

**American Players Theatre of  
Wisconsin, Inc.**

Spring Green, Wisconsin

Financial Statements and Additional Information  
Years Ended December 31, 2007 and 2006

# American Players Theatre of Wisconsin, Inc.

Financial Statements and Additional Information  
Years Ended December 31, 2007 and 2006

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## Independent Auditor's Report

Board of Directors  
American Players Theatre of Wisconsin, Inc.  
Spring Green, Wisconsin

We have audited the accompanying statements of financial position of American Players Theatre of Wisconsin, Inc. (a nonprofit organization) as of December 31, 2007 and 2006, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of American Players Theatre of Wisconsin, Inc.'s management. 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. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American Players Theatre of Wisconsin, Inc. as of December 31, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

Our audits were performed for the purpose of forming an opinion on the basic financial statements of American Players Theatre of Wisconsin, Inc. taken as a whole. The accompany schedules of functional expenses, Schedule A-1 to A-2, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Wipfli LLP*  
Wipfli LLP

June 23, 2008  
Madison, Wisconsin

# American Players Theatre of Wisconsin, Inc.

## Statements of Financial Position

December 31, 2007 and 2006

| <i>Assets</i>                            | 2007                | 2006                |
|--|---------------------|---------------------|
| Current assets:                          |                     |                     |
| Cash                                     | \$ 247,049          | \$ 169,301          |
| Pledges receivable, current portion      | 496,971             | 71,014              |
| Accounts receivable                      | 28,798              | 9,521               |
| Prepaid expenses                         | 138,463             | 68,583              |
| <b>Total current assets</b>              | <b>911,281</b>      | <b>318,419</b>      |
| Other assets:                            |                     |                     |
| Interest in net assets of the endowment  | 195,353             | 190,389             |
| Cash restricted for capital improvements | 1,018,923           | 118,000             |
| Pledges receivable                       | 730,285             | 51,000              |
| <b>Total other assets</b>                | <b>1,944,561</b>    | <b>359,389</b>      |
| Property and equipment, net              | 3,561,961           | 3,526,932           |
| <b>TOTAL ASSETS</b>                      | <b>\$ 6,417,803</b> | <b>\$ 4,204,740</b> |
| <i>Liabilities and Net Assets</i>        |                     |                     |
| Current liabilities:                     |                     |                     |
| Accounts payable and accrued expenses    | \$ 109,522          | \$ 72,742           |
| Deferred ticket revenue                  | 30,170              | 28,789              |
| <b>Total current liabilities</b>         | <b>139,692</b>      | <b>101,531</b>      |
| Net assets:                              |                     |                     |
| Unrestricted:                            |                     |                     |
| Undesignated                             | 242,118             | 86,800              |
| Net property and equipment               | 3,561,961           | 3,526,932           |
| <b>Total unrestricted net assets</b>     | <b>3,804,079</b>    | <b>3,613,732</b>    |
| Temporarily restricted net assets        | 2,374,032           | 389,477             |
| Permanently restricted net assets        | 100,000             | 100,000             |
| <b>Total net assets</b>                  | <b>6,278,111</b>    | <b>4,103,209</b>    |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>  | <b>\$ 6,417,803</b> | <b>\$ 4,204,740</b> |

See accompanying notes to financial statements.

# American Players Theatre of Wisconsin, Inc.

## Statements of Activities

Years Ended December 31, 2007 and 2006

|  | 2007                |                        |                        | Total               |
|--|---------------------|------------------------|------------------------|---------------------|
|  | Unrestricted        | Temporarily Restricted | Permanently Restricted |                     |
| <b>Operating revenue:</b>                                      |                     |                        |                        |                     |
| Ticket sales   | \$ 2,749,595        | \$ 0                   | \$ 0                   | \$ 2,749,595        |
| Sponsorship fees   | 69,005              | 0                      | 0                      | 69,005              |
| Concession revenue   | 430,161             | 0                      | 0                      | 430,161             |
| Tours and education  | 140,904             | 0                      | 0                      | 140,904             |
| Investment income  | 52,719              | 0                      | 0                      | 52,719              |
| Other  | 27,312              | 0                      | 0                      | 27,312              |
| <b>Total operating revenue</b>                                 | <b>3,469,696</b>    | <b>0</b>               | <b>0</b>               | <b>3,469,696</b>    |
| <b>Operating expenses:</b>                                     |                     |                        |                        |                     |
| Artistic and production  | 2,042,756           | 0                      | 0                      | 2,042,756           |
| Marketing and patron services                                  | 1,069,754           | 0                      | 0                      | 1,069,754           |
| General and administrative                                     | 727,367             | 0                      | 0                      | 727,367             |
| Fund-raising   | 278,004             | 0                      | 0                      | 278,004             |
| Tours and education  | 263,507             | 0                      | 0                      | 263,507             |
| <b>Total operating expenses</b>                                | <b>4,381,388</b>    | <b>0</b>               | <b>0</b>               | <b>4,381,388</b>    |
| <b>Loss from operations</b>                                    | <b>( 911,692)</b>   | <b>0</b>               | <b>0</b>               | <b>( 911,692)</b>   |
| <b>Support:</b>  |                     |                        |                        |                     |
| Contributions for operations                                   | 811,868             | 146,500                | 0                      | 958,368             |
| Contributions for capital improvements                         | 80,831              | 2,168,485              |                        | 2,249,316           |
| Grants   | 70,338              | 0                      | 0                      | 70,338              |
| Gain on net assets of the endowment                            | 0                   | 4,964                  | 0                      | 4,964               |
| Net assets released from restrictions for operations           | 130,229             | ( 130,229)             | 0                      | 0                   |
| Net assets released from restrictions for capital improvements | 205,165             | ( 205,165)             | 0                      | 0                   |
| <b>Total support</b>   | <b>1,298,431</b>    | <b>1,984,555</b>       | <b>0</b>               | <b>3,282,986</b>    |
| <b>Income from current activities</b>                          | <b>386,739</b>      | <b>1,984,555</b>       | <b>0</b>               | <b>2,371,294</b>    |
| <b>Depreciation expense</b>                                    | <b>196,392</b>      | <b>0</b>               | <b>0</b>               | <b>196,392</b>      |
| <b>Changes in net assets</b>                                   | <b>190,347</b>      | <b>1,984,555</b>       | <b>0</b>               | <b>2,174,902</b>    |
| <b>Net assets - Beginning of year</b>                          | <b>3,613,732</b>    | <b>389,477</b>         | <b>100,000</b>         | <b>4,103,209</b>    |
| <b>Net assets - End of year</b>                                | <b>\$ 3,804,079</b> | <b>\$ 2,374,032</b>    | <b>\$ 100,000</b>      | <b>\$ 6,278,111</b> |

See accompanying notes to financial statements.

|  | 2006                |                        |                        | Total               |
|--|---------------------|------------------------|------------------------|---------------------|
|  | Unrestricted        | Temporarily Restricted | Permanently Restricted |                     |
| <b>Operating revenue:</b>                                      |                     |                        |                        |                     |
| Ticket sales   | \$ 2,690,643        | \$ 0                   | \$ 0                   | \$ 2,690,643        |
| Sponsorship fees   | 74,443              | 0                      | 0                      | 74,443              |
| Concession revenue   | 365,844             | 0                      | 0                      | 365,844             |
| Tours and education  | 161,297             | 0                      | 0                      | 161,297             |
| Investment income  | 24,644              | 0                      | 0                      | 24,644              |
| Other  | 23,111              | 0                      | 0                      | 23,111              |
| <b>Total operating revenue</b>                                 | <b>3,339,982</b>    | <b>0</b>               | <b>0</b>               | <b>3,339,982</b>    |
| <b>Operating expenses:</b>                                     |                     |                        |                        |                     |
| Artistic and production  | 2,036,454           | 0                      | 0                      | 2,036,454           |
| Marketing and patron services                                  | 961,790             | 0                      | 0                      | 961,790             |
| General and administrative                                     | 713,124             | 0                      | 0                      | 713,124             |
| Fund-raising   | 165,426             | 0                      | 0                      | 165,426             |
| Tours and education  | 270,271             | 0                      | 0                      | 270,271             |
| <b>Total operating expenses</b>                                | <b>4,147,065</b>    | <b>0</b>               | <b>0</b>               | <b>4,147,065</b>    |
| <b>Loss from operations</b>                                    | <b>( 807,083)</b>   | <b>0</b>               | <b>0</b>               | <b>( 807,083)</b>   |
| <b>Support:</b>  |                     |                        |                        |                     |
| Contributions for operations                                   | 846,669             | 120,934                | 0                      | 967,603             |
| Contributions for capital improvements                         | 4,460               | 115,000                | 0                      | 119,460             |
| Grants   | 99,244              | 0                      | 0                      | 99,244              |
| Gain on net assets of the endowment                            | 0                   | 17,208                 | 0                      | 17,208              |
| Net assets released from restrictions for operations           | 92,430              | ( 92,430)              | 0                      | 0                   |
| Net assets released from restrictions for capital improvements | 96,509              | ( 96,509)              | 0                      | 0                   |
| <b>Total support</b>   | <b>1,139,312</b>    | <b>64,203</b>          | <b>0</b>               | <b>1,203,515</b>    |
| <b>Income from current activities</b>                          | <b>332,229</b>      | <b>64,203</b>          | <b>0</b>               | <b>396,432</b>      |
| <b>Depreciation expense</b>                                    | <b>184,256</b>      | <b>0</b>               | <b>0</b>               | <b>184,256</b>      |
| <b>Changes in net assets</b>                                   | <b>147,973</b>      | <b>64,203</b>          | <b>0</b>               | <b>212,176</b>      |
| <b>Net assets - Beginning of year</b>                          | <b>3,465,759</b>    | <b>325,274</b>         | <b>100,000</b>         | <b>3,891,033</b>    |
| <b>Net assets - End of year</b>                                | <b>\$ 3,613,732</b> | <b>\$ 389,477</b>      | <b>\$ 100,000</b>      | <b>\$ 4,103,209</b> |

# American Players Theatre of Wisconsin, Inc.

## Statements of Cash Flows

Years Ended December 31, 2007 and 2006

|  | 2007         | 2006       |
|--|--------------|------------|
| Increase (decrease) in cash  |              |            |
| Cash flows from operating activities:  |              |            |
| Changes in net assets  | \$ 2,174,902 | \$ 212,176 |
| Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities: |              |            |
| Depreciation   | 196,392      | 184,256    |
| Increase in interest in net assets of the endowment  | ( 4,964)     | ( 17,208)  |
| Discount on pledges receivable   | 72,575       | 0          |
| Changes in operating assets and liabilities:   |              |            |
| Pledges receivable   | ( 1,631,900) | ( 23,620)  |
| Accounts receivable  | ( 19,277)    | 241        |
| Prepaid expenses   | ( 69,880)    | ( 19,076)  |
| Cash restricted for capital improvements   | ( 900,923)   | ( 118,000) |
| Accounts payable and accrued expenses  | 36,780       | ( 3,255)   |
| Deferred ticket revenue  | 1,381        | 8,471      |
| Net cash (used in) provided by operating activities  | ( 144,914)   | 223,985    |
| Cash flows from investing activities:  |              |            |
| Purchase of property and equipment   | ( 231,421)   | ( 110,011) |
| Net cash used in investing activities  | ( 231,421)   | ( 110,011) |
| Cash flows from financing activities:  |              |            |
| Collection of pledges  | 454,083      | 96,509     |
| Payments on revolving note   | 0            | ( 160,000) |
| Net cash provided by (used in) financing activities  | 454,083      | ( 63,491)  |
| Changes in cash  | 77,748       | 50,483     |
| Cash - Beginning of year   | 169,301      | 118,818    |
| Cash - End of year   | \$ 247,049   | \$ 169,301 |
| <b>Supplemental disclosures of other cash activities:</b>  |              |            |
| Interest paid and expensed   | \$ 324       | \$ 3,446   |

See accompanying notes to financial statements.

# American Players Theatre of Wisconsin, Inc.

## Notes to the Financial Statements

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### **Note 1            Summary of Significant Accounting Policies**

#### **Nature and Purpose of Organization**

American Players Theatre of Wisconsin, Inc. (APT) is a nonprofit organization involved in the study, production, and promotion of classical theatre. APT presents a mixture of Shakespeare and classic and contemporary playwrights in the most popular outdoor classical theater in the country. APT has a five-month season (from June to October) with productions six days a week. APT relies on ticket sales, grants, and contributions as significant sources of revenue.

#### **Basis of Presentation**

All financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

#### **Classification of Net Assets**

Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of APT and changes therein are classified and reported as follows:

**Unrestricted Net Assets** - Net assets that are not subject to donor-imposed stipulations or where donor-imposed stipulations are met in the year of the contribution.

**Temporarily Restricted Net Assets** - Net assets subject to donor-imposed stipulations that may or may not be met, either by actions of APT and/or the passage of time. When a restriction expires, temporarily restricted net assets are transferred to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

**Permanently Restricted Net Assets** - Net assets subject to donor-imposed stipulations that they be maintained permanently by APT. Generally, the donors of these assets permit APT to use all or part of the income earned on any related investments for general or specific purposes.

#### **Use of Estimates**

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

#### **Revenue Recognition**

Contributions are recognized when the donor makes a promise to give to APT that is, in substance, unconditional. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified

# American Players Theatre of Wisconsin, Inc.

## Notes to the Financial Statements

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### **Note 1**      **Summary of Significant Accounting Policies (Continued)**

#### **Revenue Recognition (Continued)**

as unrestricted net assets and reported in the statements of activities as released from restriction. If a restriction is met in the same period that the contribution is received, the contribution is recorded as unrestricted.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

#### **Interest in Net Assets of the Endowment**

APT has an ongoing economic interest in the net assets of American Players Theatre Endowment Trust (the "Endowment") and furthermore has residual rights to those net assets. The Endowment's mission is to enable all persons interested in the programs of APT to combine contributions by gift, bequest, devise, or other transfer in a single fund for the support of APT. Accordingly, APT recognizes its interest in the net assets of the foundation, which is included in the accompanying statements of financial position as interest in net assets of the Endowment. APT recognizes changes in its interest in net assets of the Endowment and presents those changes in the accompanying statements of activities.

#### **Property and Equipment**

Property and equipment are recorded at cost. Depreciation of capitalized property and equipment is computed using various methods over lives of three to thirty-nine years.

#### **Costume Collection**

APT owns a costume collection, the majority of which was constructed by APT employees. APT expenses the costs of obtaining or producing props, costumes, wigs, and sets in the year the costs are incurred. Accordingly, the value of the collection is not reflected as an asset on the statements of financial position.

#### **Deferred Ticket Revenue**

Deferred ticket revenue represents amounts received for future theatre performances. Revenue is recognized when performances occur.

#### **Pledges Receivable**

Unconditional promises to give are recognized as revenue in the period received and as a corresponding asset, decreases of liabilities, or expenses depending on the form of the benefits received. Promises to give are recorded at net realizable value if expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

# American Players Theatre of Wisconsin, Inc.

## Notes to the Financial Statements

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### Note 1 Summary of Significant Accounting Policies (Continued)

#### Contributed Services

A substantial number of unpaid volunteers have made significant contributions of their time to APT's programs, principally in support services and fund-raising efforts. The value of this contributed time is not reflected in these financial statements since it is not susceptible to objective measurement or valuation.

#### Income Tax Status

APT is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of the Wisconsin Statutes.

#### Advertising

APT expenses advertising costs in the year the advertising first takes place. Total advertising expense for the years ended December 31, 2007 and 2006, was \$65,924 and \$65,935, respectively.

### Note 2 Concentration of Credit Risk

APT maintains cash balances at one financial institution. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. At December 31, 2007, cash balances in excess of FDIC limits totaled \$1,227,794.

### Note 3 Pledges Receivable

Pledges receivable are unconditional promises to give. Management feels that the pledges receivable are fully collectible and, therefore, no allowance for uncollectible amounts has been established. The present value of the outstanding pledge receivable balance for 2007 was discounted at a rate of 5%. A breakdown of pledges receivable by purpose is as follows:

|                                   | <u>2007</u>         | <u>2006</u>       |
|-----------------------------------|---------------------|-------------------|
| Pledges receivable for capital    | \$ 1,112,732        | \$ 50,334         |
| Pledges receivable for operations | 114,524             | 71,680            |
| <u>Totals</u>                     | <u>\$ 1,227,256</u> | <u>\$ 122,014</u> |

# American Players Theatre of Wisconsin, Inc.

## Notes to the Financial Statements

### Note 3 Pledges Receivable (Continued)

|                               |              |
|-------------------------------|--------------|
| 2008                          | \$ 496,971   |
| 2009                          | 292,292      |
| 2010                          | 261,041      |
| 2011                          | 229,527      |
| 2012                          | 20,000       |
| Subtotal                      | 1,299,831    |
| Less - Present value discount | ( 72,575)    |
| Total                         | \$ 1,227,256 |
| Current portion               | \$ 496,971   |
| Long-term portion             | 730,285      |
| Total                         | \$ 1,227,256 |

### Note 4 Property and Equipment

A summary of property and equipment is as follows:

|                             | 2007         | 2006         |
|-----------------------------|--------------|--------------|
| Land                        | \$ 412,316   | \$ 412,316   |
| Buildings, stage, and sets  | 4,012,973    | 4,012,973    |
| Light and sound equipment   | 48,293       | 48,293       |
| Vehicles                    | 79,885       | 42,732       |
| Equipment                   | 372,194      | 364,759      |
| Construction in progress    | 294,846      | 108,013      |
| Total cost                  | 5,220,507    | 4,989,086    |
| Accumulated depreciation    | ( 1,658,546) | ( 1,462,154) |
| Property and equipment, net | \$ 3,561,961 | \$ 3,526,932 |

### Note 5 Line of Credit

APT has a \$650,000 revolving business note with M&I Bank. The note is collateralized by essentially all business assets of APT. Interest only payments are due monthly at M&I Bank's prime rate (currently 5.25%). The entire outstanding principle balance is due in April 2009. As of December 31, 2007, the outstanding balance was \$0.

APT has a \$40,000 line of credit with M&I Bank. The line of credit is unsecured. Interest is charged at M&I Bank's prime rate (currently 5.25%). This line matures in December 2008. As of December 31, 2007, there have been no draws on this line of credit.

# American Players Theatre of Wisconsin, Inc.

## Notes to the Financial Statements

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### Note 6 Community Foundations

In prior years, donors gifted funds to the Madison Community Foundation (MCF) for the purpose of establishing an APT fund. The fair value of the fund is \$50,709 and \$46,803 at December 31, 2007 and 2006, respectively. The agreement indicates that MCF will hold the funds in an APT fund and, therefore, are not reflected in APT's financial statements.

### Note 7 Investment Held by Others

Statement of Financial Accounting Standards No. 136, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others*, requires, among other things, that assets held by a related not-for-profit solely for the benefit of another not-for-profit (beneficiary) be recorded on the beneficiary not-for-profit's financial statements. The value of the assets is to be recorded on the statements of financial position as a long-term asset with a corresponding restricted net asset balance. Any change in the net asset value during the fiscal period is to be recorded in the statements of activities as an increase or decrease in net assets.

During an earlier period, the Endowment was setup with an initial donation of \$100,000. The trust agreement states that the Endowment will hold and invest the funds for the sole benefit of APT. The trust agreement indicates that the Trustees will meet yearly and consider funding requests from APT. Under the trust agreement, the principal balance is to remain intact and only the income may be distributed. A schedule of activity in the fund for the years ended December 31 is as follows:

|  | 2007       | 2006       |
|--|------------|------------|
| Beginning balance                        | \$ 190,389 | \$ 173,181 |
| Increase in net asset value of endowment | 4,964      | 17,208     |
| Ending balance                           | \$ 195,353 | \$ 190,389 |

### Note 8 Operating Lease Agreements

APT leases various properties for purposes of housing seasonal actors. All leases are annual with various dates. Lease expense for the years ended December 31, 2007 and 2006, was \$118,670 and \$120,545, respectively. Future minimum lease requirements are as follows:

|            |            |
|------------|------------|
| 2008       | \$ 103,654 |
| 2009       | 69,184     |
| 2010       | 50,393     |
| 2011       | 51,629     |
| 2012       | 52,895     |
| Thereafter | 269,958    |
| Total      | \$ 597,713 |

# American Players Theatre of Wisconsin, Inc.

## Notes to the Financial Statements

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### Note 9 Employee Retirement Plan

APT has a retirement plan that covers all permanent full-time employees who work a minimum of 1,000 hours per year and have been employed for one year. The pension plan is invested in individual employee 403(b) accounts. The retirement benefits are fully vested with the plan participant at the time the funds are contributed. Contributions for the plan were \$30,263 and \$28,264 for the years ended December 31, 2007 and 2006, respectively. Future employer contributions are discretionary and determined annually subject to APT's profitability and plan limitations.

### Note 10 Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following:

|  | 2007                | 2006              |
|--|---------------------|-------------------|
| Pledges receivable   | \$ 1,227,256        | \$ 122,014        |
| Restricted cash for capital improvements                     | 1,018,923           | 118,000           |
| Income earned on the interest in net assets of the endowment | 95,353              | 90,389            |
| Cash received for future operations                          | 32,500              | 59,074            |
| <b>Totals</b>  | <b>\$ 2,374,032</b> | <b>\$ 389,477</b> |

### Note 11 Permanently Restricted Net Assets

Permanently restricted net assets consist of an endowment contribution of \$100,000.

### Note 12 Commitments and Contingencies

APT has commitments with various construction contractors relating to the construction of a new theater. The total amount of commitments is approximately \$4,000,000. Construction is expected to begin in the spring of 2008.

# **Additional Information**

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# American Players Theatre of Wisconsin, Inc.

## Schedule A-1

### Schedule of Functional Expenses

Year Ended December 31, 2007

|                                 | Artistic and<br>Production | Marketing and<br>Patron Services | General and<br>Administrative | Fund-raising      | Tour and<br>Education | Total               |
|---------------------------------|----------------------------|----------------------------------|-------------------------------|-------------------|-----------------------|---------------------|
| Salaries, taxes, and benefits   | \$ 1,435,443               | \$ 393,177                       | \$ 388,328                    | \$ 167,151        | \$ 143,340            | \$ 2,527,439        |
| Fees and royalties              | 197,509                    | 0                                | 0                             | 0                 | 8,915                 | 206,424             |
| Travel and living expenses      | 207,771                    | 0                                | 0                             | 1,636             | 70,285                | 279,692             |
| Audition and hiring             | 5,853                      | 0                                | 0                             | 0                 | 0                     | 5,853               |
| Other expenses                  | 58,275                     | 15,817                           | 6,397                         | 9,691             | 0                     | 90,180              |
| Production materials and fees   | 95,196                     | 0                                | 0                             | 0                 | 34,273                | 129,469             |
| Supplies                        | 34,075                     | 0                                | 99,110                        | 0                 | 0                     | 133,185             |
| Contractor fees                 | 0                          | 140,789                          | 0                             | 40,000            | 0                     | 180,789             |
| Advertising expenses            | 0                          | 57,857                           | 0                             | 0                 | 0                     | 57,857              |
| Publicity and promotions        | 0                          | 27,457                           | 0                             | 0                 | 0                     | 27,457              |
| Sales campaigns                 | 0                          | 136,446                          | 0                             | 0                 | 0                     | 136,446             |
| Tour marketing                  | 0                          | 18,938                           | 0                             | 0                 | 0                     | 18,938              |
| Audience services               | 0                          | 28,639                           | 0                             | 0                 | 0                     | 28,639              |
| Credit card commissions         | 0                          | 85,683                           | 0                             | 0                 | 0                     | 85,683              |
| Cost of goods                   | 0                          | 164,951                          | 0                             | 0                 | 0                     | 164,951             |
| IT and office equipment         | 0                          | 0                                | 51,404                        | 0                 | 0                     | 51,404              |
| Utilities                       | 0                          | 0                                | 45,448                        | 0                 | 0                     | 45,448              |
| Equipment and property rental   | 0                          | 0                                | 11,630                        | 0                 | 0                     | 11,630              |
| Administrative                  | 0                          | 0                                | 50,322                        | 0                 | 0                     | 50,322              |
| Interest                        | 0                          | 0                                | 324                           | 0                 | 0                     | 324                 |
| Insurance and rain reserve      | 0                          | 0                                | 74,404                        | 0                 | 0                     | 74,404              |
| Donor relations                 | 0                          | 0                                | 0                             | 13,876            | 0                     | 13,876              |
| Direct mail                     | 0                          | 0                                | 0                             | 25,651            | 0                     | 25,651              |
| Programming                     | 0                          | 0                                | 0                             | 0                 | 6,694                 | 6,694               |
| Special events                  | 8,634                      | 0                                | 0                             | 19,999            | 0                     | 28,633              |
| <b>Total operating expenses</b> | <b>2,042,756</b>           | <b>1,069,754</b>                 | <b>727,367</b>                | <b>278,004</b>    | <b>263,507</b>        | <b>4,381,388</b>    |
| Depreciation                    | 0                          | 0                                | 196,392                       | 0                 | 0                     | 196,392             |
| <b>Total expenses</b>           | <b>\$ 2,042,756</b>        | <b>\$ 1,069,754</b>              | <b>\$ 923,759</b>             | <b>\$ 278,004</b> | <b>\$ 263,507</b>     | <b>\$ 4,577,780</b> |

# American Players Theatre of Wisconsin, Inc.

## Schedule A-2

### Schedule of Functional Expenses

Year Ended December 31, 2006

|                                 | Artistic and<br>Production | Marketing and<br>Patron Services | General and<br>Administrative | Fund-raising      | Tour and<br>Education | Total               |
|---------------------------------|----------------------------|----------------------------------|-------------------------------|-------------------|-----------------------|---------------------|
| Salaries, taxes, and benefits   | \$ 1,437,785               | \$ 391,193                       | \$ 361,989                    | \$ 114,169        | \$ 76,406             | \$ 2,381,542        |
| Fees and royalties              | 182,764                    | 0                                | 0                             | 0                 | 9,130                 | 191,894             |
| Travel and living expenses      | 202,937                    | 0                                | 0                             | 11,672            | 70,253                | 284,862             |
| Audition and hiring             | 10,287                     | 0                                | 0                             | 0                 | 0                     | 10,287              |
| Other expenses                  | 51,437                     | 14,748                           | 6,264                         | 2,292             | 0                     | 74,741              |
| Production materials and fees   | 104,457                    | 0                                | 0                             | 0                 | 40,639                | 145,096             |
| Supplies                        | 31,752                     | 0                                | 99,441                        | 0                 | 0                     | 131,193             |
| Contractor fees                 | 0                          | 108,395                          | 0                             | 0                 | 0                     | 108,395             |
| Advertising expenses            | 0                          | 33,602                           | 0                             | 0                 | 0                     | 33,602              |
| Publicity and promotions        | 0                          | 13,452                           | 0                             | 0                 | 0                     | 13,452              |
| Sales campaigns                 | 0                          | 112,661                          | 0                             | 0                 | 0                     | 112,661             |
| Tour marketing                  | 0                          | 17,120                           | 0                             | 0                 | 0                     | 17,120              |
| Audience services               | 0                          | 28,281                           | 0                             | 0                 | 0                     | 28,281              |
| Credit card commissions         | 0                          | 84,619                           | 0                             | 0                 | 0                     | 84,619              |
| Cost of goods                   | 0                          | 157,719                          | 0                             | 0                 | 0                     | 157,719             |
| IT and office equipment         | 0                          | 0                                | 47,736                        | 0                 | 0                     | 47,736              |
| Utilities                       | 0                          | 0                                | 48,807                        | 0                 | 0                     | 48,807              |
| Equipment and property rental   | 0                          | 0                                | 12,622                        | 0                 | 0                     | 12,622              |
| Administrative                  | 0                          | 0                                | 48,253                        | 0                 | 0                     | 48,253              |
| Interest                        | 0                          | 0                                | 3,446                         | 0                 | 0                     | 3,446               |
| Insurance and rain reserve      | 0                          | 0                                | 84,566                        | 0                 | 0                     | 84,566              |
| Donor relations                 | 0                          | 0                                | 0                             | 12,404            | 0                     | 12,404              |
| Direct mail                     | 0                          | 0                                | 0                             | 24,889            | 0                     | 24,889              |
| Programming                     | 0                          | 0                                | 0                             | 0                 | 73,843                | 73,843              |
| Special events                  | 15,035                     | 0                                | 0                             | 0                 | 0                     | 15,035              |
| <b>Total operating expenses</b> | <b>2,036,454</b>           | <b>961,790</b>                   | <b>713,124</b>                | <b>165,426</b>    | <b>270,271</b>        | <b>4,147,065</b>    |
| Depreciation                    | 0                          | 0                                | 184,256                       | 0                 | 0                     | 184,256             |
| <b>Total expenses</b>           | <b>\$ 2,036,454</b>        | <b>\$ 961,790</b>                | <b>\$ 897,380</b>             | <b>\$ 165,426</b> | <b>\$ 270,271</b>     | <b>\$ 4,331,321</b> |