

THE PERFORMANCE ZONE, INC.

DECEMBER 31, 2015 AND 2014

TABLE OF CONTENTS

	<u>Page No.</u>
INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statements of Changes in Net Assets	4
Statements of Activities	5
Statements of Cash Flows	7
Notes to Financial Statements	8
SUPPLEMENTARY INFORMATION	
INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION	18
Schedules of Functional Expenses	19

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To the Board of Directors of
The Performance Zone, Inc.
New York, New York 10038

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of The Performance Zone, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015 and 2014, and the related statements of activities, changes in net assets and cash flows for the years 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 purpose 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 The Performance Zone, Inc. as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Lake Success, New York
June 7, 2016

THE PERFORMANCE ZONE, INC.

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

ASSETS	<u>2015</u>	<u>2014</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 697,716	\$ 635,350
Grants receivable	133,280	120,160
Prepaid expenses	<u>3,400</u>	<u>4,652</u>
TOTAL CURRENT ASSETS	834,396	760,162
FIXED ASSETS		
Computer equipment	22,248	22,248
Machinery and equipment	29,357	29,357
Furniture and fixtures	3,359	3,359
Leasehold improvements	<u>18,676</u>	<u>18,676</u>
	73,640	73,640
Less: Accumulated depreciation	<u>71,694</u>	<u>70,398</u>
TOTAL FIXED ASSETS	1,946	3,242
OTHER ASSETS		
Grant receivable- Non current, net of discount	-	96,647
Security deposit	<u>16,262</u>	<u>16,262</u>
TOTAL OTHER ASSETS	<u>16,262</u>	<u>112,909</u>
TOTAL ASSETS	<u>\$ 852,604</u>	<u>\$ 876,313</u>

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

THE PERFORMANCE ZONE, INC.

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

LIABILITIES AND NET ASSETS	<u>2015</u>	<u>2014</u>
LIABILITIES		
Accounts payable	\$ 14,563	\$ 24,515
Accrued expenses	<u>5,790</u>	<u>2,749</u>
TOTAL LIABILITIES	20,353	27,264
NET ASSETS		
Unrestricted	421,669	367,922
Temporarily restricted	<u>410,582</u>	<u>481,127</u>
TOTAL NET ASSETS	<u>832,251</u>	<u>849,049</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 852,604</u>	<u>\$ 876,313</u>

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

THE PERFORMANCE ZONE, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

	Unrestricted	Temporarily Restricted	Total
REVENUE, SUPPORT AND RECLASSIFICATIONS			
Fees	\$ 13,363	\$ -	\$ 13,363
Corporate support	37,500	-	37,500
Foundation support	-	46,633	46,633
Government support	-	75,000	75,000
Individual support	54,849	-	54,849
Board contributions	40,825	-	40,825
Sponsorship dues	73,651	-	73,651
Sponsorship fees	146,421	-	146,421
Sponsored artist income	-	2,474,759	2,474,759
Interest income	80	-	80
Other income	504	-	504
Net assets released from restriction	2,666,937	(2,666,937)	-
 TOTAL REVENUE, SUPPORT AND RECLASSIFICATIONS	 3,034,130	 (70,545)	 2,963,585
 EXPENSES			
PROGRAM SERVICES			
Art based programs	147,007	-	147,007
Career based programs	2,702,297	-	2,702,297
SUPPORTING SERVICES			
Management and general	96,927	-	96,927
Fundraising	34,152	-	34,152
 TOTAL EXPENSES	 2,980,383	 -	 2,980,383
 CHANGES IN NET ASSETS	 53,747	 (70,545)	 (16,798)
 NET ASSETS, BEGINNING OF YEAR	 367,922	 481,127	 849,049
 NET ASSETS, END OF YEAR	 \$ 421,669	 \$ 410,582	 \$ 832,251

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

THE PERFORMANCE ZONE, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE, SUPPORT AND RECLASSIFICATIONS			
Ticket sales	\$ 1,620	\$ -	\$ 1,620
Fees	8,867	-	8,867
Corporate support	17,250	-	17,250
Foundation support	-	411,147	411,147
Government support	-	137,570	137,570
Individual support	57,171	-	57,171
Board contributions	30,600	-	30,600
Sponsorship dues	75,306	-	75,306
Sponsorship fees	162,384	-	162,384
Sponsored artist income	-	2,651,913	2,651,913
Interest income	739	-	739
In kind contributions	450	-	450
Other income	840	-	840
Net assets released from restriction	<u>3,062,370</u>	<u>(3,062,370)</u>	<u>-</u>
 TOTAL REVENUE, SUPPORT AND RECLASSIFICATIONS	 3,417,597	 138,260	 3,555,857
 EXPENSES			
PROGRAM SERVICES			
Art based programs	138,337	-	138,337
Career based programs	3,063,844	-	3,063,844
SUPPORTING SERVICES			
Management and general	91,197	-	91,197
Fundraising	<u>32,707</u>	<u>-</u>	<u>32,707</u>
 TOTAL EXPENSES	 <u>3,326,085</u>	 <u>-</u>	 <u>3,326,085</u>
 CHANGES IN NET ASSETS	 91,512	 138,260	 229,772
 NET ASSETS, BEGINNING OF YEAR	 <u>276,410</u>	 <u>342,867</u>	 <u>619,277</u>
 NET ASSETS, END OF YEAR	 <u>\$ 367,922</u>	 <u>\$ 481,127</u>	 <u>\$ 849,049</u>

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

THE PERFORMANCE ZONE, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (16,798)	\$ 229,772
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	1,296	1,555
(Increase) decrease in:		
Grants receivable	83,527	(205,297)
Prepaid expenses	1,252	(157)
Security deposits	-	3,150
Increase (decrease) in:		
Accounts payable	(9,952)	23,615
Accrued expenses	3,041	2,749
Transit payable	-	(56)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>62,366</u>	<u>55,331</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	62,366	55,331
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>635,350</u>	<u>580,019</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 697,716</u>	<u>\$ 635,350</u>

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

THE PERFORMANCE ZONE, INC.

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Performance Zone, Inc. (The Field) is a not-for-profit organization located in New York, New York, which was established in March 1986 by a small group of performing artists, for the specific and primary purpose of encouraging and cultivating appreciation of the performing arts. The Performance Zone, Inc. is committed to strategically and comprehensively serving the myriad artistic and administrative needs of independent performing artists and companies who work in the fields of dance, theatre, music, text and performance art. The Performance Zone, Inc. is also committed to providing a hands on and supportive environment that helps each singular artist or company thrive. The organization was born by artists and remains staffed by and centered on artists. This focus and their core values of affordability, accessibility, and rigorous delivery, guide all of their short and long term interactions.

Method of Accounting

The financial statements of The Performance Zone, Inc. have been prepared utilizing the accrual basis of accounting. The Company recognizes revenue only when all the following criteria have been met:

- Persuasive evidence of an arrangement exists
- Delivery has occurred or services have been rendered;
- The fee for the arrangement is fixed or determinable; and
- Collectability is reasonably assured.

Financial Statement Presentation

The Performance Zone, Inc. has adopted FASB Accounting Standards Codification 958. The Performance Zone, Inc. is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. At year end The Performance Zone, Inc. had unrestricted and temporarily restricted net assets. In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 7, 2016, the date the financial statements were available to be issued.

THE PERFORMANCE ZONE, INC.

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions

The Performance Zone, Inc. also adopted FASB Accounting Standards Codification 958, whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. 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 donor restriction is met through the passage of time or fulfillment of a purpose restriction, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions. Temporarily restricted contributions that are received and expended in the same period are reported as unrestricted contributions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Cash and Cash Equivalents

The company considers deposits that can be redeemed on demand and investments that have original maturities of less than three months, when purchased, to be cash equivalents. As of December 31, 2015 and 2014, the Company's cash and cash equivalents were deposited at Chase and Bank of America.

Use of Estimates

The Performance Zone, Inc. prepares its financial statements in conformity with accounting principles generally accepted in the United States of America, which requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of public support, revenues, and expenses during the reporting period. Actual results could differ from those estimates.

Income Tax Status

The Performance Zone, Inc. is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, The Performance Zone, Inc. qualifies for the charitable contribution deduction under Section 170(b)(1)(a). The organization has been classified as an organization that is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code because it can reasonably expect to be a publicly supported organization described in section 509(a)(2). The Performance Zone, Inc. has been registered nationally since 2010, to solicit donations in any state.

THE PERFORMANCE ZONE, INC.

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Equipment

The Performance Zone, Inc. capitalizes all expenditures and furniture in excess of \$500 and an estimated useful life greater than one year. Equipment is recorded at cost or estimated fair market value for donated items. Such donations are reported as unrestricted support unless the donor has restricted the asset to a specific purpose. Expenditures for major additions and improvements are capitalized and minor replacements, maintenance, and repairs are charged to expense as incurred. When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the results of operations for the respective period. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method.

The estimated useful lives for significant property and equipment categories are as follows:

Computer equipment	5 years
Machinery and office equipment	5 – 10 years
Furniture and fixtures	5 – 10 years
Leasehold improvements	5 – 39 years

Depreciation expense for 2015 and 2014 amounted to \$1,296 and \$1,555, respectively.

Concentration of Risk

Cash and cash equivalents include all cash balances and highly liquid investments with an initial maturity of three months or less. The Company places its temporary cash investments with high credit quality financial institutions. At times such investments may be in excess of Federal Deposit Insurance Corporation (FDIC) insurance limit. Financial instruments that potentially subject the company to concentrations of credit risk consist principally of cash deposits. At December 31, 2015 and 2014 the Company had deposits in excess of the (FDIC) limit of \$342,272 and \$279,985, respectively.

THE PERFORMANCE ZONE, INC.

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value

Effective January 1, 2008, The Performance Zone, Inc. adopted Statement of Financial Accounting Standards ("SFAS") ASC 820 "Fair Value Measurements and Disclosures," for assets and liabilities measured at fair value on a recurring basis. ASC 820 accomplishes the following key objectives:

Defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; establishes a three-level hierarchy (the "Valuation Hierarchy") for fair value measurements; requires consideration of the Company's creditworthiness when valuing liabilities; and expands disclosure about instruments measured at fair value.

The Valuation Hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. A financial instrument's categorization within the Valuation Hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of the Valuation Hierarchy and the distribution of the The Performance Zone, Inc.'s financial assets within it are as follows:

Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurements.

Certain financial instruments are carried at cost on the balance sheet, which approximates fair value due to their short-term, highly liquid nature. These instruments include cash and cash equivalents, accounts receivable, accrued expenses and other liabilities, and deferred revenue.

2. FUNCTIONAL ALLOCATION OF EXPENSES

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

THE PERFORMANCE ZONE, INC.

NOTES TO FINANCIAL STATEMENTS

3. DESCRIPTION OF PROGRAM SERVICE

During the year, the following program services are included in the accompanying financial statements.

Art Based Programs help artists create more effective, communicative art from the page to the stage. The Performance Zone, Inc. does this through creative residency opportunities, rehearsal space, peer artistic feedback sessions and free out of town creative retreats. The Performance Zone, Inc. also runs workshops and performance opportunities for local artists.

Career Based Programs improve the artists' organizational know how and technological savvy. Workshops provide training, consultation services and fiscal sponsorship which assist artists in gathering the resources necessary to develop their artwork and careers as well as provide structure for artists.

4. GRANTS RECEIVABLE

Unconditional promises to give are to be received by The Performance Zone, Inc. in years subsequent to December 31, 2015, and are deemed fully collectible by management. Unconditional promises to give due in more than one year are reflected at the present value of estimated future cash flows using a discount rate (AFR) of 1.72%. Unconditional promises are expected to be collected as follows as of December 31:

	<u>2015</u>	<u>2014</u>
In one year or less	\$ 135,000	\$ 120,160
Between one year and two years	-	100,000
Less: Unamortized discount	<u>(1,720)</u>	<u>(3,353)</u>
Total	<u>\$ 133,280</u>	<u>\$ 216,807</u>

THE PERFORMANCE ZONE, INC.

NOTES TO FINANCIAL STATEMENTS

5. PREPAID EXPENSES

Prepaid expenses consist of the following as of December 31:

	<u>2015</u>	<u>2014</u>
Insurance	\$ 993	\$ 792
Other	2,407	3,860
	<u>\$ 3,400</u>	<u>\$ 4,652</u>

6. SECURITY DEPOSITS

As of December 31, 2015 and 2014, security deposits consist of the following:

	<u>2015</u>	<u>2014</u>
Phone equipment	\$ 291	\$ 291
Office space	15,971	15,971
	<u>\$ 16,262</u>	<u>\$ 16,262</u>

7. RESTRICTION ON NET ASSETS

Temporarily restricted net assets are available for specific artists or for The Performance Zone, Inc. to use in subsequent years.

THE PERFORMANCE ZONE, INC.
NOTES TO FINANCIAL STATEMENTS

8. LEASE COMMITMENTS

The organization entered into a lease dated December 6, 2012 on office space for a term of ten years and three months commencing February 1, 2013 and ending May 31, 2023. The lease calls for a base charge of \$4,368 per month, increasing by approximately 3% each year thereafter.

The office rent expense amounted to \$61,523 and \$58,110 for the years 2015 and 2014, respectively.

Future minimum lease payments are as follows:

<u>Years ending December 31,</u>	<u>Amount</u>
2016	\$ 57,282
2017	59,000
2018	60,770
2019	62,593
2020	64,471
thereafter	152,415
	<u>\$ 456,531</u>

The Performance Zone, Inc. signed a sublease for a term of five years, commencing January 1, 2010 and ending December 31, 2014. The sublease called for a base rent of \$3,909 plus utilities, and increased by 5% each year. Subsequently, on March 31, 2014 the sublease was terminated.

The company leased a new copier with Konica Minolta Business Solutions USA, Inc. in February 2013 for a period of 60 months. The lease calls for a base charge of \$407 per month.

Future minimum lease payments are as follows:

<u>Years ending December 31,</u>	<u>Amount</u>
2016	\$ 4,884
2017	4,884
2018	814
	<u>\$ 10,582</u>

THE PERFORMANCE ZONE, INC.

NOTES TO FINANCIAL STATEMENTS

9. INVESTMENT CASH RESERVE

The board of directors established a Working Capital Fund, in 2008, which represents the amount contributed to support the long term financial stability of The Performance Zone, Inc. The Fund is held in a twelve month certificate of deposit at the Bank of America. The Fund may be used to support cash flow, special initiatives and address unforeseen and/or unpredicted financial challenges. The Board must authorize all spending from this fund. This is not listed as restricted net assets, since it is not donor restricted.

Board approved transfers in/(out) of working capital fund are as follows:

<u>Years ending December 31,</u>	<u>Amount</u>
2008	\$ 40,000
2009	26,000
2010	19,000
2011	20,000
2012	-
2013	(24,700)
2014	24,700
2015	-
	<u>\$ 105,000</u>

10. IN-KIND DONATIONS

The Performance Zone, Inc. records in-kind support, including materials and supplies. Contributed in-kind support is recognized in accordance with FASB Accounting Standards Codification 958-605-25. This pronouncement requires recognition of professional services received if those services (a) create or enhance long lived assets or (b) require specialized skills; are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Performance Zone, Inc., received contributed services for a career workshop, valued at the fair market value for these services. Contributed services received during the year are recognized as contribution revenue and program expenses in the unrestricted net assets. Contributions of tangible assets are recognized at fair market value when received. For 2014, the amount reflected in the accompanying financial statements as in-kind support, \$450, is offset by the same amount included in expenses. There were no in-kind contributions for 2015.

THE PERFORMANCE ZONE, INC.

NOTES TO FINANCIAL STATEMENTS

11. MEMBERSHIP DUES AND CREDIT CARD FEES

In 2014, The Performance Zone, Inc. revised the way it records Membership Dues and Sponsored Artist fees. Beginning in 2014, The Performance Zone, Inc. started combining General Membership Dues and Sponsorship Fees Standard. These two items are different levels of annual membership fees, and are most accurately recorded as revenue from program activity.

The Performance Zone, Inc. also changed the way credit card fees are reported. In previous years, when the organization processed contribution payments to their sponsored artists a credit card fee plus a sliding scale percentage processing fee was charged. In 2014, The Performance Zone, Inc. simplified their fee structure so that almost all member artists pay a flat 6% sponsorship fee on all contributions that are processed for them and there is no longer an offset to credit card fees.

12. SUBSEQUENT EVENTS

In accordance with ASC 855, the Company evaluated subsequent events through June 7, 2016, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

SUPPLEMENTARY
INFORMATION

MOSES AND SCHREIBER, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Board of Directors
The Performance Zone, Inc.
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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

We have audited the financial statements of The Performance Zone, Inc. as of and for the years ended December 31, 2015 and 2014, and have issued our report thereon dated June 7, 2016, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole.

The schedule of functional expenses on pages 19 and 20 are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.



Lake Success, New York
June 7, 2016

THE PERFORMANCE ZONE, INC.

SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

	PROGRAM SERVICES			SUPPORT SERVICES			Total
	Art Based Program	Career Based Program	Mgmt. & General	Fundraising			
Salaries	\$ 73,180	\$ 109,770	\$ 52,270	\$ 26,136	\$	\$	\$ 261,356
Payroll taxes	7,089	10,634	5,064	2,532			25,319
Health insurance	4,626	6,939	3,305	1,652			16,522
Disability insurance	28	42	20	10			100
Insurance	2,794	4,192	1,996	998			9,980
Operations	7,907	11,861	5,648	2,824			28,240
Space rental and utilities	22,556	34,156	7,734	-			64,446
Advertising and promotion	879	1,330	301	-			2,510
Office expense	16,550	25,063	5,674	-			47,287
Website development	5,187	7,855	1,778	-			14,820
Repairs and maintenance	334	506	115	-			955
Dues and subscriptions	158	239	53	-			450
Telephone	2,002	3,032	686	-			5,720
Conferences	3,263	4,942	1,119	-			9,324
Professional fees	-	-	8,580	-			8,580
Sponsored artist expenses	-	2,467,738	-	-			2,467,738
Registration fees	-	13,311	-	-			13,311
Depreciation expense	454	687	155	-			1,296
Other items	-	-	2,429	-			2,429
TOTAL FUNCTIONAL EXPENSES	\$ 147,007	\$ 2,702,297	\$ 96,927	\$ 34,152			\$ 2,980,383

See independent auditor's report on supplementary information.

THE PERFORMANCE ZONE, INC.

SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>PROGRAM SERVICES</u>		<u>SUPPORT SERVICES</u>		Total
	Art Based Program	Career Based Program	Mgmt. & General	Fundraising	
Salaries	\$ 75,040	\$ 112,560	\$ 53,600	\$ 26,800	\$ 268,000
Payroll taxes	7,053	10,580	5,038	2,519	25,190
Health insurance	4,637	6,956	3,312	1,656	16,561
Insurance	1,435	2,153	1,025	513	5,126
Operations	3,412	5,119	2,437	1,219	12,187
Space rental and utilities	27,248	41,262	9,342	-	77,852
Advertising and promotion	1,329	2,013	456	-	3,798
Office expense	11,783	17,842	4,040	-	33,665
Website development	1,351	2,046	463	-	3,860
Dues and subscriptions	768	1,163	264	-	2,195
Telephone	1,857	2,812	637	-	5,306
Conferences	1,880	2,847	645	-	5,372
Professional fees	-	-	9,000	-	9,000
Sponsored artist expenses	-	2,844,800	-	-	2,844,800
Registration fees	-	10,867	-	-	10,867
Moving expense	-	-	81	-	81
Depreciation expense	544	824	187	-	1,555
Other items	-	-	670	-	670
TOTAL FUNCTIONAL EXPENSES	\$ 138,337	\$ 3,063,844	\$ 91,197	\$ 32,707	\$ 3,326,085

See independent auditor's report on supplementary information.