APPLEBY FOUNDATION, INC.

d/b/a REBECCA KELLY BALLET

Financial Statements

December 31, 2008

(With Independent Accountants' Review Report)

ROGOFF & COMPANY PC
CERTIFIED PUBLIC ACCOUNTANTS

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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 Ballet) as of December 31, 2008 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 11, 2009

APPLEBY FOUNDATION, INC.
d/b/a REBECCA KELLY BALLET

Statement of Financial Position

December 31, 2008
(With Comparative Figures for 2007)

	2008	2007
Cash	$ 37,643	$ 19,114
Pledges receivable	13,000	15,000
Other receivables	3,845	3,490
Prepaid expenses	606	8,525
Investments	995	2,629
Equipment, net of accumulated depreciation of $14,259 in 2008 and $13,727 in 2007	990	1,522
Total Assets	$ 57,079	$ 50,280
Liabilites:		
Accounts payable and accrued expenses	$ 13,105	$ 9,399
Deferred revenue	4,450	6,613
Total liabilities	17,555	16,012
Net assets:		
Unrestricted	26,524	13,268
Temporarily restricted	13,000	21,000
Total net assets	39,524	34,268
Total Liabilities and Net Assets	$ 57,079	$ 50,280

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

APPLEBY FOUNDATION, INC.
d/b/a REBECCA KELLY BALLET

Statement of Financial Activity

Year ended December 31, 2008
(With Comparative Total Figures for 2007)

	Unrestricted	Temporarily restricted	Total 2008	Total 2007
Support and Revenue:				
Grants and contributions	$ 110,539	$ 18,000	$ 128,539	$ 75,699
Box Office	15,302	-	15,302	8,595
Sales Concessions	1,022	-	1,022	1,214
Performance fees	15,500	-	15,500	15,600
Tuition fees	84,119	-	84,119	80,110
Other income	5,151	-	5,151	2,409
	231,633	18,000	249,633	183,627
Net assets released from restrictions	26,000	(26,000)	-	-
Total income and support	257,633	(8,000)	249,633	183,627
Expenses				
Production costs:				
Kids co-motion	47,041	-	47,041	44,178
Summerdance	30,645	-	30,645	35,507
New works	3,899	-	3,899	12,471
New York season	68,047	-	68,047	-
Tahawus	5,961	-	5,961	-
	155,593	-	155,593	92,156
Other operating costs	23,503	-	23,503	21,447
Fund raising	17,712	-	17,712	4,932
General and adminstrative	47,569	-	47,569	45,177
Total expenses	244,377	-	244,377	163,712
Increase in net assets	13,256	(8,000)	5,256	19,915
Net assets, beginning of year	13,268	21,000	34,268	14,353
Net assets, end of year	$ 26,524	$ 13,000	$ 39,524	$ 34,268

APPLEBY FOUNDATION, INC.
d/b/a REBECCA KELLY BALLET

Statement of Cash Flows

Year ended December 31, 2008
(With Comparative Figures for 2007)

	2008	2007
Operating activites:		
Increase in net assets	$ 5,256	$ 19,915
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activites:		
Depreciation	532	1,170
Gain on investments	(364)	(477)
In-kind conrtibution	(995)	(2,629)
Net change in pledges receivable, other receivables, prepaid expenses, accounts and accrued expenses, and deferred revenue	11,107	(19,849)
Net cash provided (used) by operating activites	15,536	(1,870)
Investing activites:		
Proceeds from sale of investments	2,993	3,005
Net increase in cash	18,529	1,135
Cash, beginning of year	19,114	17,979
Cash, end of year	$ 37,643	$ 19,114

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

Notes to Financial Statements

December 31, 2008

(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.

Tahawus

The Foundation in partnership with the town of Au Sable Forks, New York, is leading a project to transform a real property to a network of local business, arts organization, local artisans, schools, and museums.

(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.

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

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.

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, 2007, 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, 2008 was $6,300.

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(5) Temporarily Restricted Net Assets

During the year ended December 31, 2008, temporarily restricted net assets were released from restrictions for the following purposes or periods:

2008 New York Season	$ 11,000
Pledge receivable	15,000
	$ 26,000

Temporarily restricted net assets were available at December 31, 2008 for the following purposes or periods:

Pledge receivable	$ 13,000

(6) Subsequent Event

On June 10, 2009 the Foundation entered into a contract for the purchase of a real property in Au Sable Forks, New York. The Foundation will pay $20,000 total purchase price for the real property.

The real property is part of the Tahawus program.