

Financial Statements

BATON ROUGE LITTLE THEATER, INC.

For the year ended July 31, 2003 and 2002

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

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BATON ROUGE, LOUISIANA

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To the Board of Governors,
Baton Rouge Little Theater, Inc.,
Baton Rouge, Louisiana,

I have audited the accompanying statement of financial position of Baton Rouge Little Theater, Inc. as of July 31, 2003 and 2002 and the related statement of activities, and cash flows for the year then ended. These financial statements are the responsibility of the Theater's governors. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Baton Rouge Little Theater, Inc. as of July 31, 2003 and 2002 and the results of its net assets and cash flows for the year then ended, in conformity with generally accepted accounting principles.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses on page 8 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Certified Public Accountant

Baton Rouge, Louisiana
November 11, 2003

BATON ROUGE LITTLE THEATER, INC.

STATEMENT OF FINANCIAL POSITION

At July 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash	\$ 190,845	\$ 178,045
Investments	0	96
Unconditional promises to give	0	12,891
Accounts receivable	0	0
Prepaid expenses	3,670	8,065
Total Current Assets	<u>194,515</u>	<u>199,097</u>
<u>Fixed Assets - Net</u>	165,963	145,982
Total Assets	<u>\$ 360,478</u>	<u>\$ 345,079</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Current portion of long term debt	\$ 10,375	\$ 9,620
Operating line of credit	28,036	29,103
Accounts payable and accruals	5,164	7,520
Deferred income	124,760	100,329
Total Current Liabilities	<u>168,335</u>	<u>146,572</u>
<u>Long Term Debt, less current portion</u>	<u>25,379</u>	<u>35,754</u>
Total Liabilities	193,714	182,326
<u>Net Assets</u>		
Unrestricted net assets, available for general activities	166,764	162,753
Total Liabilities and Net Assets	<u>\$ 360,478</u>	<u>\$ 345,079</u>

The accompanying notes are an integral part of these financial statements

BATON ROUGE LITTLE THEATER, INC.

STATEMENT OF ACTIVITIES

For the year ended July 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
<u>Public Support and Revenues</u>		
Memberships and admissions	\$ 353,616	\$ 309,627
Campaign 300	31,100	21,680
Contributions	7,347	1,746
Classes, workshops and teen theater	24,344	24,687
Grants	39,305	24,345
Corporate sponsorships and donations	0	1,500
Playbill advertising	15,225	11,215
Other	16,647	11,501
	<hr/>	<hr/>
Total Support and Revenue	487,584	406,301
<u>Expenses</u>		
Program services	406,173	337,969
Administration	74,712	67,483
	<hr/>	<hr/>
Total Expenses	480,885	405,452
Excess of Operating Support and Revenue Over Expenses	6,699	849
<u>Other Revenues (Expenses)</u>		
Unrecognized gain (loss) on net value of investment	0	(255)
Interest revenue	1,144	1,860
Interest expense	(3,832)	(6,254)
	<hr/>	<hr/>
Total Other Revenues and (Expenses)	(2,688)	(4,649)
Excess of Support and Revenue Over Expenses	4,011	(3,800)
	<hr/>	<hr/>
<u>Change in Net Assets</u>		
Balance at August 1, 2002 and 2001	162,753	166,553
	<hr/>	<hr/>
Balance at August 1, 2003 and 2002	\$ 166,764	\$ 162,753
	<hr/>	<hr/>

The accompanying notes are an integral part of these financial statements

BATON ROUGE LITTLE THEATER, INC.

STATEMENT OF CASH FLOWS

For the year ended July 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
<u>Cash Flows From Operating Activities:</u>		
Cash received from theater operations, grants and donations \$	509,659	\$ 415,450
Cash (paid) for theater operations	(422,189)	(388,126)
Interest received	1,144	1,860
Interest paid	(3,832)	(6,254)
Total cash flows provided by operating activities	<u>84,782</u>	<u>22,930</u>
<u>Cash Flows From Financing Activities:</u>		
Payments on line of credit	(393)	(28,144)
Bank note proceeds (borrowing)	0	92,864
Repayment of bank notes (borrowing repayment)	(10,294)	(88,804)
Total cash flows provided by financing activities	<u>(10,687)</u>	<u>(24,084)</u>
<u>Cash Flows From Investing Activities:</u>		
Purchase of fixed assets	(61,295)	0
Total cash flows provided by (used by) investing activities	<u>(61,295)</u>	<u>0</u>
<u>Net Increase of Cash and Cash Equivalents:</u>	<u>12,800</u>	<u>(1,154)</u>
<u>Cash and Cash Equivalents at</u>		
Balance at August 1, 2002 and 2001	178,045	179,199
Balance at August 1, 2003 and 2002	\$ <u>190,845</u>	\$ <u>178,045</u>
<u>Reconciliation of Change in net assets to net cash provided by</u>		
<u>operating activities</u>		
Change in net assets	\$ 4,011	\$ (3,800)
Adjustments to reconcile change in net cash provided by operating activities:		
Depreciation	41,314	23,294
(Increase) decrease in market value of investments	96	255
(Increase) decrease in receivables	0	3,557
(Increase) decrease in pre-paid expenses	4,395	(2,077)
(Increase) decrease in unconditional promises to give	12,891	(3,891)
Increase (Decrease) in accounts payable and accruals	(2,356)	(10,739)
Increase (Decrease) in deferred income	24,431	16,331
Net Cash Provided by Operating Activities	<u>\$ 84,782</u>	<u>\$ 22,930</u>

The accompanying notes are an integral part of these financial statements

BATON ROUGE LITTLE THEATER, INC.
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

a. Nature of Activities:

The Baton Rouge Little Theater is a nonprofit corporation organized under the laws of the state of Louisiana. The Theater is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code for normal operations.

The purpose of the Theater is to create and direct interest locally in the civic theater movement; to produce and stage theatrical entertainments in connection therewith; to promote an interest in worthy plays and in the interpretation thereof; to interest the membership and the public in general in literary accomplishments, especially in the theatrical field; to establish a workshop and afford an opportunity of development to those interested in art and more particularly the dramatic art, and its allied and associated subjects.

b. Basis of Accounting:

The Theater presents its financial statements on the accrual method of accounting in conformity with generally accepted accounting principles. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets of the Theater and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor imposed stipulations that may or will be met, either by actions of the Theater and/or the passage of time. *When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.* At year-end, the Theater does not have any temporarily restricted net assets.

Permanently restricted net assets – Net assets subject to donor imposed stipulations that they be maintained permanently by the Theater. Generally, the donors of these assets permit the Theater to use all or part of the income earned or any related expenses for general or specific purposes. At year-end, the Theater does not have any permanently restricted net assets.

c. Public Support and Revenue:

Membership: The Theater derives its basic support in the form of an annually renewed membership subscription. The member purchases a five (5) play regular season subscription entitling them to attendance and voting privileges for board elections. The regular season membership is exclusive of the summer musical and other special performances sold on a general admission basis. Sales of theater tickets for the upcoming

seasons are recorded as Deferred Income and recognized as Membership Income in the year the tickets are used. The Theater season begins on or around September 1 and ends on or around July 31 of each year.

General Admission: In addition to membership subscriptions, the Theater sells individual play performance tickets. Individual tickets sold are those not sold through the season membership subscription.

Grants: The Theater is the recipient of several non-Federal, non-contingent grants from a local nonprofit agency dedicated to funding the Arts in the Baton Rouge community.

Corporate Donations: The Theater annually solicits donations or sponsorships from local area businesses. This support varies in form from direct cash support to in kind contributions of products or services.

Non-cash Donations: Contributions of donated non-cash assets are recorded at their fair values in the period received. Contribution of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, that would typically need to be purchased if not provided by donation, are recorded at their fair market value in the period received. The Theater receives donated services from a variety of unpaid volunteers and area businesses assisting the Theater in day-to-day operations. For the year ending July 31, 2003, \$5,255 of donated services has been recognized in the accompanying statement of activities because the criteria for recognition of such services under FAS No. 116 have been satisfied.

Playbill Advertising: The Theater provides a playbill for every performance. This provides information about the play as well as advertisements for local businesses.

Campaign 300: The Theater continued its Campaign 300 in the fiscal year reported on. These funds are received with no restrictions on their use other than Theater Operations. Unconditional promises to give which management fully expects to collect prior to July 31, 2003 are recognized as a receivable to the Theater.

Cash and Cash Equivalents: For purposes of reporting the statement of cash flows, the Theater considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Theater's cash accounts are maintained in a commercial bank. The total amount on deposit exceeded the federally insured limits by \$78,045 in July 2003.

Investments: Investments are carried at market value with unrealized gains or losses being reported in the income of the period.

Building, Equipment and Improvements: Building, equipment and improvements are stated at cost less accumulated depreciation computed on the straight-line method.

Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires the Theater management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual

results may differ from those estimates.

Note 2 - Cash:

Operating Expenses, Demand	\$ 1,642
Operating Expenses, Interest Bearing	<u>189,203</u>
Total Cash	\$ <u>190,845</u>

Note 3 - Accounts Receivable:

Credit risk consists of accounts receivable due from local advertisers and sponsors. No allowance for bad debts has been established as The Baton Rouge Little Theater, Inc., expects to collect the balances in full.

Note 4 - Building, Equipment And Improvements, Net:

Building, equipment and improvements, related service lives and accumulated depreciation at July 31 is as follows:

	<u>Estimated Service Lives</u>	
Building	10-35 years	\$ 715,679
Equipment	5-10 years	<u>194,416</u>
		910,095
Less accumulated depreciation		<u>(744,132)</u>
		\$ <u>165,963</u>

Note 5 - Operating Leases:

Baton Rouge Little Theater Inc. has entered into operating leases obligating themselves to monthly lease payments totaling of \$ 506 through March 2006.

Note 6 - Deferred Income:

Sales of theater tickets for the upcoming seasons are recorded as Deferred Income and recognized as Membership Income in the year the tickets are used. Additionally, unearned grants are also included in this classification.

Note 7 - Long Term Debt:

Bank note payable with an initial balance of \$ 52,864, payable in 60 monthly installments of \$ 1,061.91, including interest of 7.5 % with the final installment due in September 2006. The unpaid balance of the note was \$ 35,754 with a current portion of \$ 10,375.

BATON ROUGE LITTLE THEATER, INC.

Statement of Functional Expenses

For the year ended July 31, 2003

	<u>Programming</u>	<u>Administration</u>	<u>Total</u>
Salaries and wages	\$ 124,292	\$ 25,104	\$ 149,396
Production costs	103,040		103,040
Advertising	48,834		48,834
Administration	15,185	49,608	64,794
Building	54,077		54,077
Other	60,744		60,744
	<u> </u>	<u> </u>	<u> </u>
Total Expenses	\$ <u>406,173</u>	\$ <u>74,712</u>	\$ <u>480,885</u>

See accountant's subsidiary report and notes to financial statements