



**CITY OF STOUGHTON**  
From the Office of the City Finance Director

**MEMORANDUM**

May 26, 2010

**To:** Opera House Board

**CC:** Mayor Olson

**From:** Laurie Sullivan, Finance Director  
Bill Brehm, Opera House Director

**RE:** Accounting for Opera House Activities

---

In order to accomplish the financial reporting goals of the Opera House board, Staff recommends that the following accounting changes be made:

Since the Opera House works on a fiscal rather than a calendar year, we are recommending that revenues and expenses be tracked by individual activity. This will allow reporting for accrued expenses and revenues and show only current revenues and expenses in the operating statement. The balance sheet will reflect sales and expenses for shows that are held in future operating periods. Opera House revenues and expenses will be categorized to better inform staff and board members of the expenditure categories and allow for reporting by activity.

**Finance Staff and Opera House staff has worked together to accomplish the following reporting changes to the Opera House accounting system since the April Board meeting:**

- Additional Revenue and Expenditure accounts have been added to the budget to better account for operations.
- Activity numbers have been assigned to individual Opera House performances to better track the revenues and expenditures by show.
- Additional Balance Sheet accounts have been added to accrue deferred revenues and prepaid expenses to allow tracking by fiscal year.

**The following activities are underway:**

- Staff is working to reallocate expenses and revenues to the new budget numbers and activity codes.
- Staff is working to reallocate expenses and revenues to the correct reporting year.
- Revised financial statements will be presented to the board when all reallocation activities have been completed.