

PAUL TAYLOR DANCE FOUNDATION, INC.

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

JUNE 30, 2018 AND 2017

PAUL TAYLOR DANCE FOUNDATION, INC.

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LUTZ AND CARR

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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, 2018 and 2017, 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, 2018 and 2017, 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
December 6, 2018

PAUL TAYLOR DANCE FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents (Notes 1b and 7)	\$1,045,798	\$ 2,390,824
Unconditional promises to give (Notes 1c and 3a)		
Unrestricted	603,839	707,677
Board designated reserve	1,011,953	1,089,587
Restricted to future programs and periods	396,049	2,541,354
Accounts and other receivables	128,278	73,129
Prepaid expenses and other current assets	113,669	96,567
Investments (Notes 1d and 4)	3,519,856	949,073
Property and equipment, at cost (net of accumulated depreciation) (Notes 1e and 5)	3,055,966	2,418,772
Security deposits	<u>77,950</u>	<u>77,450</u>
Total Assets	<u>\$9,953,358</u>	<u>\$10,344,433</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 129,998	\$ 136,641
Deferred income (Note 1f)	109,337	89,357
Deferred rent (Note 1g)	<u>342,276</u>	<u>354,797</u>
Total Liabilities	<u>581,611</u>	<u>580,795</u>
Commitments and Contingency (Notes 6 and 8)		
Net Assets		
Unrestricted		
Other	19,045	16,197
Board designated reserve (Note 2a)	1,543,670	1,560,205
Property and equipment	<u>2,075,966</u>	<u>1,438,772</u>
Total Unrestricted	3,638,681	3,015,174
Temporarily restricted (Note 2b)	5,343,066	6,358,464
Permanently restricted (Note 2c)	<u>390,000</u>	<u>390,000</u>
Total Net Assets	<u>9,371,747</u>	<u>9,763,638</u>
Total Liabilities and Net Assets	<u>\$9,953,358</u>	<u>\$10,344,433</u>

See notes to financial statements.

PAUL TAYLOR DANCE FOUNDATION, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Changes in Unrestricted Net Assets		
Operating Activities		
Revenue, Gains and Other Support		
Performance fees - Tours	\$ 780,686	\$ 880,428
Box office income	974,566	859,848
Contributions (Note 1c)	5,360,325	3,541,038
Benefit income	985,007	1,719,213
Costs of direct benefits to donors	(216,352)	(243,537)
Tuition and registration fees	258,999	247,302
Rental income	27,181	21,501
Investment income (loss) (Note 4)	54,399	(3,549)
Licensing and other fees	146,110	43,100
Miscellaneous	23,399	30,461
	<u>8,394,320</u>	<u>7,095,805</u>
Net assets released from restrictions and appropriations		
Satisfaction of time and program restrictions	1,369,038	437,500
Appropriations from board designated reserve	-	1,744,752
	<u>1,369,038</u>	<u>2,182,252</u>
Total Revenue, Gains and Other Support from Operating Activities	<u>9,763,358</u>	<u>9,278,057</u>
Expenses		
Program Services		
Performances - Tours	2,601,856	2,675,665
Performances - New York Season	3,256,366	3,061,790
New works and PTAMD	1,210,013	1,111,792
Repertory preservation	259,788	323,499
School	472,702	477,934
Licensing and other projects	189,128	73,066
Total Program Services	<u>7,989,853</u>	<u>7,723,746</u>
Supporting Services		
Management and general	540,941	401,876
Fundraising	1,165,334	1,148,822
Total Supporting Services	<u>1,706,275</u>	<u>1,550,698</u>
Total Expenses	<u>9,696,128</u>	<u>9,274,444</u>
Increase in Unrestricted Net Assets from Operating Activities (carried forward)	<u>67,230</u>	<u>3,613</u>

See notes to financial statements.

PAUL TAYLOR DANCE FOUNDATION, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Increase in Unrestricted Net Assets from Operating Activities (brought forward)	\$ 67,230	\$ 3,613
Non-Operating Activities		
Contributions for the purchase of co-op (Note 1c)	959,800	-
Contributions for board designated reserve	-	54,830
Change in discounting - board designated reserve pledges	(16,535)	-
Gain on sale of property	4,101	-
Investment income (Note 4)	-	4,532
Appropriations from board designated reserve	-	(1,744,752)
Depreciation expense	(403,610)	(408,293)
Deferred rent credit	12,521	2,091
Total Non-Operating Activities	<u>556,277</u>	<u>(2,091,592)</u>
Increase (Decrease) in Unrestricted Net Assets	<u>623,507</u>	<u>(2,087,979)</u>
Changes in Temporarily Restricted Net Assets		
Contributions (Note 1c)	353,640	5,069,426
Investment income (Note 4)	-	3,649
Net assets released from restrictions	<u>(1,369,038)</u>	<u>(437,500)</u>
Increase (Decrease) in Temporarily Restricted Net Assets	<u>(1,015,398)</u>	<u>4,635,575</u>
Increase (decrease) in net assets	(391,891)	2,547,596
Net assets, beginning of year	<u>9,763,638</u>	<u>7,216,042</u>
Net Assets, End of Year	<u><u>\$9,371,747</u></u>	<u><u>\$9,763,638</u></u>

See notes to financial statements.

PAUL TAYLOR DANCE FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ (391,891)	\$2,547,596
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Bad debt expense	26,525	33,000
Depreciation	403,610	408,293
Realized (gain) loss on investments	(13,791)	13,932
Unrealized (gain) loss on investments	4,359	(9,990)
Gain on sale of property	(4,101)	-
Deferred rent credit	(12,521)	(2,091)
Cash received for board designated reserve	(64,929)	(56,617)
(Increase) decrease in:		
Unconditional promises to give	2,300,252	(2,514,574)
Accounts and other receivables	(2,951)	(20,398)
Touring fees receivable	(52,198)	(5,877)
Prepaid expenses and other current assets	(17,102)	5,062
Security deposit	(500)	-
Increase (decrease) in:		
Accounts payable and accrued expenses	(6,643)	84,847
Deferred income	19,980	(73,575)
Net Cash Provided By Operating Activities	<u>2,188,099</u>	<u>409,608</u>
Cash Flows From Investing Activities		
Payments for property and equipment	(1,042,903)	(193,839)
Proceeds from sale of property	6,200	-
Proceeds from sale of investments	3,479,825	2,130,990
Purchase of investments	(6,041,176)	(540,927)
Net Cash Provided (Used) By Investing Activities	<u>(3,598,054)</u>	<u>1,396,224</u>
Cash Flows From Financing Activities		
Cash received for board designated reserve	<u>64,929</u>	<u>56,617</u>
Net increase (decrease) in cash and cash equivalents	(1,345,026)	1,862,449
Cash and cash equivalents, beginning of year	<u>2,390,824</u>	<u>528,375</u>
Cash and Cash Equivalents, End of Year	<u><u>\$1,045,798</u></u>	<u><u>\$2,390,824</u></u>

See notes to financial statements.

PAUL TAYLOR DANCE FOUNDATION, INC.**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2018 AND 2017****Note 1 - Organization and Summary of Significant Accounting Policies****a - Organization**

The Paul Taylor Dance Foundation, Inc. oversees the activities of Paul Taylor American Modern Dance, the Paul Taylor Dance Company, Taylor 2, the Taylor School, the Taylor Archives and licensing of Paul Taylor works. Paul Taylor American Modern Dance presents an annual season in New York where the works of Paul Taylor are performed as well as works by other modern dance choreographers. Both the Paul Taylor Dance Company and Taylor 2 tour world-wide, presenting a full repertory of Taylor works plus occasional work by other choreographers. The Paul Taylor School teaches Taylor technique to both professional dancers and neighborhood children. The Organization's main sources of revenue are from touring/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.

During the year ended June 30, 2018, approximately 55% of total contributions were from one donor.

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.

PAUL TAYLOR DANCE FOUNDATION, INC.**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2018 AND 2017****Note 1 - Organization and Summary of Significant Accounting Policies (continued)****d - Investments (continued)**

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.

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 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.

PAUL TAYLOR DANCE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

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

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 in the same period as the performances take place. Advertising expense for 2018 and 2017 was \$629,039 and \$399,519, respectively.

m - Subsequent Events

The Organization has evaluated subsequent events through December 6, 2018, the date that the financial statements are considered available to be issued.

Note 2 - Net Assets

a - Board Designated Reserve

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, 2017, the Board of Directors appropriated \$1,744,752 from the fund to support the operations of Paul Taylor's American Modern Dance. There were no appropriations during the year ended June 30, 2018.

b - Temporarily Restricted Net Assets

Temporarily restricted net assets are restricted for the following purposes:

	2018	2017
Legacy Fund (Note 5)	\$ -	\$1,000,000
Future programs and periods	5,343,066	5,358,464
Total	5,343,066	6,358,464

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 during the year ended June 30, 2018 to support the Paul Taylor American Modern Dance.

PAUL TAYLOR DANCE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

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.	20,000
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\$390,000

Note 3 - Promises to Give

a - Unconditional Promises to Give

Unconditional promises to give are due as follows:

	2018	2017
Less than one year	\$ 823,011	\$3,504,678
One to six years	<u>1,318,000</u>	<u>921,213</u>
	2,141,011	4,425,891
Less: Discount to present value	<u>(129,170)</u>	<u>(87,273)</u>
	<u>\$2,011,841</u>	<u>\$4,338,618</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%.

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 \$727,000, have not been recorded within the financial statements of the Organization.

PAUL TAYLOR DANCE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

Note 4 - Investments

Investments at June 30, 2018 consists of a US Treasury Securities with a fair value of \$2,505,632 (cost \$2,500,000) and a certificate of deposit with a fair value of \$1,014,224. 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. All investments are classified as Level 1 in the fair value hierarchy.

Net investment income consists of the following:

	2018	2017
Interest and dividends	\$44,967	\$ 8,574
Realized gain (loss) on investments	13,791	(13,932)
Unrealized gain (loss) on investments	(4,359)	9,990
	\$54,399	\$ 4,632

Note 5 - Property and Equipment

Property and equipment consist of the following at June 30:

	Life	2018	2017
Leasehold improvements	Life of lease	\$2,636,051	\$2,636,051
Apartment and co-op	27.5 years	2,046,000	1,088,000
Equipment	5 years	132,456	149,528
Furniture	7 years	93,010	81,606
Lease acquisition costs	Life of lease	24,150	24,150
Costumes and sets	3-10 years	684,868	619,483
		5,616,535	4,598,818
Less: Accumulated depreciation		(2,560,569)	(2,180,046)
Total		\$3,055,966	\$2,418,772

Depreciation and amortization expense for the years ended June 30, 2018 and 2017 was \$403,610 and \$408,293, respectively.

Proceeds of \$980,000 from the future disposition of the apartment were redesignated from the Legacy Fund to support the Paul Taylor American Modern Dance (Note 2b).

PAUL TAYLOR DANCE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

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.

In August 2018, the Organization entered into a lease expiring July 31, 2020 for additional office space.

Minimum annual rentals under these leases, assuming the per annum base rent, are as follows:

<u>Year Ending June 30,</u>	
2019	\$381,590
2020	397,442
2021	401,286
2022	416,245
2023	432,895
Thereafter, through February 29, 2024	296,191

Rent expense for the years ended June 30, 2018 and 2017 was \$361,980 and \$350,531, 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 paid the Director annual licensing and royalty fees subject to annual increases of 3%. The Organization also provided an annual salary, medical coverage, transportation and a residence for the Director from the date of the agreement through the date of the Director's death, which was August 29, 2018.

The Organization is expected to obtain the rights to all of the Director's works after the Director's estate is finalized.

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

PAUL TAYLOR DANCE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

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 \$15,041 and \$2,000 to the plan for the years ended June 30, 2018 and 2017, respectively.

Note 9 - Expenses by Functional Classification

Expenses by functional classification for the years ended June 30, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Operating expenses per the Statement of Activities	\$ 9,696,128	\$9,274,444
Depreciation	403,610	408,293
Deferred rent credit	<u>(12,521)</u>	<u>(2,091)</u>
	<u>\$10,087,217</u>	<u>\$9,680,646</u>
Program Services		
Performances - Tours	\$ 2,682,578	\$2,757,323
Performances - New York Season	3,296,727	3,102,619
New works and PTAMD	1,351,276	1,254,694
Repertory preservation	259,788	323,499
School	553,424	559,593
Licensing and other projects	189,128	73,066
Total Program Services	<u>8,332,921</u>	<u>8,070,794</u>
Supporting Services		
Management and general	568,782	440,615
Fundraising	<u>1,185,514</u>	<u>1,169,237</u>
Total Supporting Services	<u>1,754,296</u>	<u>1,609,852</u>
Total Expenses	<u>\$10,087,217</u>	<u>\$9,680,646</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, 2018 and 2017, and our report thereon dated December 6, 2018, 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, 2018 with comparative totals for 2017 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
December 6, 2018

PAUL TAYLOR DANCE FOUNDATION, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE TOTALS FOR 2017

	Program Services								Supporting Services			2018	2017	
	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	\$1,179,278	\$333,987	\$1,513,265	\$ 969,889	\$ 697,767	\$ 151,049	\$274,351	\$ 70,420	\$3,676,741	\$ 150,712	\$ 643,749	\$ 794,461	\$4,471,202	\$4,161,570
Payroll taxes and fringe benefits	187,670	53,368	241,038	377,944	142,971	20,604	49,479	38,337	870,373	108,249	129,279	237,528	1,107,901	929,976
Occupancy expenses	66,578	57,271	123,849	309,801	203,880	53,332	115,507	890	807,259	57,228	46,288	103,516	910,775	860,309
Advertising and publicity	1,299	689	1,988	678,644	1,732	216	5,340	173	688,093	-	10,420	10,420	698,513	478,570
Per diems and tours	264,038	43,630	307,668	24,634	-	2,112	1,342	5,088	340,844	390	3,674	4,064	344,908	495,659
Transportation and travel	271,304	53,651	324,955	10,957	7,403	8,419	863	1,113	353,710	5,435	17,450	22,885	376,595	436,183
Professional fees	645	17,305	17,950	7,700	20,000	-	-	10,000	55,650	119,878	92,052	211,930	267,580	186,144
Insurance	10,028	5,515	15,543	11,531	5,014	2,507	10,028	501	45,124	5,016	501	5,517	50,641	63,934
Artist fees	900	-	900	112,993	87,553	-	-	53,315	254,761	10,000	4,500	14,500	269,261	294,046
Office expenses	3,885	135	4,020	14,864	220	777	6,054	389	26,324	32,024	14,768	46,792	73,116	154,607
Costumes and scenery	1,862	791	2,653	9,179	24,439	-	313	-	36,584	-	-	-	36,584	30,497
Production expenses	15,845	2,413	18,258	41,298	2,235	15,890	600	8,662	86,943	26	27,286	27,312	114,255	106,386
Music	15	-	15	511,811	154	-	-	-	511,980	-	-	-	511,980	650,849
Entertainment and reception	18,206	218	18,424	119,262	2,090	3,394	207	161	143,538	22,463	114,332	136,795	280,333	220,157
Postage, printing and mailing	1,853	1,247	3,100	52,846	4,009	1,474	2,567	79	64,075	868	56,003	56,871	120,946	140,844
Telephone	5,217	3,013	8,230	3,013	10,546	14	6,026	-	27,829	3,012	1,507	4,519	32,348	31,563
Bad debt expense	-	-	-	-	-	-	-	-	-	23,000	3,525	26,525	26,525	33,000
Miscellaneous expenses	-	-	-	-	-	-	25	-	25	2,640	-	2,640	2,665	150
Total Expenses Before Items Below	2,028,623	573,233	2,601,856	3,256,366	1,210,013	259,788	472,702	189,128	7,989,853	540,941	1,165,334	1,706,275	9,696,128	9,274,444
Depreciation expense	40,361	40,361	80,722	40,361	141,263	-	80,722	-	343,068	40,362	20,180	60,542	403,610	408,293
Deferred rent credit	-	-	-	-	-	-	-	-	-	(12,521)	-	(12,521)	(12,521)	(2,091)
Total Expenses, 2018	<u>\$2,068,984</u>	<u>\$613,594</u>	<u>\$2,682,578</u>	<u>\$3,296,727</u>	<u>\$ 1,351,276</u>	<u>\$ 259,788</u>	<u>\$553,424</u>	<u>\$ 189,128</u>	<u>\$8,332,921</u>	<u>\$ 568,782</u>	<u>\$ 1,185,514</u>	<u>\$1,754,296</u>	<u>\$10,087,217</u>	
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>

See independent auditors' report on supplementary information.