

SU THEATRE CORPORATION
(d/b/a Syracuse Stage)

Financial Statements and Supplemental Information

June 30, 2018 and 2017

Together with Independent Auditors' Report

Bonadio & Co., LLP
Certified Public Accountants

SU THEATRE CORPORATION
(d/b/a Syracuse Stage)

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INDEPENDENT AUDITOR'S REPORT

November 13, 2018

To the Board of Trustees of
SU Theatre Corporation (d/b/a Syracuse Stage):

We have audited the accompanying financial statements of SU Theatre Corporation (d/b/a Syracuse Stage) (a nonprofit organization) which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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.

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(Continued)

INDEPENDENT AUDITOR'S REPORT

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SU Theatre Corporation (d/b/a Syracuse Stage) as of June 30, 2018 and 2017, and the change 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.

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information contained on Schedule I is presented for purposes of additional analysis and is 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.

SU THEATRE CORPORATION
(dba Syracuse Stage)

Statements of Financial Position

June 30, 2018 and 2017

Assets	<u>2018</u>	<u>2017</u>
Current assets:		
Cash and cash equivalents	\$ 666,385	\$ 484,372
Short-term investments	110,347	110,148
Accounts receivable, net	3,691	14,937
Pledges receivable, net	8,314	33,136
Operating grants receivable, net	19,679	17,893
Prepaid expenses and other assets	<u>290,891</u>	<u>170,537</u>
Total current assets	1,099,307	831,023
Investments held by Syracuse University	1,388,213	1,335,701
Property and equipment, net	<u>312,217</u>	<u>331,010</u>
Total assets	<u><u>\$ 2,799,737</u></u>	<u><u>\$ 2,497,734</u></u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 34,862	\$ 62,176
Payable to Syracuse University	40,963	18,021
Deferred revenue	<u>819,836</u>	<u>665,088</u>
Total current liabilities	<u>895,661</u>	<u>745,285</u>
Net assets:		
Unrestricted	1,088,748	916,699
Temporarily restricted	101,033	121,455
Permanently restricted	<u>714,295</u>	<u>714,295</u>
Total net assets	<u>1,904,076</u>	<u>1,752,449</u>
Total liabilities and net assets	<u><u>\$ 2,799,737</u></u>	<u><u>\$ 2,497,734</u></u>

The accompanying notes are an integral part of these statements.

SU THEATRE CORPORATION
(dba Syracuse Stage)

Statements of Activities

Years ended June 30, 2018 and 2017

	2018	2017
Change in unrestricted net assets:		
Revenues:		
Ticket sales	\$ 2,090,346	\$ 2,010,016
Co-Production Revenue	712	—
Concessions	165,132	123,213
Interest and investment income	48,675	48,148
Production service	43,054	42,067
Program advertising	87,245	78,763
Education	13,850	39,208
Miscellaneous	77,000	64,983
Subsidies, grants, benefits, and donations	3,122,101	3,181,052
In-kind contributions and donated goods and services	681,286	476,779
Fundraising and Stage Guild events	166,138	121,260
Net assets released from restrictions	121,455	21,408
Total revenues	6,616,994	6,206,897
Expenses:		
Production	3,439,075	3,539,879
Marketing, education and fundraising	1,307,607	1,112,699
Administration	1,712,348	1,506,562
Fundraising and Stage Guild events	38,627	53,593
Total expenses	6,497,657	6,212,733
Change in unrestricted net assets before unrealized change in fair value of investments	119,337	(5,836)
Unrealized change in fair value of investments	52,712	90,736
Change in unrestricted net assets	172,049	84,900
Change in temporarily restricted net assets:		
Temporarily restricted contributions	101,033	17,130
Net assets released from restrictions	(121,455)	(21,408)
Change in temporarily restricted net assets	(20,422)	(4,278)
Change in permanently restricted net assets:		
Permanently restricted contributions	—	—
Change in net assets	151,627	80,622
Net assets, beginning of year	1,752,449	1,671,827
Net assets, end of year	\$ 1,904,076	\$ 1,752,449

The accompanying notes are an integral part of these statements.

SU THEATRE CORPORATION
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Statements of Cash Flows

Years ended June 30, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Change in net assets	\$ 151,627	\$ 80,622
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	68,527	68,015
Bad debt expense	8,947	21,654
Unrealized change in fair value of investments held by Syracuse University	(52,512)	(89,310)
Unrealized change in fair value of short-term investments	(200)	(1,426)
Changes in operating assets and liabilities:		
Accounts receivable	2,299	1,946
Pledges receivable	24,822	14,752
Operating grants receivable	(1,786)	8,980
Renovation grant receivable	—	20,784
Prepaid expenses and other assets	(120,354)	(43,293)
Accounts payable and accrued expenses	(27,314)	(3,388)
Payable to Syracuse University	22,942	(46,779)
Deferred revenue	154,748	123,315
Net cash provided by operating activities	231,746	155,872
Cash flows from investing activities:		
Purchases of property and equipment	(49,733)	(16,723)
Net cash used in investing activities	(49,733)	(16,723)
Net increase in cash and cash equivalents	182,013	139,149
Cash and cash equivalents:		
Beginning of year	484,372	345,223
End of year	\$ 666,385	\$ 484,372

The accompanying notes are an integral part of these statements.

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Notes to Financial Statements

June 30, 2018 and 2017

(1) Summary of Significant Accounting Policies

(a) Description of Business

Syracuse Stage is the non-profit, professional theatre company in residence at Syracuse University. We are nationally recognized for creating stimulating theatrical work that engages Central New York, and for our significant contribution to the artistic life of Syracuse University, where we are a vital partner in achieving the educational mission of the University's Department of Drama.

Our Mission: Syracuse Stage tells stories that engage, entertain, and inspire us to see life beyond our own experience.

Our Vision: Reimagining what's possible for regional theater – through active inclusion, innovative outreach, and bold productions – Syracuse Stage shapes the culture and social vitality of Central New York, enriches the Syracuse University student experience, and fosters change in ourselves, our communities, and our world.

Our Core Values:

People – Actively including diverse individuals, communities, ideas and perspectives.

Passion – Commitment to integrity, excellence and enthusiasm in our work.

Curiosity – Fostering an innovative and adaptive environment that elicits wonder.

(b) Basis of Presentation

The Corporation's financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles and with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*, which addresses the presentation of financial statements for not-for-profit entities. Accordingly, the Corporation's financial position and activities are classified based on the existence or absence of donor-imposed restrictions. The net assets of the Corporation are classified as follows:

Unrestricted net assets are not subject to donor stipulations restricting their use, but may be designated for specific purposes by the Corporation or may be limited by contractual agreements with outside parties.

Temporarily restricted net assets are subject to donor stipulations that expire by the passage of time or can be fulfilled by actions pursuant to the stipulations.

Permanently restricted net assets are subject to donor stipulations requiring that they be maintained permanently. The funds under the endowment are permanent in nature and may be utilized for short-term borrowing, subject to certain limitations. Earnings on the funds may be expended for general purposes as needed.

Expenses are reported as decreases in unrestricted net assets. Expirations of donor-imposed stipulations that simultaneously increase one class of net assets and decrease another are reported as reclassifications between the applicable classes of net assets.

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(c) Cash and Cash Equivalents

Investments acquired with an original maturity date of three months or less are reported as cash equivalents, unless they are part of long-term investment funds.

(d) Investments

Investments are reported at estimated fair value. Fair values for investments that are in the long-term investment pool are reported by Syracuse University (the University) at the unit fair value. The unit fair value for the pool is used to account for pool transactions and as a practical expedient to estimate the fair value of the Corporation's interest therein, unless it is probable that all or a portion of the investment will be sold for an amount different from unit fair value. As of June 30, 2018 and 2017, the Corporation had no specific plans or intentions to sell investments at amounts different than unit fair value. The Corporation believes the carrying amounts of these financial instruments are reasonable estimates of fair value. The estimates, because of the inherent uncertainty of valuations for these investments, may differ from the values that would have been used had ready markets existed.

(e) Fair Value Measurements

The Corporation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Corporation determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.
- Investments reported at net asset value or its equivalent (NAV) as a practical expedient to estimated fair value are not classified in the fair value hierarchy.

(f) Accounts and Pledges Receivable

Accounts and pledges receivable represent amounts owed to the Corporation from organizations, businesses and individuals. It is the Corporation's policy to write off uncollectible receivables when management determines that the receivable will not be collected. Accounts receivable are shown net of allowances for doubtful accounts of \$195 and \$786 at June 30, 2018 and 2017, respectively. Pledges receivable, which are generally due in one year or less, are shown net of allowances of \$438 and \$1,744 for June 30, 2018 and 2017, respectively.

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(g) *Operating and Renovation Grants Receivable*

Operating and renovation grants receivable represent the balance on grants from governmental entities and foundations. Grants are shown net of allowances of \$1,036 and \$942 at June 30, 2018 and 2017, respectively.

(h) *Property and Equipment*

Property and equipment are stated at cost. Depreciation on plant and equipment is calculated on the straight-line method over the estimated useful lives of the related assets.

General infrastructure/public spaces	7 – 10 years
Electrical systems	15 years
Theatre seats	15 years
Theatre equipment	3 – 5 years
Leasehold improvements	7 – 15 years
Production equipment	5 – 10 years
Vehicles	5 – 7 years
Computer hardware	3 – 5 years

Property and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. If circumstances require a long-lived asset or asset group be tested for possible impairment, the Corporation first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying amount. If the carrying amount of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying amount exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary.

(i) *Revenue Recognition*

The Corporation recognizes program revenue in the fiscal year of the performance. Advance single ticket sales, subscriptions and flex packs are deferred and recognized in the fiscal year the performances are presented.

In-kind contributions and donated goods and services consist of vehicle and property insurance, rent, custodial services and building maintenance, fundraising materials and supplies, advertising, auction items and other services that were donated to the Corporation. Donated services and in-kind contributions are recorded as revenues and corresponding expenses at fair value in the year services are performed or goods are provided.

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(j) Advertising Costs

Advertising costs are expensed in the year they are associated with. Barter transactions (revenue and expense) are recognized in the Statement of Activities at fair value of the advertising surrendered which approximates the amount of advertising received. The revenues recorded for barter transactions is recorded within in-kind contributions and donated goods and services with the associated expense recorded within marketing, education and fundraising within the Statements of Activities. Advertising expense was \$387,613 and \$151,710 for the years ended June 30, 2018 and 2017, respectively.

(k) Income Taxes

The Corporation is a tax-exempt corporation as described in Section 501(c)(3) of the Internal Revenue Code and is generally exempt from income taxes pursuant to Section 501(a) of the Internal Revenue Code. In addition, the Corporation has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. The Corporation believes it has taken no significant uncertain tax positions.

(l) Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those amounts. Significant estimates made in the preparation of these financial statements include the allowances for receivables, the valuation of in-kind gifts and investments, and useful lives of property and equipment.

(2) Related-Party Transactions

Syracuse University contributes to the support of the Corporation by directly paying certain operating expenses, which totaled \$568,985 and \$503,649 in fiscal years ended 2018 and 2017, respectively. The University also allows the rent-free use of the Regent Theatre Complex, valued at \$305,060 and \$302,547 in fiscal years ended 2018 and 2017, respectively, recognized as part of in-kind contributions and donated goods and services. See note 10.

The University provided a general subsidy of \$1,748,726 and \$1,866,134 recognized in subsidies, grants, benefits, and donations on the statements of activities in fiscal years ended 2018 and 2017, respectively. If the University were to reduce this funding it could have a material adverse effect on the Corporation's results of operations and financial position.

(3) Investments

The investment objective of the Corporation is to invest its assets in a prudent manner to achieve a long-term rate of return sufficient to fund a portion of its spending and to increase investment value after inflation. In order to accomplish this objective, the Corporation's long-term investments are held and managed by the University in a long-term investment pool. The University diversifies these investments among asset classes

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by incorporating several strategies and managers. The Corporation has the ability to redeem these investments on demand.

The June 30, 2018 and 2017, unit fair values for the pooled investments were \$457.825 and \$440.5068, respectively, and the distributions of investment income to the Corporation were \$48,485 and \$48,091 in fiscal years ended 2018 and 2017, respectively.

In addition to the long-term investments managed by the University, the Corporation invests in a mutual fund. Fair values for shares in registered mutual funds are based on share prices reported by the fund as of the last business day of the fiscal year and are classified in Level 1 of the fair value hierarchy.

The Corporation's investments as June 30, 2018 and 2017 are summarized in the following table:

	<u>2018</u>		<u>2017</u>	
	<u>Level 1</u>	<u>Total</u>	<u>Level 1</u>	<u>Total</u>
Short-term investments, measured at fair value:				
Mutual fund	\$ 110,347	\$ 110,347	\$ 110,148	\$ 110,148
Investments held by Syracuse University, measured at net asset value		\$ 1,388,213		\$ 1,335,701

As of June 30, 2018 and 2017, the long-term investment pool of the University was invested as follows:

	<u>2018</u>	<u>2017</u>
Marketable equity securities	33.2%	30.3%
Fixed income	13.6	11.7
Real assets	7.2	7.7
Hedge funds	28.2	29.4
Private equity	17.8	20.9
	<u>100.0%</u>	<u>100.0%</u>

(4) Endowment Funds

The Corporation's endowment consists of five individual funds established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the Corporation to function as endowments (quasi-endowments). At June 30, 2018 and 2017, the fair value of one permanent endowment account was less than the original gift (underwater) by a total of \$0 and \$26,677, respectively.

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The Corporation invests its endowment with the University. The University employs asset allocation models having multiyear investment horizons, and it manages its long-term investments in accordance with the total return concept and the goal of maximizing long-term return within acceptable levels of risk. The University's spending policy is aligned with the asset allocation model and is designed to provide a stable level of financial support and to preserve the real value of its endowment. The University compares the performance of its investments against several benchmarks, including its asset allocation spending model policy index.

The Corporation, in accordance with the approval of the Finance Committee of its Board of Directors, utilizes the amount of distribution received from the University for operating purposes.

The Corporation adheres to the New York State Prudent Management of Institutional Funds Act (NYPMIFA). The Corporation has interpreted NYPMIFA as allowing the Corporation to spend or accumulate the amount of an endowment fund that the Corporation determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. The Corporation has not changed the way permanently restricted net assets are classified as a result of this interpretation and classifies as permanently restricted net assets (a) the original values of gifts donated to permanent endowments, (b) the original values of subsequent gifts to permanent endowments, and (c) accumulations to permanent endowments made in accordance with the directions of the applicable donors' gift instruments at the times the accumulations are added to the funds. The portion of a donor restricted endowment fund that is not classified in permanently restricted net assets is required to be classified as temporarily restricted net assets until those amounts are appropriated for spending by the Finance/Administrative Operations Committee of the Corporation's Board of Directors in a manner consistent with the standard of prudence prescribed by NYPMIFA.

In accordance with NYPMIFA, the Finance/Administrative Operations Committee of the Board of Directors considers the following factors in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the fund
- The purposes of the Corporation and the endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Corporation
- Where appropriate and where circumstances would otherwise warrant, alternatives to expenditure of an endowment fund, giving due consideration to the effect that such alternatives may have on the Corporation
- The investment policies of the Corporation

Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The endowment net asset donor-restricted amounts reported below included appreciation, net of the underwater amount of endowment funds, reported as unrestricted net assets.

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Notes to Financial Statements

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Endowment net assets consisted of the following at June 30:

	2018		
	Unrestricted	Permanently restricted	Total
Donor restricted	\$ —	\$ 714,295	\$ 714,295
Quasi (board designated)	673,918	—	673,918
Total	\$ 673,918	\$ 714,295	\$ 1,388,213

	2017		
	Unrestricted	Permanently restricted	Total
Donor restricted	\$ (26,677)	\$ 714,295	\$ 687,618
Quasi (board designated)	648,083	—	648,083
Total	\$ 621,406	\$ 714,295	\$ 1,335,701

Changes in endowment net assets for the fiscal years ended June 30, 2018 and 2017 were as follows:

	2018		
	Unrestricted	Permanently restricted	Total
Net assets, June 30, 2017	\$ 621,406	\$ 714,295	\$ 1,335,701
Investment return	48,485	—	48,485
Unrealized gain	52,512	—	52,512
Distributions	(48,485)	—	(48,485)
Net assets, June 30, 2018	\$ 673,918	\$ 714,295	\$ 1,388,213

	2017		
	Unrestricted	Permanently restricted	Total
Net assets, June 30, 2016	\$ 532,096	\$ 714,295	\$ 1,246,391
Investment return	48,091	—	48,091
Unrealized gain	89,310	—	89,310
Distributions	(48,091)	—	(48,091)
Net assets, June 30, 2017	\$ 621,406	\$ 714,295	\$ 1,335,701

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Notes to Financial Statements

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(5) Property and Equipment

Property and equipment consisted of the following at June 30:

	2018	2017
General infrastructure/public spaces	\$ 146,712	\$ 146,712
Electrical systems	307,594	307,594
Theatre seats	121,343	121,343
Theatre equipment	68,090	55,440
Leasehold Improvements/Theatre Reconfiguration	29,871	29,871
Production equipment	364,175	381,701
Vehicles	21,400	48,781
Computer hardware	73,803	88,453
	1,132,988	1,179,895
Less: accumulated depreciation	(820,771)	(848,885)
Total	\$ 312,217	\$ 331,010

Total depreciation expense for the years ended June 30, 2018 and 2017 was \$68,527 and \$68,015, respectively.

(6) Commitments

The Corporation is required to maintain a reserve of \$70,000 under a union contract with Actors' Equity Association. The reserve represents two weeks of the maximum actors and stage managers' payroll, pension and benefit costs for the applicable season.

The Corporation has a \$70,000 line of credit with Manufacturers and Traders Trust Company (M&T Bank) with an annual expiration. As of June 30, 2018 and 2017, there were no amounts outstanding under this line of credit.

(7) Temporarily Restricted Net Assets

Temporarily restricted net assets consisted of the following at June 30:

	2018	2017
Time restricted:		
Individual donations	\$ 93,533	\$ 12,130
Organization donations	7,500	5,000
Purpose restricted:		
Capital campaign, individual donation	—	104,325
Total temporarily restricted net assets	\$ 101,033	\$ 121,455

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(8) Benefit Plans

Actors, directors, and designers employed by the Corporation are eligible to participate in the Equity League Pension Trust Fund, SDC League Pension Fund, and the United Scenic Artists Pension Fund. In accordance with the union agreements, the Corporation is required to contribute 8%, 8%, and 9.25%, respectively, of the members' gross earnings to the funds. The totals contributed by the Corporation amounted to \$39,428 and \$53,450 for the fiscal years ended June 30, 2018 and 2017, respectively.

The risks of participating in these multiemployer defined benefit pension plans are different from single-employer plans because: (a) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers, (b) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be required to be borne by the remaining participating employers, and (c) if the Corporation chooses to stop participating in one of its multiemployer plans, it may be required to pay a withdrawal liability to the plan. In connection with ongoing renegotiation of collective bargaining agreements, the Corporation may discuss and negotiate for the complete or partial withdrawal from one or more multiemployer pension plan. Depending on the number of employees withdrawn in any future period and the financial condition of the multiemployer plan at the time of withdrawal, the associated withdrawal liabilities could be material to the Corporation's change in net assets in the period of the withdrawal. The Corporation has no plans to withdraw from its multiemployer pension plans.

Eligible, nonunion employees participate in a TIAA defined-contribution plan. Expenses under the plan, which were based on 3%, 7%, or 11% of qualifying payroll, based on years of service, amounted to \$116,206 and \$108,533 for the fiscal years ended June 30, 2018 and 2017, respectively.

(9) Fundraising and Stage Guild Events

Revenues and expenses recognized by Fundraising events were recorded as an addition to unrestricted net assets as follows:

	<u>2018</u>	<u>2017</u>
Fundraising and Stage Guild events:		
Revenues	\$ 166,138	\$ 121,260
Expenses	(38,627)	(53,593)
Excess of revenues over expenses	<u>\$ 127,511</u>	<u>\$ 67,667</u>

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Notes to Financial Statements

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(10) Subsidies, Grants, Benefits, and Donations

	2018	2017
Subsidies:		
Syracuse University – general	\$ 1,748,726	\$ 1,866,134
Syracuse University – operating	568,985	503,649
Grants:		
New York State	3,000	36,000
Onondaga County	70,430	37,671
Foundations	239,250	224,860
Donations:		
Individuals	365,450	347,127
Corporations	126,260	155,111
Service organizations	—	10,500
Subtotal	3,122,101	3,181,052
In-kind contributions and donated goods and services	681,286	476,779
Total	\$ 3,803,387	\$ 3,657,831

(11) Concentrations of Credit Risk

The Corporation maintains its principal banking relationship with one financial institution. At times, the Corporation has deposit funds in excess of Federal Deposit Insurance Corporation (FDIC) limits. The Corporation has never experienced losses in such accounts.

(12) Subsequent Pronouncements

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements of Not-for-Profit Entities. This standard will have significant changes on the way not-for-profit organizations present their financial information, including net asset classifications, endowment fund accounting, expense reporting, and disclosures about liquidity and availability of financial assets. The standard is not expected to have an impact on total net assets or changes in net assets. This standard will be effective for annual financial statements issued for years beginning after December 15, 2017.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers. The standard outlines a comprehensive model for organizations to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. Although the Corporation does not expect a materials impact on revenues or net assets upon adoption, it is anticipated that the new standard will expand disclosures. The ASU will be effective for years beginning after December 15, 2018.

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In February 2016, the FASB issued ASU 2016-02, Leases. This standard requires that lessees recognize virtually all leases on the balance sheet, by recording a right-of-use asset and a lease liability. The Corporation will evaluate lease contracts as well as other existing arrangements to determine the effect of the new standard. This standard will be effective for years beginning after December 15, 2019.

(13) Subsequent Events

The Corporation has evaluated subsequent events for potential recognition or disclosure through November 13, 2018, the date on which the financial statements were available to be issued.

SU THEATRE CORPORATION
(dba Syracuse Stage)

Supplemental Schedule of Expenses
Years ended June 30, 2018 and 2017

	2018				2017					
	SU Theatre Corporation	Syracuse University	In-kind contributions	Allocation to/from other expense categories	Total	SU Theatre Corporation	Syracuse University	In-kind contributions	Allocation to/from other expense categories	Total
Payroll & fees expense:										
Guest artist payroll & fees	\$ 622,176	\$ —	\$ —	\$ —	\$ 622,176	\$ 742,802	\$ —	\$ —	\$ —	\$ 742,802
Fringe & payroll tax	149,430	—	—	—	149,430	196,918	—	—	—	196,918
Production staff payroll	1,237,560	132,496	—	—	1,370,056	1,171,736	146,806	—	—	1,318,542
Fringe & payroll tax	351,520	39,998	—	—	391,518	355,527	42,472	—	—	397,999
Marketing, fundraising and education staff payroll	423,733	77,939	—	—	501,672	560,799	—	—	—	560,799
Fringe & payroll tax	106,870	23,528	—	—	130,398	123,956	—	—	—	123,956
Administrative staff payroll	516,751	49,361	—	—	566,112	458,808	48,360	—	—	507,168
Fringe & payroll tax	117,352	14,901	—	—	132,253	84,985	18,260	—	—	103,245
Allocated to other categories	—	—	—	(3,863,615)	(3,863,615)	—	—	—	(3,951,429)	(3,951,429)
	3,525,392	338,223	—	(3,863,615)	—	3,695,531	255,898	—	(3,951,429)	—
Production expense:										
Royalties	220,803	—	—	—	220,803	215,631	—	—	—	215,631
Scripts	2,382	—	—	—	2,382	1,383	—	—	—	1,383
Guest artist housing	57,951	—	—	—	57,951	78,195	—	—	—	78,195
Casting services	21,713	100,394	—	—	122,107	40,294	85,052	—	—	125,346
Production materials	166,123	—	—	—	166,123	188,287	—	—	—	188,287
Production supplies	35,870	—	—	—	35,870	33,425	—	—	—	33,425
Hairstyling and make-up	732	—	—	—	732	351	—	—	—	351
Travel and per diem expense	119,466	—	—	—	119,466	130,639	—	—	—	130,639
Co-production expense	121,676	—	—	—	121,676	53,738	—	—	—	53,738
Accessibility and open captioning	8,894	—	—	—	8,894	7,942	—	—	—	7,942
Miscellaneous production expense	24,964	—	—	—	24,964	21,013	5,584	—	—	26,597
Production depreciation expense	24,927	—	—	—	24,927	22,084	—	—	—	22,084
Allocated payroll expenses	—	—	—	2,533,180	2,533,180	—	—	—	2,656,261	2,656,261
	805,501	100,394	—	2,533,180	3,439,075	792,982	90,636	—	2,656,261	3,539,879
Marketing, education and fundraising expense:										
Printing	97,992	—	—	—	97,992	56,339	45,454	—	—	101,793
Advertising	157,029	—	230,584	—	387,613	151,710	—	—	—	151,710
Mailing services	32,883	—	—	—	32,883	44,264	—	—	—	44,264
Community engagement	5,698	—	—	—	5,698	5,457	—	—	—	5,457
Miscellaneous marketing	63,959	—	—	—	63,959	28,605	—	—	—	28,605
Educational programs	14,828	—	—	—	14,828	29,833	—	—	—	29,833
Fundraising activities	38,846	—	33,718	—	72,564	30,913	—	35,369	—	66,282
Allocated payroll expenses	—	—	—	632,070	632,070	—	—	—	684,755	684,755
	411,235	—	264,302	632,070	1,307,607	347,121	45,454	35,369	684,755	1,112,699

SU THEATRE CORPORATION
(dba Syracuse Stage)

Supplemental Schedule of Expenses
Years ended June 30, 2018 and 2017

	2018					2017																																																																																																																																																																																																																																																																												
	SU Theatre Corporation	Syracuse University	In-kind contributions	Allocation to/from other expense categories	Total	SU Theatre Corporation	Syracuse University	In-kind contributions	Allocation to/from other expense categories	Total																																																																																																																																																																																																																																																																								
Administration expense:											Insurance	3,141	-	5,959	-	9,100	1,191	-	8,411	-	9,602	Telephone	349	20,446	-	-	20,795	727	19,855	-	-	20,582	Postage/shipping	665	6,577	-	-	7,242	1,370	5,812	-	-	7,182	Banking service charges	2,224	-	-	-	2,224	1,813	-	-	-	1,813	Office equipment and supplies	9,614	-	-	-	9,614	14,362	2,539	-	-	16,901	Dues and subscriptions	17,405	-	-	-	17,405	17,328	-	-	-	17,328	Printing	5,315	-	-	-	5,315	8,631	-	-	-	8,631	Meetings and travel expense	11,841	-	-	-	11,841	13,471	-	-	-	13,471	Personnel recruitment	19,474	-	-	-	19,474	27,922	-	-	-	27,922	Vehicle maintenance and repair	12,493	801	-	-	13,294	3,524	2,335	-	-	5,859	Warehouse rental	32,206	19,059	-	-	51,265	30,923	16,443	-	-	47,366	Facility rental	-	-	305,060	-	305,060	-	-	302,547	-	302,547	Accounting fees and services	31,240	-	-	-	31,240	31,019	-	-	-	31,019	Physical plant maintenance and supply	1,012	3,969	105,965	-	110,946	6,871	2,076	130,452	-	139,399	Physical plant utilities	75	52,121	-	-	52,196	-	56,048	-	-	56,048	Computer services	44,023	11,650	-	-	55,673	49,176	6,553	-	-	55,729	Miscellaneous general expense	160,269	15,745	-	-	176,014	32,609	-	-	-	32,609	Concessions	71,685	-	-	-	71,685	56,210	-	-	-	56,210	Capital campaign depreciation	36,348	-	-	-	36,348	39,666	-	-	-	39,666	Office equipment depreciation	7,252	-	-	-	7,252	6,265	-	-	-	6,265	Allocated payroll expenses	-	-	-	698,365	698,365	-	-	-	610,413	610,413	Fundraising and Stage Guild events	466,631	130,368	416,984	698,365	1,712,348	343,078	111,661	441,410	610,413	1,506,562		38,627	-	-	-	38,627	53,593	-	-	-	53,593	Total expenses	\$ 5,247,386	\$ 568,985	\$ 681,286	\$ -	\$ 6,497,657	\$ 5,232,305	\$ 503,649	\$ 476,779	\$ -	\$ 6,212,733
Insurance	3,141	-	5,959	-	9,100	1,191	-	8,411	-	9,602																																																																																																																																																																																																																																																																								
Telephone	349	20,446	-	-	20,795	727	19,855	-	-	20,582																																																																																																																																																																																																																																																																								
Postage/shipping	665	6,577	-	-	7,242	1,370	5,812	-	-	7,182																																																																																																																																																																																																																																																																								
Banking service charges	2,224	-	-	-	2,224	1,813	-	-	-	1,813																																																																																																																																																																																																																																																																								
Office equipment and supplies	9,614	-	-	-	9,614	14,362	2,539	-	-	16,901																																																																																																																																																																																																																																																																								
Dues and subscriptions	17,405	-	-	-	17,405	17,328	-	-	-	17,328																																																																																																																																																																																																																																																																								
Printing	5,315	-	-	-	5,315	8,631	-	-	-	8,631																																																																																																																																																																																																																																																																								
Meetings and travel expense	11,841	-	-	-	11,841	13,471	-	-	-	13,471																																																																																																																																																																																																																																																																								
Personnel recruitment	19,474	-	-	-	19,474	27,922	-	-	-	27,922																																																																																																																																																																																																																																																																								
Vehicle maintenance and repair	12,493	801	-	-	13,294	3,524	2,335	-	-	5,859																																																																																																																																																																																																																																																																								
Warehouse rental	32,206	19,059	-	-	51,265	30,923	16,443	-	-	47,366																																																																																																																																																																																																																																																																								
Facility rental	-	-	305,060	-	305,060	-	-	302,547	-	302,547																																																																																																																																																																																																																																																																								
Accounting fees and services	31,240	-	-	-	31,240	31,019	-	-	-	31,019																																																																																																																																																																																																																																																																								
Physical plant maintenance and supply	1,012	3,969	105,965	-	110,946	6,871	2,076	130,452	-	139,399																																																																																																																																																																																																																																																																								
Physical plant utilities	75	52,121	-	-	52,196	-	56,048	-	-	56,048																																																																																																																																																																																																																																																																								
Computer services	44,023	11,650	-	-	55,673	49,176	6,553	-	-	55,729																																																																																																																																																																																																																																																																								
Miscellaneous general expense	160,269	15,745	-	-	176,014	32,609	-	-	-	32,609																																																																																																																																																																																																																																																																								
Concessions	71,685	-	-	-	71,685	56,210	-	-	-	56,210																																																																																																																																																																																																																																																																								
Capital campaign depreciation	36,348	-	-	-	36,348	39,666	-	-	-	39,666																																																																																																																																																																																																																																																																								
Office equipment depreciation	7,252	-	-	-	7,252	6,265	-	-	-	6,265																																																																																																																																																																																																																																																																								
Allocated payroll expenses	-	-	-	698,365	698,365	-	-	-	610,413	610,413																																																																																																																																																																																																																																																																								
Fundraising and Stage Guild events	466,631	130,368	416,984	698,365	1,712,348	343,078	111,661	441,410	610,413	1,506,562																																																																																																																																																																																																																																																																								
	38,627	-	-	-	38,627	53,593	-	-	-	53,593																																																																																																																																																																																																																																																																								
Total expenses	\$ 5,247,386	\$ 568,985	\$ 681,286	\$ -	\$ 6,497,657	\$ 5,232,305	\$ 503,649	\$ 476,779	\$ -	\$ 6,212,733																																																																																																																																																																																																																																																																								

The accompanying notes are an integral part of these statements.