

APPLEBY FOUNDATION, INC.
d/b/a REBECCA KELLY DANCE COMPANY

Financial Statements

December 31, 2007

(With Independent Accountants' Review Report)

Independent Accountants' Review Report

The Board of Directors
Appleby Foundation, Inc.:

We have reviewed the statement of financial position of Appleby Foundation, Inc. (d/b/a Rebecca Kelly Dance Company) as of December 31, 2007 and the related statements of financial activity and of cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the managers of the Foundation.

A review consists principally of inquiries of Foundation personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Rogoff & Company P.C.

New York, New York
May 4, 2008

APPLEBY FOUNDATION, INC.
d/b/a REBECCA KELLY DANCE COMPANY

Statement of Financial Position

December 31, 2007
(With Comparative Figures for 2006)

Assets

	<u>2007</u>	<u>2006</u>
Cash	\$ 19,114	\$ 17,979
Pledges receivable	15,000	8,333
Other receivables	3,490	1,745
Prepaid expenses	8,525	950
Investments	2,629	2,528
Equipment, net of accumulated depreciation of \$13,727 in 2007 and \$12,557 in 2006	<u>1,522</u>	<u>2,692</u>
Total Assets	<u>\$ 50,280</u>	<u>\$ 34,227</u>

Liabilities and Net Assets

Liabilities:

Accounts payable and accrued expenses	\$ 9,399	\$ 16,049
Deferred revenue	<u>6,613</u>	<u>3,825</u>
Total Liabilities	<u>16,012</u>	<u>19,874</u>

Net Assets:

Unrestricted	13,268	6,020
Temporarily restricted	<u>21,000</u>	<u>8,333</u>
Total Net Assets	<u>34,268</u>	<u>14,353</u>
Total liabilities and net assets	<u>\$ 50,280</u>	<u>\$ 34,227</u>

See accompanying Notes to Financial Statements and Independent Accountants' Review Report

APPLEBY FOUNDATION, INC.
d/b/a REBECCA KELLY DANCE COMPANY

Statement of Financial Activity

Year ended December 31, 2007
(With Comparative Total Figures for 2006)

	Unrestricted	Temporarily restricted	Total 2007	Total 2006
Support and Revenue:				
Grants and contributions	\$ 54,699	\$ 21,000	\$ 75,699	\$ 116,897
Box Office	8,595	-	8,595	18,122
Sales Concessions	1,214	-	1,214	2,214
Performance fees	15,600	-	15,600	16,625
Tuition fees	80,110	-	80,110	80,733
Other income	2,409	-	2,409	1,447
	<u>162,627</u>	<u>21,000</u>	<u>183,627</u>	<u>236,038</u>
Net assets released from restrictions	<u>8,333</u>	<u>(8,333)</u>	<u>-</u>	<u>-</u>
Total income and support	<u>170,960</u>	<u>12,667</u>	<u>183,627</u>	<u>236,038</u>
Expenses				
Production costs:				
Kids co-motion	44,178	-	44,178	39,463
Summerdance	35,507	-	35,507	32,413
New works	12,471	-	12,471	5,375
New York season	-	-	-	68,351
	<u>92,156</u>	<u>-</u>	<u>92,156</u>	<u>145,602</u>
Other operating costs	21,447	-	21,447	21,648
Fund raising	4,932	-	4,932	5,602
General and administrative	45,177	-	45,177	46,053
Total expenses	<u>163,712</u>	<u>-</u>	<u>163,712</u>	<u>218,905</u>
Increase in net assets	7,248	12,667	19,915	17,133
Net assets (deficit), beginning of year	<u>6,020</u>	<u>8,333</u>	<u>14,353</u>	<u>(2,780)</u>
Net assets end of year	<u><u>\$ 13,268</u></u>	<u><u>\$ 21,000</u></u>	<u><u>\$ 34,268</u></u>	<u><u>\$ 14,353</u></u>

See accompanying Notes to Financial Statements and Independent Accountants' Review Report

APPLEBY FOUNDATION, INC.
d/b/a REBECCA KELLY DANCE COMPANY

Statement of Cash Flows

Year ended December 31, 2007
(With Comparative Figures for 2006)

	<u>2007</u>	<u>2006</u>
Operating activities:		
Increase in net assets	\$ 19,915	\$ 17,133
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	1,170	1,595
Gain on investments	(477)	(187)
Amortization of discount on pledges receivable	-	(765)
In-kind contribution	(2,629)	(2,528)
Net change in pledges receivable, other receivables, prepaid expenses, accounts and accrued expenses, and deferred revenue	<u>(19,849)</u>	<u>(12,748)</u>
Net cash provided (used) by operating activities	<u>(1,870)</u>	<u>2,500</u>
Investing activities:		
Proceeds from sale of investments	<u>3,005</u>	<u>3,164</u>
Financing activities:		
Principal payments on loan payable	<u>-</u>	<u>(2,660)</u>
Net increase in cash	1,134	3,004
Cash, beginning of year	<u>17,979</u>	<u>14,975</u>
Cash, end of year	<u><u>\$ 19,113</u></u>	<u><u>\$ 17,979</u></u>
Interest paid	<u><u>\$ -</u></u>	<u><u>\$ 76</u></u>

See accompanying Notes to Financial Statements and Independent Accountants' Review Report

APPLEBY FOUNDATION, INC.
(d/b/a REBECCA KELLY DANCE COMPANY)

Notes to Financial Statements

December 31, 2007

(1) Organization

Appleby Foundation (the "Foundation") was organized to stimulate public interest in, and educate the public in the appreciation of innovative dance forms utilizing music and theater. The Foundation also encourages and sponsors young dancers. The Foundation's programs are funded by contributions, grants and tuition fees. The Foundation's programs are composed of the following:

Kids Co-Motion - Education and outreach program for children ages 18 months to 18 years.

Summerdance - This program represents the Rebecca Kelly Ballet residency at the Lake Placid (N.Y.) Center for the Arts. Activities include OnStage, a dance camp for children ages 6 to 18 years; performances by the Ballet Company; and classes in various locations.

New Works - Creation of new ballets for the Rebecca Kelly Ballet.

New York Season - Production of a series of ballet performances in New York City by the Rebecca Kelly Ballet.

(2) Summary of Significant Accounting Policies

The financial statements have been prepared using the accrual basis of accounting. Support and revenue are reflected when earned; expenses when goods or services are received.

Revenues received for services to be provided after the balance sheet date are deferred.

Grants and contributions may require the fulfillment of certain conditions set forth by the donors. Failure to fulfill the conditions could result in the return of funds to the donors. Although that is a possibility, the Board deems the possibility remote, since by accepting the gifts and their terms, the objectives of the Foundation have been accommodated to such conditions.

Equipment is stated at cost or fair value at date of gift, net of accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

The costs of conducting various activities have been summarized on a functional basis in the statement of financial activity. Accordingly, certain costs have been allocated among the functions served.

Unrestricted net assets are those resources currently available at the discretion of the Board for use in the Association's operations.

All contributions are considered unrestricted unless they are specifically restricted by donors or are subject to other legal restrictions.

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APPLEBY FOUNDATION, INC.
(d/b/a REBECCA KELLY DANCE COMPANY)

Notes to Financial Statements - (concluded)

December 31, 2007

(2) Summary of Significant Accounting Policies - (continued)

Temporarily restricted net assets arise from contributions and grants that are stipulated by donors as expendable only for specific purposes or in future years.

Contributions are recognized as income in the appropriate net asset group when they are received or unconditionally pledged.

Investments with readily determinable fair value are stated at fair value. Unrealized gains and losses are reported as increase or decrease in net assets.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

The statement of financial activity includes certain prior-year summarized comparative information without sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the financial statements for the year ended December 31, 2006, from which the summarized information was derived.

(3) Income Taxes

The Foundation is exempt from Federal income taxes under Section 501(c) (3) of the Internal Revenue Code.

(4) Operating Spaces

The Foundation rents rehearsal and office space on a month-to-month basis. Total rent expense for the year ended December 31, 2007 was \$3,195.

(5) Temporarily Restricted Net Assets

During the year ended December 31, 2007, temporarily restricted net assets were released from restrictions for the following purposes or periods:

Pledge receivable	<u>\$ 8,333</u>
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Temporarily restricted net assets were available at December 31, 2007 for the following purposes or periods:

2008 New York Season	\$ 6,000
Pledge receivable	<u>15,000</u>

Total temporarily restricted net assets	<u>\$ 21,000</u>
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FORM 990 PART V-A - LIST OF CURRENT OFFICERS, DIRECTORS, STATEMENT 4
TRUSTEES AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
CRAIG BRASHEAR C/O RKDC, 579 BROADWAY NEW YORK, NY 10012	EXECUTIVE DIRECTOR 40.00	18,750.	0.	0.
REBECCA KELLY C/O RKDC, 579 BROADWAY NEW YORK, NY 10012	ARTISTIC DIRECTOR 40.00	23,850.	0.	0.
DOLLY CANNON C/O RKDC, 579 BROADWAY NEW YORK, NY 10012	NONINATING 3.00	0.	0.	0.
BOB GAINES C/O RKDC, 579 BROADWAY NEW YORK, NY 10012	DIRECTOR 3.00	0.	0.	0.
PAMELA GELLES C/O RKDC, 579 BROADWAY NEW YORK, NY 10012	CHAIR 3.00	0.	0.	0.
ERIC GRANGER C/O RKDC, 579 BROADWAY NEW YORK, NY 10012	DIRECTOR 3.00	0.	0.	0.
JILLIAN GRIFFITHS C/O RKDC, 579 BROADWAY NEW YORK, NY 10012	TREASURER 3.00	0.	0.	0.
ALICE SCHONBEK C/O RKDC, 579 BROADWAY NEW YORK, NY 10012	DIRECTOR 3.00	0.	0.	0.
EVE S. WOLFSOHN C/O RKDC, 579 BROADWAY NEW YORK, NY 10012	SECRETARY 3.00	0.	0.	0.
MICHAEL ROYCE C/O RKDC, 579 BROADWAY NEW YORK, NY 10012	DIRECTOR 3.00	0.	0.	0.
TOTALS INCLUDED ON FORM 990, PART V-A		42,600.	0.	0.