

NASHVILLE REPERTORY THEATRE, INC.

FINANCIAL STATEMENTS

WITH SUPPLEMENTARY INFORMATION

JUNE 30, 2018 AND 2017

(With Independent Auditor's Report Thereon)

NASHVILLE REPERTORY THEATRE, INC.
FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
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PATTERSON, HARDEE & BALLENTINE, P.C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Nashville Repertory Theatre, Inc.

We have audited the accompanying financial statements of Nashville Repertory Theatre, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities and cash flows for the years 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 audits. We conducted our audits 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.

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 Nashville Repertory Theatre, Inc. as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Patterson Hardee & Ballentine

January 25, 2019

NASHVILLE REPERTORY THEATRE, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

ASSETS

	<u>2018</u>	<u>2017</u>
Current Assets:		
Cash	\$ 452,119	\$ 62,927
Receivables, net	88,696	153,878
Prepaid expenses	6,928	18,710
Total current assets	<u>547,743</u>	<u>235,515</u>
Property and equipment, net	<u>36,044</u>	<u>35,306</u>
Assets Whose Use Is Limited:		
Cash	35,000	61,666
Receivables	10,000	10,000
Total assets whose use is limited	<u>45,000</u>	<u>71,666</u>
Total assets	<u>\$ 628,787</u>	<u>\$ 342,487</u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable and accrued expenses	\$ 50,068	\$ 25,155
Deferred ticket sales	63,301	74,704
Line of credit	300,000	200,000
Total current liabilities	<u>413,369</u>	<u>299,859</u>
Net Assets:		
Unrestricted	170,418	(29,038)
Temporarily restricted	45,000	71,666
Total net assets	<u>215,418</u>	<u>42,628</u>
Total liabilities and net assets	<u>\$ 628,787</u>	<u>\$ 342,487</u>

See accompanying notes to the financial statements.

NASHVILLE REPERTORY THEATRE, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018			2017		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Public Support and Revenues:						
Gross special event revenue	\$ 115,089	\$ -	\$ 115,089	\$ 102,523	\$ -	\$ 102,523
Less direct cost of special events	(27,529)	-	(27,529)	(23,109)	-	(23,109)
Net special events revenue	87,560	-	87,560	79,414	-	79,414
Public support						
Ticket sales	364,701	-	364,701	459,431	-	459,431
Contributions	1,146,697	45,000	1,191,697	676,100	70,000	746,100
Grants	164,250	-	164,250	182,705	-	182,705
Rental and sales income	29,158	-	29,158	31,913	-	31,913
In-kind donations	5,088	-	5,088	-	-	-
Other income	990	-	990	11,474	-	11,474
Net assets released from restrictions	71,666	(71,666)	-	51,667	(51,667)	-
Total public support	1,782,550	(26,666)	1,755,884	1,413,290	18,333	1,431,623
Total support and revenues	1,870,110	(26,666)	1,843,444	1,492,704	18,333	1,511,037
Expenses:						
Program services:						
Main stage productions	1,078,826	-	1,078,826	991,003	-	991,003
New stages	89,130	-	89,130	99,726	-	99,726
Professional training and education	37,641	-	37,641	18,274	-	18,274
Total program services	1,205,597	-	1,205,597	1,109,003	-	1,109,003
Supporting services:						
Management and general	380,850	-	380,850	311,707	-	311,707
Fundraising	84,207	-	84,207	83,541	-	83,541
Total supporting services	465,057	-	465,057	395,248	-	395,248
Total functional expenses	1,670,654	-	1,670,654	1,504,251	-	1,504,251
Increase (decrease) in net assets	199,456	(26,666)	172,790	(11,547)	18,333	6,786
Net assets (deficit) - beginning of year	(29,038)	71,666	42,628	(17,491)	53,333	35,842
Net assets (deficit) - end of year	\$ 170,418	\$ 45,000	\$ 215,418	\$ (29,038)	\$ 71,666	\$ 42,628

See accompanying notes to the financial statements.

NASHVILLE REPERTORY THEATRE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Cash Flows From Operating Activities:		
Increase (Decrease) in net assets	\$ 172,790	\$ 6,786
Adjustments to reconcile increase/(decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	23,934	4,062
Changes in:		
Receivables, net	65,182	(71,256)
Prepaid expenses	11,782	16,283
Restricted cash	26,666	(36,666)
Restricted receivables	-	18,333
Accounts payable and accrued expenses	24,913	(22,454)
Deferred ticket sales	(11,403)	(4,922)
Total adjustments	141,074	(96,620)
Net cash (used in) provided by operating activities	313,864	(89,834)
Cash Flows from Investing Activities:		
Purchase of property and equipment	(24,672)	(28,334)
Net cash used in investing activities	(24,672)	(28,334)
Cash Flows from Financing Activities:		
Net change in line of credit	100,000	100,000
Net cash provided by financing activities	100,000	100,000
Net increase (decrease) in cash	389,192	(18,168)
Cash - beginning of year	62,927	81,095
Cash - end of year	\$ 452,119	\$ 62,927

SUPPLEMENTAL CASH FLOW INFORMATION:

Interest paid during the year ended June 30, 2018, was \$14,768.

Interest paid during the year ended June 30, 2017, was \$2,493.

NASHVILLE REPERTORY THEATRE, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 1 - Summary of Significant Accounting Policies

Nature of Activities

The terms "we", "us", or "our" are used throughout these notes to the financial statements to identify the Nashville Repertory Theatre, Inc., a Tennessee not-for-profit organization. We were established in February 1985. We are the theatre in residence at the Tennessee Performing Arts Center ("TPAC") and are a Professional Actors' Equity Troupe in Middle Tennessee.

Our mission is to serve through creating "Ah-ha!" moments that inspire empathy, prod intellectual and emotional engagement, and expand the creative capacity of audience and artists through the dynamic connection unique to live theatre.

Our vision is to be a strong and vital professional regional theatre that is an indispensable part of our community's creative life, widely embraced and deeply valued as an essential source for illuminating artistic experiences and exciting entertainment, and recognized as a model of sustainability that is home for a thriving community of professional artists and whose name is synonymous with excellence in every aspect.

Program and Supporting Services

The following program and supporting services are included in the accompanying financial statements:

Program Services

Operating expenses include the following:

Main stage productions - includes expenses that are directly identifiable with a particular production.

New stages - includes expenses that are directly identifiable with the Ingram New Works program, which enables us to bring attention to the importance of new play development and establishes us as a leading advocate for new work. This program also includes the staged reading series "REPaloud".

Professional training and education - includes expenses that are directly identifiable with the professional and student internships program, workshops' program, and educational outreach activities.

Supporting Services

Management and general - relates to the overall direction of the organization. These costs are not identifiable with a particular program or event or with fundraising, but are indispensable to the conduct of those activities and are essential to the organization. Specific activities include organization oversight, business management, recordkeeping, budgeting, financing, and other administrative activities.

Fundraising - includes costs of activities directed toward appeals for financial support, including special events. Other activities include creation and distribution of fundraising materials.

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").

NASHVILLE REPERTORY THEATRE, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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

Unrestricted net assets - Net assets not subject to donor-imposed stipulations. All revenues, gains and losses that are not temporarily or permanently restricted by donors are included in this classification. All expenditures are reported in the unrestricted class of net assets, since the use of restricted contributions in accordance with the donors' stipulations results in the release of the restriction.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations which may or will be met, either by our actions and/or the passage of time. Restrictions fulfilled in the same accounting period in which the contributions are received are reported in the Statements of Activities as unrestricted. As of June 30, 2018 and 2017, all of our temporarily restricted net assets were from contributions for next year's operations.

Permanently restricted net assets - Net assets subject to permanent donor-imposed stipulations. Generally, the donors of these assets permit us to use all or part of the income earned and any related investments for general or specific purposes. We had no permanently restricted net assets as of June 30, 2018 and 2017.

Contributions, Support and Revenue

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions. When a restriction is fulfilled (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted and reported in the Statements of Activities as net assets released from restrictions.

We receive grant revenue from various state and local agencies. Grant revenue is recognized in the period a liability is incurred for eligible expenditures under the terms of the grant. Grants received in advance of the expenditure are recorded initially as deferred revenue.

We report any gifts of equipment or materials as unrestricted support unless explicit donor restrictions specify how the assets must be used. Expirations of donor restrictions are recognized when the donated or acquired long-lived assets are placed in service.

We lease certain items in our production assets inventory and recognize income as items are leased.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, we consider all unrestricted cash and investment instruments purchased with a maturity of three months or less to be cash equivalents. At June 30, 2018 and 2017, we had no cash equivalents.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded as contributions receivable at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present values of estimated future cash flows. The discount on those amounts is computed using a risk-free interest rate applicable to the year in which the promise is received. Amortization of the discount is recognized on the interest method over the term of the gift and included in contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met. All promises to give at June 30, 2018 and 2017, were expected to be received within one year.

NASHVILLE REPERTORY THEATRE, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Contributions Receivable

An allowance for uncollectible contributions has not been provided based on our estimate that the balance is fully collectible.

Accounts Receivable

Ticket sales are processed by TPAC through the TPAC ticketing system. TPAC remits the tickets sales proceeds to us throughout the year. We also lease our performance props and costumes to other organizations, which is recorded as rental and sales income in the Statements of Activities.

Accounts receivable are reported at gross sales price less any applicable payments or adjustments. We do not charge interest on any past due accounts.

We use the allowance method in accordance with generally accepted accounting principles. In 2018, no receivables were deemed uncollectible and written off as bad debt expense. As of June 30, 2018 and 2017, an allowance of \$0 and \$5,757 was assessed, respectively.

Prepaid Expenses

Prepaid expenses consist of certain marketing and promotional costs pertaining to the following theatre season that are paid for in advance and charged to operating expense in the following fiscal year.

Property and Equipment

Property and equipment are recorded at cost at the date of purchase or estimated fair value at the date of gift to us. Our policy is to capitalize purchases with a cost of \$500 or more and an estimated useful life greater than one year. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets, ranging from three to seven years for computers, furniture and fixtures, and equipment.

Donated Goods, Facilities, and Services

Donated services are recognized if they create or enhance non-financial assets, or the donated service requires specialized skills, was performed by a donor who possesses such skills, and would have been purchased by us if not donated. Such services are recognized at fair value as support and expense in the period the services are performed.

Members of the Board of Directors have provided substantial assistance to us by donation of time and services. The value of this contribution is not reflected in the financial statements since it is not susceptible to objective measurement or valuation.

Donated Goods, Facilities, and Services

Donated goods, which amounted to \$5,088 in 2018 and \$0 in 2017, respectively, are recorded at their estimated fair value at the date of donation, and have been included in the appropriate categories of revenue, expenses, and fixed assets.

Accrued Vacation

All full-time staff employees are eligible to accrue vacation time. For the employees who have been with us one to two years, one day per month can be accrued up to a maximum of twelve days. For the employees who have been with us for three to four years, fifteen days can be accrued in total. For the employees who have been with us for five or more years, twenty-one days are available to be accrued. These accrued days are accounted for at the average daily rate per employee, based on a 260-day work calendar.

NASHVILLE REPERTORY THEATRE, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Advance Ticket Sales

Ticket sales made prior to the fiscal year to which they apply are reported as advance ticket sales on the Statements of Financial Position. Such revenue is recognized and reported in the Statements of Activities in the year the productions are performed.

Production Expenses

Production assets, including props and costumes, are included in the Statement of Financial Position as a fixed asset. Some props and costumes are kept if we believe they can be repurposed for future productions. The net book value of these assets are included in property, plant, and equipment, net on the Statement of Financial Position. We may lease our old costumes and props to other organizations as well as use them for future performances. Revenue from rental activities is recognized in the period it is earned in the Statements of Activities. When we no longer have space to store them, the props or costumes are disposed of or sold in a yard sale. Revenue from such sales is recognized at that time in the Statements of Activities.

Income Tax Status

We qualify as a not-for-profit organization exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for federal income taxes is included in the accompanying financial statements.

A tax position is recognized as a benefit only if it is "more likely than not" the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit greater than 50 percent likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. We recognize interest and penalties related to unrecognized tax benefits in interest and income tax expense, respectively. We have no amounts accrued for interest or penalties as of June 30, 2018.

Fair Value of Financial Instruments

The fair values of current assets and current liabilities approximate the carrying amounts due to the short maturities of these instruments and they are all Level 1 in the fair value hierarchy. The fair value of the line of credit approximates the carrying amount and is estimated based on the current rates offered to us.

Functional Allocation of Expenses

The costs of providing program services and supporting services have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions affecting certain reported amounts and disclosures. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications of prior year amounts have been made to conform to the current year presentation.

NASHVILLE REPERTORY THEATRE, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 2 - Accounts Receivable

We were due the following amounts at June 30,

	<u>2018</u>	<u>2017</u>
Accounts receivable	\$ 16,745	\$ 14,870
Advanced ticket sales receivable	63,301	74,704
Grant receivable	17,650	69,661
Pledge receivable	1,000	10,400
Less: restricted receivables	<u>(10,000)</u>	<u>(10,000)</u>
	88,696	159,635
Less: allowance for bad debts	<u>-</u>	<u>(5,757)</u>
	<u>\$ 88,696</u>	<u>\$ 153,878</u>

NOTE 3 - Property and Equipment

Property and equipment consisted of the following as of June 30,

	<u>2018</u>	<u>2017</u>
Computers	\$ 56,410	\$ 54,066
Furniture and fixtures	3,430	3,430
Production Assets	65,549	43,221
Equipment	17,562	17,562
Vehicle	<u>6,000</u>	<u>6,000</u>
	148,951	124,279
Less: accumulated depreciation	<u>(112,907)</u>	<u>(88,973)</u>
	<u>\$ 36,044</u>	<u>\$ 35,306</u>

Depreciation expense for June 30, 2018, and June 30, 2017, totaled \$23,934 and \$4,232, respectively.

NOTE 4 - Accounts Payable and Accrued Expenses

Expenses were accrued for the following at June 30,

	<u>2018</u>	<u>2017</u>
Accounts payable	\$ 12,846	\$ 5,580
Credit card payable	9,696	1,419
Accrued benefits and taxes	<u>27,526</u>	<u>18,156</u>
	<u>\$ 50,068</u>	<u>\$ 25,155</u>

NOTE 5 - Line of Credit

We have a \$300,000 operating line of credit with a bank. The line is evidenced by a promissory note which bears interest, payable monthly, on the amount borrowed at a variable interest rate based on the bank's base commercial rate plus .75%. The interest rate at June 30, 2018 and 2017, was 6.50% and 5.50% respectively. The line of credit matures on December 15, 2018. As of June 30, 2018 and 2017, there was an outstanding balance of \$300,000 and \$200,000, respectively, on the line of credit.

NASHVILLE REPERTORY THEATRE, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 6 - Letters of Credit

We maintain two letters of credit with various groups named as the beneficiaries. These letters of credit are secured by our fixed assets. The two letters of credit are maintained at First Tennessee Bank.

<u>Bank</u>	<u>Vendor</u>	<u>Maturity</u>	<u>Amount</u>
First Tennessee Bank	Actors' Equity Association	August 31, 2019	\$ 2,243
First Tennessee Bank	Tennessee Performing Arts Center	August 31, 2019	5,134
			<u>\$ 7,377</u>

NOTE 7 – Temporarily Restricted Net Assets

We held assets whose use was temporarily restricted by donors or grantors on June 30, for:

	<u>2018</u>	<u>2017</u>
Future operations	<u>\$ 45,000</u>	<u>\$ 71,666</u>

NOTE 8 - Lease Agreements

We lease our office under an operating lease requiring monthly rental payments through the end of this fiscal year. We also lease certain office equipment. Total rental expense on June 30, 2018 and 2017, under all agreements totaled \$96,937 and \$91,660 respectively.

Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	
2019	\$ 105,886
2020	<u>4,110</u>
	<u>\$ 109,996</u>

NOTE 9 - Concentrations and Contingencies

We maintain cash balances at financial institutions whose accounts are insured by the Federal Deposit Insurance Corporations ("FDIC") up to statutory limits. As of June 30, 2018 and 2017, all of our depositor accounts were fully insured.

At the years ended June 30, 2018 and 2017, 70% and 80%, of our total receivables were due from three and two donors, respectively. If TPAC, who holds our advance ticket sales, Metro Nashville Arts Commission or one other large donor, who funds basic operating support grants for us, were unable to satisfy the outstanding receivables as of June 30, 2018, we would experience significant losses, however, management believes these entities will remain solvent for the foreseeable future.

For the years ended June 30, 2018 and 2017, combined contributions from two sources and one source were approximately 52% and 61%, respectively, of total contribution revenues.

NASHVILLE REPERTORY THEATRE, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 10 - Retirement Plan

We sponsor a tax-deferred annuity plan ("Plan") under Section 403(b) of the Internal Revenue Code. Full-time employees are eligible after one year of employment. Eligible employees may elect to defer a portion of their compensation through the Plan, not to exceed the allowable amount under Section 403(b). We may make an annual contribution to the Plan equivalent to 1% of the employee's annual salary; however, there were no such contributions to the Plan for the years ended June 30, 2018 and 2017.

NOTE 11 - Related Party Transactions

During the years ended June 30, 2018 and 2017, we paid \$96,937 and \$91,660, respectively, in rent expense for office spaces leased from an Advisory Board member's employer.

During the years ended June 30, 2018 and 2017, we paid \$10,162 and \$14,825, respectively, in advertising expense from an Advisory Board member's employer. The Advisory Board member's employer was already a vendor with us before the Advisory Board member was appointed.

NOTE 12 - Donor-Designated Endowment Funds Held in Trust

Certain individuals have established a donor-designated endowment fund with the Community Foundation of Middle Tennessee for the benefit of the Nashville Repertory Theatre, Inc. The Community Foundation of Middle Tennessee has the ultimate authority and control over these Funds and, therefore, these investments are not included in our financial statements. Income distributed to us from these funds is recognized in the year received. Such distributions totaled approximately \$0 and \$0 during the years ended June 30, 2018 and 2017, respectively. Total assets held in this fund amount to approximately, \$22,131 and \$21,869 at June 30, 2018 and 2017, respectively.

In 2015, certain individuals also established a donor-designated endowment fund with the Middle Tennessee Repertory Theatre Support Fund for the benefit of the Nashville Repertory Theatre, Inc. The Middle Tennessee Repertory Theatre Support Fund has the ultimate authority and control over these Funds and, therefore, these investments are not included in our financial statements. Income distributed to us from these funds is recognized in the year received. Such distributions for June 30, 2018 and 2017, totaled approximately \$52,900 and \$50,700, respectively. Total assets held in this fund at June 30, 2018 and 2017, amount to approximately \$1,054,481 and \$1,044,807, respectively.

NOTE 13 – New Pronouncements

In May 2014, FASB issued Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The Update provides guidance about recording contract revenue on an organization's statement of activities. The amendments in this Update are effective for annual periods beginning after December 15, 2018, and for annual periods and interim periods thereafter with early adoption permitted for annual periods beginning after December 15, 2017. We are currently evaluating the impact of adopting this statement.

In February 2017, FASB issued Accounting Standards Update 2017-02, *Leases (Topic 842)*. The Update provides guidance about recording lease transactions on an organization's statements of financial position and activities. The amendments in this Update are effective for annual periods beginning after December 15, 2019, and for annual periods and interim periods thereafter with early adoption permitted. We are currently evaluating the impact of adopting this statement.

In August 2017, FASB issued Accounting Standards Update 2017-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The Update provides guidance about the presentation of financial statements for non-profit organizations. The amendments in this Update are effective for annual periods beginning after December 15, 2018, and for annual periods and interim periods thereafter with early adoption permitted. We are currently evaluating the impact of adopting this statement.

NASHVILLE REPERTORY THEATRE, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 13 – New Pronouncements (Continued)

In August 2017, FASB amended the Statement of Cash Flows topic of the Accounting Standards Codification to clarify how certain cash receipts and cash payments are presented and classified in the Statement of Cash Flows. The amendments will be effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted. We are currently evaluating the impact of adopting this statement.

In November 2017, FASB amended the Statement of Cash Flows topic of the Accounting Standards Codification to clarify how restricted cash is presented and classified in the statement of cash flows. The amendments will be effective for the organization for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019, with early adoption permitted. We are currently evaluating the impact of adopting this guidance on the financial statements.

NOTE 14 - Subsequent Events

We have evaluated events subsequent to the years ending June 30, 2018 and 2017, as of January 25, 2019, 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.

INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY INFORMATION

To the Board of Directors
Nashville Repertory Theatre, Inc.

We have audited the financial statements of Nashville Repertory Theatre, Inc. as of and for the year ended June 30, 2018 and 2017, and have issued our report thereon dated January 25, 2019, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole.

The statement of functional expenses is presented for the 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.


January 25, 2019

NASHVILLE REPERTORY THEATRE, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018

	Program Services			Supporting Services		
	Main stage productions	New stages	Professional training and education	Total program services	Management and general	Fundraising
Salaries	\$ 310,971	\$ -	\$ 29,862	\$ 340,833	\$ 122,942	\$ 64,330
Wages	152,365	28,889	88	181,342	-	-
Hourly wages	28,960	-	-	28,960	-	-
Payroll taxes	39,809	2,731	2,498	45,038	21,383	5,248
Fringe benefits	37,150	-	-	37,150	822	4,966
Total payroll costs	569,255	31,620	32,448	633,323	145,147	74,544
Bad debt expense	-	-	-	-	4,528	-
Bank fees	-	-	-	-	17,525	-
Communications	836	-	-	836	9,846	912
Conferences	2,492	22,212	773	25,477	1,955	-
Contract services	42,185	1,550	-	43,735	4,114	-
Depreciation	19,419	-	-	19,419	4,515	-
Dues and subscriptions	325	-	-	325	4,962	-
Equipment rental	-	-	-	-	4,258	-
In-kind expense	5,088	-	-	5,088	-	-
Insurance	-	-	-	-	21,811	-
Interest expense	-	-	-	-	14,768	-
Marketing	90,855	2,595	-	93,450	-	-
Meals and entertainment	949	10,521	224	11,694	3,876	-
Miscellaneous	1,739	55	-	1,794	2,688	2,465
Office supplies	130	89	48	267	1,223	208
Postage and shipping	562	-	-	562	842	722
Printing	40	8	-	48	3,266	5,287
Production expenses	317,223	20,480	3,257	340,960	1,541	-
Professional services	-	-	-	-	34,500	-
Rent	-	-	-	-	96,937	-
Supplies	8,099	-	891	8,990	3	69
Technology	19,629	-	-	19,629	2,545	-
	\$ 1,078,826	\$ 89,130	\$ 37,641	\$ 1,205,597	\$ 380,850	\$ 84,207
						\$ 1,670,654

See accompanying notes to the financial statements.