

REPORT

SOUTHERN REP. D/B/A  
SOUTHERN REPERTORY THEATRE

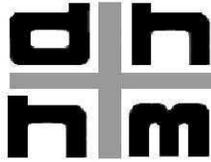
JUNE 30, 2013

SOUTHERN REP. D/B/A  
SOUTHERN REPERTORY THEATRE

JUNE 30, 2013

INDEX TO REPORT

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT .....	1 - 2
FINANCIAL STATEMENTS:	
Statement of Financial Position .....	3
Statement of Activities .....	4
Statement of Cash Flows .....	5
Notes to Financial Statements .....	6 - 10
SUPPLEMENTARY INFORMATION:	
Statement of Functional Expenses .....	11
SCHEDULE OF FINDINGS AND QUESTIONED COSTS .....	12



DUPLANTIER, HRAPMANN,  
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM G. STAMM, C.P.A.  
LINDSAY J. CALUB, C.P.A., L.L.C.  
GUY L. DUPLANTIER, C.P.A.  
MICHELLE H. CUNNINGHAM, C.P.A.  
DENNIS W. DILLON, C.P.A.  
GRADY C. LLOYD, III, C.P.A.

HEATHER M. JOVANOVIH, C.P.A.  
TERRI L. KITTO, C.P.A.

MICHAEL J. O'ROURKE, C.P.A.  
DAVID A. BURGARD, C.P.A.  
CLIFFORD J. GIFFIN, Jr., CPA

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LA C.P.A.'S

A.J. DUPLANTIER JR, C.P.A. (1919-1985)  
FELIX J. HRAPMANN, JR, C.P.A. (1919-1990)  
WILLIAM R. HOGAN, JR., CPA (1920-1996)  
JAMES MAHER, JR, C.P.A. (1921-1999)

## INDEPENDENT AUDITOR'S REPORT

November 25, 2013

To the Board of Directors of  
Southern Rep. d/b/a  
Southern Repertory Theatre  
New Orleans, Louisiana

We have audited the accompanying financial statements of Southern Rep. d/b/a Southern Repertory Theatre (a nonprofit organization) which comprise the statement of financial position as of June 30, 2013, and the related statements of activities and cash flows for the year 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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.

1615 Poydras Street, Suite 2100 • New Orleans, LA 70112 • (504) 586-8866 • Fax (504) 525-5888  
1670 Old Spanish Trail • Slidell, LA 70458 • (985) 649-9996 • Fax (985) 649-9940  
247 Corporate Drive • Houma, LA 70360 • (985) 868-2630 • Fax (985) 872-3833  
5047 Highway 1, P. O. Box 830 • Napoleonville, LA 70390 • (985) 369-6003 • Fax (985) 369-9941  
[www.dhmcpa.com](http://www.dhmcpa.com)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southern Rep. d/b/a Southern Repertory Theatre as of June 30, 2013, 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.

### **Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 11 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

***Duplantier, Hrapmann, Hogan & Maher, LLP***

New Orleans, Louisiana

SOUTHERN REP. D/B/A  
SOUTHERN REPERTORY THEATRE  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2013

ASSETS

CURRENT ASSETS:

Cash	\$ 73,211
Grants receivable	15,939
Prepaid expenses	5,212
Total current assets	<u>94,362</u>

PROPERTY AND EQUIPMENT:

Equipment	25,886
Furniture, fixtures and equipment	61,962
Computers and software	10,750
	<u>98,598</u>
Less: Accumulated depreciation	98,598
Net property and equipment	<u>-</u>

TOTAL ASSETS \$ 94,362

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$ 27,686
Accrued liabilities	1,279
Deferred revenue	22,026
Line of credit	40,000
Total current liabilities	<u>90,991</u>

NET ASSETS:

Unrestricted	3,371
Total net assets	<u>3,371</u>

TOTAL LIABILITIES AND NET ASSETS \$ 94,362

See accompanying notes.

SOUTHERN REP. D/B/A  
SOUTHERN REPERTORY THEATRE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND OTHER SUPPORT:			
Admissions	\$ 186,375	\$ -	\$ 186,375
Membership and subscriptions	30,219	-	30,219
Tuition	21,353	-	21,353
Concessions	4,540	-	4,540
Contributions and grants	260,863	-	260,863
Special events	35,263	-	35,263
Miscellaneous	<u>24,975</u>	<u>-</u>	<u>24,975</u>
Total revenue and other support	<u>563,588</u>	<u>-</u>	<u>563,588</u>
EXPENSES AND LOSSES:			
Program services	448,335	-	448,335
Supporting services:			
Administrative and general	94,372	-	94,372
Fundraising	<u>7,628</u>	<u>-</u>	<u>7,628</u>
Total expenses	<u>550,335</u>	<u>-</u>	<u>550,335</u>
CHANGE IN NET ASSETS	13,253	-	13,253
Net assets:			
Beginning of year	<u>(9,882)</u>	<u>-</u>	<u>(9,882)</u>
End of year	<u>\$ 3,371</u>	<u>\$ -</u>	<u>\$ 3,371</u>

See accompanying notes.

SOUTHERN REP. D/B/A  
SOUTHERN REPERTORY THEATRE  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2013

## CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 13,253
Adjustments to reconcile change in net assets to net cash flows provided by operating activities:	
Increase in grants receivable	(15,939)
Decrease in prepaid expenses	158
Increase in accounts payable	5,340
Decrease in accrued liabilities	(17,700)
Increase in deferred revenue	<u>17,026</u>
Net cash provided by operating activities	<u>2,138</u>

## CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from line of credit	50,000
Payments on line of credit	<u>(50,000)</u>
Net cash used in financing activities	<u>-</u>

Net increase in cash and cash equivalents 2,138

Cash and cash equivalents - beginning of year 71,073

CASH AND CASH EQUIVALENTS - END OF YEAR \$ 73,211

## SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Cash paid during the year:

Interest	\$ <u>2,209</u>
Income taxes	<u>\$ -</u>

See accompanying notes.

SOUTHERN REP. D/B/A  
SOUTHERN REPERTORY THEATRE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

1. ORGANIZATION:

Southern Rep. d/b/a Southern Repertory Theatre (the "Theatre") was incorporated in September 1986 in the State of Louisiana as a non-profit corporation to develop and perform professional theatre in New Orleans, Louisiana. It was organized for charitable and educational purposes in promoting professional theatre. The Theatre derives its primary revenue from admissions, membership, contributions and grants.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting and Financial Statement Presentation

The Theatre prepares its financial statements on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

The Theatre reports information regarding its financial position and activities according to three classes of net assets according to externally (donor) imposed restrictions. A description of the three net asset categories follows:

*Unrestricted Net Assets* – Net assets which are not subject to donor-imposed restrictions.

*Temporarily Restricted Net Assets* – Net assets which are subject to donor-imposed restrictions that may or will be met by actions of the Theatre and/or the passage of time.

*Permanently Restricted Net Assets* – Net assets which are subject to donor-imposed restrictions that are required to be maintained permanently by the Theatre. Generally, the donors of these assets permit the Theatre to use all or part of the income earned on any related investments for general or specific purposes.

The Theatre reports restricted contributions whose restrictions are met in the same reporting period as unrestricted support.

Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, the Theatre considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Revenue Recognition

Contributions, subscriptions and membership income, and grants for which the donor receives no material benefit in exchange, are recorded as revenue in the Statement of Activities when received.

SOUTHERN REP. D/B/A  
SOUTHERN REPERTORY THEATRE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Contributions

The Theatre accounts for contributions received as increases in unrestricted, temporarily restricted or permanently restricted net assets, depending on the absence or existence and nature of any donor restrictions.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Ticket Sales

Ticket sales received prior to the fiscal year to which they apply are not recognized as revenue until the year earned.

Advertising Costs

The Theatre uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising expense for the year ended June 30, 2013 was \$27,852.

Receivables

The Theatre considers accounts receivable to be fully collectible. If amounts due become uncollectible, they will be charged to operations when that determination is made. Use of this method does not result in a material difference from the valuation method required by accounting principles generally accepted in the United States of America. A significant amount of contributions and grants are provided by a few major contributors and grantors. Given the current economic environment it is considered reasonably possible that certain benefactors, grantors or contributors might be lost completely or otherwise forced to reduce funding to the Theater in the near term. The Theatre's market is concentrated in the New Orleans, Louisiana, geographical area.

Functional Expenses

The costs of providing the various programs and other activities of the Theatre have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

SOUTHERN REP. D/B/A  
SOUTHERN REPERTORY THEATRE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Property, Plant and Equipment

Property, plant and equipment are recorded at cost or, in the case of donated property, at their estimated fair value at the date of receipt. Depreciation is calculated by the straight-line method over the estimated useful life of the assets, which range from five to thirty-one and a half years. Expenditures for repairs and maintenance are charged to operating expenses as incurred.

The Theatre has adopted a policy of capitalizing property and equipment with a cost of greater than \$1,000.

The Theatre incurred depreciation expense of \$-0- for the year ended June 30, 2013, of which \$-0- and \$-0- was included in program services and supporting services, respectively.

Subsequent Events

The Theatre has evaluated subsequent events through the date these financial statements were available to be issued, November 25, 2013.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Tax

The Theatre is exempt from Federal income taxes on income other than unrelated business income under the provisions of Section 509(a)(1), within Section 501(c)(3) regulations, of the Internal Revenue Code. The Theatre's tax returns are subject to examination by the IRS for up to three years after they are filed; therefore, fiscal years 2011, 2012, and 2013 are subject to examination. There was no unrelated business income during the year.

3. DONATED SERVICES:

Significant services are donated to the Theatre by various organizations and are recorded at fair value on the date of donation. There were no donated services during the fiscal year ended June 30, 2013.

SOUTHERN REP. D/B/A  
SOUTHERN REPERTORY THEATRE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

4. OPERATING LEASES:

The Theatre entered into a lease for office space during the year ended June 30, 2010. The lease commenced on January 1, 2010 and extends for a period of 60 months, ending on December 31, 2014. The lease originally called for escalating rent payments ranging from \$54,144 to \$60,912 annually. On October 26, 2011, the Theatre renegotiated the terms of its office lease. The renegotiated lease reduced the Theatre's square footage under lease and called for new monthly lease payments of \$1,333, retroactive to August 1, 2011. The lease term was not affected by the amendment to the original lease. Total rental expense under the lease was \$15,996 for the year ended June 30, 2013.

The Theatre entered into a lease for office space during the year ended June 30, 2013. The lease commenced on September 12, 2012 and extends for a period of approximately two years, ending on August 31, 2014. The lease calls for rent payments of \$425 per month. Rental expense under the lease was \$4,250 for the year ended June 30, 2013.

The Theatre entered into various other short-term operating leases during the year ended June 30, 2013 associated with the leasing of production space upon the termination of its original production space lease. Rental expense under these leases was \$27,604 for the year ended June 30, 2013.

The future minimum lease payments as of June 30, 2013 for the office lease are as follows:

2014	\$ 21,096
2015	<u>8,848</u>
Total	<u>\$ 29,944</u>

5. LINE OF CREDIT:

The Theatre has a \$70,000 unsecured revolving line of credit with Whitney Bank. Interest payments are payable monthly and the outstanding principal is due on January 31, 2014. The interest rate is at the bank's variable prime rate, with a 4% floor. The Theatre had \$40,000 in outstanding borrowings under this line of credit as of June 30, 2013, while the total amount available to the Theatre under the line of credit was \$30,000. Total interest expense paid during the year ended June 30, 2013 was \$2,209 and the interest rate as of June 30, 2013 was 4.5%.

6. TEMPORARILY RESTRICTED:

The Theatre had no temporarily restricted net assets as of June 30, 2013.

SOUTHERN REP. D/B/A  
SOUTHERN REPERTORY THEATRE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

7. PROFIT SHARING PLAN:

The Theatre maintains a defined contribution retirement plan covering all full-time and part-time employees. The Theatre contributes to the plan based upon employee contributions. The Theatre made no contributions to the plan during the year ended June 30, 2013. The Theatre does not sponsor any defined benefit retirement plans or postretirement benefit plans.

SUPPLEMENTARY INFORMATION

SOUTHERN REP. D/B/A  
SOUTHERN REPERTORY THEATRE  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Program Services</u>	<u>Administrative and General</u>	<u>Fund- raising</u>	<u>Total</u>
Accounting	\$ -	\$ 24,994	\$ -	\$ 24,994
Advertising	27,852	-	-	27,852
Bank charges	-	594	-	594
Communications	4,397	1,885	-	6,282
Concession expenses	1,991	-	-	1,991
Contractual services	186,406	-	-	186,406
Copying	10,610	4,547	-	15,157
Credit card fees	-	6,797	-	6,797
Employee benefits	2,718	1,165	-	3,883
General insurance	8,219	-	-	8,219
Interest	-	2,209	-	2,209
Meetings and conferences	238	102	-	340
Membership fees	6,226	2,669	-	8,895
Miscellaneous	512	219	-	731
Parking	815	349	-	1,164
Payroll taxes	6,779	2,905	-	9,684
Postage	7,537	3,230	-	10,767
Professional fees	-	244	-	244
Rent	33,777	14,073	-	47,850
Repairs and maintenance	55	-	-	55
Royalties and commissions	29,889	-	-	29,889
Salaries	84,719	23,839	-	108,558
Special events	-	-	7,628	7,628
Supplies	19,430	2,557	-	21,987
Travel	14,241	1,169	-	15,410
Utilities	261	112	-	373
Workers' compensation	1,663	713	-	2,376
	<u>1,663</u>	<u>713</u>	<u>-</u>	<u>2,376</u>
Total expenses	<u>\$ 448,335</u>	<u>\$ 94,372</u>	<u>\$ 7,628</u>	<u>\$ 550,335</u>

SOUTHERN REP. D/B/A  
SOUTHERN REPERTORY THEATRE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2013

SECTION I: FINDINGS WHICH ARE REQUIRED TO BE REPORTED:

There were no findings which are required to be reported for the year ended June 30, 2013.