

PAUL TAYLOR DANCE FOUNDATION, INC.

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

JUNE 30, 2017 AND 2016

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, 2017 and 2016, 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, 2017 and 2016, 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 15, 2017

PAUL TAYLOR DANCE FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents (Notes 1b and 7)	\$ 2,390,824	\$ 528,375
Unconditional promises to give (Notes 1c and 3a)		
Unrestricted	707,677	582,000
Board designated reserve	1,089,587	1,087,544
Restricted to future programs and periods	2,541,354	187,500
Accounts and other receivables	73,129	46,854
Prepaid expenses and other current assets	96,567	101,629
Investments (Notes 1d and 4)	949,073	2,543,078
Property and equipment, at cost (net of accumulated depreciation) (Notes 1e and 5)	2,418,772	2,633,226
Security deposits	77,450	77,450
	<u> </u>	<u> </u>
Total Assets	<u><u>\$10,344,433</u></u>	<u><u>\$ 7,787,656</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 136,641	\$ 51,794
Deferred income (Note 1f)	89,357	162,932
Deferred rent (Note 1g)	354,797	356,888
Total Liabilities	<u>580,795</u>	<u>571,614</u>
Commitments and Contingency (Notes 6 and 8)		
Net Assets		
Unrestricted		
Other	16,197	204,332
Board designated reserve (Note 2a)	1,560,205	3,245,595
Property and equipment	1,438,772	1,653,226
Total Unrestricted	<u>3,015,174</u>	<u>5,103,153</u>
Temporarily restricted (Note 2b)	6,358,464	1,722,889
Permanently restricted (Note 2c)	390,000	390,000
Total Net Assets	<u>9,763,638</u>	<u>7,216,042</u>
	<u> </u>	<u> </u>
Total Liabilities and Net Assets	<u><u>\$10,344,433</u></u>	<u><u>\$ 7,787,656</u></u>

See notes to financial statements.

PAUL TAYLOR DANCE FOUNDATION, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Changes in Unrestricted Net Assets		
Operating Activities		
Revenue, Gains and Other Support		
Performance fees - Tours	\$ 880,428	\$ 1,014,535
Box office income	859,848	851,099
Contributions	3,541,038	2,848,819
Benefit income	1,719,213	893,379
Costs of direct benefits to donors	(243,537)	(198,443)
Commissions	-	25,000
Tuition and registration fees	247,302	220,652
Rental income	21,501	25,615
Investment income (loss) (Note 4)	(3,549)	2,956
Licensing and other fees	43,100	125,446
Miscellaneous	30,461	27,001
	<u>7,095,805</u>	<u>5,836,059</u>
Net assets released from restrictions and appropriations		
Satisfaction of time and program restrictions	437,500	387,500
Appropriations from board designated reserve	1,744,752	2,595,800
	<u>2,182,252</u>	<u>2,983,300</u>
 Total Revenue, Gains and Other Support from Operating Activities	 <u>9,278,057</u>	 <u>8,819,359</u>
Expenses		
Program Services		
Performances - Tours	2,675,665	2,336,859
Performances - New York Season	3,061,790	3,176,544
New works and PTAMD	1,111,792	1,240,031
Repertory preservation	323,499	280,987
School	477,934	457,622
Licensing and other projects	73,066	131,171
Total Program Services	<u>7,723,746</u>	<u>7,623,214</u>
Supporting Services		
Management and general	401,876	405,930
Fundraising	1,148,822	789,604
Total Supporting Services	<u>1,550,698</u>	<u>1,195,534</u>
Total Expenses	<u>9,274,444</u>	<u>8,818,748</u>
Increase in Unrestricted Net Assets from Operating Activities (carried forward)	 <u>3,613</u>	 <u>611</u>

See notes to financial statements.

PAUL TAYLOR DANCE FOUNDATION, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Increase in Unrestricted Net Assets from Operating Activities (brought forward)	\$ 3,613	\$ 611
Non-Operating Activities		
Contributions for board designated reserve	54,830	46,734
Investment income (Note 4)	4,532	20,307
Appropriations from board designated reserve	(1,744,752)	(2,595,800)
Depreciation expense	(408,293)	(384,533)
Deferred rent credit (expense)	2,091	(8,035)
Contributions for construction	-	12,500
Total Non-Operating Activities	<u>(2,091,592)</u>	<u>(2,908,827)</u>
Decrease in Unrestricted Net Assets	<u>(2,087,979)</u>	<u>(2,908,216)</u>
Changes in Temporarily Restricted Net Assets		
Contributions	5,069,426	19,936
Investment income (Note 4)	3,649	3,305
Net assets released from restrictions	<u>(437,500)</u>	<u>(387,500)</u>
Increase (Decrease) in Temporarily Restricted Net Assets	<u>4,635,575</u>	<u>(364,259)</u>
Increase (decrease) in net assets	2,547,596	(3,272,475)
Net assets, beginning of year	<u>7,216,042</u>	<u>10,488,517</u>
Net Assets, End of Year	<u><u>\$ 9,763,638</u></u>	<u><u>\$ 7,216,042</u></u>

See notes to financial statements.

PAUL TAYLOR DANCE FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ 2,547,596	\$(3,272,475)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Bad debt expense	33,000	12,000
Depreciation	408,293	384,533
Realized (gain) loss on donated securities	13,932	(576)
Unrealized loss on donated securities	(9,990)	-
Deferred rent (credit) expense	(2,091)	8,035
Cash received for board designated reserve	(56,617)	(87,234)
(Increase) decrease in:		
Unconditional promises to give	(2,514,574)	37,876
Accounts and other receivables	(20,398)	(3,472)
Touring fees receivable	(5,877)	-
Prepaid expenses and other current assets	5,062	82,111
Increase (decrease) in:		
Accounts payable and accrued expenses	84,847	(8,608)
Deferred income	(73,575)	97,513
Net Cash Provided (Used) By Operating Activities	<u>409,608</u>	<u>(2,750,297)</u>
Cash Flows From Investing Activities		
Payments for property and equipment	(193,839)	(100,479)
Proceeds from sale of investments	2,130,990	576
Purchase of investments	(540,927)	(2,019,370)
Net Cash Provided (Used) By Investing Activities	<u>1,396,224</u>	<u>(2,119,273)</u>
Cash Flows From Financing Activities		
Cash received for board designated reserve	<u>56,617</u>	<u>87,234</u>
Net increase (decrease) in cash and cash equivalents	1,862,449	(4,782,336)
Cash and cash equivalents, beginning of year	<u>528,375</u>	<u>5,310,711</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,390,824</u>	<u>\$ 528,375</u>

See notes to financial statements.

PAUL TAYLOR DANCE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

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, 2017 AND 2016****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 or 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 reduction to the liability and 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.

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.

l - Advertising Costs

Advertising costs are charged to operations when the advertising first takes place. Advertising expense for 2017 and 2016 was \$399,519 and \$519,660, respectively.

m - Subsequent Events

The Organization has evaluated subsequent events through November 15, 2017, the date that the financial statements are considered available to be issued.

PAUL TAYLOR DANCE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

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 years ended June 30, 2017 and 2016, the Board of Directors appropriated \$1,744,752 and \$2,595,800, respectively, 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:

	2017	2016
Legacy Fund (Note 5)	\$1,000,000	\$1,535,389
Future programs and periods	5,358,464	187,500
Total	\$6,358,464	\$1,722,889

The Legacy Fund consists of a \$500,000 grant from The Andrew W. Mellon Foundation, matching funds (Note 5), and accrued interest. During 2017, the Mellon Foundation redesignated the grant to support the Paul Taylor American Modern Dance for use in 2017 and 2018. The Legacy Fund matching funds were redesignated after June 30, 2017.

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.	20,000
	\$390,000

PAUL TAYLOR DANCE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

Note 3 - Promises to Give

a - Unconditional Promises to Give

Unconditional promises to give are due as follows:

	2017	2016
Less than one year	\$3,504,678	\$1,004,515
One to six years	921,213	943,000
	4,425,891	1,947,515
Less: Discount to present value	(87,273)	(90,471)
	\$4,338,618	\$1,857,044

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%.

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 of these conditional pledges, approximately \$729,000, have not been recorded within the financial statements of the Organization.

Note 4 - Investments

Investments at June 30, 2017 consists of a common stock with a fair value of \$528,804 (cost \$518,814) and a certificate of deposit with a fair value of \$420,269. Investments at June 30, 2016 consists of certificates of deposit with a fair value of \$2,543,078. All investments are classified as Level 1 in the fair value hierarchy.

Net investment income consists of the following:

	2017	2016
Interest and dividends	\$ 8,574	\$25,992
Realized gain (loss) on donated securities	(13,932)	576
Unrealized gain on donated securities	9,990	-
	\$ 4,632	\$26,568

PAUL TAYLOR DANCE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

Note 5 - Property and Equipment

Property and equipment consist of the following at June 30:

	<u>Life</u>	<u>2017</u>	<u>2016</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	149,528	161,806
Furniture	7 years	81,606	81,606
Lease acquisition costs	Life of lease	24,150	24,150
Costumes and sets	3-10 years	<u>619,483</u>	<u>433,079</u>
		4,598,818	4,424,692
Less: Accumulated depreciation		<u>(2,180,046)</u>	<u>(1,791,466)</u>
Total		<u>\$2,418,772</u>	<u>\$2,633,226</u>

Depreciation and amortization expense for the years ended June 30, 2017 and 2016 was \$408,293 and \$384,533, respectively.

Proceeds of \$980,000 from the future disposition of the apartment will fund the match of the Legacy Fund. The matching fund proceeds were redesignated subsequent to June 30, 2017 (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>	
2018	\$358,081
2019	370,040
2020	384,842
2021	400,236
2022	416,245
Thereafter, through February 29, 2024	729,086

PAUL TAYLOR DANCE FOUNDATION, INC.**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2017 AND 2016****Note 6 - Commitments and Contingency (continued)**

a - (continued)

Rent expense for the years ended June 30, 2017 and 2016 was \$350,531 and \$350,399, 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 - The Organization has a \$250,000 line of credit with Signature Bank. There were no borrowings on the line during the years ended June 30, 2017 and 2016, respectively.

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

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 has a 401(k) plan for all eligible employees. A discretionary matching contribution is made to match 100% of an employee's contribution up to 2% of the employee's compensation, maximum of \$1,000. The Organization contributed \$2,000 to the plan for the year ended June 30, 2017. There were no contributions to the pension plan during the year ended June 30, 2016.

PAUL TAYLOR DANCE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

Note 9 - Expenses by Functional Classification

Expenses by functional classification for the years ended June 30, 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>
Operating expenses per the Statement of Activities	\$9,274,444	\$8,818,748
Depreciation	408,293	384,533
Deferred rent (credit) expense	<u>(2,091)</u>	<u>8,035</u>
	<u>\$9,680,646</u>	<u>\$9,211,316</u>
 Program Services		
Performances - Tours	\$2,757,323	\$2,413,765
Performances - New York Season	3,102,619	3,214,997
New works and PTAMD	1,254,694	1,374,617
Repertory preservation	323,499	280,987
School	559,593	534,529
Licensing and other projects	<u>73,066</u>	<u>131,171</u>
Total Program Services	<u>8,070,794</u>	<u>7,950,066</u>
 Supporting Services		
Management and general	440,615	452,419
Fundraising	<u>1,169,237</u>	<u>808,831</u>
Total Supporting Services	<u>1,609,852</u>	<u>1,261,250</u>
 Total Expenses	<u>\$9,680,646</u>	<u>\$9,211,316</u>

SUPPLEMENTARY INFORMATION



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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, 2017 and 2016, and our report thereon dated November 15, 2017, 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, 2017 with comparative totals for 2016 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 15, 2017

PAUL TAYLOR DANCE FOUNDATION, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE TOTALS FOR 2016

	Program Services								Supporting Services			2017	2016	
	Performances			New York Season	New Works and PTAMD	Repertory Preservation	School	Licensing and Other Projects	Total	Management and General	Fundraising	Total	Total Expenses	Total Expenses
	PTDC	Tours Taylor 2	Total											
Salaries and fees	\$1,049,042	\$339,112	\$1,388,154	\$ 959,212	\$ 614,748	\$ 203,832	\$272,883	\$ 20,180	\$3,459,009	\$ 137,630	\$ 564,931	\$ 702,561	\$4,161,570	\$3,862,244
Payroll taxes and fringe benefits	178,567	58,491	237,058	344,135	113,186	34,845	56,240	19,255	804,719	15,803	109,454	125,257	929,976	910,481
Occupancy expenses	52,194	51,860	104,054	291,999	181,510	46,836	106,185	-	730,584	51,860	77,865	129,725	860,309	784,830
Advertising and publicity	-	-	-	461,273	-	-	9,272	-	470,545	450	7,575	8,025	478,570	609,130
Per diems and tours	402,508	71,322	473,830	16,936	780	1,041	603	-	493,190	-	2,469	2,469	495,659	371,389
Transportation and travel	280,378	83,881	364,259	25,153	8,302	12,717	366	1,020	411,817	1,443	22,923	24,366	436,183	404,725
Professional fees	2,124	13,920	16,044	900	-	-	-	1,000	17,944	36,207	131,993	168,200	186,144	238,116
Insurance	12,537	6,895	19,432	14,290	6,268	3,134	12,537	627	56,288	6,269	1,377	7,646	63,934	62,837
Artist fees	-	-	-	118,080	149,606	-	810	21,250	289,746	-	4,300	4,300	294,046	285,383
Office expenses	8,536	125	8,661	14,430	-	1,645	6,441	26	31,203	100,824	22,580	123,404	154,607	124,621
Costumes and scenery	11,045	880	11,925	7,924	4,767	1,703	1,028	-	27,347	-	3,150	3,150	30,497	38,287
Production expenses	17,783	1,927	19,710	49,520	14,071	11,628	438	9,506	104,873	703	810	1,513	106,386	57,272
Music	26	-	26	650,058	749	-	-	-	650,833	16	-	16	650,849	724,507
Entertainment and reception	17,025	1,910	18,935	51,158	365	5,977	662	49	77,146	20,823	122,188	143,011	220,157	238,616
Postage, printing and mailing	3,628	2,156	5,784	53,455	7,188	141	4,611	3	71,182	1,920	67,742	69,662	140,844	63,117
Telephone	4,694	3,099	7,793	3,267	10,252	-	5,858	-	27,170	2,928	1,465	4,393	31,563	23,669
Bad debt expense	-	-	-	-	-	-	-	-	-	25,000	8,000	33,000	33,000	12,000
Miscellaneous expenses	-	-	-	-	-	-	-	150	150	-	-	-	150	7,524
Total Expenses Before Items Below	2,040,087	635,578	2,675,665	3,061,790	1,111,792	323,499	477,934	73,066	7,723,746	401,876	1,148,822	1,550,698	9,274,444	8,818,748
Depreciation expense	40,829	40,829	81,658	40,829	142,902	-	81,659	-	347,048	40,830	20,415	61,245	408,293	384,533
Deferred rent (credit) expense	-	-	-	-	-	-	-	-	-	(2,091)	-	(2,091)	(2,091)	8,035
Total Expenses, 2017	<u>\$2,080,916</u>	<u>\$676,407</u>	<u>\$2,757,323</u>	<u>\$3,102,619</u>	<u>\$ 1,254,694</u>	<u>\$ 323,499</u>	<u>\$559,593</u>	<u>\$ 73,066</u>	<u>\$8,070,794</u>	<u>\$ 440,615</u>	<u>\$ 1,169,237</u>	<u>\$1,609,852</u>	<u>\$9,680,646</u>	
Total Expenses, 2016	<u>\$1,811,380</u>	<u>\$602,385</u>	<u>\$2,413,765</u>	<u>\$3,214,997</u>	<u>\$ 1,374,617</u>	<u>\$ 280,987</u>	<u>\$534,529</u>	<u>\$ 131,171</u>	<u>\$7,950,066</u>	<u>\$ 452,419</u>	<u>\$ 808,831</u>	<u>\$1,261,250</u>		<u>\$9,211,316</u>

See independent auditors' report on supplementary information.