

ST. LOUIS BLACK REPERTORY COMPANY, INC.

FINANCIAL STATEMENTS

June 30, 2021 and 2020

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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, 2021 and 2020, 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, 2021 and 2020, 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
February 11, 2022

St. Louis Black Repertory Company, Inc.
STATEMENTS OF FINANCIAL POSITION
June 30,

ASSETS	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 267,060	\$ 147,187
Investments	20,343	13,444
Grants receivable	110,844	11,911
Prepaid expenses and other assets	14,764	14,764
Property and equipment, net of accumulated depreciation	8,195	7,195
Cash restricted for endowment	27,148	27,148
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Total assets	\$ 448,354	\$ 221,649
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 37,754	\$ 49,726
Accrued compensation	14,006	11,399
Deferred revenue	1,290	-
Due to related party	45,663	45,663
Payroll Protection Program loan	-	84,600
	<hr/>	<hr/>
Total liabilities	98,713	191,388
	<hr/>	<hr/>
Net assets		
Net assets without donor restrictions	211,649	3,113
Net assets with donor restrictions	137,992	27,148
	<hr/>	<hr/>
Total net assets	349,641	30,261
	<hr/>	<hr/>
Total liabilities and net assets	\$ 448,354	\$ 221,649
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The accompanying notes are an integral part of these statements.

St. Louis Black Repertory Company, Inc.
STATEMENT OF ACTIVITIES
Year ended June 30, 2021

	Without donor restrictions	With donor restrictions	Total
Revenue and support			
Contributions	\$ 320,668	\$ 25,000	\$ 345,668
In-kind contributions	129,348	-	129,348
Grants	277,322	85,844	363,166
Special events, net of direct donor benefits of \$15,493	38,336	-	38,336
Theatre subscriptions and ticket sales	1,801	-	1,801
Community and education	19,249	-	19,249
Interest income	32	-	32
Other income	142	-	142
Total revenue and support	786,898	110,844	897,742
Expenses			
Program			
Main stage productions	218,877	-	218,877
Community and education	117,448	-	117,448
Total program expenses	336,325	-	336,325
Supporting services			
Management and general	196,776	-	196,776
Fundraising	45,261	-	45,261
Total expenses	578,362	-	578,362
Change in net assets	208,536	110,844	319,380
Net assets at July 1, 2020	3,113	27,148	30,261
Net assets, at June 30, 2021	\$ 211,649	\$ 137,992	\$ 349,641

The accompanying notes are an integral part of these 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

The accompanying notes are an integral part of these statements.

St. Louis Black Repertory Company, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2021

	Program services			Supporting services		
	Main stage production	Community and education	Total	Management general	Fundraising	Total
Salaries	\$ 97,195	\$ 93,368	\$ 190,563	\$ 114,724	\$ 27,430	\$ 332,717
Payroll taxes and employee benefits	8,169	7,848	16,017	9,642	2,306	27,965
Advertising and marketing	-	-	-	327	-	327
Professional fees	-	-	-	11,201	-	11,201
Licenses and fees	-	-	-	3,958	-	3,958
Occupancy costs	73,490	11,423	84,913	23,989	12,946	121,848
Equipment rental	40	-	40	2,669	-	2,709
Office supplies and expenses	-	-	-	23,135	1,080	24,215
Artistic staff expense	12,524	-	12,524	-	-	12,524
Actor expense	4,783	-	4,783	-	-	4,783
Production materials	15,190	-	15,190	-	-	15,190
Production costs	1,557	-	1,557	-	-	1,557
Insurance	5,929	922	6,851	1,935	1,045	9,831
Interest expense and bank fees	-	-	-	477	-	477
Meetings, travel, and conferences	-	-	-	505	114	619
Community and education	-	3,887	3,887	-	-	3,887
Miscellaneous expense	-	-	-	4,214	340	4,554
Total functional expenses	\$ 218,877	\$ 117,448	\$ 336,325	\$ 196,776	\$ 45,261	\$ 578,362

The accompanying notes are an integral part of these 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
Total functional expenses	\$ 425,591	\$ 112,351	\$ 537,942	\$ 262,459	\$ 82,425	\$ 882,826

The accompanying notes are an integral part of these statements.

St. Louis Black Repertory Company, Inc.
STATEMENTS OF CASH FLOWS
Year ended June 30,

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Change in net assets	\$ 319,380	\$ (69,665)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
(Increase) decrease in assets		
Grants receivable	(98,933)	65,732
Other receivables	-	485
Prepaid expenses and other assets	-	(877)
Realized and unrealized gain on investments	(6,899)	-
Increase (decrease) in liabilities		
Accounts payable	(11,972)	7,767
Accrued compensation	2,607	(3,650)
Deferred revenue	1,290	(37,352)
Payroll protection program loan	(84,600)	-
Total adjustments	<u>(198,507)</u>	<u>32,105</u>
Net cash provided by (used in) operating activities	120,873	(37,560)
Cash flows from investing activities		
Purchase of investments	-	(13,444)
Purchase of property and equipment	(1,000)	(7,195)
Net cash flows used in investing activities	(1,000)	(20,639)
Cash flows from financing activities		
Proceeds from the issuance of debt	-	84,600
Net change in cash and cash equivalents	119,873	26,401
Cash and cash equivalents at beginning of year	<u>174,335</u>	<u>147,934</u>
Cash and cash equivalents at end of year	<u>\$ 294,208</u>	<u>\$ 174,335</u>
Reconciliation of cash and cash equivalents to statement of financial position		
Cash and cash equivalents	\$ 267,060	\$ 147,187
Cash restricted for endowment	27,148	27,148
Total cash and cash equivalents	<u>\$ 294,208</u>	<u>\$ 174,335</u>

The accompanying notes are an integral part of these statements.

St. Louis Black Repertory Company, Inc.
NOTES TO FINANCIAL STATEMENTS

NOTE A | 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.

The Company recognized in-kind contributions of \$121,848 for donated office and storage space and \$7,500 for donated costumes for the year ended June 30, 2021. 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.

St. Louis Black Repertory Company, Inc.
NOTES TO FINANCIAL STATEMENTS

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 \$327 and \$50,265 of advertising expense during the years ended June 30, 2021 and 2020, respectively.

Income Taxes

The St. Louis 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. 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.

St. Louis Black Repertory Company, Inc.
NOTES TO FINANCIAL STATEMENTS

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.

NOTE B | 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>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 267,060	\$ 147,187
Investments	20,343	13,444
Grants receivable	110,844	11,911
Cash restricted for endowment	27,148	27,148
	<hr/>	<hr/>
Total financial assets	425,395	199,690
Contractual or donor-imposed restrictions		
Endowment funds	(250,000)	(250,000)
	<hr/>	<hr/>
	<u>\$ 175,395</u>	<u>\$ (50,310)</u>

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

NOTE C | DUE TO RELATED PARTIES

As of June 30, 2021 and 2020, the Company owes \$45,663 to the Producing Director for short-term borrowings, expense payments, unpaid salaries, director's fees, and rent.

St. Louis Black Repertory Company, Inc.
NOTES TO FINANCIAL STATEMENTS

NOTE D | 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. Under the terms of the PPP, certain amounts may be forgiven if they are used for qualifying expenses as described in the CARES Act. The Company used the entire amount for qualifying expenses and the grant was forgiven on April 7, 2021. Therefore, the Company recognized the PPP funds as grant revenue in the statement of activities for the year ended June 30, 2021.

NOTE E | 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, 2021, 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.

During the years ended June 30, 2021 and 2020, the Company’s endowment had the following activity:

	Without donor restrictions	With donor restrictions	Total
July 1, 2019	\$ -	\$ 27,117	\$ 27,117
Net investment income	-	31	31
June 30, 2020	-	27,148	27,148
Net investment income	-	-	-
June 30, 2021	\$ -	\$ 27,148	\$ 27,148

St. Louis Black Repertory Company, Inc.
NOTES TO FINANCIAL STATEMENTS

Endowment net asset composition by type of fund as of June 30, 2021 is as follows:

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

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

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

NOTE F | NET ASSETS

The following presents the net assets with donor restrictions as of June 30,:

	<u>2021</u>	<u>2020</u>
Subject of the passage of time	\$ 45,844	\$ -
Subject to expenditure for a specified purpose		
Productions	65,000	-
Endowment		
Perpetual in nature, not subject to spending policy of appropriation	<u>27,148</u>	<u>27,148</u>
	<u>\$ 137,992</u>	<u>\$ 27,148</u>

NOTE G | 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.

NOTE H | 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

St. Louis Black Repertory Company, Inc.

NOTES TO FINANCIAL STATEMENTS

pension expenses of \$233 and \$18,260 for the years ended June 30, 2021 and 2020, respectively. The Company made all required contributions to the Plan.

NOTE I | 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 J | 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 outbreak of a novel strain of the coronavirus, COVID-19, 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 K | SUBSEQUENT EVENTS

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through February 11, 2022, the date the financial statements were available to be issued.

On July 9, 2021, the Company was awarded a grant in the amount of \$185,537 from the U.S. Small Business Administration.