

FOX CITIES PERFORMING ARTS CENTER, INC.
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAcconnect.com

**FOX CITIES PERFORMING ARTS CENTER, INC.
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2024**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF ACTIVITIES	5
STATEMENT OF FUNCTIONAL EXPENSES	6
STATEMENT OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8



INDEPENDENT AUDITORS' REPORT

Board of Directors
Fox Cities Performing Arts Center, Inc.
Appleton, Wisconsin

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Fox Cities Performing Arts Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fox Cities Performing Arts Center, Inc., as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fox Cities Performing Arts Center, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Fox Cities Performing Arts Center, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Fox Cities Performing Arts Center, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Fox Cities Performing Arts Center, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Information Included in the Community Impact Report

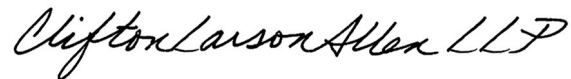
Management is responsible for the other information included in the Community Impact Report. The other information comprises information on the organization's operations and donors but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

Board of Directors
Fox Cities Performing Arts Center, Inc.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Summarized Comparative Information

We have previously audited the Fox Cities Performing Arts Center, Inc.'s 2023 financial statements, and our report dated October 31, 2023, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented as of and for the year ended June 30, 2023, is consistent in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Appleton, Wisconsin
October 29, 2024

FOX CITIES PERFORMING ARTS CENTER, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024
(WITH COMPARATIVE INFORMATION AS OF JUNE 30, 2023)

	2024	2023
ASSETS		
Cash and Cash Equivalents	\$ 1,367,258	\$ 1,715,750
Accounts Receivable	423,425	354,020
Inventory	39,864	55,903
Prepaid Expenses	138,167	130,344
Contributions Receivable	1,728,158	2,099,957
Investments	53,383,393	49,509,458
Investments Designated for Deferred Compensation	193,486	224,168
Cash Surrender Value of Life Insurance	381,527	379,375
Property and Equipment, Net	27,927,141	29,174,729
Operating Right-of-Use Assets	58,925	114,972
	\$ 85,641,344	\$ 83,758,676
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 247,608	\$ 225,645
Accrued:		
Payroll and Payroll Taxes	232,117	216,473
Interest and Fees	242,842	174,777
Other	426,268	546,289
Advance Collections	945,221	710,092
Deferred Compensation	193,486	224,168
Conditional Transfers	175,000	-
Operating Lease Liability	55,200	107,522
Bonds Payable	36,504,464	36,524,608
Total Liabilities	39,022,206	38,729,574
NET ASSETS		
Without Donor Restrictions	43,704,166	41,939,085
With Donor Restrictions	2,914,972	3,090,017
Total Net Assets	46,619,138	45,029,102
	\$ 85,641,344	\$ 83,758,676

See accompanying Notes to Financial Statements.

FOX CITIES PERFORMING ARTS CENTER, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR YEAR ENDED JUNE 30, 2023)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2024	2023
OPERATING REVENUE				
Gross Event Revenue	\$ 12,706,467	\$ -	\$ 12,706,467	\$ 15,824,442
Less: Agent Event Revenue	(10,422,327)	-	(10,422,327)	(13,107,202)
Net Event Revenue	2,284,140	-	2,284,140	2,717,240
Fees Earned from Agent Sales	1,912,167	-	1,912,167	1,814,068
Total Operating Revenue	4,196,307	-	4,196,307	4,531,308
OPERATING EXPENSES				
Gross Event Costs	12,287,912	-	12,287,912	15,071,654
Less: Agent Event Costs	(8,510,160)	-	(8,510,160)	(11,293,134)
Net Event Costs	3,777,752	-	3,777,752	3,778,520
Depreciation	1,594,004	-	1,594,004	1,575,943
Administrative	2,702,070	-	2,702,070	2,654,960
Total Operating Expenses	8,073,826	-	8,073,826	8,009,423
RESULTS FROM OPERATIONS	(3,877,519)	-	(3,877,519)	(3,478,115)
SUPPORT AND OTHER INCOME				
Contributions	2,207,706	852,678	3,060,384	3,940,728
Contributed Nonfinancial Assets	58,123	36,318	94,441	135,006
Investment Income	4,675,226	-	4,675,226	2,904,485
Net Assets Released from Restriction	1,064,041	(1,064,041)	-	-
Total Support and Other Income	8,005,096	(175,045)	7,830,051	6,980,219
OTHER EXPENSES				
Bond Financing	1,804,965	-	1,804,965	1,410,448
Development	557,531	-	557,531	545,991
Total Other Expenses	2,362,496	-	2,362,496	1,956,439
NET NONOPERATING INCOME	5,642,600	(175,045)	5,467,555	5,023,780
CHANGE IN NET ASSETS	1,765,081	(175,045)	1,590,036	1,545,665
Net Assets - Beginning of Year	41,939,085	3,090,017	45,029,102	43,483,437
NET ASSETS - END OF YEAR	\$ 43,704,166	\$ 2,914,972	\$ 46,619,138	\$ 45,029,102

See accompanying Notes to Financial Statements.

FOX CITIES PERFORMING ARTS CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR YEAR ENDED JUNE 30, 2023)

	Program Service	Management and General	Fundraising	Totals	
				2024	2023
Salaries and Wages	\$ 2,199,235	\$ 961,244	\$ 415,911	\$ 3,576,390	\$ 3,366,166
Employee Benefits	191,100	112,900	29,657	333,657	298,715
Payroll Taxes	189,650	35,953	31,213	256,816	244,771
Professional	246,550	238,554	16,810	501,914	458,193
Advertising	16,459	124,442	300	141,201	140,632
Office	338,599	36,971	19,249	394,819	385,471
Occupancy	2,411,125	41,498	5,724	2,458,347	2,095,604
Travel	26,972	27,560	4,868	59,400	61,300
Conference and Meetings	22,943	2,979	2,624	28,546	23,190
Depreciation	1,562,442	27,736	3,826	1,594,004	1,575,943
Production Costs	316,083	-	-	316,083	459,291
Cost of Goods Sold	181,998	1,459	47,427	230,884	276,396
Insurance	69,051	29,711	12,761	111,523	129,232
Equipment Lease	58,925	-	-	58,925	58,925
Equipment Maintenance	5,152	-	-	5,152	4,453
Printing and Publications	13,262	25,170	8,470	46,902	59,444
Hospitality	21,281	9,241	17,131	47,653	63,946
Dues and Subscriptions	10,699	14,446	1,075	26,220	18,620
Other	118,703	21,465	107,718	247,886	245,570
Total Functional Expenses	<u>\$ 8,000,229</u>	<u>\$ 1,711,329</u>	<u>\$ 724,764</u>	<u>\$ 10,436,322</u>	<u>\$ 9,965,862</u>

See accompanying Notes to Financial Statements.

FOX CITIES PERFORMING ARTS CENTER, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE INFORMATION FOR YEAR ENDED JUNE 30, 2023)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 1,590,036	\$ 1,545,665
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	1,594,004	1,575,943
Amortization of Right-of-Use Assets	56,047	53,320
Amortization of Debt Issuance Costs	14,856	13,559
Net Realized and Unrealized Gains on Investments	(2,881,196)	(1,361,808)
Loss on Cash Surrender Value of Life Insurance	16,596	3,671
Change in Present Value Discount on Contributions Receivable	(31,000)	20,000
Decrease (Increase) in:		
Accounts Receivable	(69,405)	(20,331)
Inventory	16,039	(10,237)
Prepaid Expenses	(7,823)	(91,445)
Contributions Receivable	402,799	(1,062,666)
Increase (Decrease) in:		
Accounts Payable	21,963	846
Accrued Liabilities	(36,312)	542,438
Advance Collections	235,129	(334,812)
Conditional Transfers	175,000	-
Operating Lease Liability	(52,322)	(49,595)
Net Cash Provided by Operating Activities	1,044,411	824,548
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(346,416)	(364,633)
Purchases of Investments	(2,452,739)	(1,688,692)
Purchase of Life Insurance Contract	(18,748)	(19,658)
Proceeds from Sales of Investments	1,460,000	1,161,000
Net Cash Used by Investing Activities	(1,357,903)	(911,983)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Debt Issuance Costs	(35,000)	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	(348,492)	(87,435)
Cash and Cash Equivalents - Beginning of Year	1,715,750	1,803,185
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,367,258	\$ 1,715,750
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Bond Financing Expenses	\$ 1,722,044	\$ 1,297,729

See accompanying Notes to Financial Statements.

FOX CITIES PERFORMING ARTS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Fox Cities Performing Arts Center, Inc. (the Center) is a Wisconsin nonstock, tax-exempt organization formed to own and operate a nonprofit performing arts center in Appleton, Wisconsin. The mission of the Center is to serve as a multicultural gathering place for the community to engage in educational opportunities and enhance understanding and enjoyment of life through the creation and presentation of the arts. The Center accomplishes this mission by providing a premier venue for performing arts attractions and a dynamic environment for community arts organizations. The Center's support comes primarily from admissions and contributions.

Basis of Accounting

The financial statements of the Center have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Center is required to report information regarding its financial position and its activities in the following two classes of net assets:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not restricted by donor-imposed stipulations.

Net Assets With Donor Restrictions – Net assets that result from contributions whose use by the Center is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Center pursuant to those stipulations. Other donor-imposed stipulations are perpetual in nature and cannot expire by passage of time nor can be fulfilled and removed by actions of the Center. The Center had no restrictions that were perpetual in nature at June 30, 2024 and 2023.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash Equivalents

The Center considers all highly liquid investments with an initial maturity of three months or less, except those held by investment managers, to be cash equivalents.

Accounts Receivable

Accounts receivables are stated at the amount the Center expects to collect from outstanding balances. Based upon the Center's assessment of the credit history with customers having outstanding balances, current relationships with them, and forward-looking information, it has concluded that realization of credit losses on balances outstanding at year-end will be immaterial.

FOX CITIES PERFORMING ARTS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Inventory

Inventory is stated at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation.

Contributions Receivable

Unconditional promises to give are recognized as revenue and as assets in the period the promise is received. Those intended to support the current period are reported as net assets without donor restrictions if they do not contain donor restrictions. Conditional promises to give are recognized only when the conditions on which they depend are substantially met. Intentions to give are not recognized as revenue unless they are legally enforceable.

Investments

The Center carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Quoted market prices in active markets are used as the basis for measurement. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Cash Surrender Value of Life Insurance

The Center is the owner and beneficiary of several life insurance policies. The insurance policies are recorded at their net cash surrender value, as reported by the issuing insurance company. The change in the value of the cash surrender value is included in investment income in the statement of activities.

Property and Equipment and Depreciation

All acquisitions and improvements of property and equipment in excess of \$5,000 are capitalized while all expenditures for repairs and maintenance that do not materially prolong the useful lives of assets are expensed. Purchased property and equipment is carried at cost. Donated property and equipment is carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated lives of the assets.

Leases

The Center leases certain equipment. The Center determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets, and operating lease liabilities on the statement of financial position.

FOX CITIES PERFORMING ARTS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Leases (Continued)

ROU assets represent the Center's right to use an underlying asset for the lease term and lease liabilities represent the Center's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Lease computations may include options to extend or terminate the lease when it is reasonably certain that the Center will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Center has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as ROU assets and lease liabilities on the statement of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Center has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

The Center has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

Advance Collections

Ticket sales and fees and facility usage income received in advance for upcoming events are recorded as liabilities and are either retained and recognized as revenue in the period that the event occurs or are transferred to the principal of the event when the Center is the agent in the transaction. If an event is cancelled, the corresponding advance collections would be refunded.

Conditional Transfers

Sponsorship payments for future events that are conditional on the event occurring and have a right of return are recorded as liabilities. When the condition is substantially met they are recognized as contributions.

Operating Revenue Recognition

The Center recognizes revenue from ticket sales and fees, facility and other usage fees, agent profit share, advertising, and other income over the time the services are provided, or the events occur. The performance obligation of providing a performing arts event or a venue for a performing arts event is recognized as services are simultaneously received and consumed by the customers. The Center recognizes revenue from concession sales at the time of the sale.

FOX CITIES PERFORMING ARTS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Fees Earned from Agent Sales

The Center holds many events at its facility each year. Tickets sold for live theatrical performances fall into two categories. In the first category, the Center acts as the principal in the transaction. These performances are presented, and their presentation is controlled by the Center. In the second category, the Center acts as the agent for the transaction. With these performances, the Center usually receives a fixed usage fee and in some cases the Center also shares in the potential profit or loss of the event. As an agent, the Center provides the facility and essential support staff, but is not responsible for presenting the event, does not establish the ticket prices, and has limited or no credit risk in relation to the tickets. When the Center acts as the agent, the revenue and related event costs are removed from gross event revenue and gross event costs, respectively. Only the net fees earned by the Center from the event are reported as Fees Earned from Agent Sales in the statement of activities. The Center had an accounts receivable balance of \$423,425, \$354,020, and \$333,689 at June 30, 2024, June 30, 2023, and June 30, 2022, respectively, related to fees earned from agent sales.

Contributions

Unconditional contributions are recognized as revenue when they are promised or received, as applicable, and are available for unrestricted use unless specifically restricted by the donor. Donor-restricted contributions are reported as increases in net assets with donor restrictions. If a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as Net Assets Released from Restriction.

Advertising

The Center uses advertising to promote its programs among the audiences it serves. The costs of advertising are expensed as incurred. During the years ended June 30, 2024 and 2023, advertising costs totaled \$141,201 and \$140,632, respectively.

Presentation of Sales Tax

The Center collects sales tax from certain customers and remits the entire amount to the appropriate governmental entities. The Center's accounting policy is to exclude the tax collected and remitted from revenues and expenses.

Functional Allocation of Expenses

The statement of functional expenses presents the natural classification detail of expenses by function. This statement reports expenses that are attributable to both program and supporting functions. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Depreciation and occupancy are allocated on the basis of square footage. Personnel costs and insurance are allocated on the basis of time and effort.

FOX CITIES PERFORMING ARTS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Income Tax Status

The Center is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Center's tax-exempt purpose is subject to taxation as unrelated business income. The Center had no unrelated business taxable income for the years ended June 30, 2024 and 2023. In addition, the Center qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(1). The Center is also exempt from Wisconsin income taxes.

Summarized Financial Information

The financial statements include certain prior year summarized information in total but not by net asset class or functional allocation. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles in the United States of America. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Change in Accounting Principle

The Center has adopted Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. The Center adopted this new guidance utilizing the modified retrospective transition method effective July 1, 2023. The adoption of this Standard did not have a material impact on the Center's financial statements but did change how the allowance for credit losses is determined.

Subsequent Events

The Center has evaluated events and transactions for potential recognition or disclosure in the financial statements through October 29, 2024, the date on which the financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

As part of the Center's liquidity management, cash balances are maintained to meet daily operational needs. Continuous fundraising activities ensures an adequate cash balance throughout the year. The board of directors has established two endowment funds to manage amounts invested in mutual funds (see Note 6). As of June 30, 2024 and 2023, the board made available approximately \$599,000 and \$765,000, respectively, of the Center's investments to support the Center's current operations. If considered necessary, the board could approve additional distributions from the Center's investments to meet liquidity needs. The Center intends to spend only the current amount approved in the next year. The remaining balance of the investments has been excluded from the available assets shown below.

FOX CITIES PERFORMING ARTS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)

As the Center raises and collects contributions, amounts designated for the Center's endowment funds are used to purchase additional investments. All other contributions are added to the Center's cash accounts and are available to support the Center's current operations. Contributions receivable that are expected to be collected in the next fiscal year and will be available to support current operations are included in the available assets shown below.

The Center's financial assets available within one year of June 30, 2024 and 2023 for general expenditures are as follows:

	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents	\$ 1,367,258	\$ 1,715,750
Accounts Receivable	423,425	354,020
Contributions Receivable in Less than One Year for Current Operations	1,181,430	1,081,481
Investments Approved to Support Current Operations	<u>599,000</u>	<u>765,000</u>
Total	<u>\$ 3,571,113</u>	<u>\$ 3,916,251</u>

NOTE 3 CONCENTRATION OF CREDIT RISK

The Center maintains its bank accounts at a financial institution in the Appleton area. Aggregate deposits are insured by the Federal Deposit Insurance Corporation up to \$250,000 per insured depository institution. The Center's cash deposits exceed these federally insured limits at times during the year. The Center has not experienced any losses on these accounts. Management believes the Center is not exposed to any significant credit risk on cash.

NOTE 4 ACCOUNTS RECEIVABLE

The balances for accounts receivable from contracts with customers consists of the following at June 30:

	<u>2024</u>	<u>2023</u>
Accounts Receivable:		
Agent Profit Share	\$ 281,440	\$ 246,793
Other Usage Fees	141,985	107,227
Total Accounts Receivable	<u>\$ 423,425</u>	<u>\$ 354,020</u>

FOX CITIES PERFORMING ARTS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 CONTRIBUTIONS RECEIVABLE

Contributions receivable are primarily due from various individuals and corporations located in the Fox Valley region. Contributions receivable are as follows at June 30:

	<u>2024</u>	<u>2023</u>
Receivable in Less than One Year	\$ 1,416,258	\$ 1,386,778
Receivable in One to Five Years	322,265	744,514
Receivable in Greater than Five Years	<u>9,635</u>	<u>19,665</u>
Total Unconditional Promises to Give	1,748,158	2,150,957
Less: Discount at a Rate of 2.5% to 7%	<u>(20,000)</u>	<u>(51,000)</u>
Present Value of Contributions Receivable	<u>\$ 1,728,158</u>	<u>\$ 2,099,957</u>

The Center considers all of the contributions receivable to be fully collectible; accordingly, no allowance for uncollectible contributions receivable has been established.

At June 30, 2024 and 2023, the Center also had conditional promises to give of approximately \$190,000 and \$405,000, respectively. The promises to give contain conditions such as incurring eligible expenses, continued compliance with a presentation agreement, and other conditions, and will be included in the financial statements in the future years when the conditions are met.

NOTE 6 ENDOWMENT FUNDS

The Center has established two board-designated quasi-endowment funds which are not donor-restricted. The endowment funds are classified and reported as net assets without donor restrictions and are included in investments on the statement of financial position. The first fund is named "Fox Cities Performing Arts Center's Keystone Campaign - Operations Fund". Distributions will be made upon the recommendation of the board of directors to support the operations of the Center. The Center's investment objective is to maximize total return consistent with an acceptable level of risk.

Composition of and changes in the Keystone Operations Fund net assets were as follows for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Beginning of Year	\$ 7,509,779	\$ 7,467,727
Contributions	120,000	45,500
Investment Income, Net of Fees	240,981	190,712
Net Appreciation	379,493	141,840
Amount Appropriated for Expenditure	<u>(475,000)</u>	<u>(336,000)</u>
End of Year	<u>\$ 7,775,253</u>	<u>\$ 7,509,779</u>

FOX CITIES PERFORMING ARTS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6 ENDOWMENT FUNDS (CONTINUED)

The second fund is named “Fox Cities Performing Arts Center’s Keystone Campaign - Endowment Fund”. Distributions will be made according to the spending policy that will be determined annually by the board of directors to support the operations of the Center. The spending policy is expected to be 5% of the average market value of the fund for the most recent 12 calendar quarters. The Center’s investment objective is preservation of principal to allow distribution of income for designated uses.

Composition of and changes in the Keystone Endowment Fund net assets were as follows for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Beginning of Year	\$ 13,654,758	\$ 12,260,753
Contributions	522,113	96,842
Investment Income, Net of Fees	345,535	250,573
Net Appreciation	<u>1,615,123</u>	<u>1,046,590</u>
End of Year	<u>\$ 16,137,529</u>	<u>\$ 13,654,758</u>

NOTE 7 INVESTMENTS

Investments consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Mutual Funds:		
Bond Funds	\$ 2,873,039	\$ 3,163,104
Balanced Stock/Bond Funds	<u>50,510,354</u>	<u>46,346,354</u>
Total	<u>\$ 53,383,393</u>	<u>\$ 49,509,458</u>

Investment income consists of the following for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Net Realized and Unrealized Gains	\$ 2,881,196	\$ 1,361,808
Interest and Dividends	2,180,943	1,891,621
Investment Fees	(370,317)	(345,273)
Loss on Cash Surrender Value of Life Insurance	<u>(16,596)</u>	<u>(3,671)</u>
Total	<u>\$ 4,675,226</u>	<u>\$ 2,904,485</u>

FOX CITIES PERFORMING ARTS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Land and Land Improvements	\$ 1,517,623	\$ 1,517,623
Building	55,767,617	55,562,392
Operating Equipment	3,024,548	2,913,277
Office Equipment	197,352	184,454
Software	28,100	30,266
Total	<u>60,535,240</u>	<u>60,208,012</u>
Less: Accumulated Depreciation	<u>(32,608,099)</u>	<u>(31,033,283)</u>
Total	<u>\$ 27,927,141</u>	<u>\$ 29,174,729</u>

NOTE 9 ADVANCE COLLECTIONS

The activity and balances for advance collections from contracts with customers for the years ended June 30, 2024 and 2023 were as follows:

	<u>Ticket Sales</u>	<u>Ticket Fees</u>	<u>Facility Usage</u>	<u>Total</u>
Balance at June 30, 2022	\$ 406,684	\$ 596,516	\$ 41,704	\$ 1,044,904
Revenue Recognized	(13,221)	(596,516)	(41,704)	(651,441)
Payments Made to Principals	(393,463)	-	-	(393,463)
Payments Received for Future Obligations, Net of Refunds	248,639	461,453	-	710,092
Balance at June 30, 2023	<u>248,639</u>	<u>461,453</u>	<u>-</u>	<u>710,092</u>
Revenue Recognized	(17,911)	(461,453)	-	(479,364)
Payments Made to Principals	(230,728)	-	-	(230,728)
Payments Received for Future Obligations, Net of Refunds	283,414	651,494	10,313	945,221
Balance at June 30, 2024	<u>\$ 283,414</u>	<u>\$ 651,494</u>	<u>\$ 10,313</u>	<u>\$ 945,221</u>

The Center expects to satisfy the remaining obligations as of June 30, 2024 within the next year.

FOX CITIES PERFORMING ARTS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 BONDS PAYABLE

Bonds payable consist of the following at June 30:

	2024	2023
Redevelopment Revenue Bonds Series 2001B, mature in June 2036, due in monthly interest-only payments initially at a variable rate (4.10% at June 30, 2024) with an option to convert to a fixed rate, secured by the mortgaged property of the Center and a letter of credit totaling \$37,056,806	\$ 36,700,000	\$ 36,700,000
Unamortized Bond Issuance Costs	(195,536)	(175,392)
Total Bonds Payable	\$ 36,504,464	\$ 36,524,608

The loan agreement contains various covenants. Management believes that the Center was in compliance with these covenants at June 30, 2024.

Sinking fund requirements on bonds payable is as follows for the years ended June 30:

Year Ended June 30,	Amount
2025	\$ -
2026	-
2027	3,670,000
2028	3,670,000
2029	3,670,000

Bond financing expenses consist of the following for the years ended June 30:

	2024	2023
Bond Interest Expense	\$ 1,486,431	\$ 1,078,141
Letter of Credit Fees	275,250	279,607
Bond Trustee and Other Bond Fees	43,284	52,700
Total	\$ 1,804,965	\$ 1,410,448

NOTE 11 NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions consist of the following at June 30:

	2024	2023
Undesignated	\$ 19,791,384	\$ 20,774,548
Board-Designated Keystone Operations Fund (Note 6)	7,775,253	7,509,779
Board-Designated Keystone Endowment Fund (Note 6)	16,137,529	13,654,758
Net Assets Without Donor Restrictions	\$ 43,704,166	\$ 41,939,085

FOX CITIES PERFORMING ARTS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Purpose Restrictions:		
Land (See Note 14)	\$ 1,303,748	\$ 1,303,748
Time Restrictions:		
Contributions Receivable	1,378,574	1,719,828
Contributions Received for Future Periods	<u>232,650</u>	<u>66,441</u>
Net Assets With Donor Restrictions	<u>\$ 2,914,972</u>	<u>\$ 3,090,017</u>

Net assets were released from donor restrictions by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Expiration of Time Restrictions:		
Contributions Receivable	\$ 997,600	\$ 265,771
Contributions Received for Future Periods	<u>66,441</u>	<u>36,106</u>
Total Net Assets Released from Restriction	<u>\$ 1,064,041</u>	<u>\$ 301,877</u>

NOTE 13 CONTRIBUTED NONFINANCIAL ASSETS

The Center received the following contributions of nonfinancial assets valued using the following valuation techniques for the years ended June 30:

	<u>2024</u>	<u>2023</u>	<u>Valuation Technique</u>
Lodging	\$ 35,418	\$ 91,325	Current standard hotel room rate listed on a publicly available website.
Food	25,334	30,600	Current price of an identical or similar item located on a publicly available website, or value provided by vendor.
Other Rentals and Services	29,355	13,081	Value provided by vendor.
Tickets	<u>4,334</u>	<u>-</u>	Ticket face value.
Total Contributed Nonfinancial Assets	<u>\$ 94,441</u>	<u>\$ 135,006</u>	

Contributed nonfinancial assets are recorded as revenue with a corresponding entry to the applicable expense account or contribution receivable if promised for a future period.

The Center utilizes all of its contributed nonfinancial assets in its programs and supporting activities. Specifically, contributed lodging is utilized in the Center's program to lodge artists who travel to perform at the Center. Contributed food and other rentals and services are utilized during the Center's program, fundraising, and management events. Contributed tickets are utilized in the Center's program in efforts to bring the live performing arts experience to the community.

FOX CITIES PERFORMING ARTS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 13 CONTRIBUTED NONFINANCIAL ASSETS (CONTINUED)

The following contributed nonfinancial assets are included in contributions receivable at June 30 and therefore had donor-imposed time restrictions. The contributions are expected to be received and used in the Center’s program and supporting services in the following year.

	2024	2023
Lodging	\$ 29,418	\$ 45,103
Food	6,900	8,500
Total Contributed Nonfinancial Assets Included in Contributions Receivable	\$ 36,318	\$ 53,603

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Center. Volunteers provided services to the Center throughout the year that have not been recognized as contributions in the financial statements because the recognition criteria were not met. The Center had approximately 290 volunteers that contributed approximately 19,600 hours during the year ended June 30, 2024, and approximately 290 volunteers that contributed approximately 19,400 hours during the year ended June 30, 2023.

NOTE 14 DEVELOPMENT AGREEMENT

The land owned by the Center was originally contributed to the Center by the city of Appleton and the Appleton Redevelopment Authority as part of a development agreement. The contributed land contains a restriction that it must be used for a performing arts center until November 2032. If the Center sells the land or any part of the land to a third party for use other than as a performing arts center, the Center must reimburse the city for the then fair market value of the land sold.

NOTE 15 MULTIEMPLOYER DEFINED CONTRIBUTION RETIREMENT PLAN

The Center has a co-employment agreement with QTI Human Resources, Inc. The Center participates in the QTI Human Resources, Inc. 401(k) Profit Sharing Plan, which is a multiemployer, defined contribution retirement plan qualified under Section 401(k) of the Internal Revenue Code. The plan covers substantially all the Center’s nonunion employees with at least one year of service and 1,000 hours during the plan year. The plan provides for a matching contribution by the Center equal to 100% of the employee’s contribution up to 3% of the employee’s compensation. For the years ended June 30, 2024 and 2023, the Center contributed approximately \$53,000 and \$39,000, respectively, to the plan.

FOX CITIES PERFORMING ARTS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 16 DEFERRED COMPENSATION AND INVESTMENTS DESIGNATED FOR DEFERRED COMPENSATION

The Center has a deferred compensation arrangement with a former key employee whereby a discretionary amount determined by the board of directors was deferred each year. The deferred compensation, plus earnings thereon, became fully payable upon separation of service by the employee. Deferred compensation expense totaled \$-0- for the years ended June 30, 2024 and 2023.

The Center has established various investment funds in which to accumulate assets to fund the future deferred compensation payments. The Center invested amounts equal to the deferred compensation expense on an annual basis. These investment funds are part of the general assets of the Center and the former employee does not have a secured interest in them. However, since it is the Center's intention to use these investments only to fund future deferred compensation payments, they are presented as "Investments designated for deferred compensation" on the statement of financial position. These investments are stated at fair value. Realized and unrealized gains and losses are not separately presented in the statement of activities since such gains and losses accrue to the benefit of the former employee.

Investments designated for deferred compensation consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Mutual Funds:		
Annuities	\$ 24,027	\$ 29,792
Real Estate	14,334	20,770
Fixed Income	25,376	31,460
Equities	<u>129,749</u>	<u>142,146</u>
Total	<u>\$ 193,486</u>	<u>\$ 224,168</u>

NOTE 17 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Accounting standards have established a hierarchy of valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 consists of unadjusted quoted prices in active markets for identical assets, Level 2 consists of inputs observable in the marketplace other than quoted prices in active markets for identical assets, and Level 3 consists of significant inputs unobservable in the marketplace.

FOX CITIES PERFORMING ARTS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 17 FAIR VALUE MEASUREMENTS (CONTINUED)

The fair value of the investments described in Notes 7 and 16 are based on quoted and computed market prices of the securities at June 30, 2024 and 2023.

The following are the major categories of assets measured at fair value on a recurring basis as of June 30, 2024 and 2023:

<u>2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds:				
Bond Funds:				
Limited Maturity	\$ 2,873,039	\$ -	\$ -	\$ 2,873,039
Balance Stock/Bond Funds:				
Diverse	29,700,981	-	-	29,700,981
Moderate	16,137,529	-	-	16,137,529
Moderately Conservative	4,671,844	-	-	4,671,844
Other Fixed Income	25,376	-	-	25,376
Other Equities	91,496	38,253	-	129,749
Annuities	-	24,027	-	24,027
Real Estate	14,334	-	-	14,334
Total	<u>\$ 53,514,599</u>	<u>\$ 62,280</u>	<u>\$ -</u>	<u>\$ 53,576,879</u>
<u>2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds:				
Bond Funds:				
Limited Maturity	\$ 3,163,104	\$ -	\$ -	\$ 3,163,104
Balance Stock/Bond Funds:				
Diverse	28,438,176	-	-	28,438,176
Moderate	13,654,758	-	-	13,654,758
Moderately Conservative	4,253,420	-	-	4,253,420
Other Fixed Income	31,460	-	-	31,460
Other Equities	98,229	43,917	-	142,146
Annuities	-	29,792	-	29,792
Real Estate	20,770	-	-	20,770
Total	<u>\$ 49,659,917</u>	<u>\$ 73,709</u>	<u>\$ -</u>	<u>\$ 49,733,626</u>

The Center invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investments securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

FOX CITIES PERFORMING ARTS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 18 OPERATING REVENUE

The Center's revenue disaggregated according to the timing of transfer of goods or services consists of the following for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Revenue Recognized at a Point in Time:		
Event Revenue:		
Concession Sales	\$ 744,924	\$ 855,466
Revenue Recognized Over Time:		
Event Revenue:		
Ticket Sales	363,267	509,404
Ticket Fees	835,053	945,410
Advertising	153,150	108,751
Other	187,746	298,209
Fees Earned from Agent Sales:		
Facility Usage	629,016	659,728
Other Usage Fees	418,425	249,360
Agent Profit Share	864,726	904,980
Total Revenue Recognized Over Time	<u>3,451,383</u>	<u>3,675,842</u>
Total Operating Revenue	<u>\$ 4,196,307</u>	<u>\$ 4,531,308</u>

NOTE 19 RELATED PARTY TRANSACTIONS

The Center receives contributions from management, members of its board of directors, and corporations owned by members of its board of directors. During the years ended June 30, 2024 and 2023, these related parties contributed approximately \$81,000 and \$84,000, respectively, to the Center. Discounted contributions receivable from these related parties are approximately \$33,000 and \$42,000 at June 30, 2024 and 2023, respectively.

NOTE 20 OPERATING LEASE

The Center leases certain equipment under a long-term, noncancellable lease agreement. The lease expires June 2025. The following table provides quantitative information concerning the Center's lease for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Lease Cost:		
Operating Lease Cost	\$ 58,925	\$ 58,925
Other Information:		
Operating Cash Flows Used by Operating Lease	\$ 55,200	\$ 58,925
Weighted-Average Remaining Lease Term	1 Year	2 Years
Weighted-Average Discount Rate	5.50%	5.50%

FOX CITIES PERFORMING ARTS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 20 OPERATING LEASE (CONTINUED)

A maturity analysis of annual undiscounted cash flows for the lease liability as of June 30, 2024, is as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2025	\$ 55,200

NOTE 21 MULTIEMPLOYER PENSION PLAN

The Center contributes to one multiemployer union retirement plan under a collective bargaining agreement which provides retirement benefits for certain union-represented employees. The Center’s collective bargaining agreement does not require a minimum contribution be made to the plan. The risks of participating in this multiemployer plan are different from a single-employer plan in the following aspects:

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

The Center currently has no intention of withdrawing from the multiemployer pension plan in which it participates.

The table below contains a summary of the most recently available plan information relating to the Center’s participation in the multiemployer pension plan, including the Center’s contributions. The plan year ends are December 31, 2023 and 2022. The Center’s contributions are for the plan year. The Center’s contributions are not more than 5% of total plan contributions for the plan year.

<u>Fund Name</u>	<u>Employer Identification Number</u>	Pension Protection Act (PPA) Certified Zone Status ¹		FIP/RP Status ²	Contributions		Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
		2023	2022		2023	2022		
					\$	\$		
I.A.T.S.E. (International Alliance of Theatrical Stage Employees) National Pension Fund	13-1849172/ 001	Green	Green	N/A	\$ 44,340	\$ 47,775	N/A	6/30/2027

¹ The most recent PPA zone status available based on information received from the plan. Plans in the green zone are at least 80% funded.

² Indicates plans for which a funding improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.