

PAUL TAYLOR DANCE FOUNDATION, INC.

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

JUNE 30, 2015 AND 2014

PAUL TAYLOR DANCE FOUNDATION, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Paul Taylor Dance Foundation, Inc.

We have audited the accompanying financial statements of Paul Taylor Dance Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities 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 of 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 Paul Taylor Dance Foundation, Inc. as of June 30, 2015 and 2014, 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.

Lotz + Carr, LLP

New York, New York
November 18, 2015

PAUL TAYLOR DANCE FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Assets		
Cash and cash equivalents (Notes 1b and 7)	\$ 5,310,711	\$ 7,077,458
Unconditional promises to give (Notes 1c and 3a)		
Unrestricted	244,402	538,636
Board designated reserve	1,107,454	1,528,948
Restricted to future programs and periods	555,064	-
Accounts and other receivables	43,382	30,140
Touring fees receivable	-	126,000
Prepaid expenses and other current assets	183,740	117,797
Investments (Notes 1d and 4)	523,708	520,177
Property and equipment, at cost (net of accumulated depreciation) (Notes 1e and 5)	2,917,280	3,132,335
Security deposits	<u>77,450</u>	<u>77,450</u>
Total Assets	<u><u>\$10,963,191</u></u>	<u><u>\$13,148,941</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 60,402	\$ 39,982
Deferred income (Note 1f)	65,419	75,560
Deferred rent (Note 1g)	<u>348,853</u>	<u>330,987</u>
Total Liabilities	<u>474,674</u>	<u>446,529</u>
Commitments and Contingency (Notes 6 and 8)		
Net Assets		
Unrestricted		
Other	299,735	632,926
Board designated reserve (Note 2a)	5,774,354	7,998,598
Property and equipment	<u>1,937,280</u>	<u>2,152,335</u>
Total Unrestricted	<u>8,011,369</u>	<u>10,783,859</u>
Temporarily restricted (Note 2b)	2,087,148	1,528,553
Permanently restricted (Note 2c)	<u>390,000</u>	<u>390,000</u>
Total Net Assets	<u>10,488,517</u>	<u>12,702,412</u>
Total Liabilities and Net Assets	<u><u>\$10,963,191</u></u>	<u><u>\$13,148,941</u></u>

See notes to financial statements.

PAUL TAYLOR DANCE FOUNDATION, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Changes in Unrestricted Net Assets		
Operating Activities		
Revenue, Gains and Other Support		
Performance fees - Tours	\$ 826,465	\$ 759,000
Box office income	994,380	1,012,464
Contributions	3,231,929	3,288,371
Benefit income	962,569	900,396
Costs of direct benefits to donors	(209,527)	(234,642)
Commissions	-	70,000
Tuition and registration fees	212,421	201,610
Rental income	19,372	23,520
Investment income (Note 4)	1,377	1,297
Licensing and other fees	5,000	6,750
Miscellaneous	35,948	47,128
	<u>6,079,934</u>	<u>6,075,894</u>
Net assets released from restrictions and appropriations		
Satisfaction of time and program restrictions	-	191,500
Appropriations from board designated reserve	2,200,000	-
	<u>2,200,000</u>	<u>191,500</u>
 Total Revenue, Gains and Other Support from Operating Activities	 <u>8,279,934</u>	 <u>6,267,394</u>
Expenses		
Program Services		
Performances - Tours	2,295,261	2,080,831
Performances - New York Season	3,164,694	1,832,867
New works and PTAMD	1,194,375	693,563
Repertory preservation	236,201	255,657
School	433,630	420,241
Film project and other	51,798	34,427
Total Program Services	<u>7,375,959</u>	<u>5,317,586</u>
Supporting Services		
Management and general	375,565	373,323
Fundraising	669,921	576,314
Total Supporting Services	<u>1,045,486</u>	<u>949,637</u>
 Total Expenses	 <u>8,421,445</u>	 <u>6,267,223</u>
 Increase (Decrease) in Unrestricted Net Assets from Operating Activities (carried forward)	 <u>(141,511)</u>	 <u>171</u>

See notes to financial statements.

PAUL TAYLOR DANCE FOUNDATION, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Increase (Decrease) in Unrestricted Net Assets from Operating Activities (brought forward)	\$ (141,511)	\$ 171
Non-Operating Activities		
Contributions for board designated reserve	5,756	7,998,598
Appropriations from board designated reserve	(2,200,000)	-
Write-off of board designated reserve pledges	(30,000)	-
Depreciation expense	(388,869)	(337,854)
Deferred rent expense	(17,866)	(27,410)
Contributions for construction	-	31,448
Total Non-Operating Activities	<u>(2,630,979)</u>	<u>7,664,782</u>
Increase (Decrease) in Unrestricted Net Assets	<u>(2,772,490)</u>	<u>7,664,953</u>
Changes in Temporarily Restricted Net Assets		
Contributions	555,064	-
Investment income (Note 4)	3,531	3,417
Net assets released from restrictions	-	(191,500)
Increase (Decrease) in Temporarily Restricted Net Assets	<u>558,595</u>	<u>(188,083)</u>
Increase (decrease) in net assets	(2,213,895)	7,476,870
Net assets, beginning of year	<u>12,702,412</u>	<u>5,225,542</u>
Net Assets, End of Year	<u><u>\$10,488,517</u></u>	<u><u>\$12,702,412</u></u>

See notes to financial statements.

PAUL TAYLOR DANCE FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$(2,213,895)	\$ 7,476,870
Adjustments to reconcile increase (decrease) in net assets to net cash used by operating activities:		
Bad debt expense	36,750	32,500
Depreciation	388,869	337,854
Donated securities	(182,839)	(88,500)
Net realized (gains) losses on donated securities	(65)	311
Deferred rent	17,866	27,410
Cash received for board designated reserve	(396,000)	(6,469,650)
(Increase) decrease in:		
Unconditional promises to give	123,914	(1,658,816)
Accounts and other receivables	(13,242)	8,080
Touring fees receivable	126,000	26,631
Prepaid expenses and other current assets	(65,943)	(7,403)
Increase (decrease) in:		
Accounts payable and accrued expenses	20,420	(38,882)
Deferred income	(10,141)	(6,565)
Net Cash Used By Operating Activities	<u>(2,168,306)</u>	<u>(360,160)</u>
Cash Flows From Investing Activities		
Payments for property and equipment	(173,814)	(241,217)
Proceeds from sale of investments	182,904	88,189
Purchase of investments	(3,531)	(3,418)
Net Cash Provided (Used) By Investing Activities	<u>5,559</u>	<u>(156,446)</u>
Cash Flows From Financing Activities		
Cash received for board designated reserve	<u>396,000</u>	<u>6,469,650</u>
Net increase (decrease) in cash and cash equivalents	(1,766,747)	5,953,044
Cash and cash equivalents, beginning of year	<u>7,077,458</u>	<u>1,124,414</u>
Cash and Cash Equivalents, End of Year	<u>\$ 5,310,711</u>	<u>\$ 7,077,458</u>

See notes to financial statements.

PAUL TAYLOR DANCE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 1 - Organization and Summary of Significant Accounting Policies

a - Organization

The Paul Taylor Dance Foundation, Inc. oversees the activities of Paul Taylor's American Modern Dance, the Paul Taylor Dance Company, Taylor 2, the Taylor School and the licensing of Taylor works. The Paul Taylor Dance Company and Taylor 2 present the works of Choreographer Paul Taylor. Mr. Taylor creates new works each year, and the Company presents these works, plus a full repertory of older works, as it tours world-wide. The Organization's main sources of revenue are from performance fees, box office income and contributions.

b - Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid instruments, purchased with a maturity of three months or less, such as money market funds and short-term depositories, to be cash equivalents.

c - Contributions and Unconditional Promises to Give

Contributions are recognized when received or when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

d - Investments

The Organization reflects investments at fair value in the statement of financial position. Unrealized gains and losses on investments are reflected in the statement of activities. Interest, gains and losses on investments are reflected in the statement of activities as increases and decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law. Investment income restricted by the donor is reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the income is recognized.

Generally accepted accounting principles establish a fair value measurement hierarchy that prioritizes the inputs to valuation techniques. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs consist of unobservable inputs and have the lowest priority. The Organization uses the higher priority valuation techniques based on available inputs to measure fair values. The fair value of the Organization's investments is measured using Level 1 inputs, quoted prices in active markets.

PAUL TAYLOR DANCE FOUNDATION, INC.**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2015 AND 2014****Note 1 - Organization and Summary of Significant Accounting Policies (continued)****e - Property and Equipment**

Property and equipment are recorded at cost and are depreciated using the straight-line method over the estimated useful life of the asset.

f - Performance and Tuition Revenue

Performance and tuition revenue is deferred upon receipt and is then recognized in the period the performance and class takes place.

g - Rent Expense

The Organization records rent expense associated with its studio and office lease on a straight-line basis over the life of the lease (see Note 6a). The difference between the straight-line amount and the amount actually paid during the year is recorded as a liability and an expense in the accompanying financial statements.

h - Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

i - Tax Status

Paul Taylor Dance Foundation, Inc. is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation. Management has evaluated all income tax positions and concluded that no disclosures relating to uncertain positions were required in the financial statements. The Organization's tax returns are generally subject to examination by taxing authorities for a period of three years from the date of filing.

j - Estimates

The preparation of 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.

k - Functional Allocation of Expenses

The cost of providing the various program and supporting services has been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

PAUL TAYLOR DANCE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

l - Advertising Costs

Advertising costs are charged to operations when the advertising first takes place. Advertising expense for 2015 and 2014 was \$405,251 and \$304,678, respectively.

m - Subsequent Events

The Organization has evaluated subsequent events through November 18, 2015, the date that the financial statements are considered available to be issued.

Note 2 - Net Assets

a - Board Designated Reserve

During the year ended June 30, 2014, the Board of Directors established a board-designated reserve fund for Paul Taylor's American Modern Dance. The fund consists of contributions received and unconditional promises to give.

During the year ended June 30, 2015, the Board of Directors appropriated \$2,200,000 from the fund to support the operations of Paul Taylor's American Modern Dance.

b - Temporarily Restricted Net Assets

Temporarily restricted net assets are restricted for the following purposes:

	2015	2014
Legacy Fund (Note 5)	\$1,532,084	\$1,528,553
Future programs and periods	555,064	-
Total	\$2,087,148	\$1,528,553

The Legacy Fund consists of a \$500,000 grant from The Andrew W. Mellon Foundation, matching funds (see Note 5), and accrued interest. This is a temporarily restricted fund to be expended over a period of no more than three years from the starting point of transition from the founding artistic director, to support expenses caused by the transition.

PAUL TAYLOR DANCE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 2 - Net Assets (continued)

c - Permanently Restricted Net Assets

Permanently restricted net assets consist of the following:

Cash Reserve:

National Endowment for the Arts Challenge Grant and matching contributions. All advances must normally be repaid within one year, but no later than two years.	\$220,000
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The Rockefeller Brothers Fund for cash reserves to strengthen the Organization's long-term financial viability.	150,000
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Dancer Emergency Fund:

National Endowment for the Arts Challenge Grant and matching contributions. Used to maintain dancers at full salary during protracted recoveries from serious injury or illness or through personal emergencies. Any amounts borrowed from this fund are to be repaid within two years from unrestricted net assets.	<u>20,000</u>
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\$390,000

Note 3 - Promises to Give

a - Unconditional Promises to Give

Unconditional promises to give are due as follows:

	2015	2014
Less than one year	\$ 759,760	\$1,172,920
One to ten years	<u>1,278,500</u>	<u>1,011,000</u>
	2,038,260	2,183,920
Less: Discount to present value	<u>(131,340)</u>	<u>(116,336)</u>
	<u>\$1,906,920</u>	<u>\$2,067,584</u>

Uncollectible promises to give are expected to be insignificant. Unconditional promises to give due after one year are discounted to present value using a discount rate of 3%.

PAUL TAYLOR DANCE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 3 - Promises to Give (continued)

b - Conditional Promises to Give

The Organization has received various pledges relating to the board-designated reserve fund that were conditional in nature. The total pledges, \$757,000, have not been recorded within the financial statements of the Organization.

Note 4 - Investments

Investments, which are classified as Level 1 in the fair value hierarchy, consist of certificates of deposit at June 30, 2015 and 2014. Cost approximates fair value.

Net investment income consists of the following:

	<u>2015</u>	<u>2014</u>
Interest and dividends	\$4,843	\$5,025
Net realized gains (losses) on donated securities	<u>65</u>	<u>(311)</u>
	<u>\$4,908</u>	<u>\$4,714</u>

Note 5 - Property and Equipment

Property and equipment consist of the following at June 30:

	<u>Life</u>	<u>2015</u>	<u>2014</u>
Leasehold improvements	Life of lease	\$2,636,051	\$2,636,051
Apartment	27.5 years	1,088,000	1,088,000
Equipment	5 years	150,535	219,137
Furniture	7 years	73,984	55,553
Lease acquisition costs	Life of lease	24,150	24,150
Costumes and sets	3-10 years	446,275	294,377
Website	3 years	<u>15,000</u>	<u>15,000</u>
		4,433,995	4,332,268
Less: Accumulated depreciation		<u>(1,516,715)</u>	<u>(1,199,933)</u>
Total		<u>\$2,917,280</u>	<u>\$3,132,335</u>

PAUL TAYLOR DANCE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 5 - Property and Equipment (continued)

Depreciation and amortization expense for the years ended June 30, 2015 and 2014 was \$388,869 and \$337,854, respectively.

Proceeds of \$980,000 from the future disposition of the apartment will fund the Legacy Fund (Note 2b).

Note 6 - Commitments and Contingency

a - The Organization entered into a lease in 2009 expiring February 29, 2024 for studio and office space. Under the terms of the lease, starting in 2014, the annual base rent is determined by using the higher of the stated base rent or the annual base rent for the immediately preceding lease year increased by the Consumer Price Index (CPI) Adjustment.

Minimum annual rentals under this lease, assuming the per annum base rent, are as follows:

<u>Year Ending June 30,</u>	
2015	\$ 337,525
2016	347,651
2017	358,081
2018	370,040
2019	384,842
Thereafter, through February 29, 2024	1,545,567

Rent expense for the years ended June 30, 2015 and 2014 was \$349,739 and \$351,449, respectively.

b - The Organization and its Founder/Artistic Director, Paul Taylor ("Director"), entered into an agreement, effective May 12, 2009, in which the Organization obtained the licenses to use the Director's name and likeness and to perform the Director's choreography beyond the time the Director no longer serves as the Organization's Artistic Director. In consideration for the licenses, the Organization pays the Director annual licensing and royalty fees subject to annual increases of 3%. The Organization will also provide an annual salary, medical coverage, transportation and a residence for the Director from the date of the agreement through the remainder of the Director's life. Since a date of retirement is not known, any post-retirement benefits included in the agreement have not been accrued within the financial statements.

c - Government supported projects are subject to audit by the applicable granting agency.

PAUL TAYLOR DANCE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 7 - Concentration of Credit Risk

The Organization maintains its cash and cash equivalents in several financial institutions located in New York State. The cash balances at times may exceed federally insured limits.

Note 8 - Retirement Plan

The Organization provided for a voluntary salary reduction tax deferred annuity plan for the benefit of all qualifying employees under Section 403(b) of the Internal Revenue Code. On May 31, 2015, the Organization terminated the 403(b) plan and established a 401(k) plan for all eligible employees that allows for employer discretionary matching contributions. Currently, the Organization does not make matching contributions to the plan.

Note 9 - Expenses by Functional Classification

Expenses by functional classification for the years ended June 30, 2015 and 2014 are as follows:

	<u>2015</u>	<u>2014</u>
Operating expenses per the Statement of Activities	\$8,421,445	\$6,267,223
Depreciation	388,869	337,854
Deferred rent expense	17,866	27,410
Write-off of board designated reserve pledges	<u>30,000</u>	<u>-</u>
	<u>\$8,858,180</u>	<u>\$6,632,487</u>
 Program Services		
Performances - Tours	\$2,373,035	\$2,148,401
Performances - New York Season	3,203,581	1,866,652
New works and PTAMD	1,330,479	794,919
Repertory preservation	236,201	255,657
School	511,404	487,812
Film project and other	<u>51,798</u>	<u>34,427</u>
Total Program Services	<u>7,706,498</u>	<u>5,587,868</u>
 Supporting Services		
Management and general	432,318	434,520
Fundraising	<u>719,364</u>	<u>610,099</u>
Total Supporting Services	<u>1,151,682</u>	<u>1,044,619</u>
 Total Expenses	<u>\$8,858,180</u>	<u>\$6,632,487</u>

SUPPLEMENTARY INFORMATION



LUZ AND CARR

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**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION**

To the Board of Directors of
Paul Taylor Dance Foundation, Inc.

We have audited the financial statements of Paul Taylor Dance Foundation, Inc. as of and for the years ended June 30, 2015 and 2014, and our report thereon dated November 18, 2015, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Functional Expenses for the year ended June 30, 2015 with comparative totals for 2014 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Lutz + Carr, LLP

New York, New York
November 18, 2015

PAUL TAYLOR DANCE FOUNDATION, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE TOTALS FOR 2014

	Program Services								Supporting Services			2015	2014	
	Performances			New York Season	New Works and PTAMD	Repertory Preservation	School	Film Project and Other	Total	Management and General	Fundraising	Total	Total Expenses	Total Expenses
	PTDC	Tours Taylor 2	Total											
Salaries and fees	\$ 897,989	\$309,064	\$1,207,053	\$ 839,965	\$ 651,192	\$ 183,160	\$232,961	\$ 12,269	\$3,126,600	\$ 157,849	\$ 299,470	\$ 457,319	\$3,583,919	\$2,935,730
Payroll taxes and fringe benefits	185,014	66,141	251,155	341,517	138,524	35,363	50,726	17,117	834,402	23,267	59,681	82,948	917,350	761,923
Occupancy expenses	53,133	50,809	103,942	299,011	177,855	7,153	109,617	1,622	699,200	50,810	39,129	89,939	789,139	725,266
Advertising and publicity	7,690	417	8,107	469,086	1,112	139	8,780	8,203	495,427	188	7,184	7,372	502,799	363,786
Per diems and tours	324,751	55,058	379,809	25,666	2,233	-	2,252	-	409,960	30	6,791	6,821	416,781	307,535
Transportation and travel	198,757	45,370	244,127	18,278	22,136	2,877	585	3,540	291,543	2,292	15,649	17,941	309,484	257,041
Professional fees	2,000	19,219	21,219	42,016	120,000	-	-	2,000	185,235	50,129	96,422	146,551	331,786	217,318
Insurance	12,488	6,868	19,356	14,738	6,244	3,122	12,488	624	56,572	6,244	1,624	7,868	64,440	52,076
Artist fees	9	5	14	180,100	43,662	2	2	-	223,780	-	3,550	3,550	227,330	129,439
Office expenses	4,189	396	4,585	31,517	1,346	339	9,816	1,859	49,462	66,826	22,031	88,857	138,319	93,596
Costumes and scenery	10,081	1,101	11,182	16,536	12,593	-	855	-	41,166	-	281	281	41,447	32,753
Production expenses	22,527	2,369	24,896	34,691	5,473	3,524	-	3,615	72,199	709	400	1,109	73,308	79,467
Music	30	50	80	728,307	543	-	-	-	728,930	-	70	70	729,000	18,234
Entertainment and reception	6,437	1,661	8,098	78,747	1,277	-	54	423	88,599	13,377	68,271	81,648	170,247	164,066
Postage, printing and mailing	5,122	1,116	6,238	38,474	3,665	522	1,715	526	51,140	723	41,249	41,972	93,112	58,435
Telephone	3,368	2,032	5,400	6,045	6,520	-	3,726	-	21,691	1,863	1,369	3,232	24,923	37,193
Bad debt expense	-	-	-	-	-	-	-	-	-	-	6,750	6,750	6,750	32,500
Miscellaneous expenses	-	-	-	-	-	-	53	-	53	1,258	-	1,258	1,311	865
Total expenses before items below	1,733,585	561,676	2,295,261	3,164,694	1,194,375	236,201	433,630	51,798	7,375,959	375,565	669,921	1,045,486	8,421,445	6,267,223
Depreciation expense	38,887	38,887	77,774	38,887	136,104	-	77,774	-	330,539	38,887	19,443	58,330	388,869	337,854
Deferred rent expense	-	-	-	-	-	-	-	-	-	17,866	-	17,866	17,866	27,410
Write-off of board designated reserve pledges	-	-	-	-	-	-	-	-	-	-	30,000	30,000	30,000	-
Total Expenses, 2015	<u>\$1,772,472</u>	<u>\$600,563</u>	<u>\$2,373,035</u>	<u>\$3,203,581</u>	<u>\$1,330,479</u>	<u>\$ 236,201</u>	<u>\$511,404</u>	<u>\$ 51,798</u>	<u>\$7,706,498</u>	<u>\$ 432,318</u>	<u>\$ 719,364</u>	<u>\$1,151,682</u>	<u>\$8,858,180</u>	
Total Expenses, 2014	<u>\$1,590,025</u>	<u>\$558,376</u>	<u>\$2,148,401</u>	<u>\$1,866,652</u>	<u>\$ 794,919</u>	<u>\$ 255,657</u>	<u>\$487,812</u>	<u>\$ 34,427</u>	<u>\$5,587,868</u>	<u>\$ 434,520</u>	<u>\$ 610,099</u>	<u>\$1,044,619</u>		<u>\$6,632,487</u>

See independent auditors' report on supplementary information.