

MILWAUKEE REPERTORY THEATER, INC. AND AFFILIATE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016
(With Summarized Totals for the Year Ended June 30, 2015)

MILWAUKEE REPERTORY THEATER, INC. AND AFFILIATE

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Independent Auditor's Report

Board of Directors
Milwaukee Repertory Theater, Inc. and Affiliate

We have audited the accompanying financial statements of Milwaukee Repertory Theater, Inc. and Affiliate (a nonprofit organization) which comprise the balance sheet as of June 30, 2016, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Milwaukee Repertory Theater, Inc. and Affiliate as of June 30, 2016, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Ritz Holman LLP
Serving businesses, nonprofits, individuals and trusts.

330 E. Kilbourn Ave., Suite 550 t. 414.271.1451
Milwaukee, WI 53202 f. 414.271.7464
ritzholman.com

Board of Directors
Milwaukee Repertory Theater, Inc. and Affiliate

Report on Summarized Comparative Information

We have previously audited Milwaukee Repertory Theater, Inc. and Affiliate's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 9, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matter(s)

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of unrestricted functional expenses and unrestricted activities reconciled to operating budget are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.


RITZ HOLMAN LLP
Certified Public Accountants

Milwaukee, Wisconsin
January 9, 2017

MILWAUKEE REPERTORY THEATER, INC. AND AFFILIATE
BALANCE SHEET
JUNE 30, 2016
(With Summarized Totals for June 30, 2015)

	ASSETS				
	Unrestricted	Temporarily Restricted	Permanently Restricted	2016 Total	2015 Total
CURRENT ASSETS					
Cash and Cash Equivalents (NOTES A-4 and C)	\$ 1,798,119	\$ 694,821	\$ ---	\$ 2,492,940	\$ 2,930,523
Investments (NOTES A-8 and D-F)	4,372,700	2,606,327	---	6,979,027	5,272,591
Interest Receivable	7,969	---	---	7,969	4,714
Pledges Receivable (NOTES A-5 and G)	326,962	873,067	1,013,550	2,213,579	788,333
Loan Receivable (NOTES A-6 and H)	12,173	---	---	12,173	12,173
Other Receivables	187,410	---	---	187,410	57,094
Inventory (NOTES A-9 and I)	41,235	---	---	41,235	42,416
Prepaid Expenses	430,717	21,251	---	451,968	416,475
Total Current Assets	<u>\$ 7,177,285</u>	<u>\$ 4,195,466</u>	<u>\$ 1,013,550</u>	<u>\$ 12,386,301</u>	<u>\$ 9,524,319</u>
INVESTMENTS (NOTES A-8 and D-F)	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 8,537,051</u>	<u>\$ 8,537,051</u>	<u>\$ 8,537,051</u>
PLEDGES RECEIVABLE (NOTES A-5 and G)	<u>\$ 375,046</u>	<u>\$ 1,803,074</u>	<u>\$ 1,066,653</u>	<u>\$ 3,244,773</u>	<u>\$ 1,480,953</u>
Less: Current Portion	(326,962)	(873,067)	(1,013,550)	(2,213,579)	(788,333)
Long-Term Pledges Receivable	<u>\$ 48,084</u>	<u>\$ 930,007</u>	<u>\$ 53,103</u>	<u>\$ 1,031,194</u>	<u>\$ 692,620</u>
FIXED ASSETS (NOTES A-7 and J)					
Total Fixed Assets	\$ 21,447,024	\$ ---	\$ ---	\$ 21,447,024	\$ 20,560,819
Less: Accumulated Depreciation	(14,315,452)	---	---	(14,315,452)	(13,710,440)
Net Fixed Assets	<u>\$ 7,131,572</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 7,131,572</u>	<u>\$ 6,850,379</u>
Due To/From Funds	<u>\$ (1,295,682)</u>	<u>\$ 1,246,932</u>	<u>\$ 48,750</u>	<u>\$ ---</u>	<u>\$ ---</u>
TOTAL ASSETS	<u><u>\$ 13,061,259</u></u>	<u><u>\$ 6,372,405</u></u>	<u><u>\$ 9,652,454</u></u>	<u><u>\$ 29,086,118</u></u>	<u><u>\$ 25,604,369</u></u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts Payable	\$ 667,829	\$ ---	\$ ---	\$ 667,829	\$ 446,564
Deferred Revenue (NOTE K)	3,306,187	8,525	---	3,314,712	2,902,357
Total Current Liabilities	<u>\$ 3,974,016</u>	<u>\$ 8,525</u>	<u>\$ ---</u>	<u>\$ 3,982,541</u>	<u>\$ 3,348,921</u>
Total Liabilities	<u>\$ 3,974,016</u>	<u>\$ 8,525</u>	<u>\$ ---</u>	<u>\$ 3,982,541</u>	<u>\$ 3,348,921</u>
NET ASSETS (NOTE A-11)					
Unrestricted					
Operating	\$ 7,168,440	\$ ---	\$ ---	\$ 7,168,440	\$ 6,855,190
Board Designated (NOTE A-10)	1,918,803	---	---	1,918,803	947,687
Total Unrestricted Net Assets	<u>\$ 9,087,243</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 9,087,243</u>	<u>\$ 7,802,877</u>
Temporarily Restricted (NOTE A-11)	<u>\$ ---</u>	<u>\$ 6,363,880</u>	<u>\$ ---</u>	<u>\$ 6,363,880</u>	<u>\$ 5,893,020</u>
Permanently Restricted (NOTE F)	<u>---</u>	<u>---</u>	<u>9,652,454</u>	<u>9,652,454</u>	<u>8,559,551</u>
Total Net Assets	<u>\$ 9,087,243</u>	<u>\$ 6,363,880</u>	<u>\$ 9,652,454</u>	<u>\$ 25,103,577</u>	<u>\$ 22,255,448</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 13,061,259</u></u>	<u><u>\$ 6,372,405</u></u>	<u><u>\$ 9,652,454</u></u>	<u><u>\$ 29,086,118</u></u>	<u><u>\$ 25,604,369</u></u>

The accompanying notes are an integral part of these financial statements.

MILWAUKEE REPERTORY THEATER, INC. AND AFFILIATE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016
(With Summarized Totals for the Year Ended June 30, 2015)

	Unrestricted			Temporarily Restricted					Permanently Restricted	2016 Total	2015 Total
	Operating	Board Designated	Total	Operating	Special Projects	Theater Fund	Endowment Income	Total			
INCOME											
Public Support											
Wisconsin Arts Board	\$ 17,500	\$ ---	\$ 17,500	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 17,500	\$ 17,500
Milwaukee County	---	---	---	53,018	---	---	---	53,018	---	53,018	36,589
NEA Grant	35,000	---	35,000	---	---	---	---	---	---	35,000	---
City of Milwaukee	7,000	---	7,000	7,000	---	---	---	7,000	---	14,000	7,000
UPAF Grant	1,608,572	---	1,608,572	---	---	---	---	---	---	1,608,572	1,479,685
Foundations	577,396	3,000	580,396	123,000	(2,366)	2,286	---	122,920	---	703,316	1,912,132
Corporate Grants	170,441	---	170,441	261,134	---	---	---	261,134	---	431,575	320,224
Contributions	1,017,043	90,325	1,107,368	776,506	498,125	---	---	1,274,631	1,092,903	3,474,902	2,464,756
Fundraising Events											
Income	325,433	---	325,433	66,000	---	---	---	66,000	---	391,433	418,449
Expense	(110,690)	---	(110,690)	---	---	---	---	---	---	(110,690)	(148,127)
In-Kind Income (NOTE N)	2,727	---	2,727	---	---	---	---	---	---	2,727	2,502
Net Assets Released from Restrictions	1,215,526	20,493	1,236,019	(649,810)	(238,973)	(347,236)	---	(1,236,019)	---	---	---
Total Public Support	\$ 4,865,948	\$ 113,818	\$ 4,979,766	\$ 636,848	\$ 256,786	\$ (344,950)	\$ ---	\$ 548,684	\$ 1,092,903	\$ 6,621,353	\$ 6,510,710
Earned Income											
Box Office Income	\$ 5,863,123	\$ ---	\$ 5,863,123	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 5,863,123	\$ 5,301,983
Coproduction Income	34,286	---	34,286	---	---	---	---	---	---	34,286	15,000
Concessions Sales - Net of Cost	440,112	---	440,112	---	---	---	---	---	---	440,112	405,366
Education Programs	76,550	---	76,550	---	---	---	---	---	---	76,550	65,917
Ticket Handling	148,426	---	148,426	---	---	---	---	---	---	148,426	218,179
Building Restoration Fee	---	141,284	141,284	---	---	---	---	---	---	141,284	130,872
Other Earned Income	202,252	---	202,252	---	---	---	---	---	---	202,252	98,535
Investment Income (NOTE D)	16,493	11,936	28,429	186	---	5,476	(83,486)	(77,824)	---	(49,395)	79,906
Total Earned Income	\$ 6,781,242	\$ 153,220	\$ 6,934,462	\$ 186	\$ ---	\$ 5,476	\$ (83,486)	\$ (77,824)	\$ ---	\$ 6,856,638	\$ 6,315,758
Total Income	\$ 11,647,190	\$ 267,038	\$ 11,914,228	\$ 637,034	\$ 256,786	\$ (339,474)	\$ (83,486)	\$ 470,860	\$ 1,092,903	\$ 13,477,991	\$ 12,826,468
EXPENSES											
Program Services											
Artistic	\$ 2,360,230	\$ ---	\$ 2,360,230	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 2,360,230	\$ 2,240,238
Education Programs	478,809	---	478,809	---	---	---	---	---	---	478,809	370,863
Production	2,832,934	---	2,832,934	---	---	---	---	---	---	2,832,934	2,728,460
Marketing	1,694,398	---	1,694,398	---	---	---	---	---	---	1,694,398	1,560,374
Concessions	376,715	---	376,715	---	---	---	---	---	---	376,715	340,263
Facilities	673,066	---	673,066	---	---	---	---	---	---	673,066	722,972
Administrative and General	918,158	---	918,158	---	---	---	---	---	---	918,158	779,913
Development	579,957	110,583	690,540	---	---	---	---	---	---	690,540	574,037
Total Expenses Without Depreciation	\$ 9,914,267	\$ 110,583	\$ 10,024,850	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 10,024,850	\$ 9,317,120
CHANGE IN NET ASSETS BEFORE DEPRECIATION	\$ 1,732,923	\$ 156,455	\$ 1,889,378	\$ 637,034	\$ 256,786	\$ (339,474)	\$ (83,486)	\$ 470,860	\$ 1,092,903	\$ 3,453,141	\$ 3,509,348
Depreciation	605,012	---	605,012	---	---	---	---	---	---	605,012	593,453
CHANGE IN NET ASSETS AFTER DEPRECIATION	\$ 1,127,911	\$ 156,455	\$ 1,284,366	\$ 637,034	\$ 256,786	\$ (339,474)	\$ (83,486)	\$ 470,860	\$ 1,092,903	\$ 2,848,129	\$ 2,915,895
Net Assets, Beginning of Year	6,855,190	947,687	7,802,877	991,233	1,344,965	1,210,290	2,346,532	5,893,020	8,559,551	22,255,448	19,339,553
Transfers	(814,661)	814,661	---	---	---	---	---	---	---	---	---
NET ASSETS, END OF YEAR	\$ 7,168,440	\$ 1,918,803	\$ 9,087,243	\$ 1,628,267	\$ 1,601,751	\$ 870,816	\$ 2,263,046	\$ 6,363,880	\$ 9,652,454	\$ 25,103,577	\$ 22,255,448

The accompanying notes are an integral part of these financial statements.

MILWAUKEE REPERTORY THEATER, INC. AND AFFILIATE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016
(With Summarized Totals for the Year Ended June 30, 2015)

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 2,848,129	\$ 2,915,895
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	605,012	593,453
Realized/Unrealized Loss (Gain) on Investments (NOTE D)	331,040	256,857
(Gain) Loss on Disposition of Fixed Assets	---	9,510
(Increase) Decrease in Interest Receivable	(3,255)	374
(Increase) Decrease in Pledges Receivable	(1,763,820)	(604,811)
(Increase) Decrease in Other Receivables	(130,316)	(32,366)
(Increase) Decrease in Inventory	1,181	(6,233)
(Increase) Decrease in Prepaid Expenses	(35,493)	(67,789)
Increase (Decrease) in Accounts Payable	221,265	123,064
Increase (Decrease) in Deferred Revenue	412,355	288,486
Net Cash Provided by Operating Activities	<u>\$ 2,486,098</u>	<u>\$ 3,476,440</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	\$ (886,205)	\$ (1,536,796)
Proceeds from Sale of Investments	2,483,211	3,180,904
Purchase of Investments	<u>(4,520,687)</u>	<u>(4,612,617)</u>
Net Cash Used by Investing Activities	<u>\$ (2,923,681)</u>	<u>\$ (2,968,509)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of Capital Lease	<u>\$ ---</u>	<u>\$ (15,070)</u>
Net Cash Used by Financing Activities	<u>\$ ---</u>	<u>\$ (15,070)</u>
Net (Decrease) Increase in Cash and Cash Equivalents	\$ (437,583)	\$ 492,861
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>2,930,523</u>	<u>2,437,662</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 2,492,940</u></u>	<u><u>\$ 2,930,523</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid	\$ 66	\$ 1,245
Donated Stock	141,431	240,799

The accompanying notes are an integral part of these financial statements.

MILWAUKEE REPERTORY THEATER, INC. AND AFFILIATE

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

(With Summarized Totals for June 30, 2015)

MILWAUKEE REPERTORY THEATER, INC. AND AFFILIATE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(With Summarized Totals for June 30, 2015)

NOTE A - Summary of Significant Accounting Policies

A-1 Organization

The Milwaukee Repertory Theater, Inc. ("The Rep") is an organization which presents theatrical performances to the public.

A-2 Combined Financial Statements

The accompanying combined financial statements include the accounts of Milwaukee Repertory Theater, Inc. and Friends of Milwaukee Repertory Theater, Inc. LLC. Friends of Milwaukee Repertory Theater, Inc. LLC donates thousands of hours of volunteer time and effort to assure that "The Rep" has the resources to maintain its artistic standards and meet its financial objectives.

A-3 Accounting Method

The accompanying combined financial statements of the Milwaukee Repertory Theater, Inc. have been prepared on the accrual basis of accounting.

A-4 Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less.

A-5 Pledges Receivable

Pledges receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of customers to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible receivables when management determines the receivable will not be collected.

A-6 Loan Receivable

Loan receivable is stated at the unpaid balance. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible receivables when management determines the receivable will not be collected. There is no allowance on this loan as management believes it is fully collectable at any time.

A-7 Fixed Assets

Fixed assets are recorded at cost. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. Fixed asset additions in excess of \$2,500 are capitalized.

A-8 Investments

Investments consist of marketable debt and equity securities, real estate partnership and certificates of deposit which are carried at fair market value.

A-9 Inventory

Inventory is valued at cost.

MILWAUKEE REPERTORY THEATER, INC. AND AFFILIATE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(With Summarized Totals for June 30, 2015)

NOTE A - Summary of Significant Accounting Policies (continued)

A-10 Board Designated Net Assets

The Board of Directors has designated certain resources as available for use for purposes at the discretion of the Board of the Theater. The Board Designated Net Assets consists of the following as of June 30:

	<u>2016</u>	<u>2015</u>
Cash Reserve Fund	\$1,369,099	\$540,696
Building Reserve Fund	<u>549,704</u>	<u>406,991</u>
Total Board Designated Net Assets	<u>\$1,918,803</u>	<u>\$947,687</u>

A-11 Basis of Presentation

The Organization reports 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. Assets of the restricted classes are created only by donor-imposed restrictions.

At June 30, 2016, the Organization had \$870,816 of temporarily purpose-restricted net assets, \$5,493,064 of temporarily time- and purpose-restricted net assets and \$9,652,454 of permanently restricted net assets. At June 30, 2015, the Organization had \$1,210,290 of temporarily purpose-restricted net assets, \$4,682,730 of temporarily time- and purpose-restricted net assets and \$8,559,551 of permanently restricted net assets.

The temporarily restricted net assets consists of the following as of June 30:

	<u>2016</u>	<u>2015</u>
Operating	\$1,579,434	\$ 942,170
Rose Pickering Fund	11,616	11,916
Larry Shue Fund	37,220	37,147
Theater Fund	870,818	1,344,965
Special Projects	1,601,752	1,210,291
Endowment Income	<u>2,263,040</u>	<u>2,346,531</u>
Total Temporarily Restricted Net Assets	<u>\$6,363,880</u>	<u>\$5,893,020</u>

A-12 Contributions

All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as temporarily or permanently restricted support and increase the respective class of net assets. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets. 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. Investment income that is limited to specific uses by donor restrictions is reported as increases in unrestricted net assets if the restrictions are met in the same reporting period as the income is recognized.

MILWAUKEE REPERTORY THEATER, INC. AND AFFILIATE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(With Summarized Totals for June 30, 2015)

NOTE A - Summary of Significant Accounting Policies (continued)

A-13 Advertising Costs

The Organization uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred.

A-14 Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

NOTE B - Comparative Financial Information

The financial information shown for 2015 in the accompanying financial statements is included to provide a basis for comparison with 2016 and presents summarized totals only. The comparative information is summarized by total only, not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity to generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2015, from which the summarized information was derived.

For comparability, certain 2015 amounts have been reclassified to conform with classifications adopted in 2016. The reclassifications have no effect on reported amounts of net assets or changes in net assets.

NOTE C - Concentration of Credit Risk

The Organization maintains cash and cash equivalent balances. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2016, the total uninsured balance was \$796.

MILWAUKEE REPERTORY THEATER, INC. AND AFFILIATE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(With Summarized Totals for June 30, 2015)

NOTE D - Investments

Investments as of June 30, 2016, consist of the following:

Professionally Advised by Marquette Associates, Inc.:	
Mutual Funds	\$ 9,931,551
Equities	683,369
Real Estate Fund	1,148,456
Certificates of Deposit less than one year:	
Actors Federal Credit Union	143,062
Charles Schwab, various banks	1,674,668
Certificates of Deposit greater than one year:	
Charles Schwab, various banks	929,862
US Treasury Notes:	
Less than one year	600,938
Greater than one year	<u>404,172</u>
Total	<u>\$15,516,078</u>
Investments - Current	\$ 6,979,027
Investments - Long-Term	<u>8,537,051</u>
Total Investments	<u>\$15,516,078</u>

Investments as of June 30, 2015, consist of the following:

Professionally Advised by Marquette Associates, Inc.:	
Mutual Funds	\$ 9,904,711
Equities	682,037
Real Estate Fund	1,049,553
Certificates of Deposit less than one year:	
Actors Federal Credit Union	142,719
Charles Schwab, various banks	<u>2,030,622</u>
Total	<u>\$13,809,642</u>
Investments - Current	\$ 5,272,591
Investments - Long-Term	<u>8,537,051</u>
Total Investments	<u>\$13,809,642</u>

MILWAUKEE REPERTORY THEATER, INC. AND AFFILIATE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(With Summarized Totals for June 30, 2015)

NOTE D - Investments (continued)

Investments are stated at fair market value. Aggregate cost, aggregate fair market value, and gross unrealized gain (loss) as of June 30, 2016 and 2015, are summarized as follows:

	<u>Aggregate Cost</u>	<u>Aggregate Fair Market Value</u>	<u>Gross Unrealized Gain</u>
2016	\$15,063,550	\$15,516,078	\$452,528
2015	\$13,008,867	\$13,809,642	\$800,775

Investment (loss) income for the year ended June 30, is as follows:

	<u>2016</u>	<u>2015</u>
Interest and Dividends	\$ 255,557	\$ 245,578
Capital Gains Distributions	26,095	91,185
Realized Gain	17,207	55,286
Unrealized Gain (Loss)	<u>(348,254)</u>	<u>(312,143)</u>
Total	\$ (49,395)	\$ 79,906
Less: Non-Operating		
Investment Income (Loss)	<u>(65,888)</u>	<u>74,609</u>
Operating Investment		
Income	<u>\$ 16,493</u>	<u>\$ 5,297</u>

Investment income from the Cash Reserve is board designated for special projects. Investment income from the Building Replacement and Theater Funds is restricted to capital purchases and building maintenance. Investment income from the Larry Shue Fund is restricted to supporting intern programs. Investment Income from the Endowment funds is released to operations based on the Board's disbursement policy.

NOTE E - Fair Value Measurements

The Organization has adopted the Financial Accounting Standards Board guidance on fair value measurements. A three-tier hierarchy is used to maximize the use of observable market data inputs and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Financial assets valued using level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets. Financial assets valued using level 3 inputs are based primarily on valuation models with significant unobservable pricing inputs and which result in the use of management estimates.

MILWAUKEE REPERTORY THEATER, INC. AND AFFILIATE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(With Summarized Totals for June 30, 2015)

NOTE E - Fair Value Measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2016:

<u>Investment Category</u>	<u>Fair Value</u>	Quoted Prices In Active Markets for Identical Assets (<u>Level 1</u>)	Significant Other Observable Inputs (<u>Level 2</u>)	Significant Unobservable Inputs (<u>Level 3</u>)
Equities	\$ 683,369	\$ 683,369	\$ ---	\$ ---
Mutual Funds	9,931,551	9,931,551	---	---
US Treasury Notes	1,005,110	1,005,110	---	---
CDs	2,747,592	---	2,747,592	---
Real Estate Fund	<u>1,148,456</u>	<u>---</u>	<u>---</u>	<u>1,148,456</u>
Total	<u>\$15,516,078</u>	<u>\$11,620,030</u>	<u>\$2,747,592</u>	<u>\$1,148,456</u>

The Organization's real estate fund is managed by American Core Realty Fund, LP. The fair values of the real estate fund is measured based on the statement provided by the American Core Realty Fund, LP. The table below presents information about recurring fair value measurement for the real estate fund (level 3 measurements):

	<u>2016</u>	<u>2015</u>
Beginning Net Asset Value as of July 1	\$1,049,553	\$ ---
Purchase	---	1,000,000
Investment Income	53,289	22,384
Fees	---	(2,708)
Income - Reinvested	53,289	19,676
Unrealized Gain or Loss	<u>45,614</u>	<u>29,877</u>
Ending Net Asset Value as of June 30	<u>\$1,148,456</u>	<u>\$1,049,553</u>

MILWAUKEE REPERTORY THEATER, INC. AND AFFILIATE
NOTES TO THE FINANCIAL STATEMENTS
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NOTE E - Fair Value Measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2015:

<u>Investment Category</u>	<u>Fair Value</u>	Quoted Prices In Active Markets for Identical Assets (<u>Level 1</u>)	Significant Other Observable Inputs (<u>Level 2</u>)	Significant Unobservable Inputs (<u>Level 3</u>)
Equities	\$ 682,037	\$ 682,037	\$ ---	\$ ---
Mutual Funds	9,904,711	9,904,711	---	---
CDs	2,173,341	---	2,173,341	---
Real Estate Fund	<u>1,049,553</u>	<u>---</u>	<u>---</u>	<u>1,049,553</u>
Total	<u>\$13,809,642</u>	<u>\$10,586,748</u>	<u>\$2,173,341</u>	<u>\$1,049,553</u>

NOTE F - Investments - Donor-designated Endowment

Interpretation of Relevant Law

UPMIFA requires that the portion of a donor-restricted endowment fund that is classified as permanently restricted net assets is not reduced by losses on the investment of the fund, except to the extent required by the donor. Likewise, the amount of permanently restricted net assets is not reduced by an organization's appropriations from the fund. The portion of the fund that is not classified as permanently restricted net assets is reported as temporarily restricted net assets until appropriated for expenditure by the Organization.

Endowment Investment and Spending Policies

The Organization has adopted the following investment, acceptable investment, and risk and spending policies. These policies were updated during June 2013. Below is a summary of these policies:

Summarized Investment Policy

The Investment Advisors will make recommendations to the Investment Committee on investment matters, including selection of investment alternatives and investment managers. The Investment Committee will establish the allocation of assets of the funds according to the detailed parameters and considerations described in the current investment policy adopted by the Board of Directors. The Investment Committee will review the allocations at least quarterly. The portfolio will be rebalanced as market movements or cash payments in to or out of the funds transpire, taking into consideration liquidity limitations.

MILWAUKEE REPERTORY THEATER, INC. AND AFFILIATE
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NOTE F - Investments - Donor-designated Endowment (continued)

Summarized Investment Policy (continued)

The Investment Committee and the Investment Advisors should not engage in short-term market timing.

A. Cash Reserve Fund

Since the Cash Reserve Fund is available for operating shortfalls, the Cash Reserve Fund will be managed separately in a combination of money market, short and intermediate bonds, and equity funds.

B. Building Reserve Fund and Theater Fund

These funds are intended to serve as the funding vehicle for building and theater maintenance and capital improvements. An amount equal to the next two years estimated net expenditures will be maintained in fixed income securities and the remaining in a balanced portfolio of fixed income and equity funds designed to maximize income consistent with preserving capital.

C. Enhancement Fund

The overall investment objective is to maximize the total return consistent with the preservation of principal and the guidelines established herein. The fund will be managed separately in a combination of bonds, bond funds, mutual funds, and non-traditional investments.

Disbursement Policy

The Rep will attempt to notify the Investment Advisor(s) or managers 30 days prior to any disbursement being required.

A. Cash Reserve Fund

The Cash Reserve Fund will be available as needed for Rep operations at the discretion of the Finance Committee.

B. Building Reserve Fund and Theater Fund

The Building Reserve Fund and Theater Fund will be disbursed as follows:

1. Disbursements are to be made for the periodic upkeep and renewal of the physical structure. The expected types of disbursement would include, but are not limited to: painting, sound insulation, replacement of roof, carpeting, furniture, fixtures, equipment, floors and windows; and maintenance of floors, windows, historic restoration, and exterior walls.
2. Disbursements from the Theater Fund will be made against a five-year rolling schedule (see I.B).
3. There is no intention or requirement to maintain the principal contributions in whole. Both principal and earnings will be available for distribution.

MILWAUKEE REPERTORY THEATER, INC. AND AFFILIATE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
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NOTE F - Investments - Donor-designated Endowment (continued)

C. Enhancement Fund

The Enhancement Fund will be disbursed as follows:

1. Annual disbursement will be an amount representing between 3 and 5% of the adjusted rolling 5 year average fund balance as of June 30th, with a targeted annual disbursement of 4%. However, in no case may any amounts be disbursed from the contributed principal of the Enhancement Fund. The adjusted rolling average is intended to give immediate effect to principal payments, while averaging out income variations. It is defined as the cumulative principal payments plus the 5-year rolling average of cumulative unexpended income (investment income - disbursements).
2. Management shall present to the Finance Committee of the Rep the specific amount requested for a year. The Finance Committee will then review and present the request to the Board for approval.
3. Actual disbursements against the approved amount will be made at least quarterly.
4. There will be no advances, in a current year, of funds not available until a future year.
5. Management may request, with the approval of the Board, that amounts available for disbursement in one year be carried forward to future years to fund a specific project or program.

The Organization's endowment by net asset class at the end of the period, in total and by type of endowment fund, shows donor-restricted endowment funds separately from board-designated endowment funds.

Endowment net asset composition by type of fund as of June 30, 2016, is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Assets</u>
Donor-Restricted Endowment Funds	\$ ---	\$3,182,697	\$9,652,454	\$12,835,151
Total Endowment Funds	\$ ---	\$3,182,697	\$9,652,454	\$12,835,151

MILWAUKEE REPERTORY THEATER, INC. AND AFFILIATE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(With Summarized Totals for June 30, 2015)

NOTE F - Investments - Donor-designated Endowment (continued)

Endowment net asset composition by type of fund as of June 30, 2015, is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Assets</u>
Donor-Restricted Endowment Funds	\$ ---	\$3,605,884	\$8,559,551	\$12,165,435
Total Endowment Funds	<u>\$ ---</u>	<u>\$3,605,884</u>	<u>\$8,559,551</u>	<u>\$12,165,435</u>

Changes in endowment net assets as of June 30, 2016, are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Assets</u>
Endowment Net Assets, Beginning of Year	\$ ---	\$3,605,884	\$8,559,551	\$ 12,165,435
Contributions	---	2,286	1,092,903	1,095,189
Investment Loss	---	(77,823)	---	(77,823)
Amounts Appropriated for Expenditure	<u>---</u>	<u>(347,650)</u>	<u>---</u>	<u>(347,650)</u>
Endowment Net Assets, End of Year	<u>\$ ---</u>	<u>\$3,182,697</u>	<u>\$9,652,454</u>	<u>\$12,835,151</u>

Changes in endowment net assets as of June 30, 2015, are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Assets</u>
Endowment Net Assets, Beginning of Year	\$ ---	\$4,268,672	\$8,037,051	\$ 12,305,723
Contributions	---	150,594	522,500	673,094
Investment Gain	---	73,224	---	73,224
Amounts Appropriated for Expenditure	<u>---</u>	<u>(886,606)</u>	<u>---</u>	<u>(886,606)</u>
Endowment Net Assets, End of Year	<u>\$ ---</u>	<u>\$3,605,884</u>	<u>\$8,559,551</u>	<u>\$12,165,435</u>

MILWAUKEE REPERTORY THEATER, INC. AND AFFILIATE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(With Summarized Totals for June 30, 2015)

NOTE G - Pledges Receivable

Pledges receivable are shown net of an allowance for doubtful accounts based on analysis of pledges for the year ended June 30, 2016, as follows:

Pledges Receivable	\$3,310,912
Less: PV discount on Pledges Receivable	(56,139)
Less: Allowance for Doubtful Accounts	<u>(10,000)</u>
Net Pledges Receivable	<u>\$3,244,773</u>
Pledges Receivable - Current	\$2,213,579
Pledges Receivable - Long-Term	<u>1,031,194</u>
Net Pledges Receivable	<u>\$3,244,773</u>

Present Value Discount was calculated at the rate of 2.75% on June 30, 2016.

Future expected receipts are as follows:

<u>Year</u>	<u>Amount</u>
2017	\$2,223,579
2018	466,916
2019	307,167
2020	194,250
2021	<u>119,000</u>
Total Future Expected Receipts	<u>\$3,310,912</u>

Pledges receivable are shown net of an allowance for doubtful accounts based on analysis of pledges for the year ended June 30, 2015, as follows:

Pledges Receivable	\$1,507,216
Less: PV discount on Pledges Receivable	(19,047)
Less: Allowance for Doubtful Accounts	<u>(7,216)</u>
Total	<u>\$1,480,953</u>

NOTE H - Loan Receivable

As of June 30, 2016 and 2015, the Organization had a loan receivable in the amount of \$12,173. The receivable is payable upon the demand of the Organization, unless the borrower becomes subject to bankruptcy or insolvency proceedings. There is no prepayment penalty or payment schedule for this receivable. The loan is unsecured at 0% interest rate that is not subject to any fees. There is no allowance on this loan as management believes it is fully collectable at any time. No amount is past due.

MILWAUKEE REPERTORY THEATER, INC. AND AFFILIATE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(With Summarized Totals for June 30, 2015)

NOTE H - Loan Receivable (continued)

Credit Quality Indicators

The Organization has established the following indicator for the only current loan receivable. Low Risk - Unimpaired loans are defined as loans to an affiliate member organization that is fiscally sound. If additional loans are extended the Organization will add additional Credit Quality Indicators as needed.

Loan receivable as of June 30, 2016 and 2015, is as follows:

<u>Loan Type</u>	<u>Loan Receivable</u>	<u>Allowance Amount</u>
Low Risk - Unimpaired	<u>\$12,173</u>	<u>\$ ---</u>
Total	<u>\$12,173</u>	<u>\$ ---</u>

NOTE I - Inventory

Inventory as of June 30, consists of the following:

<u>Inventory Item</u>	<u>2016</u>	<u>2015</u>
Food and Beverage	\$20,058	\$18,466
Merchandise	8,696	8,504
Supplies	<u>12,481</u>	<u>15,446</u>
Total	<u>\$41,235</u>	<u>\$42,416</u>

NOTE J - Fixed Assets

<u>At Cost:</u>	<u>2016</u>	<u>2015</u>
Building and Improvements	\$ 14,177,560	\$ 13,986,933
Building Foundation Improvements	1,546,794	1,546,794
River Walk	413,349	413,349
Theater Fixtures	893,265	893,265
Scenic Elements	954,420	954,420
Computer Equipment	1,009,363	816,411
Furniture and Equipment	1,990,905	1,904,059
Vehicles	45,588	45,588
Construction in Progress	<u>415,780</u>	<u>---</u>
Total Fixed Assets	<u>\$ 21,447,024</u>	<u>\$ 19,230,569</u>
Less: Accumulated Depreciation	<u>(14,315,452)</u>	<u>(13,710,440)</u>
Net Fixed Assets	<u>\$ 7,131,572</u>	<u>\$ 6,850,379</u>

MILWAUKEE REPERTORY THEATER, INC. AND AFFILIATE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(With Summarized Totals for June 30, 2015)

NOTE K - Deferred Revenue

Deferred revenue as of June 30, consists of the following:

	<u>2016</u>	<u>2015</u>
(1) Ticket Sales	\$3,010,997	\$2,649,803
(2) Gift Certificates	45,265	41,847
(3) Flex Passes	123,840	95,728
(4) Other Funds	<u>134,610</u>	<u>114,979</u>
Totals	<u>\$3,314,712</u>	<u>\$2,902,357</u>

Ticket Sales

The Milwaukee Repertory Theater, Inc. defers recognition of advance season ticket sales until the conclusion of each performance during the subsequent season, at which time the sales are credited to revenue.

Other Funds

These amounts represent funds received in the current year that are to be recognized in the subsequent period.

NOTE L - Operating Lease

The Organization has an operating lease for warehouse space which provides for monthly rental payments. The original term of the lease expired in 2014 and continues on a month-to-month basis with annual increases in rent of 3%, currently at \$1,970 per month. Rental expense for this warehouse for the year ended June 30, 2016, was \$22,613.

The Organization entered into a five-year agreement to rent out theater space under an operating lease that expires on December 2020. The annual rental fee is the greater of \$140,000 or 16% of gross admission revenue. In addition, the Organization is required to pay an annual historic preservation fee. Rental expense for the year ended June 30, 2016, was \$155,976.

The following is a schedule by years of the future minimum payments required under the lease as of June 30, 2016:

<u>Year</u>	<u>Amount</u>
2017	\$ 180,000
2018	160,000
2019	165,000
2020	170,000
2021	<u>172,500</u>
Total	<u>\$770,000</u>

MILWAUKEE REPERTORY THEATER, INC. AND AFFILIATE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(With Summarized Totals for June 30, 2015)

NOTE M - Lines of Credit

The Organization has a \$750,000 line of credit with an interest rate of LIBOR plus 2.75% and collateralized by all business assets. The note is up for renewal on December 31, 2016. No funds were drawn on the line during the years ended June 30, 2016 and 2015.

NOTE N - In-Kind Income

The Organization received \$2,727 and \$2,502 of in-kind donations of hotel rooms for the years ended June 30, 2016 and 2015, respectively. These donations were recorded as revenue and expenses at estimated fair market value.

NOTE O - Pension Plans

Employees are covered by several different plans. These plans include five multiemployer defined benefit pension plans, a multiemployer defined contribution pension plan, and a tax sheltered annuity plan.

Equity actors and stage managers belonging to Actors Equity Association are covered by a union pension plan administered by the Equity League Pension and Welfare Trust. The theater pays 8% of the actor's salary for pension benefits. The theater also contributed a percentage, ranging from 0.5% to 1.25%, of minimum weekly salaries to the defined contribution Equity-League 401(k) Trust Fund for the Equity members.

The defined benefit pension plan, Stage Employees Local No. 18 Retirement Plan, for the stagehands is administered by the Milwaukee Theatrical Stage Employees. The theater pays 13% of the stagehands' salary for pension coverage.

The pension plan for the directors is the SDC - League Pension Fund. The theater pays 8% of the director's salary for pension coverage.

The pension plan for the designers is the United Scenic Artists Local 829 Pension Fund. The theater pays 9% of the designer's salary for pension coverage.

Operating engineers are covered by the Central Pension Fund of the International Union Of Operating Engineers and Participating Employers. The theater pays 10% of regular hourly pay.

Full-time, full-season, and year-round employees not covered under a union sponsored pension plan are eligible to participate in the Milwaukee Repertory Theater, Inc.'s tax-sheltered annuity plan. Under this plan, beginning in their third consecutive year of full-time employment, Milwaukee Repertory Theater, Inc. contributes a percentage of regular earnings, as approved by the Board of Directors, to a tax-deferred annuity account for the employee. During the year ended June 30, 2016, Milwaukee Repertory Theater, Inc. made contributions of 5.0% of gross salary to the annuity fund.

MILWAUKEE REPERTORY THEATER, INC. AND AFFILIATE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(With Summarized Totals for Ended June 30, 2015)

NOTE O - Pension Plans (continued)

Total pension plan contributions for the fiscal year ended June 30, 2016, were \$262,697.

As noted above, the Organization contributes to a number of multiemployer defined benefit pension plans under the terms of collective-bargaining agreements that cover its union-represented employees. The risks of participating in these multiemployer plans are different from single-employer plans in the following aspects:

- a. Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- c. If the Organization chooses to stop participating in some of its multiemployer plans, the Organization may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Organization's participation in these plans for the annual period ended June 30, 2016, is outlined in the table below. The "EIN/Pension Plan #" column provides the Employer Identification Number (EIN) and the three-digit plan number, if applicable. The most recent Pension Protection Act (PPA) zone status available is for the plan's fiscal year-end noted below. The zone status is based on information that the Organization received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded, and plans in the green zone are at least 80 percent funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. The second to last column lists the expiration date(s) of the collective-bargaining agreement(s) to which the plans are subject. None of the union contracts require minimum contributions to a plan. Employer contributions are not greater than 5% of any total plan contributions per the plan's most recently available annual report.

MILWAUKEE REPERTORY THEATER, INC. AND AFFILIATE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(With Summarized Totals for June 30, 2015)

NOTE O - Pension Plans (continued)

Multiemployer defined benefit pension plans are abbreviated as follows:

<u>Plan</u>		<u>Abbreviation</u>					
Stage Employees Local No. 18 Retirement Plan		Stage					
The Equity - League Pension Plan		Equity					
SDC - League Pension Fund		SDC					
United Scenic Artists Local 829 Pension Fund		USA					
Central Pension Fund of the International Union Of Operating Engineers and Participating Employers		Engineers					

Pension Fund	EIN/Pension Plan #	PPA Zone Status 2014	FIP/RP Status Pending/ Implemented	Contributions in current year	Surcharge Imposed	Expiration Date	Fiscal Year end
Stage	39-622-4262-001	Green	None	\$84,012	No	6/30/19	Dec
Equity	13-6696817-001	Green	None	56,325	No	2/12/17	May
SDC	13-6634482-001	Yellow	Yes	5,075	No	4/14/17	Aug
USA	13-1982707-001	Green	None	11,403	No	No	6/30/18
Dec Engineers	36-6052390-001	Green	None	11,827	No	6/30/18	Jan

NOTE P - Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation. Management has reviewed all tax positions recognized in previously filed tax returns and those expected to be taken in future tax returns. As of June 30, 2016, the Organization had no amounts related to unrecognized income tax benefits and no amounts related to accrued interest and penalties. The Organization does not anticipate any significant changes to unrecognized income tax benefits over the next year.

MILWAUKEE REPERTORY THEATER, INC. AND AFFILIATE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(With Summarized Totals for June 30, 2015)

NOTE Q - Special Projects

During the year ended June 30, 2015, the Theater expanded its fund-raising efforts to raise additional funds for its permanently restricted endowment fund and for a new temporarily restricted Special Projects Fund for the creation of a new production of A Christmas Carol to debut in December 2016, a New Play Development Program, and the Theater's Community Engagement Programs. Temporarily restricted net assets of the Special Projects Fund as of June 30, 2016, were \$1,601,751.

NOTE R - Subsequent Events

The Organization has evaluated events and transactions occurring after June 30, 2016, the date of the most recent balance sheet, through the date financial statements are available to be issued, January 9, 2017, for possible adjustment to the financial statements or disclosure and determined that no subsequent events need to be disclosed.

MILWAUKEE REPERTORY THEATER, INC. AND AFFILIATE
SCHEDULE OF UNRESTRICTED FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016
(With Summarized Totals for the Year Ended June 30, 2015)

	Artistic	Education	Production	Marketing	Concessions	Facilities	Administrative and General	Development	2016 Total	2015 Total
EXPENSES										
PERSONNEL										
Salaries and Fees	\$ 1,316,661	\$ 227,145	\$ 1,636,977	\$ 466,175	\$ 243,617	\$ 184,640	\$ 458,875	\$ 424,893	\$ 4,958,983	\$ 4,793,723
Payroll Taxes	119,774	23,825	203,044	62,011	49,089	20,583	46,419	39,041	563,786	570,883
Pension and Welfare	269,966	34,906	381,645	46,601	28,528	28,457	84,811	43,045	917,959	856,525
Travel, Housing and Per Diem	197,959	85,834	9,865	368	---	---	973	---	294,999	308,965
Other Personnel	7,178	41,245	1,398	1,600	75	---	2,967	373	54,836	39,186
Total Personnel	<u>\$ 1,911,538</u>	<u>\$ 412,955</u>	<u>\$ 2,232,929</u>	<u>\$ 576,755</u>	<u>\$ 321,309</u>	<u>\$ 233,680</u>	<u>\$ 594,045</u>	<u>\$ 507,352</u>	<u>\$ 6,790,563</u>	<u>\$ 6,569,282</u>
OTHER EXPENSES										
Travel and Conferences	\$ 36,630	\$ 20,576	\$ 6,415	\$ 5,558	\$ ---	\$ 241	\$ 10,077	\$ 9,011	\$ 88,508	\$ 58,173
Equipment	502	397	137,467	12,001	17,395	94,182	4,629	7,414	273,987	227,676
IT Equipment and Service	---	---	9,632	95,359	75	---	71,794	---	176,860	165,380
Hospitality and Programs	1,777	16,186	1,506	18,071	---	---	7,639	19,627	64,806	27,661
Insurance	---	---	---	---	---	---	45,064	---	45,064	41,965
Materials and Supplies	5,754	3,985	233,046	11,886	17,421	39,992	123	242	312,449	315,477
Office and Miscellaneous	1,745	1,827	4,586	11,211	5,913	317	40,945	19,177	85,721	68,104
Postage and Mailing Services	159	278	7,067	89,973	1	2	4,483	11,852	113,815	110,912
Printing and Signage	---	1,245	1,355	139,591	198	---	---	14,408	156,797	168,851
Professional Services	6,033	20,550	4,894	116,140	---	64,731	110,271	44,655	367,274	228,731
Telephone, Fax and Internet	1,287	---	---	220	164	1,517	20,108	---	23,296	25,904
Interest Expense	---	---	---	---	---	---	66	---	66	1,245
Advertising (NOTE A-13)	---	---	---	350,374	---	---	---	40	350,414	289,058
Bank and Credit Card Fees	---	---	---	149,262	14,239	---	8,914	11,047	183,462	147,857
Telemarketing Commissions	---	---	---	117,997	---	---	---	45,715	163,712	54,252
Coproduction Expense	16,040	---	18,395	---	---	---	---	---	34,435	107,384
Royalties	375,740	160	---	---	---	---	---	---	375,900	356,083
Repairs and Maintenance	---	---	175	---	---	61,790	---	---	61,965	27,219
Rent	3,025	650	175,467	---	---	---	---	---	179,142	164,858
Utilities	---	---	---	---	---	176,614	---	---	176,614	161,048
Depreciation	---	---	---	---	---	605,012	---	---	605,012	593,453
Total Other Expenses	<u>\$ 448,692</u>	<u>\$ 65,854</u>	<u>\$ 600,005</u>	<u>\$ 1,117,643</u>	<u>\$ 55,406</u>	<u>\$ 1,044,398</u>	<u>\$ 324,113</u>	<u>\$ 183,188</u>	<u>\$ 3,839,299</u>	<u>\$ 3,341,291</u>
TOTAL EXPENSES	<u><u>\$ 2,360,230</u></u>	<u><u>\$ 478,809</u></u>	<u><u>\$ 2,832,934</u></u>	<u><u>\$ 1,694,398</u></u>	<u><u>\$ 376,715</u></u>	<u><u>\$ 1,278,078</u></u>	<u><u>\$ 918,158</u></u>	<u><u>\$ 690,540</u></u>	<u><u>\$ 10,629,862</u></u>	<u><u>\$ 9,910,573</u></u>

MILWAUKEE REPERTORY THEATER, INC. AND AFFILIATE
SCHEDULE OF UNRESTRICTED ACTIVITIES RECONCILED TO OPERATING BUDGET
FOR THE YEAR ENDED JUNE 30, 2016

Milwaukee Repertory Theater, Inc. budgets its operations on a traditional fund accounting basis. The Board of Directors makes certain resources available to the management for day-to-day operations and designates other resources for longer term purposes. A reconciliation of unrestricted functional operating revenue and expenses to operating results as budgeted follows:

Change in Unrestricted Operating Net Assets	\$ 1,127,911
Depreciation Expense	605,012
Purchase of Fixed Assets From Operating Resources	(29,738)
Theater Fund Resources Expended on Fixed Assets	(318,616)
Contributed Revenue for New Version of "A Christmas Carol"	(436,962)
Proceeds from Insurance Claim	(122,073)
Present Value Discount on Capital Pledges	(8,804)
Affiliate Activity (Friends of Milwaukee Repertory Theater, Inc.)	(2,069)
	<hr/>
NET OPERATING SURPLUS	<u><u>\$ 814,661</u></u>