

Appleby Foundation, Inc.
(d/b/a Rebecca Kelly Ballet)

Financial Statements

December 31, 2016 and 2015

(With Independent Accountant's Review Report)

Appleby Foundation, Inc.
(d/b/a Rebecca Kelly Ballet)
December 31, 2016 and 2015

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Independent Accountant's Review Report

The Board of Directors
Appleby Foundation, Inc.:

We have reviewed the accompanying financial statements of Appleby Foundation, Inc. ("the Foundation", a nonprofit organization, d/b/a Rebecca Kelly Ballet) which comprise the statement of financial position, as of December 31, 2016 and 2015 and the related statements of activities and of cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Foundation management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

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 PC
New York, New York
October 20, 2017

Appleby Foundation, Inc.
(d/b/a Rebecca Kelly Ballet)

Statement of Financial Position

December 31, 2016 and 2015

	2016	2015
Assets:		
Cash and cash equivalents	45,551	\$ 36,418
Accounts receivable	2,668	19,515
Prepaid expenses	2,171	1,590
Property and equipment, net of accumulated depreciation of \$63,543 (\$40,541 in 2014)	207,724	230,726
Total Assets	\$ 258,114	\$ 288,249
Liabilities:		
Accounts payable and accrued expenses	6,224	\$ 4,827
Deferred revenue	42,000	54,500
Mortgage payable - Tahawus Center	48,510	61,900
Total liabilities	96,734	121,227
Net assets - Unrestricted	161,380	167,022
Total Liabilities and Net Assets	\$ 258,114	\$ 288,249

Notes to the Financial Statements are an integral part of the Financial Statements.

**Appleby Foundation, Inc.
(d/b/a Rebecca Kelly Ballet)**

Statement of Activities

Years ended December 31, 2016 and 2015

	2016	2015
Support and Revenue:		
Grants and contributions	\$ 73,594	\$ 103,570
Box Office	4,366	9,388
Sales Concessions	804	1,071
Performance fees	6,470	2,600
Tuition fees	45,138	42,700
Other income	32,771	27,452
	<u>163,143</u>	<u>186,781</u>
Expenses:		
Production costs:		
Kids Co-Motion	11,893	12,978
Summerdance	29,990	21,045
New works	-	3,952
Tahawus Center	35,929	22,556
	<u>77,812</u>	<u>60,531</u>
Other operating costs	24,945	17,246
Fund raising	2,659	2,143
General administration	63,369	72,736
	<u>168,785</u>	<u>152,656</u>
Total expenses		
	<u>168,785</u>	<u>152,656</u>
Change in net assets	(5,642)	34,125
Net assets, beginning of year	167,022	132,897
Net assets, end of year	<u>\$ 161,380</u>	<u>\$ 167,022</u>

Notes to the Financial Statements are an integral part of the Financial Statements.

Appleby Foundation, Inc.
(d/b/a Rebecca Kelly Ballet)

Statement of Cash Flows

Years ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Operating activities:		
Change in net assets	\$ (5,642)	\$ 34,125
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	23,002	23,002
Net change in:		
Accounts receivable	16,847	(13,912)
Prepaid expenses	(581)	(471)
Accounts payable and accrued expenses	1,397	(3,097)
Deferred revenue	<u>(12,500)</u>	<u>(5,250)</u>
Net cash provided by operating activities	<u>22,523</u>	<u>34,397</u>
Investing activities:		
Purchase of equipment	-	(1,489)
Financing activities:		
Mortgage principal payments	<u>(13,390)</u>	<u>(13,900)</u>
Net increase in cash	9,133	19,008
Cash, beginning of year	<u>36,418</u>	<u>17,410</u>
Cash, end of year	<u><u>\$ 45,551</u></u>	<u><u>\$ 36,418</u></u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u><u>\$ 3,928</u></u>	<u><u>\$ 5,044</u></u>

Notes to the Financial Statements are an integral part of the Financial Statements.

Appleby Foundation, Inc.

(d/b/a Rebecca Kelly Ballet)

Notes to Financial Statements

December 31, 2016 and 2015

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 Center

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 businesses, arts organizations, local artisans, schools and museums.

2- Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP).

Financial Statement Presentation

The financial statement presentation follows the guidance of the Financial Accounting Standards Board Accounting Codification Standards under which the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted

Net assets that are not subject to donor-imposed stipulations.

Appleby Foundation, Inc.
(d/b/a Rebecca Kelly Ballet)

Notes to Financial Statements - (continued)

December 31, 2016 and 2015

2- Summary of Significant Accounting Policies - (continued)

Temporarily Restricted

Net assets subject to donor-imposed stipulations that may or will be met, either by actions or the organization and/or that passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted

Net assets subject to donor-imposed stipulations that they be maintained permanently by the organization. The earnings from the permanently restricted net assets are to be used for temporarily and unrestricted purposes.

As of December 31, 2016 and 2015 all of the Foundation's net assets are unrestricted.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash held in checking and money market accounts. From time to time, the Foundation maintains funds in financial institutions in excess of federally or other insured limits. Management believes the Foundation is not exposed to any significant credit risk on cash and cash equivalents.

Use of Estimates

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

Accounts Receivable

Accounts receivable are due within one year and are stated at the amount management expects to collect from outstanding balances. An allowance for doubtful accounts has not been necessary due to the historical high rate of collection. Management believes that the carrying value of accounts receivable approximates fair value.

Advertising

Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2016 and 2015 amounted to \$75 and \$910, respectively.

Appleby Foundation, Inc.
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Notes to Financial Statements - (continued)

December 31, 2016 and 2015

2- Summary of Significant Accounting Policies - (continued)

Deferred revenue

Deferred revenue represents advance payments on a five year grant agreements commencing in 2014 and expiring in 2018.

Restricted and Unrestricted Contributions

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Donor-restricted contributions are reported as increase in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Promises to Give

Unconditional promises to give are recognized as contributions in the period such promises are made. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Management believes that all outstanding balances, if any, are collectible and an allowance for doubtful accounts is not required.

Property and Equipment

All acquisitions of property and equipment in excess of \$1,000 are capitalized. Management reviews property and equipment for impairment. Maintenance and repairs are charged to operations when incurred. Property and equipment are written off to operations when considered impaired.

Appleby Foundation, Inc.
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Notes to Financial Statements - (continued)

December 31, 2016 and 2015

2- Summary of Significant Accounting Policies - (continued)

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and is not a private foundation under the code. Similar tax-exempt status applies at the state and local levels.

Management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, new authoritative rulings and its operating characteristics to comply with its status as a nonprofit organization. Management has determined that it is more likely than not that any of the Foundation's tax positions will be sustained upon examination and therefore has not recognized any liability for uncertain tax positions.

The Foundation's tax returns for the years ending December 31, 2015, 2014 and 2013 are presently subject to examination by the taxing authorities.

Functional Allocation of Expenses

The costs of providing various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain personnel and other operating costs have been allocated among the programs and supporting services benefited.

Contributed Services

Unpaid volunteers have made contributions of effort to the Foundation's programs and administration. The value of this contributed effort is not reflected in these financial statements.

3- Operating Spaces

The Foundation rents rehearsal and office space on a month-to-month basis. Total rent expense for the year ended December 31, 2016 was \$8,700.

4- Property and Equipment

Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

<u>Components</u>	<u>2016</u>	<u>2015</u>	<u>Years</u>
Land	\$ 8,000	\$ 8,000	N/A
Building	181,025	181,025	39
Equipment	105,244	105,244	5
	<u>294,269</u>	<u>294,269</u>	
Accumulated depreciation	<u>(86,545)</u>	<u>(63,543)</u>	
	<u>\$207,724</u>	<u>\$230,726</u>	

Depreciation expense for 2016 and 2015 was \$23,002 and \$23,002 respectively.

Appleby Foundation, Inc.
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Notes to Financial Statements - (continued)

December 31, 2016 and 2015

5- Mortgage Payable

On July 30, 2009 the Foundation acquired land and building in Au Sable Forks, New York for \$20,000. Acquisition costs and capital improvements paid in 2009 were \$54,212. On November 9, 2009 the Foundation took a mortgage in the amount of \$113,000 for a ten year period at 7% annual interest.

The annual requirement for principal payments on the mortgage for each of the next five years and thereafter is as follows:

2017	16,729
2018	16,761
2019	<u>15,020</u>
	<u>\$ 48,510</u>

6- Subsequent Events

Management has evaluated subsequent events through October 20, 2017, the date which the financial statements were available to be issued. Management is not aware of any subsequent events which would require recognition or disclosure in the accompanying financial statements.