

NASHVILLE ACADEMY THEATRE AND
NASHVILLE CHILDREN'S THEATRE ASSOCIATION

NASHVILLE, TENNESSEE

FINANCIAL STATEMENTS,
ADDITIONAL INFORMATION

AND

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

JUNE 30, 2007 AND 2006

NASHVILLE ACADEMY THEATRE AND
NASHVILLE CHILDREN'S THEATRE ASSOCIATION

NASHVILLE, TENNESSEE

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

JUNE 30, 2007 AND 2006

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Nashville Academy Theatre and
Nashville Children's Theatre Association
Nashville, Tennessee

We have audited the accompanying balance sheets of the Nashville Academy Theatre and Nashville Children's Theatre Association, a Tennessee not-for-profit corporation (the "Academy"), as of June 30, 2007 and 2006, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Academy's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Nashville Academy Theatre and Nashville Children's Theatre Association at June 30, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information on pages 13 through 15 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KraftCPAs PLLC

Nashville, Tennessee
December 11, 2007

NASHVILLE ACADEMY THEATRE AND
NASHVILLE CHILDREN'S THEATRE ASSOCIATION

BALANCE SHEETS

JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 10,678	\$ 100,745
Accounts receivable	11,800	465
Contributions receivable, net - Note 3:		
Annual giving	26,023	41,983
Capital campaign	2,310,724	2,949,308
Prepaid expenses and other	6,619	9,000
TOTAL CURRENT ASSETS	2,365,844	3,101,501
INVESTMENTS - Note 2	123,377	121,072
PROPERTY AND EQUIPMENT - at cost, less accumulated depreciation of: 2007 - \$19,440; 2006 - \$493,223 - Note 4	1,557,944	165,814
BENEFICIAL INTEREST IN AGENCY ENDOWMENT FUND HELD BY COMMUNITY FOUNDATION OF MIDDLE TENNESSEE - Note 10	152,111	130,426
TOTAL ASSETS	<u>\$ 4,199,276</u>	<u>\$ 3,518,813</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 415,011	\$ 7,555
Retainage payable	33,934	-
Accrued expenses	20,916	20,373
Deferred revenues	28,241	37,350
TOTAL CURRENT LIABILITIES	498,102	65,278
LONG-TERM DEBT - Note 6	169,310	-
COMMITMENTS AND CONTINGENCIES - Notes 7 and 8		
NET ASSETS		
Unrestricted:		
Designated for beneficial interest in agency endowment fund - Note 10	152,111	130,426
Undesignated	1,024,006	331,818
Total unrestricted	1,176,117	462,244
Temporarily restricted - Note 3	2,355,747	2,991,291
TOTAL NET ASSETS	3,531,864	3,453,535
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,199,276</u>	<u>\$ 3,518,813</u>

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

NASHVILLE ACADEMY THEATRE AND
NASHVILLE CHILDREN'S THEATRE ASSOCIATION

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	2007			2006		
	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
REVENUES AND SUPPORT						
Admissions	\$ 370,703	\$ -	\$ 370,703	\$ 422,772	\$ -	\$ 422,772
Theatre academy	104,606	-	104,606	97,095	-	97,095
Investment income	3,024	-	3,024	8,551	-	8,551
Change in value of beneficial interest in agency endowment fund held by Community Foundation of Middle Tennessee - Note 10	21,685	-	21,685	12,253	-	12,253
Contributions	167,592	10,755	178,347	140,615	59,483	200,098
Donated facilities	126,000	-	126,000	126,000	-	126,000
Donated goods and services	202,735	-	202,735	47,288	-	47,288
Government grants	209,300	-	209,300	180,521	-	180,521
Benefit events (less direct expenses of: 2007 - \$17,369; 2006 - \$14,343)	50,865	-	50,865	67,428	-	67,428
Capital campaign - Note 3	22,544	192,434	214,978	-	3,092,463	3,092,463
Other	8,686	-	8,686	9,051	-	9,051
Loss on disposal of property and equipment - Note 4	(71,286)	-	(71,286)	-	-	-
Net assets released from restrictions	838,733	(838,733)	-	160,655	(160,655)	-
TOTAL REVENUE AND SUPPORT	2,055,187	(635,544)	1,419,643	1,272,229	2,991,291	4,263,520
COSTS AND EXPENSES						
Production costs	941,237	-	941,237	815,821	-	815,821
Educational expenses	199,214	-	199,214	191,176	-	191,176
General and administrative expenses	90,173	-	90,173	85,789	-	85,789
Fundraising expenses	39,877	-	39,877	34,238	-	34,238
Capital campaign expenses - Note 3	70,813	-	70,813	146,110	-	146,110
TOTAL COSTS AND EXPENSES	1,341,314	-	1,341,314	1,273,134	-	1,273,134
INCREASE (DECREASE) IN NET ASSETS	713,873	(635,544)	78,329	(905)	2,991,291	2,990,386
NET ASSETS - BEGINNING OF YEAR	462,244	2,991,291	3,453,535	463,149	-	463,149
NET ASSETS - END OF YEAR	\$ 1,176,117	\$ 2,355,747	\$ 3,531,864	\$ 462,244	\$ 2,991,291	\$ 3,453,535

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

NASHVILLE ACADEMY THEATRE AND
NASHVILLE CHILDREN'S THEATRE ASSOCIATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 78,329	\$ 2,990,386
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Depreciation	19,440	22,126
Loss on disposal of property and equipment	71,286	-
Realized and unrealized (gain) loss on investments	(1,018)	3
Change in value of beneficial interest in agency endowment fund	(21,685)	(12,253)
Restricted contributions for capital campaign	(192,434)	(3,092,463)
(Increase) decrease in:		
Accounts receivable	(11,335)	20,947
Contributions receivable - annual giving	15,960	(41,983)
Prepaid expenses and other	2,381	7,008
Increase (decrease) in:		
Accounts payable	(3,394)	6,399
Retainage payable	33,934	-
Accrued expenses	543	(393)
Deferred revenues	(9,109)	3,229
Total adjustments	(95,431)	(3,087,380)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(17,102)	(96,994)
INVESTING ACTIVITIES		
Additions to property and equipment	(1,072,006)	(10,562)
Proceeds from sale of investments	418	183,862
Purchase of investments	(1,705)	(157,062)
Distributions from agency endowment fund	-	6,400
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(1,073,293)	22,638
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable	169,310	-
Capital campaign contributions collected	831,018	143,155
NET CASH PROVIDED BY FINANCING ACTIVITIES	1,000,328	143,155
NET INCREASE (DECREASE) IN CASH	(90,067)	68,799
CASH - BEGINNING OF YEAR	100,745	31,946
CASH - END OF YEAR	\$ 10,678	\$ 100,745
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Accounts payable for additions to property and equipment	\$ 410,850	\$ -

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

NASHVILLE ACADEMY THEATRE AND
NASHVILLE CHILDREN'S THEATRE ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007 AND 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Nashville Academy Theatre and Nashville Children's Theatre Association, a Tennessee not-for-profit corporation (the "Academy"), is a professional theatre for young audiences of Nashville, the surrounding communities and adjacent states. In addition to theatre presentations, the Academy provides young people with opportunities for education, experience and participation in theatre arts through drama classes. Funding for the Academy is provided principally by admissions, public and private contributions, and government grants.

The Academy conducts business as the "Nashville Children's Theatre."

Use of estimates in the preparation of financial statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Basis of presentation

The financial statements of the Academy have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

Resources are classified as unrestricted, temporarily restricted and permanently restricted net assets, based on the existence or absence of donor-imposed restrictions, as follows:

- *Unrestricted net assets* are free of donor-imposed restrictions. All revenues, gains and losses that are not temporarily or permanently restricted by donors are included in this classification. All expenditures are reported in the unrestricted class of net assets, since the use of restricted contributions in accordance with the donors' stipulations results in the release of the restriction.
- *Temporarily restricted net assets* are limited as to use by donor-imposed restrictions that expire with the passage of time or that can be satisfied by use for the specific purpose.
- *Permanently restricted net assets* are amounts required by donors to be held in perpetuity, including gifts requiring in perpetuity that the principal be invested and the income or specific portions thereof be used for operations. The Academy had no permanently restricted net assets as of June 30, 2007.

NASHVILLE ACADEMY THEATRE AND
NASHVILLE CHILDREN'S THEATRE ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2007 AND 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues and support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a restriction is fulfilled (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted and reported in the Statement of Activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the support is reported as unrestricted.

Other current funds are reported as revenue in the period received or accrued. Theatre academy revenues received in advance are reported as deferred revenues and recognized in the year earned.

Investments

Investments are stated at current market value based on the last reported sale price on the last business day of the period. Realized and unrealized gains and losses on investments are recognized in current period operations.

Promises to give

Unconditional promises to give that are expected to be collected within one year are recorded as contributions receivable at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discount on those amounts is computed using a risk-free interest rate applicable to the year in which the promise is received (4.82% in 2007; 5.13% in 2006). Amortization of the discount is recognized on the interest method over the term of the gift and included in contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met.

Property and equipment

Building improvements and theatre equipment are stated at cost (or estimated fair value at date of gift, if donated, with a corresponding credit to contributions). Expenditures are capitalized in amounts greater than \$500. Depreciation expense is computed on the straight-line method over the estimated useful lives of the assets.

NASHVILLE ACADEMY THEATRE AND
NASHVILLE CHILDREN'S THEATRE ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2007 AND 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Agency endowment fund

The Academy's beneficial interest in an agency endowment fund held by the Community Foundation of Middle Tennessee is recognized as an asset. Investment income and changes in the value of the fund are recognized in the statement of activities, and distributions received from the fund are recorded as decreases in the beneficial interest.

Income tax status

The Academy is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, federal income taxes are not provided for in the accompanying financial statements.

In-kind donations

The Academy occupies certain premises owned by the Metropolitan Government of Nashville and Davidson County ("Metro"). The estimated fair rental value of the facility is recognized as support and rent expense. Certain goods and services donated to the Academy have been recognized at their estimated fair value in the period received, with a corresponding charge to the applicable expense.

A number of unpaid volunteers contribute their time to assist in the Academy's operation. The value of these services is not recognized in the financial statements since the requirements for recognition are not met.

Vacation leave

Accruals for accumulated unpaid vacation have been provided for. No accrual is made for accumulated sick leave, since such benefits do not vest.

Allocation of functional expenses

Expenses that can be directly attributed to a particular function are charged to that function. Certain costs have been allocated among more than one program or activity benefited based on objectively evaluated financial and nonfinancial data or reasonable subjective methods determined by the Academy's management.

NASHVILLE ACADEMY THEATRE AND
NASHVILLE CHILDREN'S THEATRE ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2007 AND 2006

NOTE 2 - INVESTMENTS

Investments consist of the following as of June 30:

	<u>2007</u>	<u>2006</u>
Liquid asset accounts	\$ 100,297	\$ 104,218
Mutual funds	<u>23,080</u>	<u>16,854</u>
	<u>\$ 123,377</u>	<u>\$ 121,072</u>

NOTE 3 - CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following as of June 30:

	<u>2007</u>	<u>2006</u>
Temporarily restricted:		
Less than one year	\$ 1,927,075	\$ 2,144,613
One to five years	<u>429,417</u>	<u>890,112</u>
	2,356,492	3,034,725
Less discount to net present value	<u>(19,745)</u>	<u>(43,434)</u>
Total	<u>\$ 2,336,747</u>	<u>\$ 2,991,291</u>

Pledges receivable are classified as follows as of June 30:

	<u>2007</u>	<u>2006</u>
Annual giving receivables	\$ 26,023	\$ 41,983
Capital campaign receivables	<u>2,310,724</u>	<u>2,949,308</u>
	<u>\$ 2,336,747</u>	<u>\$ 2,991,291</u>

During 2005, the Academy began a capital campaign to raise funds for a redesign of its facility. The redesign is necessary because Metro is turning the entrance of the theatre into a greenway. Total estimated cost of the redesign is approximately \$6.29 million. The Academy has raised \$5.37 million to date, and has the goal of raising the remaining \$920,000 over the next 6 months.

NASHVILLE ACADEMY THEATRE AND
NASHVILLE CHILDREN'S THEATRE ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2007 AND 2006

NOTE 3 - CONTRIBUTIONS RECEIVABLE (CONTINUED)

During the 2007 fiscal year, the Academy was notified that two donations totaling \$25,000 to the Capital Campaign will be recommended by two donors to the Community Foundation of Middle Tennessee, Inc. (the "Foundation"), to be paid over a three-year period.. The first \$5,000 of this gift was approved by the Foundation and recognized as support by the Academy in 2007. The Foundation has final authority over these donor recommendations, which are advisory only and, accordingly, the balance of the donation will not be recognized until the period approved by the Foundation.

In September 2007, the Academy was notified that it was the recipient of a challenge grant in the amount of \$500,000 to use towards the renovation and expansion of its facility. To receive this grant, the Academy must raise the amount currently required to complete the funding of the campaign goal and projects through new private gifts, pledges and grants by April 1, 2008. The grant will not be recognized until this condition is met.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30:

	<u>2007</u>	<u>2006</u>
Building improvements	\$ 26,585	\$ 374,428
Theatre equipment	198,526	284,609
Construction in progress	<u>1,465,958</u>	<u>-</u>
	1,691,069	659,037
Less accumulated depreciation	<u>133,125</u>	<u>493,223</u>
	<u>\$ 1,557,944</u>	<u>\$ 165,814</u>

Depreciation expense totals \$19,440 in 2007 (\$22,126 in 2006). The general range of useful lives is 10 to 25 years for improvements and 5 to 20 years for equipment. Fully depreciated assets had an original cost totaling approximately \$55,000 in 2007 (\$335,000 in 2006).

During fiscal 2007, the Academy began its construction project to build a new theatre facility. The existing auditorium and related improvements were gutted, and a \$71,286 loss, representing the remaining net book value of those assets, was recognized.

NASHVILLE ACADEMY THEATRE AND
NASHVILLE CHILDREN'S THEATRE ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2007 AND 2006

NOTE 5 - LINE OF CREDIT

The Academy has a maximum \$100,000 unsecured line of credit arrangement with a bank. Interest on outstanding borrowings is payable monthly at the Eurodollar Daily Floating Rate plus 1.00 percent, per annum. No borrowings on the line were outstanding at June 30, 2007 or 2006. The arrangement expires October 4, 2008.

NOTE 6 - NOTE PAYABLE

On May 11, 2007, the Academy entered into a \$3,200,000 construction loan agreement with a financial institution. As of June 30, 2007, the total amount drawn on the note was \$169,310. The agreement provides for payment of all outstanding principal and unpaid interest on May 11, 2009. Interest is due monthly and is charged at a rate equal to the 3-Month LIBOR.

NOTE 7 - CONTINGENCIES

The Academy receives support from state and local governments. In the event of a significant reduction in the level of this support, the Academy's programs and activities could be affected. In addition, funding received by the Academy from governmental agencies is subject to audit and retroactive adjustment. In management's opinion, no provision for audit or retroactive adjustment is considered necessary.

NOTE 8 - LEASES

The building occupied by the Academy is leased through the year 2018 from the Metropolitan Board of Parks and Recreation of the Metropolitan Government of Nashville and Davidson County for one dollar per year. The lease includes three five-year extension terms. An in-kind contribution and rent expense in the amount of \$126,000, the estimated fair rental value of the facility, have been recognized for the years ended June 30, 2007 and 2006.

NASHVILLE ACADEMY THEATRE AND
NASHVILLE CHILDREN'S THEATRE ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2007 AND 2006

NOTE 9 - EMPLOYEE BENEFIT PLAN

The Academy sponsors a Simplified Employee Pension Plan under Internal Revenue Code §403(b). The plan allows all employees over the age of twenty-one to participate. The Academy makes discretionary contributions based on a uniform contribution allocation formula. Participant salary reduction contributions are not permitted by the plan; however, participants may make self-directed contributions to their account. The amount of the Academy's contributions to a participant's account for any plan year may not exceed the lesser of 15% of the participant's salary or \$35,000. Total contributions to the plan by the Academy for the year ended June 30, 2007, were \$12,392 (\$11,941 for the year ended June 30, 2006).

NOTE 10 - AGENCY ENDOWMENT FUND

The Academy has a beneficial interest in the Nashville Children's Theatre Agency Endowment Fund held by the Community Foundation of Middle Tennessee (the "Community Foundation"). Earnings on this fund are used to support professional theatre for young audiences in the Middle Tennessee area. The Academy has granted variance power to the Community Foundation, and the Community Foundation has the ultimate authority and control over the Fund and the income derived therefrom. The fund is charged a .4% administrative fee annually. Upon request by the Academy, income from the Fund representing a 5% annual return may be distributed to the Academy or to another suggested beneficiary.

A schedule of changes in the Academy's beneficial interest in this fund for the years ended June 30, 2007 and 2006, follows:

	<u>2007</u>	<u>2006</u>
Balance - beginning of year	\$ 130,426	\$ 124,573
Change in value of beneficial interest in agency endowment fund:		
Contributions to the fund	155	250
Investment income	22,444	12,856
Administrative expenses	<u>(914)</u>	<u>(853)</u>
	21,685	12,253
Distributions to the Academy	<u>-</u>	<u>(6,400)</u>
Balance - end of year	<u>\$ 152,111</u>	<u>\$ 130,426</u>

NASHVILLE ACADEMY THEATRE AND
NASHVILLE CHILDREN'S THEATRE ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2007 AND 2006

NOTE 11 - CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Academy to concentrations of credit risk consist principally of cash and investments. The Academy maintains cash accounts with two financial institutions. Accounts at the financial institutions are insured by the Federal Deposit Insurance Corporation or the Security Investors Protection Corporation up to \$100,000 or \$500,000, respectively. There were no balances per bank in excess of applicable insurance limits at June 30, 2007 or 2006. Management considers bank balances in excess of statutory limits to be a normal business risk, mitigated by the underlying quality of the financial institutions used by the Academy.

NOTE 12 - STATEMENT OF CASH FLOWS

In accordance with Statement of Financial Accounting Standards (SFAS) 95, *Statement of Cash Flows*, as amended by SFAS 117, *Financial Statements of Not-for-Profit Organizations*, receipts of donor-restricted contributions, limiting the use to long-term purposes, are reported as a cash flow from financing activities. Accordingly, collections of capital campaign pledges (see Note 3) are reported as a cash flow from financing activities.

ADDITIONAL INFORMATION

NASHVILLE ACADEMY THEATRE AND
NASHVILLE CHILDREN'S THEATRE ASSOCIATION

SCHEDULES OF COSTS AND EXPENSES

FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
PRODUCTION COSTS		
Salaries	\$ 359,070	\$ 367,235
Fringe benefits	92,426	96,731
Rent	75,600	75,600
Royalties	29,389	32,552
Scenery/shop	9,351	8,673
Costumes	7,376	6,832
Scripts	396	788
Lighting	7,076	3,226
Properties/special effects	2,087	1,953
Sound/music	3,795	18,704
Conferences/membership	2,070	4,432
Other artistic expenses	215	9,878
Property and casualty insurance	18,188	11,627
Office equipment - maintenance	-	640
Office equipment - rental	3,123	1,872
Office supplies	4,274	-
Plant equipment - maintenance	16,078	11,073
Professional fees	6,710	6,048
Ticket printing	8,621	1,200
Depreciation	9,059	13,939
Season brochures/programs	14,109	-
Production marketing	9,350	50,608
Advertising	20,107	-
Utilities	24,447	31,038
Custodial supplies	1,167	-
Custodial services	8,215	9,664
Hospitality	1,462	2,435
Interest expense	781	1,785
Other production costs	9,522	-
Donated goods and services	<u>197,173</u>	<u>47,288</u>
 TOTAL PRODUCTION COSTS	 <u>941,237</u>	 <u>815,821</u>

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NASHVILLE ACADEMY THEATRE AND
NASHVILLE CHILDREN'S THEATRE ASSOCIATION
SCHEDULES OF COSTS AND EXPENSES (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
EDUCATIONAL EXPENSES		
Salaries	76,584	72,395
Fringe benefits	13,752	12,009
Background checks	1,195	-
Academy	6,821	416
Study guides	2,583	3,121
Property and casualty insurance	7,795	4,983
Rent	37,800	37,800
Office equipment - maintenance	1,339	274
Office equipment - rental	-	802
Plant equipment - maintenance	6,891	4,746
Professional fees	2,876	2,592
Conferences and memberships	848	1,442
Depreciation	3,883	5,974
Other education expenses	866	5,518
Utilities	10,477	13,302
Education marketing	13,162	15,159
Hospitality	586	792
Custodial supplies	500	
Custodial services	3,521	3,841
Class/camp t-shirts	-	4,474
Program expenses	-	771
Office supplies	4,830	-
Special project	70	-
Donated goods and services	2,500	-
Interest expense	<u>335</u>	<u>765</u>
TOTAL EDUCATIONAL EXPENSES	<u>199,214</u>	<u>191,176</u>

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NASHVILLE ACADEMY THEATRE AND
NASHVILLE CHILDREN'S THEATRE ASSOCIATION

SCHEDULES OF COSTS AND EXPENSES (CONTINUED)

FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
GENERAL AND ADMINISTRATIVE EXPENSES		
Salaries	45,542	49,875
Fringe benefits	9,238	7,355
Rent	12,600	12,600
Depreciation	6,498	2,213
Property and casualty insurance	2,887	1,846
Office equipment - maintenance	774	102
Office equipment - rental	-	297
Plant equipment - maintenance	2,552	1,758
Professional fees	1,065	960
Conferences and memberships	371	469
Hospitality	217	289
Utilities	3,881	4,422
Interest expense	-	283
Custodial supplies	186	-
Custodial services	1,304	1,500
Office supplies	1,967	-
Chairman's discretionary	214	-
Other	598	-
Miscellaneous	279	1,820
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	<u>90,173</u>	<u>85,789</u>
FUNDRAISING EXPENSES		
Salaries	28,722	27,144
Fringe benefits	5,418	5,136
Annual appeal	474	-
Corporate solicitation	1,188	86
Foundation solicitation	392	566
Other events	2,220	10
Publications/dues	151	317
Hospitality	179	350
Solicitation permit	300	300
Copying/printing	-	132
Miscellaneous	833	197
TOTAL FUNDRAISING EXPENSES	<u>39,877</u>	<u>34,238</u>
CAPITAL CAMPAIGN EXPENSES	<u>70,813</u>	<u>146,110</u>
TOTAL COSTS AND EXPENSES	<u>\$ 1,341,314</u>	<u>\$ 1,273,134</u>