

**ORLANDO REPERTORY THEATRE, INC.**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2018 AND 2017**

**ORLANDO REPERTORY THEATRE, INC.**  
**TABLE OF CONTENTS**  
**YEARS ENDED JUNE 30, 2018 AND 2017**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>STATEMENTS OF FINANCIAL POSITION</b>	<b>3</b>
<b>STATEMENTS OF ACTIVITIES</b>	<b>4</b>
<b>STATEMENTS OF FUNCTIONAL EXPENSES</b>	<b>6</b>
<b>STATEMENTS OF CASH FLOWS</b>	<b>8</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>9</b>



CliftonLarsonAllen LLP  
CLAconnect.com

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Orlando Repertory Theatre, Inc.  
Orlando, Florida

We have audited the accompanying financial statements of Orlando Repertory Theatre, Inc. (the Organization), which comprises the statements of financial position as of June 30, 2018 and 2017, 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.

Board of Directors  
Orlando Repertory Theatre, Inc.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Orlando Repertory Theatre, Inc. as of June 30, 2018 and 2017, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Orlando, Florida  
November 8, 2018



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

<b>ASSETS</b>	<u>2018</u>	<u>2017</u>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 268,414	\$ 465,641
Accounts Receivable	546	9,206
Grants Receivable	165,743	181,492
Prepaid Expenses	77,908	70,805
Total Current Assets	<u>512,611</u>	<u>727,144</u>
<b>PROPERTY AND EQUIPMENT, Net</b>	<u>2,581,954</u>	<u>2,674,061</u>
Total Assets	<u><u>\$ 3,094,565</u></u>	<u><u>\$ 3,401,205</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 48,863	\$ 34,831
Accrued Expenses	35,371	39,540
Deferred Revenue	272,179	220,587
Total Liabilities	<u>356,413</u>	<u>294,958</u>
<b>NET ASSETS</b>		
Unrestricted	2,478,927	2,941,917
Temporarily Restricted	259,225	164,330
Total Net Assets	<u>2,738,152</u>	<u>3,106,247</u>
Total Liabilities and Net Assets	<u><u>\$ 3,094,565</u></u>	<u><u>\$ 3,401,205</u></u>

*See accompanying Notes to Financial Statements.*

**ORLANDO REPERTORY THEATRE, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2018**

	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE</b>			
Grants and Contributions - Operating	\$ 1,059,931	\$ 259,225	\$ 1,319,156
Productions	936,770	-	936,770
Educational Programs	417,920	-	417,920
Management Fees	252,297	-	252,297
Theatre Rental	108,430	-	108,430
In-Kind Contributions	92,640	-	92,640
Other Income	517	-	517
Net Assets Released from Restrictions	164,330	(164,330)	-
Total Support and Revenue	<u>3,032,835</u>	<u>94,895</u>	<u>3,127,730</u>
<b>EXPENSES</b>			
Program Services	2,408,819	-	2,408,819
Supporting Services:			
Management and General	369,049	-	369,049
Fundraising	193,474	-	193,474
Total Expenses	<u>2,971,342</u>	<u>-</u>	<u>2,971,342</u>
<b>CHANGE IN NET ASSETS BEFORE DEPRECIATION AND AMORTIZATION</b>	61,493	94,895	156,388
<b>DEPRECIATION AND AMORTIZATION</b>	<u>524,483</u>	<u>-</u>	<u>524,483</u>
<b>CHANGE IN NET ASSETS</b>	(462,990)	94,895	(368,095)
Net Assets - Beginning of Year	<u>2,941,917</u>	<u>164,330</u>	<u>3,106,247</u>
<b>NET ASSETS - END OF YEAR</b>	<u><u>\$ 2,478,927</u></u>	<u><u>\$ 259,225</u></u>	<u><u>\$ 2,738,152</u></u>

See accompanying Notes to Financial Statements.

**ORLANDO REPERTORY THEATRE, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2017**

	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE</b>			
Grants and Contributions - Operating	\$ 1,421,274	\$ 164,330	\$ 1,585,604
Productions	896,171	-	896,171
Educational Programs	378,210	-	378,210
Management Fees	252,297	-	252,297
Theatre Rental	112,336	-	112,336
In-Kind Contributions	84,555	-	84,555
Other Income	628	-	628
Net Assets Released from Restrictions	272,857	(272,857)	-
Total Support and Revenue	3,418,328	(108,527)	3,309,801
<b>EXPENSES</b>			
Program Services	2,410,410	-	2,410,410
Supporting Services:			
Management and General	284,020	-	284,020
Fundraising	121,182	-	121,182
Total Expenses	2,815,612	-	2,815,612
<b>CHANGE IN NET ASSETS BEFORE DEPRECIATION AND AMORTIZATION</b>	602,716	(108,527)	494,189
<b>DEPRECIATION AND AMORTIZATION</b>	462,916	-	462,916
<b>CHANGE IN NET ASSETS</b>	139,800	(108,527)	31,273
Net Assets - Beginning of Year	2,802,117	272,857	3,074,974
<b>NET ASSETS - END OF YEAR</b>	\$ 2,941,917	\$ 164,330	\$ 3,106,247

See accompanying Notes to Financial Statements.

**ORLANDO REPERTORY THEATRE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2018**

	Support Services			Total	Total
	Program Services	Fundraising	Management and General	Support Services	Year Ended June 30, 2018
Salaries, Taxes, and Benefits	\$ 1,219,092	\$ 128,325	\$ 256,651	\$ 384,976	\$ 1,604,068
Contracted Labor and Actors' Equity	214,659	-	12,820	12,820	227,479
Insurance - Medical	52,371	5,513	11,025	16,538	68,909
Total Salaries and Related Expenses	1,486,122	133,838	280,496	414,334	1,900,456
Insurance - Other	39,385	-	1,641	1,641	41,026
Administrative	11,339	52,313	39,328	91,641	102,980
Occupancy	236,131	-	9,839	9,839	245,970
Program Expenses	597,271	5,419	32,920	38,339	635,610
Meals and Entertainment	8,970	1,243	1,573	2,816	11,786
Travel	27,426	661	3,161	3,822	31,248
Loss on Disposal of Assets	2,175	-	91	91	2,266
Total	922,697	59,636	88,553	148,189	1,070,886
Total Expenses Before Depreciation and Amortization	2,408,819	193,474	369,049	562,523	2,971,342
Depreciation and Amortization	503,503	-	20,980	20,980	524,483
Total	\$ 2,912,322	\$ 193,474	\$ 390,029	\$ 583,503	\$ 3,495,825

See accompanying Notes to Financial Statements.

**ORLANDO REPERTORY THEATRE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2017**

	Support Services			Total
	Program Services	Fundraising	Management and General	Support Services
Salaries, Taxes, and Benefits	\$ 766,960	\$ 80,732	\$ 161,466	\$ 242,198
Contracted Labor and Actors' Equity	640,820	-	34,303	34,303
Insurance - Medical	77,619	8,170	16,341	24,511
Total Salaries and Related Expenses	1,485,399	88,902	212,110	301,012
Insurance - Other	7,419	-	309	309
Administrative	24,217	27,869	27,428	55,297
Occupancy	250,166	-	10,424	10,424
Program Expenses	593,942	2,170	31,085	33,255
Meals and Entertainment	15,187	1,927	-	1,927
Travel	34,080	314	2,664	2,978
Loss on Disposal of Assets	-	-	-	-
Total	925,011	32,280	71,910	104,190
Total Expenses Before Depreciation and Amortization	2,410,410	121,182	284,020	405,202
Depreciation and Amortization	444,899	-	18,017	18,017
Total	\$ 2,855,309	\$ 121,182	\$ 302,037	\$ 423,219
				\$ 3,278,528
				\$ 1,029,201
				\$ 1,009,158
				675,123
				102,130
				1,786,411
				7,728
				79,514
				260,590
				627,197
				17,114
				37,058

See accompanying Notes to Financial Statements.

**ORLANDO REPERTORY THEATRE, INC.**  
**STATEMENTS OF CASH FLOW**  
**YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (368,095)	\$ 31,273
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by Operating Activities:		
Depreciation and Amortization	524,483	462,916
Loss on Sale of Property and Equipment	2,265	-
(Increase) Decrease in Assets:		
Accounts Receivable	8,660	(5,706)
Grants Receivable	15,749	(13,635)
Prepaid Expenses	(7,103)	1,620
Increase (Decrease) in Liabilities:		
Accounts Payable	14,032	12,897
Accrued Expenses	(4,169)	2,225
Deferred Revenue	51,592	(41,132)
Net Cash Provided by Operating Activities	<u>237,414</u>	<u>450,458</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Property and Equipment	<u>(434,641)</u>	<u>(651,485)</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	(197,227)	(201,027)
Cash and Cash Equivalents - Beginning of Year	<u>465,641</u>	<u>666,668</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 268,414</u></u>	<u><u>\$ 465,641</u></u>

See accompanying Notes to Financial Statements.



**ORLANDO REPERTORY THEATRE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 1 ORGANIZATION**

**Nature of Operations**

Orlando Repertory Theatre, Inc. (the Organization) is a nonprofit corporation incorporated in 1969 that produces and presents theatrical performances and related educational programs in partnership with the University of Central Florida (UCF). The Organization's facilities are used to house a portion of the UCF Masters of Fine Arts program.

The Civic Theatre Foundation, Inc. (the Foundation) was established by the Organization's board of directors as a support organization for the Organization. The Foundation's board of directors includes the officers and executive committee of the Organization, thus placing it under common control. The Foundation did not have any revenues or expenses, assets, liabilities, or net assets as of or for the years ended June 30, 2018 and 2017.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements of the Organization have been prepared on the accrual basis of accounting.

**Basis of Presentation**

The financial statements have been prepared to focus on the Organization as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of net assets and transactions into three classes of net assets; permanently restricted, temporarily restricted, or unrestricted.

Permanently Restricted Net Asset – Net assets subject to donor-imposed stipulations that require the assets to be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for either unrestricted or specified purposes. The Organization did not have any permanently restricted net assets as of June 30, 2018 and 2017.

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, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as unrestricted.

Unrestricted Net Assets – Net assets that are both undesignated and designated in nature. Undesignated, unrestricted net assets are those currently available for use in the day-to-day operation of the Organization and those resources invested in property and equipment. From time to time, the board of trustees may designate certain amounts to be utilized/invested to meet specific objectives of the Organization.

**ORLANDO REPERTORY THEATRE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

**Property and Equipment**

Property and equipment having a unit cost greater than \$500 and a useful life of three or more years are capitalized at cost, if purchased, and at fair market value on the date received, if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the estimated useful life of the asset and the remaining lease term.

**Grants Receivable**

Grants receivable which represent unconditional promises to give are recognized as revenue when the promise is received. Grants receivable expected to be collected in less than one year are recorded at fair value at the date of promise. Receivables are stated at the amount management expects to collect from balances outstanding. Management closely monitors outstanding balances throughout the year, and writes off all balances that are considered uncollectible. All grants receivable at June 30, 2018 and 2017, are expected to be collected during the next fiscal year. The Organization believes they will be fully collected; accordingly, there is no allowance for doubtful accounts.

**Contributions and Donor-Imposed Restrictions**

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or are restricted by the donor for specific purposes are reported as temporarily or permanently restricted support that increases those net asset classes. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statements of activities as net assets released from restrictions. If a temporary restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as unrestricted.

The Organization received donated goods in the form of supplies and promotional materials. These items have been recorded as in-kind contributions and program expenses at their fair market value in the statements of activities.

**Contributed Services**

Contributed services are recognized and recorded at fair market value only to the extent they create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donations. The Organization received contributed goods and services of \$92,640 and \$84,555 during the years ended June 30, 2018 and 2017, respectively, for advertising, printing, photography, and building maintenance, which are included in in-kind contributions and the expense categories to which they relate in the statements of activities.

**ORLANDO REPERTORY THEATRE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition and Deferred Revenue**

Grants are considered exchange transactions in which each party receives and sacrifices commensurate value. Funds from these exchange transactions are not considered contributions and, as such, are deemed to be earned and reported as revenue when such funds have been expended toward the designated purposes.

Revenue is recognized for productions and educational programs when the related event is held. Management fees are recognized as the services are provided. Deferred revenue consists of sponsorships, tuition for educational programs, and production ticket sales received for programs and events that relate to and/or will take place during subsequent fiscal years.

**Functional Allocation of Expenses**

The costs incurred by the Organization have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated between the program service, management and general, and fundraising expenses of the Organization. These allocations have been made based on considerations of time and space usage. Although the methods of allocation used are considered reasonable, other methods could be used that would produce different results.

**Advertising Costs**

Advertising costs are expensed as incurred. Total advertising costs were \$169,394 and \$178,120 for the years ended June 30, 2018 and 2017, respectively.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

**Income Taxes**

The Organization is exempt from federal income tax under provisions of Section 501(c)(3) of the Internal Revenue Code and from state income taxes under similar provisions of the Florida Income Tax Code. Accordingly, no provision for federal and state income taxes has been recorded in the accompanying financial statements.

The Organization follows the standard for accounting for uncertain tax positions. As a result of the implementation, the Organization has not recognized a liability for unrecognized tax benefits.

The Organization is not aware of any activities that would jeopardize its tax-exempt status. The Organization is not aware of any activities that are subject to tax on unrelated business income, excise, or other taxes.



**ORLANDO REPERTORY THEATRE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Concentration of Credit Risks**

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. Cash and cash equivalents are maintained at highly rated financial institutions and, at times, balances may exceed federally insured limits. The Organization has never experienced any losses related to these balances.

**Subsequent Events**

In preparing these financial statements, the Organization has evaluated subsequent events and transactions for potential recognition or disclosure through November 8, 2018, the date the financial statements were available to be issued.

**NOTE 3 PROPERTY AND EQUIPMENT, NET**

Property and equipment consists of the following as of June 30:

	Estimated Useful Lives	2018	2017
Leasehold Improvements	10-40 Years	\$ 8,340,921	\$ 7,981,686
Theatrical Equipment	5-35 Years	536,672	548,969
Office Equipment	5-10 Years	200,545	144,256
Furnishings	5-10 Years	11,934	17,749
Total		<u>9,090,072</u>	<u>8,692,660</u>
Less: Accumulated Depreciation and Amortization		<u>(6,508,118)</u>	<u>(6,018,599)</u>
Total Property and Equipment, Net		<u><u>\$ 2,581,954</u></u>	<u><u>\$ 2,674,061</u></u>

**NOTE 4 LINE OF CREDIT**

On July 1, 2011, the Organization entered into a line of credit agreement with a financial institution providing for maximum borrowings of \$150,000. Interest on the line is payable monthly at a floating rate per annum equal to prime (as defined) plus 1.75%. The line is collateralized by substantially all of the Organization's assets and matured on July 1, 2018. On that date, the line of credit was renewed until July 1, 2019, with a one-year automatic renewal subject to certain limitations and the interest rate was changed to prime plus 1.75%. There was no activity on the line during the years ended June 30, 2018 and 2017.

**NOTE 5 ECONOMIC DEPENDENCE**

The Organization receives a majority of its support from UCF and United Arts of Central Florida. The Organization received grants and management fees of \$1,117,979 and \$1,357,169 for the years ended June 30, 2018 and 2017, representing 36% and 41% of total support and revenue for the years ended June 30, 2018 and 2017, respectively.

**ORLANDO REPERTORY THEATRE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 6 LEASED FACILITY AND ASSIGNMENT**

The Organization's operating facility is leased from the city of Orlando (Loch Haven Park). The lease agreement stipulates an annual lease payment in the nominal amount of \$1 and expires on March 1, 2041, as amended. The Organization, as permitted under the terms of the lease with the city of Orlando, constructed a building on the leased land in Loch Haven Park which is included in leasehold improvements (see Note 3). The lease stipulates that, upon expiration of the lease, the Organization will yield the property, including any improvements made by the Organization, to the city of Orlando free of all liens and encumbrances. The contributed value of the lease is the building that will be surrendered upon completion of the lease.

During 2001, the Organization assigned the lease to UCF for a period of 18 months, giving UCF the option to renew the assignment every 18 months thereafter until the termination of the lease. The assignment, which can be terminated without cause with a 60-day written notice, has been renewed through September 2018. Subsequent to year-end, the Organization renewed this agreement through March 2020. The Organization has retained a residual interest in the lease, so that they will reassume the obligations under the lease if the assignment is terminated.

On July 1, 2004, in connection with the lease assignment, the Organization entered into a Lease Management Services Agreement with UCF to manage and operate the building and real property, including building and grounds maintenance, repairs, and custodial services. For the years ended June 30, 2018 and 2017, the Organization received \$252,297 in management fees in accordance with this agreement, which is recorded as management fees revenue on the accompanying statements of activities.

**NOTE 7 TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consisted of the following as of June 30:

	2018	2017
Contributions from United Arts	\$ 61,225	\$ 57,430
Corporate Contributions	3,000	30,000
State and Local Government Support	150,000	75,000
Other Temporarily Restricted Contributions	45,000	1,900
Total	<u>\$ 259,225</u>	<u>\$ 164,330</u>

**NOTE 8 COMMITMENTS**

In connection with the use of the software applications, on April 24, 2015, the Organization entered into a five-year contract with the software provider whereby the Organization will pay \$28,000 per year on the anniversary date of the contract, with the last payment being made on April 22, 2019.

**ORLANDO REPERTORY THEATRE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 9 RELATED PARTY TRANSACTIONS**

The Organization received \$2,500 and \$6,590 of in-kind services from various member of the board of directors for the years ended June 30, 2018 and 2017, respectively. The revenue and expense was recorded and is included on the accompanying statements of activities. During the years ended June 30, 2018 and 2017, approximately \$17,000, was received as contributions from board members annually.