

**ST. LOUIS BLACK REPERTORY COMPANY, INC.**

**FINANCIAL STATEMENTS**

**June 30, 2020 and 2019**

# ST. LOUIS BLACK REPERTORY COMPANY, INC.

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## Independent Auditors' Report

To the Board of Trustees of  
St. Louis Black Repertory Company, Inc.

We have audited the accompanying financial statements of St. Louis Black Repertory Company, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses 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.

### Auditors' 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 auditors' 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 St. Louis Black Repertory Company, Inc. as of June 30, 2020 and 2019, 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.

*Kerber, Eck & Braeckel LLP*

St. Louis, Missouri  
January 28, 2021  
[kebcpa.com](http://kebcpa.com)



# ST. LOUIS BLACK REPERTORY COMPANY, INC.

## STATEMENTS OF FINANCIAL POSITION

June 30,

Assets	2020	2019
Cash and cash equivalents	\$ 147,187	\$ 120,817
Investments	13,444	-
Grants receivable	11,911	77,643
Other receivables	-	485
Prepaid expenses and other assets	14,764	13,887
Property and equipment, net of accumulated depreciation	7,195	-
Cash restricted for endowment	27,148	27,117
Total assets	<u>\$ 221,649</u>	<u>\$ 239,949</u>
Liabilities and net assets		
Liabilities		
Accounts payable	\$ 49,726	\$ 41,959
Accrued compensation	11,399	15,049
Deferred revenue	-	37,352
Due to related party	45,663	45,663
Payroll Protection Program loan	84,600	-
Total liabilities	<u>191,388</u>	<u>140,023</u>
Net assets		
Net assets without donor restrictions	3,113	72,809
Net assets with donor restrictions	27,148	27,117
Total net assets	<u>30,261</u>	<u>99,926</u>
Total liabilities and net assets	<u>\$ 221,649</u>	<u>\$ 239,949</u>

See notes to financial statements.

# ST. LOUIS BLACK REPERTORY COMPANY, INC.

## STATEMENT OF ACTIVITIES Year ended June 30, 2020

	Without donor restrictions	With donor restrictions	Total
Revenue and support			
Contributions	\$ 208,930	\$ -	\$ 208,930
In-kind contributions	180,238	-	180,238
Grants	89,801	-	89,801
Special events, net of direct donor benefits of \$28,791	38,775	-	38,775
Theatre subscriptions and ticket sales	240,755	-	240,755
Community and education	54,285	-	54,285
Interest income	130	31	161
Other income	216	-	216
Total revenue and support	813,130	31	813,161
Expenses			
Program			
Main stage productions	425,591	-	425,591
Community and education	112,351	-	112,351
Total program expenses	537,942	-	537,942
Supporting services			
Management and general	262,459	-	262,459
Fundraising	82,425	-	82,425
Total expenses	882,826	-	882,826
Change in net assets	(69,696)	31	(69,665)
Net assets at July 1, 2019	72,809	27,117	99,926
Net assets, at June 30, 2020	\$ 3,113	\$ 27,148	\$ 30,261

See notes to financial statements.

# ST. LOUIS BLACK REPERTORY COMPANY, INC.

## STATEMENT OF ACTIVITIES Year ended June 30, 2019

	Without donor restrictions	With donor restrictions	Total
Revenue and support			
Contributions	\$ 274,899	\$ -	\$ 274,899
In-kind contributions	183,156	-	183,156
Grants	107,180	-	107,180
Special events, net of direct donor benefits of \$30,473	86,839	-	86,839
Theatre subscriptions and ticket sales	375,011	-	375,011
Community and education	30,582	-	30,582
Interest income	354	10	364
Other income	9,556	-	9,556
Total revenue and support	<u>1,067,577</u>	<u>10</u>	<u>1,067,587</u>
Expenses			
Program			
Main stage productions	408,500	-	408,500
Community and education	98,051	-	98,051
Total program expenses	<u>506,551</u>	<u>-</u>	<u>506,551</u>
Supporting services			
Management and general	266,878	-	266,878
Fundraising	117,978	-	117,978
Total expenses	<u>891,407</u>	<u>-</u>	<u>891,407</u>
Change in net assets	176,170	10	176,180
Net assets at July 1, 2018, as restated	<u>(103,361)</u>	<u>27,107</u>	<u>(76,254)</u>
Net assets, at June 30, 2019	<u>\$ 72,809</u>	<u>\$ 27,117</u>	<u>\$ 99,926</u>

See notes to financial statements.

# ST. LOUIS BLACK REPERTORY COMPANY, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2020

	Program services			Supporting services		
	Main stage production	Community and education	Total	Management general	Fundraising	Total
Salaries	\$ 61,649	\$ 83,593	\$ 145,242	\$ 92,288	\$ 57,539	\$ 295,069
Payroll taxes and employee benefits	7,841	10,632	18,473	11,739	7,318	37,530
Advertising and marketing	-	-	-	50,265	-	50,265
Professional fees	-	-	-	27,633	-	27,633
Licenses and fees	-	-	-	24,109	-	24,109
Occupancy costs	118,580	11,423	130,003	23,989	12,946	166,938
Equipment rental	968	-	968	4,554	-	5,522
Office supplies and expenses	-	-	-	21,699	1,080	22,779
Artistic staff expense	77,587	-	77,587	-	-	77,587
Actor expense	107,152	-	107,152	-	-	107,152
Production materials	36,264	-	36,264	-	-	36,264
Production costs	6,062	-	6,062	-	-	6,062
Insurance	9,488	1,475	10,963	3,097	1,671	15,731
Interest expense and bank fees	-	-	-	883	-	883
Meetings, travel, and conferences	-	-	-	2,203	1,326	3,529
Community and education	-	5,228	5,228	-	-	5,228
Miscellaneous expense	-	-	-	-	545	545
<b>Total functional expenses</b>	<b>\$ 425,591</b>	<b>\$ 112,351</b>	<b>\$ 537,942</b>	<b>\$ 262,459</b>	<b>\$ 82,425</b>	<b>\$ 882,826</b>

See notes to financial statements.

# ST. LOUIS BLACK REPERTORY COMPANY, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2019

	Program services			Supporting services		
	Main stage production	Community and education	Total	Management general	Fundraising	Total
Salaries	\$ 61,649	\$ 70,574	\$ 132,223	\$ 69,523	\$ 79,662	\$ 281,408
Payroll taxes and employee benefits	9,089	10,405	19,494	10,250	11,746	41,490
Advertising and marketing	-	-	-	44,204	-	44,204
Professional fees	-	-	-	54,137	-	54,137
Licenses and fees	-	-	-	31,825	-	31,825
Occupancy costs	134,573	11,423	145,996	23,989	12,946	182,931
Equipment rental	1,403	-	1,403	3,274	-	4,677
Office supplies and expenses	-	-	-	20,233	10,611	30,844
Artistic staff expense	75,101	-	75,101	-	-	75,101
Actor expense	72,678	-	72,678	-	-	72,678
Production materials	36,558	-	36,558	-	-	36,558
Production costs	8,432	-	8,432	-	-	8,432
Insurance	9,017	1,402	10,419	2,943	1,589	14,951
Interest expense and bank fees	-	-	-	1,056	-	1,056
Meetings, travel, and conferences	-	-	-	1,792	1,424	3,216
Community and education	-	4,247	4,247	-	-	4,247
Miscellaneous expense	-	-	-	3,652	-	3,652
<b>Total functional expenses</b>	<b>\$ 408,500</b>	<b>\$ 98,051</b>	<b>\$ 506,551</b>	<b>\$ 266,878</b>	<b>\$ 117,978</b>	<b>\$ 891,407</b>

See notes to financial statements.



# ST. LOUIS BLACK REPERTORY COMPANY, INC.

## STATEMENTS OF CASH FLOWS Year ended June 30,

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ (69,665)	\$ 176,180
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	-	724
(Increase) decrease in assets		
Grants receivable	65,732	(68,018)
Other receivables	485	(485)
Prepaid expenses and other assets	(877)	(9,466)
Increase (decrease) in liabilities		
Accounts payable	7,767	7,641
Accrued compensation	(3,650)	7,025
Deferred revenue	(37,352)	(13,489)
Total adjustments	<u>32,105</u>	<u>(76,068)</u>
Net cash provided by (used in) operating activities	(37,560)	100,112
Cash flows from investing activities		
Purchase of investments	(13,444)	-
Purchase of property and equipment	(7,195)	-
Net cash flows used in investing activities	(20,639)	-
Cash flows from financing activities		
Proceeds from the issuance of debt	84,600	-
Net change in cash and cash equivalents	26,401	100,112
Cash and cash equivalents at beginning of year	<u>147,934</u>	<u>47,822</u>
Cash and cash equivalents at end of year	<u>\$ 174,335</u>	<u>\$ 147,934</u>
Reconciliation of cash and cash equivalents to statement of financial position		
Cash and cash equivalents	\$ 147,187	\$ 120,817
Cash restricted for endowment	<u>27,148</u>	<u>27,117</u>
Total cash and cash equivalents	<u>\$ 174,335</u>	<u>\$ 147,934</u>

See notes to financial statements.

# ST. LOUIS BLACK REPERTORY COMPANY, INC.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Nature of Entity**

The St. Louis Black Repertory Company, Inc. (the Company) is a not-for-profit corporation which conducts a scheduled season of performances in the Edison Theater in St. Louis, Missouri. The Company also produces special performances at various locations and presents touring and educational programs.

#### **Cash and Cash Equivalents**

The Company considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

#### **Investments**

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for the asset or liability. Investment returns include interest and dividend income and net realized and unrealized gains or losses net of investment fees.

#### **Grants Receivable**

The Company considers all receivables to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

#### **Property and Equipment**

Property and equipment are recorded at cost when purchased, or if donated, at the estimated fair value on the date of donation. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method.

#### **Donated Facilities and In-Kind Contributions**

The Company receives contributions of theater, office, and storage space from Washington University and recognizes support and revenue based on the contributions estimated fair value. Absent any explicit restrictions by the donor, the Company reports the contribution of facilities as support and revenue without donor restrictions.

# ST. LOUIS BLACK REPERTORY COMPANY, INC.

## NOTES TO FINANCIAL STATEMENTS

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The Company recognized in-kind contributions of \$45,090 for donated theater space, \$121,848 for donated office and storage space, and \$13,300 for donated photo and videography services for the year ended June 30, 2020. The Company recognized in-kind contributions of \$61,308 for donated theater space and \$121,848 for donated office and storage space for the year ended June 30, 2019.

### **Theater Subscription and Ticket Sales**

Theater subscription and ticket sales are recognized when earned. Theater subscription and ticket sales received in advance are deferred to the applicable period in which the related services are performed.

### **Functional Allocation of Expenses**

The costs of providing various programs and activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services based on estimates made by management.

### **Advertising**

The Company uses advertising to promote the performance season. Advertising costs are expensed as incurred. The Company incurred \$50,265 and \$44,204 of advertising expense during the years ended June 30, 2020, and 2019, respectively.

### **Income Taxes**

The Black Repertory Company, Inc. is a nonprofit organization operating under Section 501(c)(3) of the Internal Revenue Code. The Company is exempt from federal, state and local income taxes and, accordingly, no provision for income taxes is included in the financial statements. The Company files an IRS Form 990 *Return of Organization Exempt from Income Tax*. Returns are generally subject to examination by the IRS for three years after they are filed.

### **Net Assets**

Net assets, revenues, 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:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions.

*Net Assets with Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be satisfied by actions of the Company or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates resources be maintained in perpetuity. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which revenue is recognized.

# ST. LOUIS BLACK REPERTORY COMPANY, INC.

## NOTES TO FINANCIAL STATEMENTS

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All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without restrictions and reported in the Statement of Activities as net assets released from restriction.

### Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Reclassifications

Certain reclassifications have been made to the 2019 financial statements to conform to the 2020 presentation.

## NOTE 2 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the Statement of Financial Position, comprise the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 147,187	\$ 120,817
Investments	13,444	-
Grants receivable	11,911	77,643
Other receivables	-	485
Cash restricted for endowment	<u>27,148</u>	<u>27,117</u>
Total financial assets	199,690	226,062
Contractual or donor-imposed restrictions		
Endowment funds	<u>(250,000)</u>	<u>(250,000)</u>
	<u>\$ (50,310)</u>	<u>\$ (23,938)</u>

The Company has borrowed from its endowment funds to cover operational shortfalls and manage liquidity. As further described in Note 5 to the financial statements, the fair value of the endowment fund is less than the original endowment gift.

# ST. LOUIS BLACK REPERTORY COMPANY, INC.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 3 – DUE TO RELATED PARTIES

As of June 30, 2020 and 2019, the Company owes \$45,663 to the Producing Director for short-term borrowings, expense payments, unpaid salaries, director's fees, and rent.

### NOTE 4 – PAYROLL PROTECTION PROGRAM LOAN

On May 6, 2020, the Company was granted a loan from a financial institution in the aggregate amount of \$84,600, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The loan, which is in the form of a note dated May 6, 2020 entered into by the Company, matures on May 6, 2022 and bears interest at a rate of 1.00% per annum. Funds from the loan may only be used for payroll costs, payments of interest on any covered mortgage obligation, and payments on any covered rent obligations or utility payments incurred during the twenty-four week period commencing on the date of the first disbursement of the loan. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. The Company intends to use the entire loan amount for qualifying expenses. The note is payable monthly beginning on the date the Small Business Association remits the loan forgiveness amount to the financial institution, or if the Company were not to apply for forgiveness, ten months after the end of the loan forgiveness covered period. The note may be prepaid by the Company at any time prior to maturity with no prepayment penalties.

### NOTE 5 – ENDOWMENT

Beginning in 2006 and culminating in 2010, the Company received annual gifts of \$60,000. For each of those five years, \$10,000 of the annual gift was to be used to offset production expenses for the year, with the balance of \$50,000 to be held in an endowment fund. At the end of the five year period, the endowment amount was to be \$250,000, with the intent that the income earned from the endowment could be used to offset ongoing expenses. In the years 2006 to 2013, \$222,993 of the endowed gift was used to offset operational expenses. The remaining unspent balance of the gift at June 30, 2020, is \$27,148 and the endowment was underwater by \$222,852. Management and Board of Directors of the Company engaged the donor in discussions to resolve the matter. The result of these discussions is not currently determinable.

# ST. LOUIS BLACK REPERTORY COMPANY, INC.

## NOTES TO FINANCIAL STATEMENTS

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During the years ended June 30, 2020 and 2019, the Company's endowment had the following activity:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
July 1, 2018	\$ -	\$ 27,107	\$ 27,107
Net investment income	<u>-</u>	<u>10</u>	<u>10</u>
June 30, 2019	-	27,117	27,117
Net investment income	<u>-</u>	<u>31</u>	<u>31</u>
June 30, 2020	<u>\$ -</u>	<u>\$ 27,148</u>	<u>\$ 27,148</u>

Endowment net asset composition by type of fund as of June 30, 2020 is as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor-restricted endowment funds			
MICDS programming	<u>\$ -</u>	<u>\$ 27,148</u>	<u>\$ 27,148</u>

Endowment net asset composition by type of fund as of June 30, 2019 is as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor-restricted endowment funds			
MICDS programming	<u>\$ -</u>	<u>\$ 27,117</u>	<u>\$ 27,117</u>

### NOTE 6 – FUNCTIONAL EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting functions. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, and payroll taxes and employee benefits which are allocated based on estimated time and effort and occupancy costs which are allocated based on estimated usage.

# **ST. LOUIS BLACK REPERTORY COMPANY, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

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### **NOTE 7 – EMPLOYEE BENEFIT PLAN**

The Company participates in the union managed Equity League 401(k) pension plan pursuant to the collective bargaining agreement associated with the industry contract. The Company contributes 8% of an equity actor's salary to a pension, and an amount per week for health benefits per equity actor. Many of the actors are not covered by the pension plan or the bargaining agreement. The Company incurred pension expenses of \$18,260 and \$18,515 for the years ended June 30, 2020 and 2019, respectively. The Company made all required contributions to the Plan.

### **NOTE 8 – COMMITMENTS**

In September 2019, the Company executed a five-year noncancelable lease for an office copier. The lease requires minimum monthly payments of \$161 over the term of the lease.

### **NOTE 9 – RISK AND UNCERTAINTIES**

In December 2019, a novel strain of coronavirus, COVID-19, was reported in Wuhan, China. The World Health Organization has declared the COVID-19 outbreak to constitute a "Public Health Emergency of International Concern." The extent of the impact of COVID-19 on the Company's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our patrons, employees and vendors all of which are uncertain and cannot be determined at this time.

### **NOTE 10 – SUBSEQUENT EVENTS**

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through January 28, 2021, the date of the financial statements were available to be issued.