

BATON ROUGE LITTLE THEATER, INC.

FINANCIAL STATEMENTS

JULY 31, 2010 AND JULY 31, 2009

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.

Release Date 6/22/11

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Baton Rouge Little Theater, Inc.
155 Florida Boulevard
Baton Rouge, Louisiana

We have audited the accompanying statements of financial position of Baton Rouge Little Theater, Inc. (a nonprofit corporation) as of July 31, 2010, and July 31, 2009 and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of the Organization's management. 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 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Baton Rouge Little Theater, Inc. (a nonprofit corporation) as of July 31, 2010 and July 31, 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Latuso & Johnson CPA LLC

Baton Rouge, Louisiana
June 1, 2011

BATON ROUGE LITTLE THEATER, INC.
(A Non Profit Corporation)
STATEMENTS OF FINANCIAL POSITION
JULY 31, 2010 and 2009

ASSETS

	<u>2010</u>	<u>2009</u>
Current Assets:		
Cash and Cash Equivalents	\$ 33,417	\$ 58,690
Certificate of Deposit-Restricted	46,097	25,070
Accounts Receivable	42,070	17,673
Prepaid Expenses	<u>34,460</u>	<u>16,369</u>
Total Current Assets	156,044	117,802
Property and Equipment, Net	107,508	111,130
Restricted Investments	<u>15,958</u>	<u>14,496</u>
Total Assets	\$ <u>279,510</u>	\$ <u>243,428</u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts Payable	\$ 20,723	\$ 11,834
Line of Credit	17,183	17,398
Accrued Expenses	<u>18,079</u>	<u>28,017</u>
Total Current Liabilities	<u>55,985</u>	<u>57,249</u>
Deferred Revenues	170,970	159,081
Net Assets:		
Unrestricted	(45,391)	(50,923)
Temporarily Restricted	81,988	63,524
Permanently Restricted Endowment	<u>15,958</u>	<u>14,497</u>
Total Net Assets	<u>52,555</u>	<u>27,098</u>
Total Liabilities and Net Assets	\$ <u>279,510</u>	\$ <u>243,428</u>

The accompanying notes are an integral part of these financial statements

BATON ROUGE LITTLE THEATER, INC.
(A Non Profit Corporation)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JULY 31, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
Support and Revenue:				
Admissions	\$ 483,766	\$ -	\$ -	\$ 483,766
In Kind Revenue	313,986	-	-	313,986
Contributions and Grants	63,230	81,988	-	145,218
Classes and Workshops	29,387	-	-	29,387
Playbill Advertising	2,900	-	-	2,900
Gain on Endowment	-	-	1,461	1,461
Other Revenue	34,895	-	-	34,895
Total Revenue	<u>928,164</u>	<u>81,988</u>	<u>1,461</u>	<u>1,011,613</u>
Net Assets Released from Restrictions	<u>63,524</u>	<u>(63,524)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>991,688</u>	<u>18,464</u>	<u>1,461</u>	<u>1,011,613</u>
Expenses:				
Program Services	681,048	-	-	681,048
Management and General	300,009	-	-	300,009
Fund Raising	5,099	-	-	5,099
Total Expenses	<u>986,156</u>	<u>-</u>	<u>-</u>	<u>986,156</u>
Change in Net Assets	5,532	18,464	1,461	25,457
Net Assets <Deficit>, Beginning of Year	<u>(50,923)</u>	<u>63,524</u>	<u>14,497</u>	<u>27,098</u>
Net Assets <Deficit>, End of Year	<u>\$ (45,391)</u>	<u>\$ 81,988</u>	<u>\$ 15,958</u>	<u>\$ 52,555</u>

The accompanying notes are an integral part of these financial statements

BATON ROUGE LITTLE THEATER, INC.
(A Non Profit Corporation)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JULY 31, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
Support and Revenue:				
Admissions	\$ 486,036	\$ -	\$ -	\$ 486,036
In Kind Revenue	340,257	-	-	340,257
Contributions and Grants	82,030	63,524	-	145,554
Classes and Workshops	28,827	-	-	28,827
Playbill Advertising	1,100	-	-	1,100
Loss on Endowment	-	-	(2,018)	(2,018)
Other Revenue	31,553	-	-	31,553
Total Revenue	<u>969,803</u>	<u>63,524</u>	<u>(2,018)</u>	<u>1,031,309</u>
Net Assets Released from Restrictions	21,185	(21,185)	-	-
Total Support and Revenue	<u>990,988</u>	<u>42,339</u>	<u>(2,018)</u>	<u>1,031,309</u>
Expenses:				
Program Services	723,018	-	-	723,018
Management and General	278,943	-	-	278,943
Fund Raising	11,627	-	-	11,627
Total Expenses	<u>1,013,588</u>	<u>-</u>	<u>-</u>	<u>1,013,588</u>
Change in Net Assets	(22,600)	42,339	(2,018)	17,721
Net Assets <Deficit>, Beginning of Year	<u>(28,323)</u>	<u>21,185</u>	<u>16,515</u>	<u>9,377</u>
Net Assets <Deficit>, End of Year	<u>\$ (50,923)</u>	<u>\$ 63,524</u>	<u>\$ 14,497</u>	<u>\$ 27,098</u>

The accompanying notes are an integral part of the financial statements

BATON ROUGE LITTLE THEATER, INC.
(A Non Profit Corporation)
STATEMENTS OF CASH FLOWS
For The Years Ended July 31, 2010 and 2009

	2010	2009
Cash Flows From Operating Activities:		
Change in Net Assets	\$ 25,457	\$ 17,721
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	24,345	22,126
Increase in Deferred Revenue	11,889	8,005
Realized and Unrealized (Gain) Loss on Endowment	(1,383)	2,018
Net Changes in Assets and Liabilities:		
Increase in Accounts Receivable	(24,397)	(17,673)
(Increase) Decrease in Prepaid Expenses	(18,091)	29,031
Increase (Decrease) in Accounts Payable	8,889	(1,764)
(Decrease) in Accrued Expenses	(9,938)	28,017
Net adjustments	(8,686)	69,760
Net Cash Provided by Operating Activities	16,771	87,481
Cash Flows From Investing Activities:		
Purchase of Certificate of Deposit	(21,106)	(25,070)
Purchases of Equipment	(20,723)	(13,925)
Net Cash Used by Investing Activities	(41,829)	(38,995)
Cash Flows From Financing Activities:		
Net Repayment on Line of Credit	(215)	(2,370)
Net Cash Used by Financing Activities	(215)	(2,370)
Net (Decrease) Increase in Cash and Cash Equivalents	(25,273)	46,116
Cash and Cash Equivalents - Beginning of Year	58,690	12,574
Cash and Cash Equivalents - End of Year	\$ 33,417	\$ 58,690
Supplementary Information:		
Interest Paid	\$ 2,480	\$ 2,172

The accompanying notes are an integral part of these financial statements

BATON ROUGE LITTLE THEATER, INC.
(A Non Profit Corporation)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JULY 31, 2010

	Program Expenses	Management and General	Fund Raising	Totals
In-Kind Expenses	\$ 313,986	-	\$ -	\$ 313,986
Salaries and related expenses	108,500	147,561	-	256,061
Contract Labor - Backstage	68,623	-	-	68,623
Advertising and Printing	59,809	-	1,128	60,937
Building Expenses	-	54,363	-	54,363
Scripts	42,165	-	-	42,165
Backstage Construction	38,437	-	-	38,437
Depreciation	9,081	15,264	-	24,345
Actor Workshop Expenses	19,226	-	-	19,226
Insurance	-	18,088	-	18,088
Bank/Credit Card Fees	-	12,492	-	12,492
Professional Expenses	-	11,825	-	11,825
Costumes	9,848	-	-	9,848
Office Supplies	-	7,886	-	7,886
Miscellaneous	-	7,736	-	7,736
Postage	-	6,977	165	7,142
Concessions	6,187	-	-	6,187
Equipment Rental & Maintenance	-	5,996	-	5,996
Telephone	-	5,078	-	5,078
Business Development	-	-	3,806	3,806
Special Events	2,537	-	-	2,537
Interest Expense	-	2,480	-	2,480
Software	-	2,324	-	2,324
Dues	-	1,939	-	1,939
Website	1,831	-	-	1,831
Travel	818	-	-	818
Total Expenses	\$ <u>681,048</u>	\$ <u>300,009</u>	\$ <u>5,099</u>	\$ <u>986,156</u>

The accompanying notes are an integral part of these financial statements

BATON ROUGE LITTLE THEATER, INC.
(A Non Profit Corporation)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JULY 31, 2009

	Program Expenses	Management and General	Fund Raising	Totals
In-Kind Expenses	337,660	2,597	-	340,257
Salaries and Related Expenses	135,475	122,635	-	258,110
Contract Labor - Backstage	66,316	-	-	66,316
Advertising and Printing	58,480	-	4,040	62,520
Building Expenses	-	59,310	-	59,310
Backstage Construction	36,346	-	-	36,346
Scripts	28,133	-	-	28,133
Actor Workshop Expenses	22,421	-	-	22,421
Depreciation	8,780	13,346	-	22,126
Insurance	4,891	16,208	-	21,099
Bank/Credit Card Fees	-	18,461	-	18,461
Costumes	13,602	-	-	13,602
Professional Expenses	-	9,250	-	9,250
Postage	-	7,473	1,750	9,223
Telephone	-	8,225	-	8,225
Miscellaneous	-	7,905	-	7,905
Concessions	6,538	-	-	6,538
Business Development	-	-	5,641	5,641
Equipment Rental & Maintenance	-	4,837	-	4,837
Office Supplies	-	3,615	-	3,615
Interest Expense	-	3,160	-	3,160
Special Events	1,976	-	196	2,172
Software	-	1,280	-	1,280
Travel	1,212	-	-	1,212
Website	1,188	-	-	1,188
Dues	-	641	-	641
Total Expenses	\$ 723,018	\$ 278,943	\$ 11,627	\$ 1,013,588

The accompanying notes are an integral part of these financial statements

BATON ROUGE LITTLE THEATER, INC
(A Non Profit Corporation)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2010 AND 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

Baton Rouge Little Theater, Inc. is a nonprofit corporation in Baton Rouge, LA 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 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 (deficit) – 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.

Permanently restricted net assets – Net assets subject to donor imposed stipulations that they be maintained permanently by the Theater.

BATON ROUGE LITTLE THEATER, INC
(A Non Profit Corporation)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2010 AND 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

C. Cash and Cash Equivalents:

For purposes of reporting the statements of cash flows, the Theater considers all highly liquid 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.

D. Revenue Recognition:

The Theater derives its basic support in the form of annually renewed membership subscriptions. The member purchases a five (5) play regular season subscription and/or a two (2) play "Second Stage" season, 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 Admissions Income in the year the productions are staged. The Theater season begins on or around September 1 and ends on or around July 31 of each year.

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

E. Contributions and grants

Unconditional promises to give are recognized as revenues or gains in the period received as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

All contributions and grants are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes, are reported as temporarily restricted or permanently restricted support that increases those net asset classes, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends, or purpose of 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.

BATON ROUGE LITTLE THEATER, INC
(A Non Profit Corporation)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2010 AND 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

F. In-Kind Sponsorships and Contributions

The Organization 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.

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, 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.

Virtually all of the actors are unpaid volunteers. The value of those services are estimated and included in the accompanying financial statements in the period the productions were performed. The value of the services are recorded as In Kind Revenue and In Kind Expenses.

The Theater receives other donated services from a variety of unpaid volunteers and area businesses. Those services do not meet the criteria for recording, and therefore are not reflected in the accompanying financial statements.

The Theater has informal arrangements with other non-profit organizations to include information in its mail-outs in return for the same service from the other organizations. No amounts have been recorded in the accompanying financial statements for the revenue and expense associated with this practice.

G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires Theater management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

II. Property and Equipment

Expenditures for the acquisition of property and equipment are capitalized at cost. The fair value of donated property and equipment is similarly capitalized. The Theater's capitalization threshold is \$500. Depreciation is provided over the following estimated useful lives of the assets, using the straight-line method:

Buildings	10-40 Years
Equipment	5-10 Years

BATON ROUGE LITTLE THEATER, INC
(A Non Profit Corporation)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2010 AND 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Investments

The Organization has adopted SAS No. 124, "Accounting for Certain Investments Held by Not-For-Profit Organizations." Under SAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the changes in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

J. Accounts Receivable

Accounts receivable are written-off under the direct write-off method whereby bad debts are recorded when a receivable is deemed uncollectible. If they are subsequently collected they are recorded as miscellaneous income. The direct charge-off method is not a material departure from generally accepted accounting principles as it approximates the valuation method.

K. Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities.

NOTE 2 – RESTRICTED INVESTMENTS

The Theater has established a permanently restricted endowment fund. The fund is held in the Baton Rouge Area Foundation within an investment fund which is managed for income and growth. The investment is recorded in the accompanying financial statements at its fair market value of \$15,958 and \$14,496 at July 31, 2010 and 2009, respectively

BATON ROUGE LITTLE THEATER, INC
(A Non Profit Corporation)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2010 AND 2009

NOTE 3: PROPERTY AND EQUIPMENT, - NET:

Changes in Property and Equipment are as follows:

At July 31, 2010:

Description	Beginning Balance	Additions	Disposals	Ending Balance
Buildings	\$ 737,852	\$ 20,723	-0-	\$ 758,575
Equipment	206,514		-0-	206,514
Total Cost	944,366	20,723	-0-	965,089
Accumulated Depreciation	(833,236)	(24,345)	-0-	(857,581)
Net book value	\$ 111,130	\$ (3,622)	-0-	\$ 107,508

Depreciation expense for the year ended July 31, 2010 was \$24,345

At July 31, 2009:

Description	Beginning Balance	Additions	Disposals	Ending Balance
Buildings	\$ 731,068	\$ 7,926	\$(1,142)	\$ 737,852
Equipment	200,514	6,000	-0-	206,514
Total Cost	931,582	13,926	(1,142)	944,366
Accumulated Depreciation	(812,252)	(22,126)	1,142	(833,236)
Net book value	\$119,330	\$ (8,200)	\$ -0-	\$ 111,130

Depreciation expense for the year ended July 31, 2009 was \$22,126.

NOTE 4: ADVERTISING

The Organization expenses advertising production costs as incurred.

A significant portion of the advertising cost is donated or traded in exchange for advertising space in the playbills. The value of the donated or traded advertising is included in revenue as In Kind Revenue and in expenses as In Kind Expenses.

Advertising and printing expense, exclusive of in-kind, for the years ended July 31, 2010 and 2009 was \$60,937 and \$62,520, respectively.

BATON ROUGE LITTLE THEATER, INC
(A Non Profit Corporation)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2010 AND 2009

NOTE 5: NET ASSETS

The Theater's Net Assets consist of Permanently Restricted and Temporarily Restricted Net Assets. The permanently restricted net assets consist of an endowment fund that is held in the Baton Rouge Area Foundation within an investment fund which is managed for income and growth. This investment is recorded in the accompanying financial statements at its fair market value of \$15,958 and \$14,497 at July 31, 2010 and 2009, respectively. The temporarily restricted net assets consist of funds for the New Seat Campaign and the Annual Fund that are held in the operating account. The New Seat Campaign consists of monies donated to fund the replacing of the seats in the Stage 1 auditorium. The Annual Fund is monies donated each year to be used on their annual season. The temporarily restricted net assets were \$81,988 and \$63,524 for the years ended July 31, 2010 and 2009, respectively.

NOTE 6: LINE OF CREDIT

At July 31, 2010 and July 31, 2009 the Theater had a line of credit with a limit of \$70,000 and with a maturity date of August 19, 2010. Interest on the line of credit is variable at .850% over the Wall Street Journal prime rate (4.1% at July 31, 2010). Interest expense for the years ended July 31, 2010 and 2009 was \$2,480 and \$2,172 respectively.

NOTE 7: LEASE COMMITMENTS

On August 18, 1960, the Theater entered into a lease, which expires on December 30, 2057. The consideration to the landlord for this lease was the Theater's building a theater on the leased premises and operating a theater therein. The lease requires the theater to pay parking services during the term of the lease. The amount of the parking services charge is not stated in the lease. The accompanying financial statements include \$2,000 per year for the parking services.

The Organization also leases office equipment for \$166 per month under a noncancellable lease.

Total rent expense for equipment included in the accompanying financial statements is \$6,654 and \$4,800 at July 31, 2010 and 2009, respectively.

BATON ROUGE LITTLE THEATER, INC
(A Non Profit Corporation)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2010 AND 2009

NOTE 7: LEASE COMMITMENTS - (CONTINUED)

The future minimum lease payments are as follows:

YEAR ENDED JULY 31

2011	\$3,988
2012	\$3,988
2013	\$3,988
2014	\$2,828

NOTE 8: IN-KIND DONATIONS

The Theater receives products and services at no charge from several patrons for advertising, graphic design, printing, talent services, and other services as needed. The amount of In-Kind Donations for the years ended July 31, 2010 and 2009, are as follows:

<u>PRODUCT/SERVICES</u>	<u>2010</u>	<u>2009</u>
Talent Services	\$280,586	\$321,120
Advertising	19,900	-0-
Graphic Design	7,000	9,040
Printing	6,500	7,500
Repairs	<u>-</u>	<u>2,597</u>
	<u>\$313,986</u>	<u>\$340,257</u>

NOTE 9 – SUBSEQUENT EVENTS

Subsequent to July 31, 2010, the Organization expended approximately \$85,000 in improvements. The expenditures will eliminate temporarily restricted net assets.

Management of the Theater has evaluated all subsequent events through June 1, 2011, the date the financial statements were available to be issued. In management's opinion there are no other significant events or transactions which are required to be disclosed in the notes to the financial statements.