

NASHVILLE SHAKESPEARE FESTIVAL

FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NASHVILLE SHAKESPEARE FESTIVAL
TABLE OF CONTENTS
SEPTEMBER 30, 2022

<u>CONTENTS</u>	<u>PAGE</u>
Independent Auditor's Report	1
Audited Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Nashville Shakespeare Festival

Opinion

We have audited the accompanying financial statements of Nashville Shakespeare Festival (a nonprofit organization), which comprise the statement of financial position as of September 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nashville Shakespeare Festival as of September 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Nashville Shakespeare Festival, and to meet our other ethical responsibilities in accordance with the 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 audit opinion.

Prior Period Financial Statements

The financial statements as of September 30, 2021, were audited by Patterson, Hardee & Ballentine, P.C., who merged with UHY, LLP as of December 1, 2022, and whose report dated December 21, 2021, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Nashville Shakespeare Festival'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

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 generally accepted 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 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 generally accepted auditing standards, 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 Nashville Shakespeare Festival'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 Nashville Shakespeare Festival'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.

The image shows a handwritten signature in black ink that reads "UHY LLP". The letters are stylized and cursive, with the "U" and "H" being particularly prominent.

February 8, 2023
Nashville, TN

NASHVILLE SHAKESPEARE FESTIVAL
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2022

ASSETS

Current Assets:

Cash	\$ 256,489	
Grants receivable	183,737	
Prepaid expenses	15,908	
Total current assets	<u> </u>	\$ 456,134

Equipment:

Equipment	59,797	
Less: accumulated depreciation	<u>(53,748)</u>	
Total equipment, net		<u>6,049</u>

Total assets		<u><u>\$ 462,183</u></u>
--------------	--	--------------------------

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable and accrued Liabilities	<u>19,519</u>	
Total current liabilities		\$ 19,519

Net Assets:

Without donor restrictions		
Undesignated	430,777	
Board designated	<u>11,887</u>	
Total without donor restrictions	442,664	
With donor restrictions	<u>-</u>	
Total net assets		<u>442,664</u>
Total liabilities and net assets		<u><u>\$ 462,183</u></u>

See accompanying notes to financial statements.

NASHVILLE SHAKESPEARE FESTIVAL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public Support and Revenue:			
Public support:			
Contributions			
Individual	\$ 141,616	\$ -	141,616
Corporate	59,077	-	59,077
Foundation	139,286	-	139,286
Grants			
Local	117,561	-	117,561
State	38,600	-	38,600
Federal	15,000	-	15,000
	<hr/>	<hr/>	<hr/>
Total public support	511,140	-	511,140
Revenue:			
Program fees and tickets	41,122	-	41,122
Contributed nonfinancial assets	149,251	-	149,251
Merchandise & concession	15,895	-	15,895
Other income	722	-	722
	<hr/>	<hr/>	<hr/>
Total revenue	206,990	-	206,990
	<hr/>	<hr/>	<hr/>
Total public support and revenue	718,130	-	718,130
Expenses:			
Program services:			
Workshops and Education	143,666	-	143,666
Summer Shakespeare	360,642	-	360,642
Other	152,552	-	152,552
	<hr/>	<hr/>	<hr/>
Total program services	656,860	-	656,860
Supporting services:			
Management and general	126,369	-	126,369
Fundraising	46,813	-	46,813
	<hr/>	<hr/>	<hr/>
Total supporting services	173,182	-	173,182
	<hr/>	<hr/>	<hr/>
Total expenses	830,042	-	830,042
Decrease in net assets	(111,912)	-	(111,912)
Net assets - beginning of year	554,576	-	554,576
	<hr/>	<hr/>	<hr/>
Net assets - end of year	\$ 442,664	\$ -	\$ 442,664
	<hr/>	<hr/>	<hr/>

See accompanying notes to financial statements.

NASHVILLE SHAKESPEARE FESTIVAL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER, 30, 2022

	Program Services				Supporting Services		
	<u>Workshops and Education</u>	<u>Summer Shakespeare</u>	<u>Other</u>	<u>Total Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries and wages	\$ 90,821	\$ 106,759	\$ 118,001	\$ 315,581	\$ 50,486	\$ 31,148	\$ 397,215
Employee benefits and payroll taxes	18,925	8,646	9,070	36,641	5,878	2,413	44,932
Bank charges and ticket fees	265	1,781	-	2,046	310	1,077	3,433
Dues, subscriptions and fees	33	722	-	755	20	1,510	2,285
In-kind expenses	94	119,500	-	119,594	27,019	2,638	149,251
General liability and workers' compensation	1,358	2,975	1,765	6,098	11,151	466	17,715
Marketing and publications	1,825	12,671	1,788	16,284	3,079	3,314	22,677
Meals and entertainment	12	279	41	332	55	855	1,242
Merchandising and promotional items	57	11,405	-	11,462	-	36	11,498
Miscellaneous	233	-	-	233	164	214	611
Productions contractors	11,450	49,489	15,793	76,732	-	-	76,732
Production costs	16,838	46,284	1,053	64,175	-	-	64,175
Postage	-	16	-	16	-	773	789
Professional services	-	-	-	-	20,905	-	20,905
Rent	1,666	-	4,261	5,927	2,302	1,561	9,790
Office supplies and expenses	9	-	-	9	661	-	670
Travel	80	-	-	80	-	12	92
IT expenses	-	115	780	895	377	796	2,068
Total expenses before depreciation	143,666	360,642	152,552	656,860	122,407	46,813	826,080
Depreciation	-	-	-	-	3,962	-	3,962
Total program and supporting services	<u>\$ 143,666</u>	<u>\$ 360,642</u>	<u>\$ 152,552</u>	<u>\$ 656,860</u>	<u>\$ 126,369</u>	<u>\$ 46,813</u>	<u>\$ 830,042</u>

See accompanying notes to financial statements.

NASHVILLE SHAKESPEARE FESTIVAL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Cash Flow From Operating Activities:

Change in net assets	\$	(111,912)
----------------------	----	-----------

Adjustments to reconcile increase in net assets
to net cash provided by operating activities:

Depreciation	\$	3,962
--------------	----	-------

Changes in:

Accounts receivable		28,073
---------------------	--	--------

Prepaid expenses		(6,989)
------------------	--	---------

Accounts payable and accrued liabilities		2,065
--	--	-------

Other liabilities		(928)
-------------------	--	-------

Contract liabilities		(4,900)
----------------------	--	---------

Total adjustments		21,283
-------------------	--	--------

Net cash used in operating activities		(90,629)
---------------------------------------	--	----------

Cash Flow From Investing Activities:

Purchase of equipment		(1,070)
-----------------------	--	---------

Net cash used in investing activities		(1,070)
---------------------------------------	--	---------

Net decrease in cash		(91,699)
----------------------	--	----------

Cash - beginning of year		348,188
--------------------------	--	---------

Cash - end of year	\$	256,489
--------------------	----	---------

See accompanying notes to financial statements.

NASHVILLE SHAKESPEARE FESTIVAL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - Summary of Significant Accounting Policies

Nature of Activities and Program Descriptions

The terms "we", "us", "our", "the Organization", and "the Festival" are used throughout these notes to the financial statements to identify Nashville Shakespeare Festival, a nonprofit organization, incorporated on September 12, 1988. The Nashville Shakespeare Festival's mission is to educate and entertain the Mid-South community through professional theatrical experiences. The Festival accomplishes its mission through unifying and enriching the community with bold, innovative and relevant productions along with empowering, participatory educational programs, setting the community standard of excellence in educational outreach and performances of Shakespeare's plays.

The Festival's signature programs are Summer Shakespeare and Winter Shakespeare. Summer Shakespeare is an annual free, outdoor, family-friendly event typically attended by 10,000-15,000 people per year. Winter Shakespeare is an annual production in residence at Belmont University typically attended by 6,000 people per year, half of them school groups, many of which also receive in-school outreach services. During the fiscal year ending September 30, 2022, Winter Shakespeare was canceled due to ongoing effects of the COVID19 pandemic and replaced with an educational production which toured to schools.

The Festival produces a variety of outreach opportunities for schools, institutions, and the general public including workshops, artists in residence, and traveling performances. The major sources of our funding are grants and contributions from local and state governments, private foundations, corporations, and individuals in the Middle Tennessee area.

Basis of Presentation

The accompanying financial statements present the financial position and changes in net assets on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Accordingly, our net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors. Restrictions fulfilled in the same accounting period in which the contributions are received are reported in the Statement of Activities as net assets without donor restrictions.

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

Cash

Cash consists of reconciled checking and savings account balances. The Festival's cash deposits in financial institutions are insured by FDIC insurance which is subject to certain limitations and conditions.

NASHVILLE SHAKESPEARE FESTIVAL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - Summary of Significant Accounting Policies (continued)

Grants Receivable

The Festival reports grants receivable at the amount which represents management's estimate of the amount that ultimately will be realized. The Festival reviews the adequacy of its allowance for uncollectible accounts on an ongoing basis, using historical payment trends, as well as review of specific accounts, and makes adjustments in the allowance as necessary. Management determined that no allowance for doubtful accounts was necessary at September 30, 2022.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the estimated fair market value at the date of donation. Depreciation is provided utilizing the straight-line method over the estimated useful lives of the respective assets, which is estimated to be 3 or 5 years for equipment. Expenditures for props, costumes, and repairs and maintenance are charged to expense as incurred. It is the Festival's policy to capitalize purchases of fixed assets with a value of \$500 or more and have a useful life greater than one year.

The Festival retains the title to all of our long-lived assets. None of the long-lived assets were purchased with restricted assets, have been pledged as collateral or are subject to legal limitations on use or disposal.

Public Support

All grants and contributions are considered to be available for unrestricted use unless specifically restricted by the donor. The Festival reports gifts of cash, grants and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. Donor restricted contributions and grants are recorded in the net asset with donor restrictions class expiring during the fiscal year, and then transferred to net assets without donor restrictions.

A portion of our revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and / or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Festival has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as contract liabilities in the statement of financial position. There were none as of September 30, 2022. All cost-reimbursable grants have been received at September 30, 2022.

A number of volunteers contributed services to the Festival. No amounts have been recognized in the accompanying statements of activities because the criteria for recognition of such volunteer effort under GAAP have not been satisfied.

Revenue Recognition from Contracts with Customers

The Festival recognizes revenue from program services when the performance obligations, detailed in the contracts with customers, are fulfilled. Our service contracts consist of ticket, merchandise, and concession sales. Revenue from ticket sales is recognized at the time of admission. Revenue from concessions and merchandise sales is recognized at the time of the sale. In determining when and how revenue is recognized, we perform the following five step analysis: (1) identification of contract with participant or sponsor, (2) determination of performance obligations, (3) measurement of the transaction price, (4) allocation of the transaction price to the performance obligations, and (5) recognition of revenue when or as we satisfy each performance obligation.

NASHVILLE SHAKESPEARE FESTIVAL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - Summary of Significant Accounting Policies (continued)

Contribution of Nonfinancial Assets

The Festival periodically receives donations of services, when donated services (a) create or enhance non-financial assets, or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The value of the donation is recorded as contribution revenue in the period received. The following donations are reflected as contribution of nonfinancial assets with no associated donor restriction in the accompanying statement of activities:

	<u>Valuation Techniques and Inputs</u>	<u>2022</u>
Advertising	Contributed advertising is valued at estimated fair value based on current rates for advertising in similar publishing avenues.	\$ 12,188
Rentals	The Festival estimated the fair value on the basis of current rates for occupancy and equipment rentals.	103,312
Professional services and other	Contributed services from attorneys are valued at estimated fair value based on current rates for similar legal services.	33,751
		<u>\$ 149,251</u>

Contributions of nonfinancial assets and their use in programs and other activities are as follows:

	<u>Year Ended September 30, 2022</u>			
	<u>Program Services</u>	<u>General & Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Advertising	\$ 12,188	\$ -	\$ -	\$ 12,188
Rentals	103,312	-	-	103,312
Professional services and other	<u>4,094</u>	<u>27,019</u>	<u>2,638</u>	<u>33,751</u>
	<u>\$ 119,594</u>	<u>\$ 27,019</u>	<u>\$ 2,638</u>	<u>\$ 149,251</u>

Income Tax Status

The Festival is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and classified as an organization which is not a private foundation as defined in Section 509(a) of the Internal Revenue Code. Therefore, no provision for federal income taxes is included in the accompanying financial statements. The Festival does not believe there are any uncertain tax positions or any unrelated business income, which would be subject to federal taxes.

Functional Allocation of Expenses

Functional expenses have been allocated between program services and supporting services based on an analysis of employee time spent and space utilized for the related activities. Operating costs other than personnel and occupancy costs are allocated based on an invoice by invoice basis.

NASHVILLE SHAKESPEARE FESTIVAL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - Summary of Significant Accounting Policies (continued)

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 the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Values of Financial Instruments

The carrying values of current assets and current liabilities approximate fair values due to the short maturities of these instruments.

Advertising

Advertising is expensed as incurred. Total advertising expense for the year ended September 30, 2022, was \$22,677.

New Accounting Pronouncement

In fiscal year 2022, the Organization adopted Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. Adoption of this standard did not have a significant impact on the financial statements, with the exception of increased disclosure.

NOTE 2 - Availability and Liquidity

Financial assets available for general expenditure within one year of the statement of financial position, consist of the following:

Financial assets for the year ended	
Cash	\$ 256,489
Grants receivable	<u>183,737</u>
	<u>\$ 440,226</u>

In the next fiscal year, we plan to receive the same level of income from our donors and our program services, and consider this income for programs which are ongoing, major, and central to our annual operations to be available to meet cash needs for general expenditures.

The Festival has minimal amounts of liabilities in order to maintain most of its financial assets to be readily available. We also have an open line of credit to draw on for any immediate cash needs and is described in (NOTE 3).

NASHVILLE SHAKESPEARE FESTIVAL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 2 - Availability and Liquidity (continued)

Cash is considered readily available. We manage our 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 reasonable assurance that long-term obligations will be discharged. If our analysis of liquid assets reveals inadequate funds for near-term operating needs, we will immediately reduce spending of program and management and general expenditures.

NOTE 3 - Line of Credit

The Festival has a \$60,000 revolving line of credit with a bank which is not required to be renewed. The revolving line of credit bears interest at a variable interest rate (7.25% at September 30, 2022), and is unsecured. The Festival had a balance of \$0 due under this line of credit at September 30, 2022.

NOTE 4 - Leases

The Festival leases office space from Nashville Public Television which expires on June 30, 2023. The Festival may also enter into other short term leases for rehearsal or storage space. Total rent expense for the year ending September 30, 2022, was \$9,790 for the office space and storage unit.

The following is a schedule of future minimum lease payments:

<u>Year Ending</u> <u>September 30,</u>	
2023	<u>8,158</u>
	<u>\$ 8,158</u>

NOTE 5 - Net Assets

Board designated net assets without donor restrictions consisted of the following at September 30, 2022:

Actor's Equity Association Bonding Account	<u>\$ 11,887</u>
--	------------------

NOTE 6 - Concentrations and Contingencies

At September 30, 2022, 74% of our total payables were due to five vendors and 90% of our total receivables were due from three grantors.

We maintain our cash in bank accounts which, at times, may exceed federally insured limits. We have not experienced any losses in such accounts and do not believe that we are exposed to any significant credit risk on our cash.

NOTE 7 - Subsequent Events

We have evaluated events subsequent to the year ending September 30, 2022. As of February 8, 2023, the date that the financial statements were available to be issued, we are not aware of any material subsequent events, which would require recognition or disclosure in the accompanying financial statements for the year ended September 30, 2022.

February 8, 2023

To the Board of Directors of
Nashville Shakespeare Festival

We have audited the financial statements of Nashville Shakespeare Festival (the "Organization") for the year ended September 30, 2022, and we will issue our report thereon dated February 8, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 1, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Nashville Shakespeare Festival are described in Note 1 to the financial statements.

During the 2022 fiscal year we adopted Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. Adoption of this standard did not have a significant impact on the financial statements, with the exception of increased disclosure.

The application of existing policies was not changed during the year ended September 30, 2022. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the in-kind revenue and expense is based on estimated values of goods and services donated. We evaluated the key factors and assumptions used to develop the in-kind revenue and expenses in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of functional expenses allocation in NOTE 1 to the financial statements describing the detailed allocation methodology of functional expenses.

The disclosure of revenue recognition in NOTE 1 to the financial statements describing the detailed methodology of revenue recognition.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 8, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

This information is intended solely for the use of Board of Directors and management of Nashville Shakespeare Festival and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

UHY LLP