

American Players Theatre of Wisconsin, Inc. and Subsidiaries

Spring Green, Wisconsin

Consolidated Financial Statements and
Supplementary Information
Years Ended December 31, 2018 and 2017

American Players Theatre of Wisconsin, Inc. and Subsidiaries

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of American Players Theatre of Wisconsin, Inc. (a nonprofit organization) and Subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2018 and 2017, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of American Players Theatre of Wisconsin, Inc. and Subsidiaries as of December 31, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, American Players Theatre of Wisconsin, Inc. and Subsidiaries adopted the amendments in Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities – Presentation of Financial Statements for Not-for-Profit Entities*, as of and for the year ended December 31, 2018. The amendments have been applied on a retrospective basis with the exception of the omission of certain information as permitted by the ASU.

Other Matters

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and activities, appearing on pages 24 and 25, are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Wipfli LLP

Wipfli LLP

May 15, 2019
Madison, Wisconsin

American Players Theatre of Wisconsin, Inc. and Subsidiaries

Consolidated Statements of Financial Position

December 31, 2018 and 2017

<i>Assets</i>	2018	2017
Current assets:		
Cash and cash equivalents	\$ 1,779,221	\$ 2,330,799
Cash restricted for future improvements	203,650	125,000
Promises to give, current portion	629,571	787,374
Accounts receivable	31,993	67,983
Prepaid expenses	225,387	225,247
Gift shop inventory	19,801	20,899
Total current assets	2,889,623	3,557,302
Other assets:		
Investments	1,893,246	973,574
Cash restricted for security deposit	63,653	61,200
Beneficial interest in assets held by Kohler Foundation	228,306	251,055
Promises to give, net	1,010,286	1,766,934
Total other assets	3,195,491	3,052,763
Property and equipment	18,145,494	18,087,167
Less: Accumulated depreciation	(4,457,365)	(3,892,094)
Property and equipment, net	13,688,129	14,195,073
TOTAL ASSETS	\$ 19,773,243	\$ 20,805,138
<i>Liabilities and Net Assets</i>		
Current liabilities:		
Current portion of note payable	\$ 395,447	\$ 395,447
Accounts payable	46,334	85,507
Other accrued expenses	37,251	23,163
Unearned revenue	5,625	9,270
Deferred ticket revenue	66,641	64,799
Total current liabilities	551,298	578,186
Long-term liabilities:		
Note payable	629,302	1,768,440
Total liabilities	1,180,600	2,346,626
Net assets:		
Without donor restrictions		
Undesignated	16,008,413	15,026,773
Board designated for future improvements	39,782	0
Total net assets without donor restrictions	16,048,195	15,026,773
With donor restrictions	2,544,448	3,431,739
Total net assets	18,592,643	18,458,512
TOTAL LIABILITIES AND NET ASSETS	\$ 19,773,243	\$ 20,805,138

See accompanying notes to consolidated financial statements.

American Players Theatre of Wisconsin, Inc. and Subsidiaries

Consolidated Statements of Activities

Years Ended December 31, 2018 and 2017

	2018		Total
	Without Donor Restrictions	With Donor Restrictions	
Operating revenue:			
Ticket sales	\$ 4,260,658	\$ 0	\$ 4,260,658
Sponsorship fees	86,971	0	86,971
Concession revenue	567,727	0	567,727
Education revenue	70,574	0	70,574
Investment income	81,831	11,722	93,553
Other	23,757	0	23,757
Total operating revenue	5,091,518	11,722	5,103,240
Operating expenses:			
Artistic and production	3,667,253	0	3,667,253
Marketing and patron services	1,185,543	0	1,185,543
General and administrative	1,216,654	0	1,216,654
Fundraising	307,257	0	307,257
Education	104,704	0	104,704
Total operating expenses	6,481,411	0	6,481,411
Operating (loss) income	(1,389,893)	11,722	(1,378,171)
Support:			
Contributions for operations	1,778,564	230,941	2,009,505
Contributions for capital improvements	95,910	145,598	241,508
Grants	23,525	0	23,525
Contributions for APT Foundation	16,884	0	16,884
Loss on investments	(150,636)	(40,464)	(191,100)
Change in beneficial interest in assets held by the Kohler Foundation	0	(22,749)	(22,749)
Net assets released from restrictions for operations	145,876	(145,876)	0
Net assets released from restrictions for capital improvements	1,066,463	(1,066,463)	0
Total support	2,976,586	(899,013)	2,077,573
Income (loss) from current activities	1,586,693	(887,291)	699,402
Depreciation expense	565,271	0	565,271
Changes in net assets	1,021,422	(887,291)	134,131
Net assets - Beginning of year	15,026,773	3,431,739	18,458,512
Net assets - End of year	\$ 16,048,195	\$ 2,544,448	\$ 18,592,643

See accompanying notes to consolidated financial statements.

American Players Theatre of Wisconsin, Inc. and Subsidiaries

Consolidated Statements of Activities (Continued)

Years Ended December 31, 2018 and 2017

	2017		
	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue:			
Ticket sales	\$ 4,352,219	\$ 0	\$ 4,352,219
Sponsorship fees	88,417	0	88,417
Concession revenue	598,763	0	598,763
Education revenue	62,167	0	62,167
Investment income	11,187	3,594	14,781
Other	20,203	0	20,203
Total operating revenue	5,132,956	3,594	5,136,550
Operating expenses:			
Artistic and production	3,544,130	0	3,544,130
Marketing and patron services	1,156,665	0	1,156,665
General and administrative	1,109,553	0	1,109,553
Fundraising	371,287	0	371,287
Education	100,395	0	100,395
Total operating expenses	6,282,030	0	6,282,030
Operating (loss) income	(1,149,074)	3,594	(1,145,480)
Support:			
Contributions for operations	1,892,878	897,441	2,790,319
Contributions for capital improvements	408,606	373,128	781,734
Grants	40,225	0	40,225
Contributions for APT Foundation	1,027,659	500,000	1,527,659
Gain (loss) on investments	56,557	(2,216)	54,341
Change in beneficial interest in assets held by the Kohler Foundation	0	42,042	42,042
Net assets released from restrictions for operations	125,332	(125,332)	0
Net assets released from restrictions for capital improvements	2,166,772	(2,166,772)	0
Total support	5,718,029	(481,709)	5,236,320
Income (loss) from current activities	4,568,955	(478,115)	4,090,840
Depreciation expense	393,023	0	393,023
Changes in net assets	4,175,932	(478,115)	3,697,817
Net assets - Beginning of year	10,850,841	3,909,854	14,760,695
Net assets - End of year	\$ 15,026,773	\$ 3,431,739	\$ 18,458,512

See accompanying notes to consolidated financial statements.

American Players Theatre of Wisconsin, Inc. and Subsidiaries

Consolidated Schedule of Functional Expenses

Year Ended December 31, 2018

	Artistic and Production	Marketing and Patron Services	General and Administrative	Fundraising	Education	Total
Salaries, taxes, and benefits	\$ 2,424,324	\$ 510,771	\$ 516,814	\$ 247,545	\$ 79,183	\$ 3,778,637
Fees and royalties	530,022	111,549	21,584	0	0	663,155
Travel and living expenses	426,295	1,386	5,000	1,642	0	434,323
Other expenses	32,760	3,817	4,668	12,846	7,591	61,682
Production materials	180,665	0	0	0	0	180,665
Supplies	43,744	8,108	23,466	0	0	75,318
Advertising expenses	0	78,611	0	0	0	78,611
Publicity and promotions	0	38,257	0	0	0	38,257
Sales campaigns	0	92,755	0	0	0	92,755
Audience services	0	31,975	0	0	0	31,975
Credit card commissions	0	105,873	0	0	0	105,873
Cost of goods	0	194,017	0	0	0	194,017
IT and office equipment	0	283	76,228	0	0	76,511
Utilities	0	0	96,349	0	0	96,349
Property & equip. maintenance	29,443	0	234,029	0	0	263,472
Administrative	0	8,141	51,116	0	0	59,257
Interest	0	0	87,856	0	0	87,856
Insurance	0	0	99,544	0	0	99,544
Donor relations	0	0	0	16,904	0	16,904
Direct mail	0	0	0	28,320	0	28,320
Programming	0	0	0	0	17,930	17,930
Total operating expenses	3,667,253	1,185,543	1,216,654	307,257	104,704	6,481,411
Depreciation	0	0	565,271	0	0	565,271
Total expenses	\$ 3,667,253	\$ 1,185,543	\$ 1,781,925	\$ 307,257	\$ 104,704	\$ 7,046,682

See accompanying notes to consolidated financial statements.

American Players Theatre of Wisconsin, Inc. and Subsidiaries

Consolidated Schedule of Functional Expenses

Year Ended December 31, 2017

	Artistic and Production	Marketing and Patron Services	General and Administrative	Fundraising	Education	Total
Salaries, taxes, and benefits	\$ 2,352,653	\$ 472,002	\$ 494,217	\$ 300,084	\$ 76,587	\$ 3,695,543
Fees and royalties	478,190	132,995	44,599	0	0	655,784
Travel and living expenses	410,057	1,302	1,084	2,026	0	414,469
Other expenses	29,603	8,644	5,815	25,740	8,439	78,241
Production materials	204,646	0	0	0	0	204,646
Supplies	43,571	8,719	30,596	0	0	82,886
Advertising expenses	0	69,298	0	0	0	69,298
Publicity and promotions	0	15,117	0	0	0	15,117
Sales campaigns	0	92,691	0	0	0	92,691
Audience services	0	37,758	0	0	0	37,758
Credit card commissions	0	108,654	0	0	0	108,654
Cost of goods	0	200,071	0	0	0	200,071
IT and office equipment	0	513	79,590	0	0	80,103
Utilities	0	0	97,006	0	0	97,006
Property & equip. maintenance	25,410	0	191,484	0	0	216,894
Administrative	0	8,901	53,734	0	0	62,635
Interest	0	0	34,081	0	0	34,081
Insurance	0	0	77,347	0	0	77,347
Donor relations	0	0	0	16,674	0	16,674
Direct mail	0	0	0	26,763	0	26,763
Programming	0	0	0	0	15,369	15,369
Total operating expenses	3,544,130	1,156,665	1,109,553	371,287	100,395	6,282,030
Depreciation	0	0	393,023	0	0	393,023
Total expenses	\$ 3,544,130	\$ 1,156,665	\$ 1,502,576	\$ 371,287	\$ 100,395	\$ 6,675,053

See accompanying notes to consolidated financial statements.

American Players Theatre of Wisconsin, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

Years Ended December 31, 2018 and 2017

	2018	2017
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Changes in net assets	\$ 134,131	\$ 3,697,817
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	565,271	393,023
Amortization of interest expense	3,734	0
Discount on promises to give	(74,691)	127,890
Realized and unrealized loss (gain) on investments	191,100	(54,341)
Change in beneficial interest in assets held by the Kohler Foundation	22,749	(42,042)
Changes in operating assets and liabilities:		
Cash restricted for security deposit	(2,453)	0
Accounts receivable	35,990	5,742
Prepaid expenses	(140)	(1,299)
Gift shop inventory	1,098	16,017
Accounts payable	(43,439)	(2,456,397)
Other accrued expenses	14,088	(13,895)
Unearned revenue	(3,645)	9,270
Deferred ticket revenue	1,842	3,325
Net cash provided by operating activities	845,635	1,685,110
Cash flows from investing activities:		
Change in cash restricted for future improvements	(78,650)	771,312
Purchase of investments	(1,110,772)	(654,227)
Purchase of property and equipment	(54,061)	(1,262,059)
Net cash used in investing activities	(1,243,483)	(1,144,974)
Cash flows from financing activities:		
Contribution of promises to give	(223,383)	(1,400,950)
Collection of promises to give	1,212,525	1,397,960
Cash paid for debt issuance costs	0	(18,670)
Principal payments on note payable	(1,142,872)	(806,431)
Net cash used in financing activities	(153,730)	(828,091)
Net changes in cash and cash equivalents	(551,578)	(287,955)
Cash and cash equivalents - Beginning of year	2,330,799	2,618,754
Cash and cash equivalents - End of year	\$ 1,779,221	\$ 2,330,799
Supplemental schedule of other cash activities:		
Interest paid	\$ 87,856	\$ 56,925
Supplemental schedule of noncash investing and financing activities:		
Purchase of property and equipment included in accounts payable	\$ 4,266	\$ 14,720
Debt incurred to purchase property and equipment	0	2,988,988
Capitalized interest included in property and equipment	0	22,844

See accompanying notes to consolidated financial statements.

American Players Theatre of Wisconsin, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature and Purpose of Organizations

American Players Theatre of Wisconsin, Inc. (APT) is a nonprofit professional theater company. They produce nine productions annually, five in the 1,089-seat outdoor amphitheater and four in the Touchstone Theatre, a 201-seat indoor space. The season has more than 210 performances and runs from June through November.

APT's work focuses on classics with an emphasis on Shakespeare, but also includes the work of other classical and contemporary playwrights. Central to APT's mission is a commitment to making these great works accessible to as wide and varied an audience as possible, and educating younger generations in the joy of these classic plays. With an annual attendance of over 100,000, APT ranks as one of the country's largest outdoor theaters devoted to the classics. APT relies on ticket sales and contributions as significant sources of revenue.

APT formed two wholly owned subsidiaries, APT Baltimore Street Apartments, LLC and APT Cole Street Apartments, LLC in 2013. These subsidiaries were formed to manage the apartment buildings purchased by APT. The apartment buildings were purchased to provide housing to visiting company members during the theater season.

American Players Theatre Foundation, Inc. (the "APT Foundation") is a nonprofit organization created in 2014 to help carry out the mission of APT by managing and preserving endowment and long-term assets for the benefit of APT.

Basis of Presentation

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

Principles of Consolidation

These financial statements are consolidated and include the accounts of APT, APT Baltimore Street Apartments, LLC, APT Cole Street Apartments, LLC and APT Foundation, Inc. All four entities are referred to as (the "Organizations"). All material inter-company transactions and accounts are eliminated in consolidation.

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 the Organizations and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations or where donor-imposed stipulations are met in the year of the contribution.

American Players Theatre of Wisconsin, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Classification of Net Assets (Continued)

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other explicit donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources may be maintained in perpetuity. Donor imposed restrictions are released when the restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Use of Estimates

The preparation of consolidated financial statements in accordance 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 the Organizations that is, in substance, unconditional. Contributions received are recorded as revenue with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statements of activities as released from restrictions. If a restriction is met in the same period that the contribution is received, the contribution is recorded as net assets without donor restrictions.

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

Contributed Services

A financial accounting standard requires that only contributions of service received that create or enhance a nonfinancial asset or require specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by donation be recorded.

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 consolidated financial statements since these services do not meet criteria for recognition as described in the above definition.

Cash and Cash Equivalents

The Organizations consider all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

American Players Theatre of Wisconsin, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable represent amounts due from costume rentals to customers and refunds due from vendors. Amounts are reviewed for collectability by management, and an allowance for doubtful accounts is recorded as needed based on collection history and customer attributes. Management considers these receivables to be collectible, and therefore, no allowance for uncollectible amounts has been recorded. If an amount becomes delinquent after all collection efforts have failed, the account is written off.

Promises to Give

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. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Promises to give whose eventual uses are restricted by donors are recorded as increases to net assets with donor restrictions.

Promises to give expected to be collected in less than one year are reported at net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows on a discounted basis applicable to the years in which the promises were received. The amortization of the discount is recognized as contribution income over the duration of the promise to give.

Management considers these receivables to be collectible, and therefore, no allowance for uncollectible amounts has been recorded. If an amount becomes delinquent after all collection efforts have failed, the account is written off.

Gift Shop Inventory

Gift shop inventory is recorded at cost as items are purchased. This inventory consists of books, clothing and accessories, food, games, stationary, and toys. Inventories are stated at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation.

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 consolidated statements of financial position.

American Players Theatre of Wisconsin, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Investments

Investments are carried at fair value. Realized and unrealized gains and losses are recognized as investment income in the consolidated statements of activities. Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements. Investment fees, if any, are netted with investment income on the consolidated statements of activities.

Beneficial Interest in Assets Held by the Kohler Foundation

APT has an ongoing economic interest in the net assets of American Players Theatre Endowment Trust held at the Kohler Foundation 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 endowment, in the accompanying consolidated statements of financial position and consolidated statements of activities. Investment fees, if any, are netted with return.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs for which little or no market data exists, therefore requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Property and Equipment

Property and equipment are recorded at cost. Equipment is defined as an item which has a cost of \$5,000 or more and a useful life extending beyond one year. Depreciation of capitalized property and equipment is computed using the straight-line and double declining methods over lives ranging from 3 to 39 years.

Deferred Ticket Revenue

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

American Players Theatre of Wisconsin, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The cost of providing the various programs and activities has been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among the programs and support services benefited. Personnel costs are allocated based on time and effort reporting.

Debt Issuance Costs

Debt issuance costs represent costs associated with obtaining debt to finance the purchase and renovation of the stage. Unamortized financing fees have been recorded as a reduction to the related debt obligation. The costs are being amortized to interest expense over the maximum term provided in the debt agreement using the straight-line method.

Advertising

APT expenses advertising costs in the year the advertising first takes place. Total advertising expense for the years ended December 31, 2018 and 2017, were \$78,611 and \$69,298.

Income Taxes

APT is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. It is also exempt from Wisconsin franchise and income tax.

APT Baltimore Street Apartments, LLC and APT Cole Street Apartments, LLC are sole member LLC's, and therefore, treated as disregarded entities for tax purposes. The activity of APT Baltimore Street Apartments, LLC and APT Cole Street Apartments, LLC is included in APT's annual federal and state returns.

The Foundation is incorporated as a nonprofit organization exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). It is also exempt from Wisconsin income tax.

Income from certain activities not directly related to APT's tax-exempt purpose may be subject to taxation as unrelated business income. The advertising income derived from APT's playbill is considered unrelated business income.

The Organizations are required to assess whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements. The Organizations have determined there are no amounts to record as assets or liabilities related to uncertain tax positions.

American Players Theatre of Wisconsin, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Change in Accounting Policy

In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958)*. This ASU provides certain improvements in financial reporting for not-for-profit organizations and requires changes to net asset classification, enhancements to liquidity presentation and disclosures, and presentation of an analysis of expenses by function and by nature, netting of investment expenses with return, among other changes. The guidance was adopted effective January 1, 2018 and was applied retrospectively with the exception of certain omissions permitted by the ASU.

As a result of the change in accounting policy, previously reported net assets without donor restrictions have been increased \$111,730 and net assets with donor restrictions has been decreased by the same amount as of January 1, 2017.

New Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, *Revenue From Contracts With Customers (Topic 606)*. This ASU, as amended, provides comprehensive guidance on the recognition of revenue from customers arising from the transfer of goods and services, guidance on accounting for certain contract costs, and new disclosures. The new standard supersedes current revenue recognition requirements in FASB Accounting Standards Codification (ASC) Topic 605, Revenue Recognition, and most industry-specific guidance. When adopted, the amendments in the ASU must be applied using one of two retrospective methods. ASU No. 2014-09 is effective for nonpublic companies for annual periods beginning after December 15, 2018. The Organizations are currently evaluating the impact of the provisions of ASC 606.

In 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which is intended to improve financial reporting on leasing transactions. ASU No. 2016-02 will require lessees to recognize right of use assets and lease obligations for operating and finance leases under terms greater than 12 months. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2019, with early adoption permitted. ASU No. 2016-02 must be applied modified retrospectively. The Organizations are currently evaluating the impact of the provisions of ASU Topic 842.

On June 21, 2018, the FASB issued ASU No. 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The Amendments in the Update will assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and determining whether a transaction is conditional. The amendments in the Update are effective for annual financial statements issued for fiscal years beginning after December 15, 2018 for transactions in which the entity serves as the resource recipient and for fiscal years beginning after December 15, 2019, for transactions in which the entity serves as the resource provider. Early adoption of the amendments in this Update is permitted. The Organizations have not elected to early implement the amendments.

American Players Theatre of Wisconsin, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Reclassification

Certain reclassifications have been made to prior year amounts to conform with the current presentation.

Subsequent Events

Subsequent events have been evaluated through May 15, 2019, which is the date the financial statements were available to be issued.

Note 2: Cash Restricted for Security Deposit

APT is required by the Actors' Equity Association to make a deposit to cover the total weekly salary for actors in the case APT is unable to pay the salaries. As of December 31, 2018 and 2017, the balance was \$63,653 and \$61,200.

Note 3: Promises to Give

Promises to give are unconditional. The present value of the outstanding promises to give balance for 2018 and 2017 was discounted at a blended rate of 4.17% and 3.93%. A breakdown of promises to give by purpose is as follows:

	2018	2017
Promises to give for capital improvement	\$ 680,704	\$ 1,747,166
Promises to give for operations	1,143,020	1,065,700
Subtotals	1,823,724	2,812,866
Present value discount	(183,867)	(258,558)
Totals	\$ 1,639,857	\$ 2,554,308

Future maturities on the promises to give are as follows:

2019	\$ 629,571
2020	264,273
2021	158,057
2022	149,365
2023	193,865
Thereafter	428,593
Subtotal	1,823,724
Less - Present value discount	(183,867)
Total	\$ 1,639,857
Current portion	629,571
Long-term portion	1,010,286
Total	\$ 1,639,857

American Players Theatre of Wisconsin, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements

Note 4: Beneficial Interest in Assets Held by the Kohler Foundation

Beneficial interest in assets held by the Kohler Foundation represents community foundation represents a donor-restricted endowment trust that 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.

Total beneficial interest in assets held by the Kohler Foundation at December 31, 2018 and 2017, was \$228,306 and \$251,055. The change in beneficial interest in assets held by the Kohler Foundation consisted of the following at December 31:

	2018	2017
Interest and dividends	\$ 6,284	\$ 5,281
Withdrawal	(5,000)	0
Realized and unrealized (loss) gain	(22,749)	37,889
Investment fees	(1,284)	(1,128)
Totals	(\$ 22,749)	\$ 42,042

Note 5: Donor-Designated Endowments

In 2017, APT Foundation established an endowment fund to benefit APT for a variety of purposes. In addition, several years ago, an endowment trust was set up on behalf of APT by the Kohler Foundation. See Note 4. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

APT Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as adopted by the Wisconsin state legislature, as requiring APT Foundation to preserve the fair value of the donor's original gift, as of the date of the gift, absent explicit donor stipulations to the contrary. As a result of this interpretation, APT Foundation classifies as net assets with donor restrictions (a) the original value of the donor's gifts to the permanent endowment, (b) the original value of a donor's subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by APT Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

APT Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to preserve the purchasing power of the endowment assets. Endowment assets are invested in a manner to protect principal, grow the aggregate portfolio value in excess of the rate of inflation, and achieve an effective annual rate of return that is equal to or greater than the designated benchmarks for the various types of investment vehicles and to ensure that any risk assumed is commensurate with the given investment vehicle and APT's objectives.

American Players Theatre of Wisconsin, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements

Note 5: Donor-Designated Endowments (Continued)

To achieve its investment goals, APT Foundation targets an asset allocation that will achieve a balanced return of current income and long-term growth of principal while exercising risk control. APT Foundation's asset allocations include a blend of stocks and bonds.

Interest, dividends, and net appreciation in fair value of the legacy fund or donor-restricted endowment funds are classified as net assets without donor restrictions and net assets with donor restrictions. Interest and dividends on donor-restricted endowment funds are appropriated for distribution at the discretion of the APT Foundation.

Investment Held by APT Foundation – Forrest Fund Donor Endowment

During 2017, a gift of \$500,000 was made to APT Foundation to establish the Forrest Fund (the "Fund"). The purpose of the gift is to defray the expenses related to the development of new plays whose content, style, or form fall within the artistic mission of APT and are performed in the Touchstone Theatre. Annual distributions shall be made by APT Foundation in an amount equal to 5% of the value of the Fund on the day of the distribution. Annual distributions may be accumulated at the discretion of APT Foundation, and do not necessarily need to be spent in the year of distribution. The distributions may be made out of both income and principal of the Fund.

Beneficial Interest in Assets Held by the Kohler Foundation – APT Endowment Trust

See Note 4

Changes in endowment funds with donor restrictions were as follows:

Endowment at January 1, 2017	\$ 209,013
Contributions	500,000
Interest and dividends	8,875
Realized and unrealized gains	35,673
Investment fees	(1,128)
Endowments at December 31, 2017	\$ 752,433
Withdrawal	(5,000)
Interest and dividends	17,730
Realized and unrealized losses	(62,938)
Investment fees	(1,284)
<u>Endowments at December 31, 2018</u>	<u>\$ 700,941</u>

American Players Theatre of Wisconsin, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements

Note 6: Community Foundation

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 \$57,061 and \$56,029 at December 31, 2018 and 2017. The agreement indicates that MCF has variance power over the funds and is required to hold the funds in an APT fund, and therefore, are not reflected in APT's financial statements.

Note 7: Investments

Investments consisted of the following at December 31:

	2018	2017
Stocks	\$ 1,475,330	\$ 882,827
Bonds	417,916	90,747
Totals	\$ 1,893,246	\$ 973,574

Investment income consisting primarily of interest and dividends totaled \$93,553 and \$14,781 for the year ended December 31, 2018 and 2017. Unrealized and realized (loss) gain on investments totaled (\$191,100) and \$54,341 for the years ended December 31, 2018 and 2017.

Note 8: Fair Value Measurements

The Organizations use a fair value hierarchy that includes three levels of inputs to be used to measure fair value. The Organizations have determined that the fair value for the APT Foundation investments and the endowment fund are Level 1 financial instruments. Quotes from pricing vendors based on recent trading activity and other observable market data were used in making this determination. The fair value for the beneficial interest in assets held by others are Level 3 financial instruments. Statements from the Kohler Foundation's broker were used in making this determination. The Organizations do not have any financial instruments valued using Level 3 inputs. The Organizations do not have any liabilities measured at fair value on a recurring basis.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, while the Organizations believe its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

American Players Theatre of Wisconsin, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements

Note 8: Fair Value Measurements (Continued)

Information regarding the fair value of assets measured at fair value on a recurring basis as of December 31, 2018 and 2017, is as follows:

	2018					
	Assets Measured at Fair Value	Recurring Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)			Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
APT Foundation investments						
Stocks						
Domestic	\$ 900,776	\$ 900,776	\$	0	\$ 0	
Foreign	203,928	203,928		0	0	
Bonds - Domestic	315,907	315,907		0	0	
Endowment funds held by APT Foundation						
Stocks						
Domestic	305,479	305,479		0	0	
Foreign	65,147	65,147		0	0	
Bonds - Domestic	102,009	102,009		0	0	
Beneficial interest in assets held by others	228,306	0		0	228,306	
Totals	\$ 2,121,552	\$1,893,246	\$	0	\$ 228,306	
2017						
	Assets Measured at Fair Value	Recurring Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)			Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
APT Foundation investments						
Stocks						
Domestic	\$ 337,539	\$ 337,539	\$	0	\$ 0	
Foreign	93,960	93,960		0	0	
Bonds - Domestic	40,697	40,697		0	0	
Endowment funds held by APT Foundation						
Stocks						
Domestic	349,845	349,845		0	0	
Foreign	101,483	101,483		0	0	
Bonds - Domestic	50,050	50,050		0	0	
Beneficial interest in assets held by others	251,055	0		0	251,055	
Totals	\$ 1,224,629	\$ 973,574	\$	0	\$ 251,055	

See Note 4 for level 3 activity on beneficial interest in assets held by others.

American Players Theatre of Wisconsin, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements

Note 9: Property and Equipment

A summary of property and equipment is as follows:

	2018	2017
Land	\$ 559,316	\$ 559,316
Buildings, stage, and sets	16,391,240	16,391,240
Light and sound equipment	136,952	121,162
Vehicles	350,927	319,041
Equipment	696,408	696,408
Construction in progress	10,651	0
Total cost	18,145,494	18,087,167
Accumulated depreciation	(4,457,365)	(3,892,094)
Property and equipment, net	<u>\$ 13,688,129</u>	<u>\$ 14,195,073</u>

Note 10: Revolving Business Note

APT maintains a revolving business note with The Peoples Community Bank in the amount of \$600,000 with a variable interest rate of 4% plus the Index Rate. The Index Rate is defined as the average of the previous month's 13-week Treasury bill auction adjusted on the first business day of each month. The rate at December 31, 2018, was 5.776%. The note matures May 17, 2019. The note is collateralized by real estate. As of December 31, 2018 and 2017, the outstanding balance was \$0.

Note 11: Note Payable

During 2016, APT obtained a loan from The Peoples Community Bank in the amount of \$4,500,000 with a variable interest rate of 3.18% plus the Index Rate. The Index Rate is defined as the average of the previous month's 13-week Treasury bill auction adjusted on the first business day of each month. The rate at December 31, 2017, was 3.794%. As of December 31, 2017, the outstanding balance was \$2,182,557. The loan was converted into a note with The Peoples Community Bank in March 2018. The converted note matures in March 2023 with annual payments of \$501,705 and a fixed interest rate of 4.875%. The note is collateralized by essentially all business assets of APT.

Total notes payable net of debt issuance costs are as follows:

Total notes payable	\$1,039,685
Unamortized debt issuance costs	(14,936)
Current portion	(395,447)
Total long-term note payable, net	<u>\$ 629,302</u>

American Players Theatre of Wisconsin, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements

Note 11: Note Payable (Continued)

Unamortized financing fees have been recorded as a reduction to the related debt obligation. The original cost of financing fees was \$18,670. The amortization expense as of December 31, 2018 and 2017 was \$3,734 and \$0.

Maturities of the note payable at December 31, under refinanced terms, are as follows:

2019	\$	395,447
2020		414,725
2021		229,513
Total	\$	1,039,685

Interest paid on the note payable was \$87,856 and \$56,925 for the year ended December 31, 2018 and 2017. Interest incurred during the construction of the stage during the year ended December 31, 2017 in the amount of \$22,844 was capitalized and is included in property and equipment in the consolidated statements of financial position.

Note 12: Net Assets With Donor Restrictions

Net assets with donor restrictions, which have either purpose or time restrictions, are as follows as of December 31, 2018:

	2018	2017
Promises to give - time restriction	\$ 984,820	\$ 896,741
Promises to give - Next Great Stage	655,037	1,654,554
Forrest Fund Endowment	472,635	501,378
Kohler Endowment Fund – perpetual in nature	228,306	251,055
Cash received for future improvements	203,650	125,000
Other	0	3,013
Total net assets with donor restrictions	\$2,544,448	\$3,431,741

The balance in the Kohler Endowment Fund agreement allows for the appreciated value to be without restriction and available to be distributed to APT. An appropriation of \$5,000 was made during 2018 in accordance with this policy (see Note 4). No such appropriations were made in 2017.

American Players Theatre of Wisconsin, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements

Note 13: Liquidity and Availability

APT does not have a formal liquidity policy but generally maintains financial assets in liquid form, such as cash and cash equivalents, for approximately three months of operating expenses. To help manage unanticipated liquidity needs, APT has a revolving business note in the amount of \$600,000 which it could draw upon (see Note 10). There is an established board-designated fund where the board has the objective of setting funds aside to be drawn upon for future maintenance projects at APT as well as the Baltimore Street and Cole Street apartments.

APT also receives significant contributions that may be subject to donor-imposed restrictions. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs (see Note 5).

Financial assets available for general expenditure, that is, without donor restrictions or designations limiting their use, within twelve months of the statement of financial position date, comprise the following as of December 31, 2018:

Cash and cash equivalents	\$1,779,221
Promises to give due in one year or less	629,571
Accounts receivable	31,993
<u>Investments</u>	<u>1,893,246</u>
Subtotal financial assets	4,334,031
Less: Current portion of note payable	(395,447)
Less: Accounts payable	(46,334)
Less: Other accrued expenses	(37,251)
Less: Unearned revenue	(5,625)
Less: Deferred ticket revenue	(66,641)
Less: Promises to give - time restriction	(142,878)
Less: Promises to give - Next Great Stage	(486,693)
Less: Restricted and designated investments - Forrest Fund	(472,635)
Less: Board designated operating reserve for Baltimore Street and Cole Street apartments	(39,782)
<u>Total</u>	<u>\$2,640,745</u>

Note 14: 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 \$55,142 and \$50,495 for the years ended December 31, 2018 and 2017. Future employer contributions are discretionary and determined annually subject to APT's profitability and plan limitations.

American Players Theatre of Wisconsin, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements

Note 15: Operating Lease Agreements

APT leases various properties for the purpose of housing seasonal actors as well as office equipment for use in the main office. Monthly lease payments range from \$110 to \$6,429 and have various expiration dates through October 31, 2027. Lease expense for the years ended December 31, 2018 and 2017, were \$274,893 and \$259,129.

Future minimum lease requirements are as follows:

2019	\$ 179,899
2020	87,149
2021	87,149
2022	87,149
2023	77,148
Thereafter	295,734
<hr/>	
Total	\$ 814,228

Note 16: Concentration of Credit Risk

The Organizations maintain cash balances at two financial institutions, which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash balances in excess of \$1 in the operating and capital checking accounts are swept daily into repurchase agreements. During the year, balances in these accounts may exceed the insurance limits. Management believes the financial institutions have a strong credit rating and credit risk related to these deposits is minimal.

Supplementary Information

American Players Theatre of Wisconsin, Inc. and Subsidiaries

Consolidating Statement of Financial Position

December 31, 2018

ASSETS	American Players Theatre **	APT Foundation	Elimination	Total
Current assets:				
Cash and cash equivalents	\$ 1,720,286	\$ 58,935	\$ 0	\$ 1,779,221
Cash restricted for future improvements	203,650	0	0	203,650
Promises to give, current portion	629,571	0	0	629,571
Accounts receivable	31,993	0	0	31,993
Promise to give from APT, current portion	0	142,878	(142,878)	0
Prepaid expenses	225,387	0	0	225,387
Gift shop inventory	19,801	0	0	19,801
Total current assets	2,830,688	201,813	(142,878)	2,889,623
Other assets:				
Investments	0	1,893,246	0	1,893,246
Cash restricted for security deposit	63,653	0	0	63,653
Beneficial interest in assets held by Kohler Foundation	228,306	0	0	228,306
Promises to give net	1,010,286	0	0	1,010,286
Promise to give from APT net	0	841,942	(841,942)	0
Total other assets	1,302,245	2,735,188	(841,942)	3,195,491
Property and equipment	18,145,494	0	0	18,145,494
Less: accumulated depreciation	(4,457,365)	0	0	(4,457,365)
Property and equipment, net	13,688,129	0	0	13,688,129
TOTAL ASSETS	\$ 17,821,062	\$ 2,937,001	(\$ 984,820)	\$ 19,773,243
LIABILITIES AND NET ASSETS				
Current liabilities:				
Current portion of note payable	\$ 395,447	\$ 0	\$ 0	\$ 395,447
Accounts payable	46,334	0	0	46,334
Other accrued expenses	37,251	0	0	37,251
Unearned revenue	5,625	0	0	5,625
Deferred ticket revenue	66,641	0	0	66,641
Total current liabilities	551,298	0	0	551,298
Long-term liabilities:				
Promise to give to APT Foundation	984,820	0	(984,820)	0
Note payable, net	629,302	0	0	629,302
Total long-term liabilities	1,614,122	0	(984,820)	629,302
Total liabilities	2,165,420	0	(984,820)	1,180,600
Net assets:				
Without donor restrictions:				
Undesignated	13,544,048	1,579,544	884,821	16,008,413
Board designated for future improvements	39,782	0	0	39,782
Total net assets without donor restrictions	13,583,830	1,579,544	884,821	16,048,195
With donor restrictions	2,071,812	1,357,457	(884,821)	2,544,448
Total net assets	15,655,642	2,937,001	0	18,592,643
TOTAL LIABILITIES AND NET ASSETS	\$ 17,821,062	\$ 2,937,001	(\$ 984,820)	\$ 19,773,243

** - The financial information for APT Baltimore Street Apartments, LLC and APT Cole Street Apartments, LLC are included in this column. There were no eliminations between these entities and APT.

See Independent Auditor's Report.

American Players Theatre of Wisconsin, Inc. and Subsidiaries

Consolidating Statement of Activities
Year Ended December 31, 2018

	Without Donor Restrictions				With Donor Restrictions				
	American Players Theatre**	APT Foundation	Elimination	Total Without Donor Restrictions	American Players Theatre**	APT Foundation	Elimination	Total With Donor Restrictions	Total
Operating revenue:									
Ticket sales	\$ 4,260,658	\$ 0	\$ 0	\$ 4,260,658	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,260,658
Sponsorship fees	86,971	0	0	86,971	0	0	0	0	86,971
Concession revenue	567,727	0	0	567,727	0	0	0	0	567,727
Education revenue	70,574	0	0	70,574	0	0	0	0	70,574
Investment income	40,125	41,706	0	81,831	0	11,722	0	11,722	93,553
Other	23,757	0	0	23,757	0	0	0	0	23,757
Total operating revenue	5,049,812	41,706	0	5,091,518	0	11,722	0	11,722	5,103,240
Operating expenses:									
Artistic and production	3,667,253	0	0	3,667,253	0	0	0	0	3,667,253
Marketing and patron services	1,185,543	0	0	1,185,543	0	0	0	0	1,185,543
General and administrative	1,216,654	0	0	1,216,654	0	0	0	0	1,216,654
Fundraising	530,639	0	(223,382)	307,257	0	0	0	0	307,257
Education	104,704	0	0	104,704	0	0	0	0	104,704
Total operating expenses	6,704,793	0	(223,382)	6,481,411	0	0	0	0	6,481,411
Operating income (loss)	(1,654,981)	41,706	223,382	(1,389,893)	0	11,722	0	11,722	(1,378,171)
Support:									
Contributions for operations	1,778,564	0	0	1,778,564	230,941	0	0	230,941	2,009,505
Contributions for capital improvements	95,910	0	0	95,910	145,598	0	0	145,598	241,508
Grants	23,525	0	0	23,525	0	0	0	0	23,525
Contributions for APT Foundation	0	16,884	0	16,884	0	223,382	(223,382)	0	16,884
Loss on investments	0	(150,636)	0	(150,636)	0	(40,464)	0	(40,464)	(191,100)
Change in beneficial interest in assets held by the Kohler Foundation	0	0	0	0	(22,749)	0	0	(22,749)	(22,749)
Net assets released from restrictions for operations	145,876	135,302	(135,302)	145,876	(145,876)	(135,302)	135,302	(145,876)	0
Net assets released from restrictions for capital improvements	1,066,463	0	0	1,066,463	(1,066,463)	0	0	(1,066,463)	0
Total support	3,110,338	1,550	(135,302)	2,976,586	(858,549)	47,616	(88,080)	(899,013)	2,077,573
Income (loss) from current activities	1,455,357	43,256	88,080	1,586,693	(858,549)	59,338	(88,080)	(887,291)	699,402
Depreciation expense	565,271	0	0	565,271	0	0	0	0	565,271
Changes in net assets	890,086	43,256	88,080	1,021,422	(858,549)	59,338	(88,080)	(887,291)	134,131
Net assets - Beginning of year, restated	12,693,744	1,536,288	796,741	15,026,773	2,930,361	1,298,119	(796,741)	3,431,739	18,458,512
Net assets - End of year	\$ 13,583,830	\$ 1,579,544	\$ 884,821	\$ 16,048,195	\$ 2,071,812	\$ 1,357,457	(\$ 884,821)	\$ 2,544,448	\$ 18,592,643

** - The financial information for APT Baltimore Street Apartments, LLC and APT Cole Street Apartments, LLC are included in these columns.

There were no eliminations between these entities and APT.

See Independent Auditor's Report.