Paycheck Protection Program	-	183,232
Payment of Notes Payable - Term Loan and Special Assessments	(25,201)	(24,843)
Proceeds from Line of Credit	-	125,000
Payment of Line of Credit	-	(125,000)
Net Cash Provided (Used) by Financing Activities	(25,201)	158,389
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	352,378	(152,746)
Cash and Cash Equivalents - Beginning of Year	286,653	439,399
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 639,031	\$ 286,653
SUPPLEMENTAL INFORMATION		
Cash Payments for Interest	\$ 7,874	\$ 10,533
Income Taxes Paid	\$ -	\$ 1,264
Fixed Assets Acquired through In-Kind Contribution	\$ -	\$ 10,000

See accompanying Notes to Financial Statements.

**THE JUNGLE THEATER
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Jungle Theater (the Theater) is a nonprofit organization chartered in the state of Minnesota. The mission of The Jungle Theater is to create courageous, resonant theater that challenges, entertains, and sparks expansive conversation.

During fiscal year 2021, the Jungle Theater was unable to present a traditional season of five to six plays, due to the COVID-19 pandemic. However, the Theater was committed to two goals: finding temporary alternative programming opportunities to maintain connections to artists and audiences, and to maintaining the integrity of the administrative operations and facility to allow for an efficient return to regular programming whenever possible. The combined result of these goals led to a year when the percent of expenses spent on program costs was unusually low (61.4% in FY2021 compared to 77.8% in FY2020). With a return to regular productions in FY2022, we expect a return to historic expense balances.

In 2021, interim artistic director Christina Baldwin was confirmed as the permanent artistic director, following the departure of former artistic director Sarah Rasmussen in 2020. The Theater looks forward to continuing its legacy and adapting to meet the challenges of the times, declaring the vision of the Theater to be a neighborhood theater with national impact, sparking meaningful dialogue with audiences through compelling stories, masterful acting, and exquisite design.

Basis of Presentation

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

Net Assets Without Donor Restrictions – Resources which are fully available to management and the board of directors for the Theater’s programs or supporting services.

Net Assets With Donor Restrictions – Resources which the Theater receives subject to donor-imposed restrictions as to specific purposes or time periods.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, with donor restrictions net assets are reclassified to without donor restrictions and reported in the statement of activities as Net Assets Released from Restrictions.

Revenue Recognition

The Theater records as support, at fair value, grants, and contributions received unconditionally, including pledges, grants, certain contributed services, and gifts of long-lived and other assets. Pledges and grants that are expected to be collected within one year are recorded at their net realizable value. Pledges and grants that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. All contributions and grants are considered to be without donor restrictions unless specifically restricted by the donor.

**THE JUNGLE THEATER
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Conditional promises to give and conditional grants are not recognized as contribution revenue and receivables until the conditions have been substantially met. The Theater has conditional promises and grants outstanding for \$432,814 and \$-0- for the years ended August 31, 2021 and 2020, respectively. Conditional grants received in advance for \$382,814 is included in the deferred revenue balance for the year ended August 31, 2021.

Special event revenue consists of sponsorships, auction sales, and other contributions. The exchange element of the special event revenue was approximately \$7,792 for the year ended August 31, 2021. The portion that is considered to be exchange revenue is recognized as revenue when the performance obligations are met which is the occurrence of the event.

Revenue from ticket sales for performances are recognized over time after the performance takes place when the performance obligation of the ticket has been met. Advertising income is recognized over the period of time in which the performance obligation is met. Concession revenue is recognized at point of sale, at a point in time.

The following table shows the Theater's exchange revenue disaggregated according to the timing of the transfer of goods or services at August 31, 2021:

Revenue Recognized Over Time:	
Ticket Sales	\$ 41,526
Advertising Income	-
Total Revenue Recognized Over Time	<u>\$ 41,526</u>
Revenue Recognized at Point in Time:	
Concession Revenue	\$ -
Total Revenue Recognized at Point in Time	<u>\$ -</u>

The following table provides information about significant changes in the Theater's deferred revenue derived from revenue from contracts with customers for which the performance obligations have not yet been met for the year ending August 31, 2021:

Deferred Revenue - Ticket Sales, Beginning of Year	\$ 122,930
Change in Deferred Revenue Due to Purchases, Refunds, or Redemption of Credits	11,895
Deferred Revenue - Ticket Sales, End of Year	<u>\$ 134,825</u>

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 disclosures of contingent assets and liabilities as of the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

THE JUNGLE THEATER
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of reporting cash flows, the Theater includes all demand deposits as cash equivalents.

The Theater maintains its cash in bank deposit accounts, which at times may exceed federally insured limit. The Theater has not experienced any losses on such accounts. The Theater believes it is not exposed to any significant credit risk with respect to cash and cash equivalents.

Property and Equipment

Property and equipment purchases in excess of \$1,000 are recorded at cost. Expenditures for renewals and betterments are capitalized while repairs and maintenance costs are charged to expense. When items are disposed of, the cost and accumulated depreciation are eliminated from the accounts, and any gain or loss is reflected in the changes in net assets. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, ranging from 5 to 10 years for furniture and equipment to 39 years for building and building improvements.

Advertising and Marketing

Advertising costs are expensed when incurred except for direct response advertising which is included in prepaid expense and expensed in the year the related play occurs. Total advertising costs were \$5,119 and \$16,723 for the years ended August 31, 2021 and 2020, respectively. Deferred advertising costs included in prepaid expenses totaled \$-0- at August 31, 2021 and 2020.

Income Taxes

The Theater received authority from the Internal Revenue Service (IRS) to operate as a tax-exempt organization (public charity) under Section 501(c)(3) of the Internal Revenue Code (IRC). Therefore, charitable contributions by donors are tax deductible. The Theater is subject to unrelated business income tax on advertising revenues. Tax expense on these revenues was estimated at \$-0- for the years ended August 31, 2021 and 2020.

The Theater has adopted guidance regarding the recognition of uncertain tax positions. This guidance prescribes a recognition threshold for the financial statement recognition of tax positions taken or expected to be taken on a tax return that are not certain to be realized. The Theater's tax returns are subject to review and examination by federal and state authorities.

Contributed Services

Contributed services, which create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills, other than active board and committee members in their roles as such, and would typically need to be purchased if not provided by donation, are recognized as contributions in the accompanying statements.

**THE JUNGLE THEATER
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributed Services (Continued)

Although highly valued by the Theater, contributions of time and services provided by many volunteers do not meet the criteria for recognition and, therefore, are not recognized in the financial statements.

Functional Expenses

The Theater follows the policy of charging identifiable expenses directly to program services. Expenses of a general nature are allocated to program and support services based on the activities of Theater personnel, usage of the facility and management's evaluation and judgment.

Change in Accounting Principle

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Subsequent to May 2014, FASB issued six ASUs to clarify certain matters related to Topic 606. Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The updates address the complexity of revenue recognition and provide sufficient information to enable financial statements users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Theater's financial statements reflect the adoption of ASU 2014-09 guidance beginning in fiscal year 2021. The adoption of 2014-09 did not impact the Theater's reported revenue.

Subsequent Events

In preparing these financial statements, the Theater has evaluated events and transactions for potential recognition or disclosure through December 20, 2021, the date the financial statements were available to be issued.

THE JUNGLE THEATER
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

NOTE 2 LIQUIDITY, AVAILABILITY, AND RESERVES MANAGEMENT

The Theater receives significant contributions and promises to give restricted by donors, and consider contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Theater manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonableness assurance that long-term obligations will be discharged.

Financial assets available for general expenditure, within one year of the balance sheet date, comprise of the following:

	<u>2021</u>	<u>2020</u>
Financial Assets:		
Cash and Cash Equivalents	\$ 639,031	\$ 286,653
Grant Receivables	164,706	84,423
Less: Purpose Restricted	<u>(65,022)</u>	<u>(175,000)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 738,715</u>	<u>\$ 196,076</u>

NOTE 3 GRANTS RECEIVABLE

The Theater reports grants receivable net of an allowance for doubtful accounts and present value discounts. The allowance for doubtful accounts and present value discount was \$-0- as of August 31, 2021 and 2020. At August 31, 2021 and 2020, one grantor comprised 70% and 94% of the grant receivable balance, respectively.

Three contributions comprised 45% of total support revenue during the year ended August 31, 2021. Four contributors comprised 40% of total support revenue during the year ended August 31, 2020.

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	<u>2021</u>	<u>2020</u>
Land	\$ 108,957	\$ 108,957
Land Improvements	43,025	43,025
Building and Improvements	2,245,804	2,244,541
Furniture, Fixtures, and Other Equipment	<u>481,578</u>	<u>483,059</u>
Total Cost	2,879,364	2,879,582
Less: Accumulated Depreciation	<u>(1,819,625)</u>	<u>(1,728,931)</u>
Total Property and Equipment	<u>\$ 1,059,739</u>	<u>\$ 1,150,651</u>

**THE JUNGLE THEATER
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020**

NOTE 5 NOTES PAYABLE

Notes payable consist of the following:

<u>Description</u>	<u>2021</u>	<u>2020</u>
Note payable to Minnesota Nonprofits Assistance Fund maturing on February 16, 2023 with interest at 6.50%. This note is secured by certain assets of the Theater.	\$ 40,382	\$ 61,376
Special Assessment Payable to Hennepin County for street improvements; maturing on January 1, 2026, with interest at 4.25%; annual principal payment of \$866 plus interest.	6,905	6,063
Special Assessment Payable to Hennepin County for streetscape; maturing on January 1, 2023, with interest at 4.00%; annual principal payment of \$2,022 plus interest.	3,942	8,991
The Theater received a loan in the amount of \$183,232 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the federal Paycheck Protection Program (the PPP Loan). In April 2021, the SBA formally approved forgiveness. The Theater recognized \$183,232 of revenue related to this agreement during the year ended August 31, 2021, which represents the portion of the PPP loan funds for which the performance barriers have been met. The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Theater's balance sheet.	-	183,232
Total	51,229	259,662
Less: Current Maturities	28,777	36,480
Total Long-Term Debt	<u>\$ 22,452</u>	<u>\$ 223,182</u>

**THE JUNGLE THEATER
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020**

NOTE 5 NOTES PAYABLE (CONTINUED)

Future principal payments under the refinanced terms are as follows:

<u>Year Ending August 31,</u>	<u>Amount</u>
2022	\$ 28,777
2023	18,144
2024	1,167
2025	1,217
2026	1,269
Thereafter	655
Total Debt Maturities	<u>\$ 51,229</u>

Line of Credit

The Theater has a \$250,000 line of credit at 6.25% interest with a maturity date of October 16, 2022. As of August 31, 2021 and 2020, there were no outstanding balances on the line of credit. The line of credit is secured by certain assets of the Theater.

In addition, the Theater entered into a \$20,000 letter of credit agreement on October 18, 2021 at 6.25% interest with a maturity date of October 5, 2022. The letter of credit is for the benefit of the Actors' Equity Association in case the terms of its contract are not fulfilled.

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes or periods ended:

	<u>2021</u>	<u>2020</u>
General Operating (Future Periods)	\$ 115,541	\$ 61,075
Program Restricted	65,022	175,000
Total	<u>\$ 180,563</u>	<u>\$ 236,075</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

	<u>2021</u>	<u>2020</u>
General Operating (Future Periods)	\$ 61,053	\$ 291,926
Program Restricted	175,000	145,204
Total	<u>\$ 236,053</u>	<u>\$ 437,130</u>

THE JUNGLE THEATER
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

NOTE 7 RETIREMENT PLAN

The board of directors established The Jungle Theater Retirement Plan (the Plan), which is a defined contribution plan under section 403(b) of the IRC, for the benefit of all of its eligible employees. The Theater matches employee contributions made into the Plan, up to 2% of employee wages. Employees are allowed to contribute additional amounts through a salary reduction agreement based upon limits imposed by the IRS. The Theater contributed \$1,027 and \$2,026 to the Plan during the years ended August 31, 2021 and 2020, respectively.

NOTE 8 RELATED PARTY TRANSACTIONS

Contribution and sponsorship revenues from members of the board of directors totaled \$51,014 and \$57,581 for the years ended August 31, 2021 and 2020, respectively.

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