

*WILDFISH THEATRE COMPANY*

*FINANCIAL STATEMENTS*

*WITH INDEPENDENT AUDITOR'S REPORT*

*FOR THE YEAR ENDED DECEMBER 31, 2018*

 SLOAN  
CARTAGENA  
& ASSOCIATES, P.C.

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CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

Board of Directors  
Wildfish Theatre Company  
Houston, Texas

**Report on the Financial Statements**

We have audited the accompanying financial statements of Wildfish Theatre Company, which comprise the statements of financial position as of December 31, 2018, and the statements of activities, statements of functional expenses and statements cash flows for the year 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 the 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

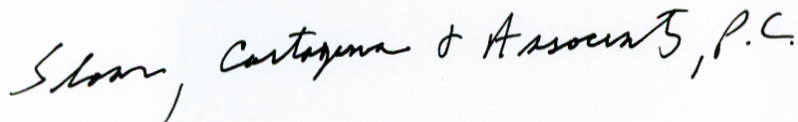
## Independent Auditor's Report (continued)

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 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 the 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 Wildfish Theatre Company as of December 31, 2018, and the changes in net assets, and the functional expenses, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



*Sloan, Cartagena & Associates, P.C.*

March 15, 2019  
Houston Texas

**WILDFISH THEATRE COMPANY**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2018**

	<u>2018</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash	\$ 233,692
Prepaid Expenses	<u>8,685</u>
<b>TOTAL CURRENT ASSETS</b>	242,377
<b>FIXED ASSETS</b>	
Leasehold Improvements	<u>92,565</u>
<b>TOTAL ASSETS</b>	<u>\$ 334,942</u>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Accounts Payable	\$ 4,750
Deferred Revenue	179,474
Note Payable	<u>19,624</u>
<b>TOTAL CURRENT LIABILITIES</b>	203,848
<b>LONG-TERM LIABILITIES</b>	
Note Payable	126,339
Current Portion - Note Payable	<u>(19,624)</u>
<b>TOTAL LONG-TERM LIABILITIES</b>	106,715
<b>FUND BALANCE</b>	
Without donor restrictions	<u>24,379</u>
<b>TOTAL FUND BALANCE</b>	<u>24,379</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 334,942</u>

See independent auditor's report and notes to financial statements

**WILDFISH THEATRE COMPANY**

**STATEMENTS OF ACTIVITIES**

**For the year ended December 31, 2018**

	<u>2018</u>
Changes in net assets without donor restrictions:	
Revenues and gains:	
Tuition	\$ 415,054
Junior Theater Festival	16,672
Scholarships	9,644
Tickets & Concessions	44,658
Merchandise	7,552
Donations	64,162
Total revenues and gains without donor restrictions	<u>557,743</u>
Expenses and losses:	
Labor	351,431
Performance Expenses	47,007
Capital Campaign	20,000
Property & Admin.	77,464
Depreciation	18,950
Interest Expense	4,783
Total expenses and losses	<u>519,635</u>
Increase in net assets without donor restrictions	<u>38,108</u>
Net Assets, Beginning of Year	<u>(13,729)</u>
Net Assets, End of Year	<u>\$ 24,379</u>

See independent auditor's report and notes to financial statements

**WILDFISH THEATRE COMPANY**

**STATEMENT OF FUNCTIONAL EXPENSES**

**For the year ended December 31, 2018**

	Program Services	Administration	Fundraising	Total
Labor				
Program Artistic Director	\$ 55,490	\$ -	\$ -	\$ 55,490
Technical Director	31,200	-	-	31,200
Administration	-	72,779	-	72,779
Assistant Directors	60,713	-	-	60,713
Musical Directors	63,633	-	-	63,633
Costume	13,020	-	-	13,020
Band	17,960	-	-	17,960
General Assistants / Students	13,445	-	-	13,445
Employer Taxes	18,050	5,142	-	23,192
Performance Expenses	47,007	-	-	47,007
Capital Campaign			20,000	20,000
Rent	18,720	5,280	-	24,000
Property Taxes	339	96	-	435
Insurance	6,011	1,695	-	7,706
Permits	575	162	-	737
Utilities	4,826	1,361	-	6,188
Communications	2,720	767	-	3,488
Information Technology	3,303	932	-	4,235
Repairs & Maintenance	10,275	2,898	-	13,174
Cleaning & Supplies	-	4,592	-	4,592
Payroll Administration	-	3,126	-	3,126
Professional Fees	-	4,750	-	4,750
Miscellaneous	-	5,034	-	5,034
Depreciation	18,950	-	-	18,950
Interest Expense	-	4,783	-	4,783
	<u>\$ 386,237</u>	<u>\$ 113,398</u>	<u>\$ 20,000</u>	<u>\$ 519,635</u>

See independent auditor's report and notes to financial statements

**WILDFISH THEATRE COMPANY**

**STATEMENTS OF CASH FLOWS**

**For the year ended December 31, 2018**

	<u>2018</u>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:</b>	
Change in net assets without donor restrictions	\$ 38,108
Adjustments to Reconcile Change in Net Assets to Net Cash used by Operating Activities	
Depreciation	18,950
(Increase) Decrease in Prepaid Expenses	(4,440)
Increase (Decrease) in Accounts Payable	3,750
Increase (Decrease) in Deferred Revenue	<u>17,792</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	74,159
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Principal Note Payments	<u>18,950</u>
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<u>(18,950)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	55,209
<b>Cash, Beginning of Year</b>	<u>178,483</u>
<b>Cash, End of Year</b>	<u><u>\$ 233,692</u></u>

See independent auditor's report and notes to financial statements



# WILDFISH THEATRE COMPANY

## NOTES TO FINANCIAL STATEMENTS

December 31, 2018

### Note 1 – Organization

Wildfish Theatre is a non-profit children's theatre located in the Houston Galleria area to provide children the opportunity to hone a sense of leadership, discipline, self worth and confidence through the challenge of rehearsal and live performance. Wildfish Theatre produces a broad range of theatrical presentations of the highest possible quality while nurturing and developing the talents of young performers within the Houston area.

### Note 2 – Summary of Significant Accounting Policies

#### Basis of Statements

The financial statements have been prepared using the accrual basis of accounting. Contributions are recognized when a donor makes an unconditional promise to give and expenses are recognized when incurred.

#### Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

#### General Fixed Assets

Property and equipment are recorded at cost. Depreciation is calculated using the straight- line method with assets depreciated over the following useful lives:

Improvements (Theatre Buildout)	11 years
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#### Federal Income Taxes

Wildfish Theatre Company is a nonprofit corporation as defined by section 501(c)(3) of the Internal Revenue Code and, accordingly, is exempt from federal and state income taxes. Wildfish Theatre Company is up to date with all of its tax filings.

# WILDFISH THEATRE COMPANY

## NOTES TO FINANCIAL STATEMENTS

December 31, 2018

### Note 2 – Summary of Significant Accounting Policies - Continued

#### Cash equivalents and Cash

Cash equivalents are highly liquid investments with a maturity date no longer than 90 days.

#### Credit Risk

Wildfish Theatre Company maintains its bank accounts at one bank. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2018 the Wildfish Theatre Company had no uninsured bank balance.

### Note 3 – Fundraising Income & Expenses

Fundraising income and expenses were derived from the 10<sup>th</sup> anniversary party of Wildfish Theatre Company. This first annual fundraising dinner was held by the company in November 2018 in efforts to meet the company's scholarship goal. Additional fundraising and donation income are raised throughout the year by smaller individual donors.

### Note 4 – Fixed Assets

Fixed assets as of December 31, 2018 are as follows:

	<u>2018</u>
Improvements - Theatre Buildout	\$ 200,000
Less - Accumulated Depreciation	<u>107,435</u>
Total Fixed Assets	<u><u>\$ 92,565</u></u>

## **WILDFISH THEATRE COMPANY**

### **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2018**

#### **Note 5 – Commitments**

Wildfish Theatre Company leases office space under a non-cancelable operating lease. Expenses for the year ended December 31, 2018 amounted to \$24,000. The lease agreement expires on January 31, 2021. The future minimum lease and maintenance agreement commitments are as follows:

Year ended December 31, 2019	24,000
Year ended December 31, 2020	24,000
Year ended December 31, 2021	2,000

#### **Note 6 – Use of Estimates**

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

#### **Note 7 – Note Payments – Wilson & Franco**

Wildfish Theatre Company has one note with Wilson & Franco. The note originated December 2014, matures November 2024, and has an interest rate of 3.5%. The balance at December 31, 2018 is \$126,339.

#### **Note 8 – Subsequent Events**

Subsequent events have been evaluated through March 15, 2019, which is the date the financial statements were issued.

#### **Note 9 – New Accounting Pronouncements**

The effects of accounting pronouncements that have been issued but have not yet taken effect are not believed to be material to the financial statements.