

ACTORS BRIDGE ENSEMBLE THEATER OF NASHVILLE, INC.

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

For the year ended June 30, 2007 and the six months ended June 30, 2006

TABLE OF CONTENTS

	<u>Page</u>
Independent Accountant's Review Report	2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4-5
Statements of Functional Expenses	6-7
Statements of Cash Flows.....	8
Notes to Financial Statements	9-12



LAURIE TUCKER

A Professional Limited Liability Company

JERRY TUCKER

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Actors Bridge Ensemble Theater of Nashville, Inc.
Nashville, Tennessee

We have audited the accompanying statement of financial position of Actors Bridge Ensemble Theater of Nashville, Inc. (a nonprofit organization) as of June 30, 2007 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the management of Actors Bridge Ensemble Theater of Nashville, Inc. 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 Actors Bridge Ensemble Theater of Nashville, Inc. as of June 30, 2007, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The financial statements for the six months ended June 30, 2006, were reviewed by us, and our report thereon, dated January 19, 2007, stated that we were not aware of any material modifications that should be made to those statements for them to be in conformity with generally accepted accounting principles. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements taken as a whole.

Tucker & Tucker, PLLC

January 22, 2008

ACTORS BRIDGE ENSEMBLE THEATER OF NASHVILLE, INC
STATEMENTS OF FINANCIAL POSITION
June 30, 2007 (Audited) and June 30, 2006 (Unaudited)

Assets	June 30, 2007	(Unaudited) June 30, 2006
Current Assets		
Cash and cash equivalents	\$ 40,332	\$ 43,055
Pledges receivable, less allowance for uncollectible pledges	19,150	26,850
Prepaid expenses	<u>1,051</u>	<u>-</u>
Total current assets	<u>60,533</u>	<u>69,905</u>
Total assets	<u><u>\$ 60,533</u></u>	<u><u>\$ 69,905</u></u>
Liabilities and Net Assets		
Liabilities		
Credit Card Payable	\$ 794	\$ 2,742
Accounts payable	<u>1,250</u>	<u>9,049</u>
Total liabilities	<u>2,044</u>	<u>11,791</u>
Net assets		
Unrestricted	35,139	28,316
Temporarily restricted	<u>23,350</u>	<u>29,798</u>
Total net assets	<u>58,489</u>	<u>58,114</u>
Total liabilities and net assets	<u><u>\$ 60,533</u></u>	<u><u>\$ 69,905</u></u>

ACTORS BRIDGE ENSEMBLE THEATER OF NASHVILLE, INC
STATEMENT OF ACTIVITIES
For the year ended June 30, 2007 (Audited)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public support and revenue			
Contributions	\$ 32,601	\$ 500	\$ 33,101
In-kind contributions	1,092	-	1,092
Grant awards	24,550	-	24,550
Show production revenues	28,166	-	28,166
Teaching revenues	11,477	-	11,477
Other	38	-	38
Net assets released from restrictions	<u>6,948</u>	<u>(6,948)</u>	<u>-</u>
 Total public support and revenue	 104,872	 (6,448)	 98,424
Expenses			
Program services	82,401	-	82,401
Supporting services			
Management and general	15,486	-	15,486
Fundraising	<u>162</u>	<u>-</u>	<u>162</u>
 Total supporting services	 <u>15,648</u>	 <u>-</u>	 <u>15,648</u>
 Total expenses	 <u>98,049</u>	 <u>-</u>	 <u>98,049</u>
 Change in net assets	 6,823	 (6,448)	 375
Net assets - beginning of year	<u>28,316</u>	<u>29,798</u>	<u>58,114</u>
Net assets - end of year	<u>\$ 35,139</u>	<u>\$ 23,350</u>	<u>\$ 58,489</u>

ACTORS BRIDGE ENSEMBLE THEATER OF NASHVILLE, INC
STATEMENT OF ACTIVITIES
For the six months ended June 30, 2006 (Unaudited)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public support and revenue			
Contributions	\$ 22,005	\$ 26,850	\$ 48,855
In-kind contributions	3,107	-	3,107
Grant awards	8,186	2,948	11,134
Show production revenues	15,201	-	15,201
Teaching revenues	9,940	-	9,940
Other	7	-	7
Net assets released from restrictions	<u>2,948</u>	<u>(2,948)</u>	<u>-</u>
 Total public support and revenue	 61,394	 26,850	 88,244
Expenses			
Program services	54,718	-	54,718
Supporting services			
Management and general	12,647	-	12,647
Fundraising	<u>745</u>	<u>-</u>	<u>745</u>
 Total supporting services	 <u>13,392</u>	 <u>-</u>	 <u>13,392</u>
 Total expenses	 <u>68,110</u>	 <u>-</u>	 <u>68,110</u>
 Change in net assets	 (6,716)	 26,850	 20,134
Net assets - beginning of year	<u>35,032</u>	<u>2,948</u>	<u>37,980</u>
Net assets - end of year	<u>\$ 28,316</u>	<u>\$ 29,798</u>	<u>\$ 58,114</u>

ACTORS BRIDGE ENSEMBLE THEATER OF NASHVILLE, INC
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2007 (Audited)

		<u>Supporting Services</u>		
	<u>Program</u>	<u>Management</u>		<u>Total</u>
	<u>Services</u>	<u>and General</u>	<u>Fundraising</u>	<u>Expenses</u>
Compensation				
Artistic director	\$ 9,300	\$ 3,100	\$ -	\$ 12,400
Production director	9,500	-	-	9,500
Support staff	-	760	-	760
Actors and musicians	21,159	-	-	21,159
Production crew	<u>1,450</u>	<u>-</u>	<u>-</u>	<u>1,450</u>
Total compensation	41,409	3,860	-	45,269
Production costs	22,091	-	-	22,091
Lighting services (in-kind)	1,092	-	-	1,092
Educational expenses	7,230	-	-	7,230
Supplies and office expense	-	659	-	659
Bank charges	791	-	-	791
Bad debt expense	4,800	-	-	4,800
Insurance	600	-	-	600
Postage	1,172	-	-	1,172
Advertising	150	-	-	150
Printing	131	-	162	293
Professional fees	-	3,317	-	3,317
Rent and storage	1,197	5,200	-	6,397
Research and development	125	-	-	125
Travel and entertainment	1,108	-	-	1,108
Taxes and licenses	505	445	-	950
Telephone	-	1,833	-	1,833
Utilities	<u>-</u>	<u>172</u>	<u>-</u>	<u>172</u>
Total expenses	<u>\$ 82,401</u>	<u>\$ 15,486</u>	<u>\$ 162</u>	<u>\$ 98,049</u>

ACTORS BRIDGE ENSEMBLE THEATER OF NASHVILLE, INC
STATEMENT OF FUNCTIONAL EXPENSES
For the six months ended June 30, 2006 (Unaudited)

		<u>Supporting Services</u>		
	<u>Program</u>	<u>Management</u>		<u>Total</u>
	<u>Services</u>	<u>and General</u>	<u>Fundraising</u>	<u>Expenses</u>
Compensation				
Artistic director	\$ 9,750	\$ 3,250	\$ -	\$ 13,000
Production director	9,000	-	-	9,000
Actors and musicians	6,928	-	-	6,928
Production crew	<u>900</u>	<u>-</u>	<u>-</u>	<u>900</u>
Total compensation	26,578	3,250	-	29,828
Production costs	10,424	-	-	10,424
Educational expenses	4,161	-	-	4,161
Supplies and office expense	-	1,216	-	1,216
Bank charges	917	-	-	917
Donations	4,000	-	-	4,000
Insurance	591	-	-	591
Postage	1,519	-	-	1,519
Advertising	544	-	-	544
Printing	1,778	-	745	2,523
Graphic design (in-kind)	3,107	-	-	3,107
Professional fees	-	4,584	-	4,584
Rent and storage	631	2,000	-	2,631
Repairs (building)	-	500	-	500
Research and development	17	-	-	17
Travel and entertainment	451	-	-	451
Taxes and licenses	-	20	-	20
Telephone	-	174	-	174
Utilities	<u>-</u>	<u>903</u>	<u>-</u>	<u>903</u>
Total expenses	<u>\$ 54,718</u>	<u>\$ 12,647</u>	<u>\$ 745</u>	<u>\$ 68,110</u>

ACTORS BRIDGE ENSEMBLE THEATER OF NASHVILLE, INC
STATEMENTS OF CASH FLOWS
June 30, 2007 (Audited) and June 30, 2006 (Unaudited)

	(Audited) June 30, 2007	(Unaudited) June 30, 2006
Cash flows from operating activities		
Change in net assets	\$ 375	\$ 20,134
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Disposal of fixed assets	-	-
Changes in operating assets and liabilities:		
Prepaid expenses	(1,051)	-
Pledges receivable	7,700	(26,850)
Accounts payable and accrued expenses	<u>(9,747)</u>	<u>9,653</u>
Net cash provided by operating activities	<u>(2,723)</u>	<u>2,937</u>
Net increase in cash and cash equivalents	(2,723)	2,937
Cash at beginning of period	<u>43,055</u>	<u>40,118</u>
Cash at end of period	<u>\$ 40,332</u>	<u>\$ 43,055</u>

ACTORS BRIDGE ENSEMBLE THEATER OF NASHVILLE, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2007 and Six Months Ended June 30, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature and Organization

Actors Bridge Ensemble Theater of Nashville, Inc. (the "Organization") is qualified as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code. The Organization is located in Nashville, Tennessee. The Organization's fundamental commitment is to provide arts education via training classes for actors, and to support the creation and performance of original theatre works for the general public. The Organization's support comes primarily from grants from local and state government and arts organizations and revenue from acting classes and public performances.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted net assets – net assets that are not subject to donor imposed restrictions.

Temporarily restricted net assets – net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement 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 Organization. Generally donors of these assets may permit the Organization to use all or part of the income earned for general or specific purposes. At June 30, 2007, the Organization had no permanently restricted net assets.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity when purchased of three months or less to be cash equivalents.

ACTORS BRIDGE ENSEMBLE THEATER OF NASHVILLE, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2007 and Six Months Ended June 30, 2006

Property and Equipment

Purchased property and equipment is capitalized at cost. Expenditures for ordinary maintenance and repairs are charged to operations. Renewals and betterments that materially extend the life of the asset are capitalized. Depreciation is provided in amounts necessary to allocate the cost of the various classes of assets over their estimated useful lives. Property and equipment are depreciated using the straight-line method.

Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Grants and Contributions

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*. Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. In accordance with SFAS No. 116, grants and contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Under SFAS No. 116, such contributions are required to be reported as temporarily restricted support and then reclassified to unrestricted net assets upon expiration of the donor restrictions. Contributions that are restricted by the donor are reported as increased in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

ACTORS BRIDGE ENSEMBLE THEATER OF NASHVILLE, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2007 and Six Months Ended June 30, 2006

Contributed Facilities and Services

During the year ended June 30, 2007 and the six months ended June 30, 2006, the values of contributed facilities and services meeting the requirements for recognition in the financial statements were recorded at their fair value.

Contributed services are recognized if the services received (a) create or enhance long-lived 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.

Additionally, the Organization receives a significant amount of contributed time from unpaid volunteers who assist in fundraising and production that does not meet the recognition criteria described above. Accordingly, the value of the contributed time has not been determined and is not reflected in the accompanying financial statements.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among program and supporting services based on estimates by management.

Estimates

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

ACTORS BRIDGE ENSEMBLE THEATER OF NASHVILLE, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2007 and Six Months Ended June 30, 2006

NOTE 2 – RELATED PARTIES

The organization has the use of a studio facility belonging to a company owned by a member of the Board of Trustees. Effective February 1, 2005, there was a formal lease arrangement between the two parties that expired at January 31, 2007. The lease is continuing on a month-to-month basis.

NOTE 3 – LEASES

The organization leases its studio facility under an operating lease that expired January 31, 2007. The lease provides for monthly payments of \$400 per month beginning February 1, 2005. Total rent expense for the year ending June 30, 2007, and the six months ending June 30, 2006, were \$5,200 and \$2,400, respectively.

NOTE 4 – PLEDGES RECEIVABLE

Unconditional promises to give at June 30, 2007, are as follows:

Receivable in less than one year	\$ 23,350.00
Less allowance for uncollectible promises	<u>4,200.00</u>
Net unconditional promises to give at June 30, 2007	<u>\$ 19,150.00</u>