

# MOSES AND SCHREIBER, LLP

## CERTIFIED PUBLIC ACCOUNTANTS

GREGORY S. ROM  
GARY E. SCHREIBER

MELVIN SCHREIBER  
DAVID L. MOSES

3000 MARCUS AVENUE  
SUITE - 1W5  
LAKE SUCCESS, NEW YORK 11042

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

### 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, 2016 and 2015, 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, 2016 and 2015, 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 5, 2017

THE PERFORMANCE ZONE, INC.

STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31,

ASSETS	<u>2016</u>	<u>2015</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 509,690	\$ 697,716
Grants receivable	60,900	133,280
Prepaid expenses	<u>8,637</u>	<u>3,400</u>
TOTAL CURRENT ASSETS	579,227	834,396
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>72,990</u>	<u>71,694</u>
TOTAL FIXED ASSETS	650	1,946
OTHER ASSETS		
Security deposit	<u>16,262</u>	<u>16,262</u>
TOTAL OTHER ASSETS	<u>16,262</u>	<u>16,262</u>
TOTAL ASSETS	<u>\$ 596,139</u>	<u>\$ 852,604</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>2016</u>	<u>2015</u>
LIABILITIES		
Accounts payable	\$ 23,401	\$ 14,563
Accrued expenses	9,435	5,790
	<hr/>	<hr/>
TOTAL LIABILITIES	32,836	20,353
NET ASSETS		
Unrestricted	348,803	421,582
Temporarily restricted	214,500	410,669
	<hr/>	<hr/>
TOTAL NET ASSETS	563,303	832,251
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 596,139</u>	<u>\$ 852,604</u>

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

THE PERFORMANCE ZONE, INC.

STATEMENTS OF CHANGES IN NET ASSETS  
FOR THE YEARS ENDED DECEMBER 31,

	<u>2016</u>	<u>2015</u>
NET ASSETS, BEGINNING OF YEAR	\$ 832,251	\$ 849,049
CHANGES IN NET ASSETS	<u>(268,948)</u>	<u>(16,798)</u>
NET ASSETS, END OF YEAR	<u>\$ 563,303</u>	<u>\$ 832,251</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, 2016

	Unrestricted	Temporarily Restricted	Total
REVENUE, SUPPORT AND RECLASSIFICATIONS			
Fees	\$ 5,733	\$ -	\$ 5,733
Corporate support	500	-	500
Foundation support	-	104,220	104,220
Government support	-	105,500	105,500
Individual support	49,499	-	49,499
Board contributions	62,851	-	62,851
Sponsorship dues	59,326	-	59,326
Sponsorship fees	135,885	-	135,885
Sponsored artist income	-	2,189,941	2,189,941
30th year contributions	29,875	-	29,875
Interest income	424	-	424
Other income	926	-	926
Net assets released from restriction	2,595,830	(2,595,830)	-
 TOTAL REVENUE, SUPPORT AND RECLASSIFICATIONS	 2,940,849	 (196,169)	 2,744,680
 EXPENSES			
 PROGRAM SERVICES			
Art based programs	137,564	-	137,564
Career based programs	2,677,140	-	2,677,140
SUPPORTING SERVICES			
Management and general	143,854	-	143,854
Fundraising	55,070	-	55,070
 TOTAL EXPENSES	 3,013,628	 -	 3,013,628
 CHANGES IN NET ASSETS	 (72,779)	 (196,169)	 (268,948)
 NET ASSETS, BEGINNING OF YEAR	 421,582	 410,669	 832,251
 NET ASSETS, END OF YEAR	 \$ 348,803	 \$ 214,500	 \$ 563,303

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	\$ 5,470	\$ -	\$ 5,470
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	-	2,482,652	2,482,652
Interest income	80	-	80
Other income	504	-	504
Net assets released from restriction	2,674,743	(2,674,743)	-
 TOTAL REVENUE, SUPPORT AND RECLASSIFICATIONS	 3,034,043	 (70,458)	 2,963,585
 EXPENSES			
PROGRAM SERVICES			
Art based programs	99,196	-	99,196
Career based programs	2,750,108	-	2,750,108
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	 53,660	 (70,458)	 (16,798)
 NET ASSETS, BEGINNING OF YEAR	 367,922	 481,127	 849,049
 NET ASSETS, END OF YEAR	 \$ 421,582	 \$ 410,669	 \$ 832,251

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

THE PERFORMANCE ZONE, INC.

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (268,948)	\$ (16,798)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	1,296	1,296
(Increase) decrease in:		
Grants receivable	72,380	83,527
Prepaid expenses	(5,237)	1,252
Increase (decrease) in:		
Accounts payable	8,838	(9,952)
Accrued expenses	3,645	3,041
	<u>(188,026)</u>	<u>62,366</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
	(188,026)	62,366
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	<u>697,716</u>	<u>635,350</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		
	<u>\$ 509,690</u>	<u>\$ 697,716</u>
CASH AND CASH EQUIVALENTS, END OF YEAR		

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 5, 2017, 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, 2016 and 2015, 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 amounted to \$1,296 for both years for 2016 and 2015.

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, 2016 and 2015 the Company had deposits in excess of the (FDIC) limit of \$528,584 and \$630,113, 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 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, 2016, 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>2016</u>	<u>2015</u>
In one year or less	\$ 60,900	\$ 135,000
Less: Unamortized discount	-	<u>(1,720)</u>
Total	<u>\$ 60,900</u>	<u>\$ 133,280</u>

THE PERFORMANCE ZONE, INC.  
NOTES TO FINANCIAL STATEMENTS

5. PREPAID EXPENSES

Prepaid expenses consist of the following as of December 31:

	<u>2016</u>	<u>2015</u>
Insurance	\$ 6,277	\$ 993
Other	<u>2,360</u>	<u>2,407</u>
	<u>\$ 8,637</u>	<u>\$ 3,400</u>

6. SECURITY DEPOSITS

As of December 31, 2016 and 2015, security deposits consist of the following:

	<u>2016</u>	<u>2015</u>
Phone equipment	\$ 291	\$ 291
Office space	<u>15,971</u>	<u>15,971</u>
	<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 \$73,430 and \$64,446 for the years 2016 and 2015, respectively.

Future minimum lease payments are as follows:

<u>Years ending December 31,</u>	<u>Amount</u>
2017	\$ 59,000
2018	60,770
2019	62,593
2020	64,471
2021	66,405
thereafter	<u>86,010</u>
	<u>\$ 399,249</u> <sup>✓</sup>

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>
2017	\$ 4,884
2018	<u>814</u>
	<u>\$ 5,698</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	-
2016	-
	<hr/>
	<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. There were no in-kind contributions for 2016 and 2015.

THE PERFORMANCE ZONE, INC.

NOTES TO FINANCIAL STATEMENTS

11. SUBSEQUENT EVENTS

In accordance with ASC 855, the Company evaluated subsequent events through June 5, 2017, 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

GREGORY S. ROM  
GARY E. SCHREIBER

MELVIN SCHREIBER  
DAVID L. MOSES

3000 MARCUS AVENUE  
SUITE - 1W5  
LAKE SUCCESS, NEW YORK 11042

Board of Directors  
The Performance Zone, Inc.  
New York, New York

### 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, 2016 and 2015, and have issued our report thereon dated June 5, 2017, 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 5, 2017

THE PERFORMANCE ZONE, INC.

SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>PROGRAM SERVICES</u>		<u>SUPPORT SERVICES</u>		<u>Total</u>
	<u>Art Based Program</u>	<u>Career Based Program</u>	<u>Mgmt. &amp; General</u>	<u>Fundraising</u>	
Salaries	\$ 58,694	\$ 234,777	\$ 83,849	\$ 41,924	\$ 419,244
Payroll taxes	5,863	23,452	8,375	4,188	41,878
Health insurance	4,055	16,221	5,793	2,897	28,966
Insurance	1,661	6,642	2,371	1,186	11,860
Operations	6,826	27,302	9,751	4,875	48,754
Grants	-	30,000	-	-	30,000
Space rental and utilities	25,701	38,918	8,811	-	73,430
Advertising and promotion	1,051	1,592	361	-	3,004
Office expense	16,492	24,974	5,655	-	47,121
Website development	3,430	5,193	1,176	-	9,799
Repairs and maintenance	5,869	8,888	2,012	-	16,769
Dues and subscriptions	475	720	163	-	1,358
Telephone	2,433	3,684	833	-	6,950
Conferences	4,560	6,905	1,564	-	13,029
Professional fees	-	-	8,625	-	8,625
Sponsored artist expenses	-	2,236,062	-	-	2,236,062
Registration fees	-	11,123	-	-	11,123
Depreciation expense	454	687	155	-	1,296
Other items	-	-	4,360	-	4,360
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 137,564</u>	<u>\$ 2,677,140</u>	<u>\$ 143,854</u>	<u>\$ 55,070</u>	<u>\$ 3,013,628</u>

See independent auditor's report on supplementary information.

THE PERFORMANCE ZONE, INC.

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

	<u>PROGRAM SERVICES</u>		<u>SUPPORT SERVICES</u>		<u>Total</u>
	<u>Art Based Program</u>	<u>Career Based Program</u>	<u>Mgmt. &amp; General</u>	<u>Fundraising</u>	
Salaries	\$ 36,590	\$ 146,359	\$ 52,270	\$ 26,136	\$ 261,356
Payroll taxes	3,545	14,179	5,064	2,532	25,319
Health insurance	2,313	9,252	3,305	1,652	16,522
Insurance	1,411	5,645	2,016	1,008	10,080
Operations	3,954	15,814	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	-	2,428
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u><u>\$ 99,196</u></u>	<u><u>\$ 2,750,108</u></u>	<u><u>\$ 96,927</u></u>	<u><u>\$ 34,152</u></u>	<u><u>\$ 2,980,383</u></u>

See independent auditor's report on supplementary information.