

# American Players Theatre of Wisconsin, Inc. and Subsidiaries

Spring Green, Wisconsin

**Consolidated Financial Statements  
and Supplementary Information**

Years Ended December 31, 2024 and 2023

 AMERICAN PLAYERS THEATRE

**WIPFLI**

## **Independent Auditor's Report**

Board of Directors  
American Players Theatre of Wisconsin, Inc. and Subsidiaries  
Spring Green, Wisconsin

### ***Opinion***

We have audited the accompanying consolidated financial statements of American Players Theatre of Wisconsin, Inc. and Subsidiaries (the "Organization"), a nonprofit organization, which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the financial position of American Players Theatre of Wisconsin, Inc. and Subsidiaries as of December 31, 2024 and 2023, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States ("GAAP").

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of American Players Theatre of Wisconsin, Inc. and Subsidiaries and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Emphasis of Matter - Adjustment to Prior Period Financial Statements***

As discussed in Note 2 to the financial statements, American Players Theatre of Wisconsin, Inc. and Subsidiaries adjusted net assets with donor restrictions and net assets without donor restrictions at January 1, 2023. As part of our audit of the 2024 audited financial statements, we audited the adjustments to the 2023 financial statements to retroactively apply these adjustments. In our opinion, such adjustments were appropriate and have been properly applied. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about American Players Theatre of Wisconsin, Inc. and Subsidiaries' ability to continue as a going concern for one year after the date the financial statements are available to be issued.

## ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 consolidated 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 consolidated 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 consolidated 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 American Players Theatre of Wisconsin, Inc. and Subsidiaries' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about American Players Theatre of Wisconsin, Inc. and Subsidiaries' 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.

## ***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and consolidating statement of activities are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

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Wipfli LLP  
Madison, Wisconsin  
August 20, 2025

# American Players Theatre of Wisconsin, Inc. and Subsidiaries

## Consolidated Statements of Financial Position

As of December 31	2024	2023 As Restated
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 262,990	\$ 440,437
Accounts receivable	94,128	96,999
Gift shop inventory	19,249	18,987
Prepaid expenses	206,042	287,976
Promises to give, current portion	715,893	442,192
Total current assets	1,298,302	1,286,591
Property and equipment	23,153,542	23,132,925
Less: Accumulated depreciation	(7,526,422)	(6,912,080)
Property and equipment, net	15,627,120	16,220,845
Right of use assets, operating	535,818	535,818
Accumulated amortization	(312,330)	(236,754)
Lease assets, net	223,488	299,064
Other assets		
Investments	21,366,880	17,927,826
Promises to give, net	11,267,021	2,066,934
Beneficial interest in assets held by Kohler Foundation	-	112
Cash restricted for Actors' Equity Association	106,478	99,757
Other asset	27,462	-
Total other assets	32,767,841	20,094,629
<b>TOTAL ASSETS</b>	<b>\$ 49,916,751</b>	<b>\$ 37,901,129</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable	\$ 59,155	\$ 88,044
Gift certificates	141,885	110,275
Other accrued expenses	110,525	86,676
Contract liability	54,446	68,127
Lease liabilities, current portion	78,838	85,019
Total current liabilities	444,849	438,141
Long-term liabilities:		
Lease liabilities	152,938	220,840
Total long-term liabilities	152,938	220,840
Total liabilities	597,787	658,981
Net assets		
Without donor restrictions	32,238,345	29,881,183
Board designated - Creating the classics	86,868	106,403
Board designated - Ken Albers memorial fund	27,705	26,070
Board designated - Frautschi fund	171,529	163,024
Board designated operating and capital reserve	2,390,339	2,280,531
Total net assets without donor restrictions	34,914,786	32,457,211
With donor restrictions	14,404,178	4,784,937
Total net assets	49,318,964	37,242,148
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 49,916,751</b>	<b>\$ 37,901,129</b>

See accompanying notes to consolidated financial statements.

# American Players Theatre of Wisconsin, Inc. and Subsidiaries

## Consolidated Statements of Activities

Year Ended December 31	2024			2023 As Restated		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue:</b>						
Ticket sales	\$ 4,500,150	\$ -	\$ 4,500,150	\$ 4,479,732	\$ -	\$ 4,479,732
Concession revenue	715,388	-	715,388	690,090	-	690,090
Education revenue	54,094	-	54,094	71,016	-	71,016
Investment income	618,025	17,118	635,143	438,046	16,471	454,517
Other income	155,770	-	155,770	92,980	-	92,980
<b>Total revenue</b>	<b>6,043,427</b>	<b>17,118</b>	<b>6,060,545</b>	<b>5,771,864</b>	<b>16,471</b>	<b>5,788,335</b>
<b>Expenses:</b>						
Artistic and Production	5,576,863	-	5,576,863	5,221,421	-	5,221,421
Marketing and Patron						
Services	1,580,968	-	1,580,968	1,448,881	-	1,448,881
General and administrative	1,480,105	-	1,480,105	1,697,156	-	1,697,156
Fundraising	360,964	-	360,964	318,737	-	318,737
Education	175,631	-	175,631	171,348	-	171,348
<b>Total expenses</b>	<b>9,174,531</b>	<b>-</b>	<b>9,174,531</b>	<b>8,857,543</b>	<b>-</b>	<b>8,857,543</b>
<b>Operating income (loss)</b>	<b>(3,131,104)</b>	<b>17,118</b>	<b>(3,113,986)</b>	<b>(3,085,679)</b>	<b>16,471</b>	<b>(3,069,208)</b>
<b>Support:</b>						
Contributions for operations	4,069,557	1,747,041	5,816,598	3,254,872	280,703	3,535,575
Contributions for capital improvements	-	26,778	26,778	-	40,396	40,396
Contributions for APT						
Foundation	9,110	8,451,020	8,460,130	7,480	40,396	47,876
Grants	47,912	-	47,912	836,724	-	836,724
Gain on investments	1,420,292	86,058	1,506,350	1,565,152	91,047	1,656,199
Change in beneficial interest in trusts	-	-	-	-	(310,540)	(310,540)
Net assets released from restrictions for operations	558,774	(558,774)	-	456,358	(456,358)	-
Net assets released from restrictions for capital improvements	150,000	(150,000)	-	172,619	(172,619)	-
<b>Total support</b>	<b>6,255,645</b>	<b>9,602,123</b>	<b>15,857,768</b>	<b>6,293,205</b>	<b>(486,975)</b>	<b>5,806,230</b>
<b>Income (loss) from current activities</b>	<b>3,124,541</b>	<b>9,619,241</b>	<b>12,743,782</b>	<b>3,207,526</b>	<b>(470,504)</b>	<b>2,737,022</b>
Depreciation expense	666,966	-	666,966	658,418	-	658,418
Changes in net assets	2,457,575	9,619,241	12,076,816	2,549,108	(470,504)	2,078,604
Net assets, beginning of year	32,457,211	4,784,937	37,242,148	31,196,035	3,967,509	35,163,544
Prior period restatement	-	-	-	(1,287,932)	1,287,932	-
Net assets, beginning of year, as restated	32,457,211	4,784,937	37,242,148	29,908,103	5,255,441	35,163,544
<b>Net assets, end of year</b>	<b>\$ 34,914,786</b>	<b>\$ 14,404,178</b>	<b>\$ 49,318,964</b>	<b>\$ 32,457,211</b>	<b>\$ 4,784,937</b>	<b>\$ 37,242,148</b>

See accompanying notes to consolidated financial statements.

# American Players Theatre of Wisconsin, Inc. and Subsidiaries

## Consolidated Statements of Functional Expenses

Year Ended December 31, 2024	Marketing and						Total Expenses
	Artistic and Production	Patron Services	General and administrative	Fundraising	Education		
Salaries, taxes, and benefits	\$ 4,053,594	\$ 731,696	\$ 643,286	\$ 285,483	\$ 151,081	\$ 5,865,140	
Fees and royalties	304,705	106,678	60,908	-	-	-	472,291
Travel and living expenses	627,506	888	6,046	-	-	-	634,440
Other expenses	63,139	12,160	9,742	3,418	384	-	88,843
Production materials	233,404	-	-	-	-	-	233,404
Supplies	52,669	7,593	27,915	-	-	-	88,177
Advertising expenses	-	105,142	-	-	-	-	105,142
Publicity and promotions	-	11,357	-	-	-	-	11,357
Sales campaigns	-	93,903	-	-	-	-	93,903
Audience services	-	47,433	-	-	-	-	47,433
Credit card commissions	-	160,540	-	-	-	-	160,540
Cost of goods	-	254,462	-	-	-	-	254,462
IT and office equipment	-	7,143	146,085	-	-	-	153,228
Utilities	31,299	-	113,219	-	-	-	144,518
Property & equip. maintenance	138,945	36,129	259,439	-	-	-	434,513
Administrative	58,039	5,844	44,025	-	-	-	107,908
Insurance	13,563	-	163,898	-	-	-	177,461
Donor relations	-	-	-	12,757	-	-	12,757
Direct mail	-	-	-	35,127	-	-	35,127
Programming	-	-	5,542	24,179	24,166	-	53,887
<b>Total functional expenses</b>	<b>5,576,863</b>	<b>\$ 1,580,968</b>	<b>\$ 1,480,105</b>	<b>\$ 360,964</b>	<b>\$ 175,631</b>	<b>\$ 9,174,531</b>	
Depreciation	539,092	-	127,874	-	-	-	666,966
<b>Total expenses</b>	<b>\$ 6,115,955</b>	<b>\$ 1,580,968</b>	<b>\$ 1,607,979</b>	<b>\$ 360,964</b>	<b>\$ 175,631</b>	<b>\$ 9,841,497</b>	

See accompanying notes to consolidated financial statements.

# American Players Theatre of Wisconsin, Inc. and Subsidiaries

## Consolidated Statements of Functional Expenses

Year Ended December 31, 2023	Marketing and						Total Expenses
	Artistic and Production	Patron Services	General and administrative	Fundraising	Education		
Salaries, taxes, and benefits	\$ 3,896,118	\$ 687,569	\$ 641,454	\$ 262,133	\$ 140,659	\$ 5,627,933	
Fees and royalties	283,782	78,332	67,438	-	-	-	429,552
Travel and living expenses	695,217	2,854	-	1,303	-	-	699,374
Other expenses	37,051	3,485	16,450	10,635	15,838	-	83,459
Production materials	225,986	-	-	-	-	-	225,986
Supplies	69,271	10,961	29,242	-	-	-	109,474
Advertising expenses	-	97,384	-	-	-	-	97,384
Publicity and promotions	-	27,303	-	-	-	-	27,303
Sales campaigns	-	90,241	-	-	-	-	90,241
Audience services	-	45,694	-	-	-	-	45,694
Credit card commissions	-	156,524	-	-	-	-	156,524
Cost of goods	-	239,667	-	-	-	-	239,667
IT and office equipment	-	3,532	157,973	-	-	-	161,505
Utilities	-	-	102,881	-	-	-	102,881
Property & equip. maintenance	13,996	780	448,635	-	-	-	463,411
Administrative	-	4,555	96,510	-	-	-	101,065
Insurance	-	-	136,573	-	-	-	136,573
Donor relations	-	-	-	12,677	-	-	12,677
Direct mail	-	-	-	31,989	-	-	31,989
Programming	-	-	-	-	-	14,851	14,851
<b>Total functional expenses</b>	<b>\$ 5,221,421</b>	<b>\$ 1,448,881</b>	<b>\$ 1,697,156</b>	<b>\$ 318,737</b>	<b>\$ 171,348</b>	<b>\$ 8,857,543</b>	
<b>Depreciation</b>	<b>-</b>	<b>-</b>	<b>658,418</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>658,418</b>
<b>Total expenses</b>	<b>\$ 5,221,421</b>	<b>\$ 1,448,881</b>	<b>\$ 2,355,574</b>	<b>\$ 318,737</b>	<b>\$ 171,348</b>	<b>\$ 9,515,961</b>	

See accompanying notes to consolidated financial statements.

# American Players Theatre of Wisconsin, Inc. and Subsidiaries

## Consolidated Statements of Cash Flows

Year Ended December 31	2024	2023 As Restated
<b>Change in cash, cash equivalents, and restricted cash:</b>		
Cash flows from operating activities:		
Change in net assets	\$ 12,076,816	\$ 2,078,604
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation expense	666,966	658,418
Non-cash lease expense included in occupancy expense	75,576	100,239
Realized and unrealized (gain) loss on investments	(1,506,350)	(1,656,199)
Discount on promises to give	1,650,972	(96,378)
Loss on disposal of equipment	10,373	-
Changes in operating assets and liabilities:		
Accounts receivable	2,871	(19,169)
Gift shop inventory	(262)	(1,112)
Prepaid expenses	81,934	(38,020)
Promises to give	(11,274,760)	282,863
Other asset	(27,462)	-
Accounts payable	(28,889)	(30,623)
Gift certificates	31,610	381
Other accrued expenses	23,849	28,807
Refundable advances	-	(208,171)
Contract liabilities	(13,681)	(28,307)
Lease liabilities	(74,083)	(93,444)
Total adjustments	(10,381,336)	(1,100,715)
Net cash flows from operating activities	1,695,480	977,889
Cash flows from investing activities:		
Purchase of investments	(5,731,058)	(5,440,253)
Purchase of property and equipment	(83,614)	(942,709)
Sale of investments	3,798,466	3,342,197
Proceeds from Kohler Foundation	-	312,075
Net cash flows from investing activities	(2,016,206)	(2,728,690)
Cash flows from financing activities:		
Collection of promises to give	150,000	150,000
Net cash flows from financing activities	150,000	150,000
Net changes in cash, cash equivalents, and restricted cash	(170,726)	(1,600,801)
Cash, cash equivalents, and restricted cash, beginning of year	540,194	2,140,995
Cash, cash equivalents, and restricted cash, end of year	\$ 369,468	\$ 540,194
<b>Reconciliation of cash, cash equivalents, and restricted cash reported in the consolidated statements of financial position that sum to the total of the same such amounts shown in the consolidated statement of cash flows:</b>		
Cash and cash equivalents	\$ 262,990	\$ 440,437
Cash restricted for Actors' Equity Association *	106,478	99,757
Total cash, cash equivalents, and restricted cash in the consolidated statements of cash flows	\$ 369,468	\$ 540,194

\* Cash restricted for Actor's Equity Association is further discussed in Note 4 of the notes to the consolidated financial statements. See accompanying notes to consolidated financial statements.

# **American Players Theatre of Wisconsin, Inc. and Subsidiaries**

## **Consolidated Notes to Financial Statements**

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### **Note 1: Summary of Significant Accounting Policies**

#### **Nature and Purpose of Organizations**

American Players Theatre of Wisconsin, Inc. (APT) is a nonprofit professional theater company. They produce nine productions annually, five in the 1,075-seat outdoor amphitheater and four in the Touchstone Theatre, a 201-seat indoor space. The season has more than 210 performances and runs from June through November.

APT's work focuses on classics with an emphasis on Shakespeare, but also includes the work of other classical and contemporary playwrights. Central to APT's mission is a commitment to making these great works accessible to as wide and varied an audience as possible and educating younger generations in the joy of these classic plays. With an annual attendance of over 100,000, APT ranks as one of the country's largest outdoor theaters devoted to the classics. APT relies on ticket sales and contributions as significant sources of revenue.

APT formed two wholly owned subsidiaries, APT Baltimore Street Apartments, LLC and APT Cole Street Apartments, LLC in 2013. These subsidiaries were formed to manage the apartment buildings purchased by APT. The apartment buildings were purchased to provide housing to visiting company members during the theater season.

During 2021 American Players Theatre formed APT Sunrise Apartments, LLC ("The Laurels") for the purpose of constructing two 8-unit apartment buildings. The buildings are for housing APT employees while working for the company. The Laurels add 16 apartments (24 beds) to the APT housing inventory.

American Players Theatre Foundation, Inc. (the "APT Foundation") is a nonprofit organization created in 2014 to help carry out the mission of APT by managing and preserving endowment and long-term assets for the benefit of APT.

#### **Basis of Presentation**

The consolidated financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (GAAP).

#### **Principles of Consolidation**

These financial statements are consolidated and include the accounts of APT, APT Baltimore Street Apartments, LLC, APT Cole Street Apartments, LLC, APT Sunrise Apartments, LLC, and APT Foundation, Inc. All five entities are referred to as (the "Organizations"). All material inter-company transactions and accounts are eliminated in consolidation.

#### **Use of Estimates**

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

# **American Players Theatre of Wisconsin, Inc. and Subsidiaries**

## **Consolidated Notes to Financial Statements**

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Cash and Cash Equivalents**

The Organization considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

#### **Accounts Receivable**

Accounts receivable represent amounts due from costume rentals to customers and refunds due from vendors. The carrying amount of accounts receivable is reduced by an allowance that reflects management's best estimate of the current expected credit losses. The estimate of the allowance for credit losses is based on an analysis of collection history, customer attributes, and expected changes during a reasonable and supportable forecast period. Management assesses collectability by pooling receivables with similar risk characteristics and evaluates receivables individually when specific customer balances no longer share those risk characteristics. If an amount becomes delinquent after all collection efforts have failed, the account is written off. Generally accepted accounting principles require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method. Management expects to collect all receivables and did not consider an allowance necessary for accounts receivable at December 31, 2024 and 2023.

#### **Promises to Give**

Unconditional promises to give are recorded as receivables in the year pledged. Conditional promises to give are recognized only when the conditions on which they depend are substantially met. Promises to give whose eventual uses are restricted by the donors are recorded as increases in net assets with donor restrictions. Unrestricted promises to give to be collected in future periods are also recorded as an increase to net assets with donor restrictions and reclassified to net assets without donor restrictions when received, unless the donor's intention is to support current-period activities.

Promises to give expected to be collected in less than one year are reported at net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows on a discounted basis applicable to the years in which the promises were received. The amortization of the discount is recognized as contribution income over the duration of the pledge.

Management individually reviews all past due promises to give balances and estimates the portion, if any, of the balance that will not be collected. The carrying amounts of promises to give are reduced by allowances that reflect management's estimate of uncollectible amounts.

#### **Gift Shop Inventory**

Gift shop inventory is recorded at cost as items are purchased. This inventory consists of books, clothing and accessories, food, games, stationary, and toys. Inventories are stated at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation.

# **American Players Theatre of Wisconsin, Inc. and Subsidiaries**

## **Consolidated Notes to Financial Statements**

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Costume Collection**

APT owns a costume collection, the majority of which was constructed by APT employees. APT expenses the costs of obtaining or producing props, costumes, wigs, and sets in the year the costs are incurred. Accordingly, the value of the collection is not reflected as an asset on the consolidated statements of financial position.

#### **Investments**

The Organizations carry investments at their fair values in the consolidated statements of financial position. Quoted market prices in active markets are used as the basis of measurement. Unrealized gains and losses are included in the change in net assets in the consolidated statements of activities. Investment fees, if any, are netted with investment income on the consolidated statements of activities.

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

#### **Beneficial Interest in Assets Held by the Kohler Foundation**

The Organizations were named as an irrevocable beneficiary of a charitable trusts held and administered by the Kohler Foundation. The endowment's mission is to enable all persons interested in the programs of APT to combine contributions by gift, bequest, devise, or other transfer in a single fund for the support of APT. The American Players Theatre Endowment Trust was created independently by the Kohler Foundation and is administered by outside agents designated by the Kohler Foundation. Therefore, the Organizations have neither possession nor control over the assets of the trusts. At the date the Organizations received notice of a beneficial interest, a contribution with donor restrictions is recorded in the consolidated statements of activities, and a beneficial interest in charitable trusts held by others is recorded in the consolidated statements of financial position at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the expected distributions to be received under the agreement. Thereafter, beneficial interests in the trusts are reported at fair value in the consolidated statements of financial position, with changes in fair value recognized in the consolidated statements of activities. Upon receipt of trust distributions or expenditures, or both, in satisfaction of the donor-restricted purpose, if any, net assets with donor-imposed time or purpose restrictions are released to net assets without donor restrictions. Trust distributions with donor-imposed restrictions that are perpetual in nature are transferred to the endowment, in which case, net assets with donor-restrictions are not released. Investment fees, if any, are netted with return.

In 2023 the American Players Theatre Endowment Trust board voted to dissolve the Trust and distribute all assets to the Organizations releasing all net assets with donor restrictions to net assets without donor restrictions.

# American Players Theatre of Wisconsin, Inc. and Subsidiaries

## Consolidated Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

#### Lease Accounting

The Organizations are a lessee in multiple noncancellable operating leases. If the contract provides the Organizations the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Leased assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The leased asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

The Organizations have elected to use a risk-free rate for a term similar to the underlying lease as the discount rate if the implicit rate in the lease contract is not readily determinable.

The leased asset for operating leases is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized.

For all underlying classes of assets, the Organizations have elected to not recognize leased assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Organizations are reasonably certain to exercise. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. The Organizations recognize short-term lease cost on a straight-line basis over the lease term.

# **American Players Theatre of Wisconsin, Inc. and Subsidiaries**

## **Consolidated Notes to Financial Statements**

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Property and Equipment**

All acquisitions and improvements of property and equipment of \$5,000 or more 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 ranging from 3 to 39 years.

#### **Contract Liabilities**

Cash received for education program revenue and ticket sales is recognized at the time the service is provided. Cash received for sponsorship fee revenue is recognized as the service is performed over time. Monies received in advance for education program revenue, ticket sales, and sponsorship fee revenue are recorded as a contract liability until the performance date or when services are performed.

#### **Gift Certificates**

Cash received from gift certificates is recognized as a liability until the patron uses it in the gift shop, at the concession stand, or to purchase tickets and converts it into sales revenue. Prior to 2024, gift certificates are valid for two years from the date of purchase and are non-refundable. In 2024, the Organizations changed the policy to make gift certificates valid for five years from the date of purchase. When the certificate expires, the estimated consideration is reclassified from the liability to earned sales revenue.

#### **Revenue Recognition**

##### **Ticket Sales**

Ticket sales revenue results from patron purchases of tickets through the Organizations' box office or website and is reported at the amount that reflects the consideration to which the Organizations were entitled in exchange for providing theatre performances to patrons. The Organizations have patrons from across the United States as well as occasional purchasers from other countries. Patrons pay for tickets on a stand-alone selling price basis which occurs at a point in time. Control is transferred when the performances occur. Cash received for tickets prior to a performance is recognized as a liability until the performance occurs and it converts to ticket sales. As all performances conclude before December 31, all ticket sales are recorded as recognized revenue on the financial statements. The Organizations' policy does not allow for refunds unless a performance is canceled before the first act is complete due to rain. If a performance is canceled, patrons may claim a refund no later than 30 days following the close to the Theatre's uphill season. Refunds must be completed before December 31.

# **American Players Theatre of Wisconsin, Inc. and Subsidiaries**

## **Consolidated Notes to Financial Statements**

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Revenue Recognition (Continued)**

Due to the cancellation of its 2020 season the Organizations provided patrons with the option to convert ticket purchases to a donation to the Organizations, receive a refund, or receive an account credit. If the patron did not respond to the Organizations by December 31, 2020, the revenue recognized remained in ticket sales revenue. If a patron chose to change their ticket purchase to a donation, the Organizations reclassified the revenue from ticket sale revenue to contribution revenue. If a patron chose an account credit, monies received as of December 31, 2020, were recognized as a contract liability. Ticket revenue in contract liabilities as of December 31, 2024 and 2023, was \$54,446 and \$68,127.

#### **Concession Revenue**

Concession revenue results from patron purchases of products at the Organizations' concession stands and gift shops and is reported at the amount that reflects the consideration to which the Organizations were entitled in exchange for providing the goods to the patron. Revenue is generated from sales to customers attending performances uphill or in Touchstone Theatre. Patrons pay for goods on a stand-alone selling price basis sold at the point of sale. All sales are final, but exchanges are given for defective products. If a replacement product is not available, a refund will be issued.

The Organizations do collect sales tax as required by the State of Wisconsin Department of Revenue. The Organizations exclude sales tax from the measurement of all transaction prices as they are collected and remitted directly to the State of Wisconsin as pass-through. The Organizations honor sales tax exemption certificates when provided by the consumer.

#### **Sponsorship Fees**

The Organizations sell advertising space in the annual Playbill, Visitor's Guide, ticket envelopes, ticket backs and website. Revenue is reported at the amount that reflects the consideration at which the Organizations were entitled in exchange for providing services to the customer. The amounts are generated from customers located in Wisconsin. Customers are invoiced, and revenue is recognized at the time the performance obligation is satisfied which occurs as the service is performed over time. The Organizations determine the transaction price based on publication and mailing of the advertising items.

# American Players Theatre of Wisconsin, Inc. and Subsidiaries

## Consolidated Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Revenue Recognition (Continued)

##### Education Revenue

The Organizations provide summer camps, residences, and workshops to youth and local organizations. Revenue is reported at the amount that reflects the consideration to which the Organizations were entitled in exchange for providing the services to the customer. Customers are invoiced, and revenue is recognized at the time the performance obligation is satisfied which occurs as the service is performed over time. The Organizations determines the transaction price based on number of hours of service requested by the customer along with preparation and travel time.

	2024	2023
Opening balance accounts receivable – Customers	\$ 96,999	\$ 77,829
Closing balance accounts receivable – Customers	94,128	96,999
Opening balance gift certificates – Customers	110,275	109,894
Closing balance gift certificates – Customers	141,885	110,275
Opening balance contract liabilities – Customers	68,127	96,434
Closing balance contract liabilities – Customers	54,446	68,127

Revenue recognized during the years ended December 31, 2024 and 2023, that was included in the opening balance of contract liabilities and gift certificates was \$57,843 and \$101,922.

##### Contributions

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

# **American Players Theatre of Wisconsin, Inc. and Subsidiaries**

## **Consolidated Notes to Financial Statements**

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Revenue Recognition (Continued)**

##### **Grants**

Grant awards are either recorded as contributions or exchange transactions based on criteria contained in the grant award:

Grant Awards that are Contributions - Grants that qualify as contributions are evaluated for conditions and recognized as revenue when the award is satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability.

Grant Awards that are Exchange Transactions - Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized in when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration in which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability. The Organizations do not have any grant awards that are exchange transactions.

#### **In-Kind Contributions**

A substantial number of unpaid volunteers have made significant contributions of their time to APT's programs, principally in support services and fund-raising efforts. GAAP requires only contributions of services received that create or enhance a nonfinancial asset or require specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by donation be recorded. The value of the volunteers' contributed time is not reflected in these consolidated financial statements since these services do not meet criteria for recognition as described in the above definition.

#### **Classification of Net Assets**

Net assets and revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organizations and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations or where donor-imposed stipulations are met in the year of the contribution. Net assets without donor restrictions include both undesignated and board designated funds.

Undesignated net assets may be used at the discretion of management to support the mission of the Organizations and consist of net assets accumulated from the results of operations. From time to time, the Board may designate net assets without donor restrictions for specific operational purposes.

# **American Players Theatre of Wisconsin, Inc. and Subsidiaries**

## **Consolidated Notes to Financial Statements**

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Classification of Net Assets (Continued)**

**Net Assets With Donor Restrictions** - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other explicit donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources may be maintained in perpetuity. Donor imposed restrictions are released when the restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

#### **Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Personnel costs are allocated based on time and effort reporting.

#### **Advertising and Promotion**

Advertising and promotion costs are charged to operations when the advertising first takes place. Advertising and promotion expense was \$105,142 and \$97,384 for the years ended December 31, 2024 and 2023.

#### **Income Taxes**

APT is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. It is also exempt from Wisconsin franchise and income tax.

APT Baltimore Street Apartments, LLC, APT Cole Street Apartments, LLC, and APT Sunrise Apartments, LLC are sole member LLC's, and therefore, treated as disregarded entities for tax purposes. The activity of APT Baltimore Street Apartments, LLC, APT Cole Street Apartments, LLC, and APT Sunrise Apartments, LLC is included in APT's annual federal and state returns.

The Foundation is incorporated as a nonprofit organization exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). It is also exempt from Wisconsin income tax.

Income from certain activities not directly related to APT's tax-exempt purpose may be subject to taxation as unrelated business income. The advertising income derived from APT's playbill is considered unrelated business income.

The Organizations are required to assess whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the consolidated financial statements. The Organizations have determined there are no amounts to record as assets or liabilities related to uncertain tax positions.

# American Players Theatre of Wisconsin, Inc. and Subsidiaries

## Consolidated Notes to Financial Statements

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### Note 2: Restatements

During 2024, the Organizations' management determined a capital contribution of \$1,500,000 should have remained in net assets with donor restrictions and should not have been released with the completion of the Laurel Apartments in 2022. Management also revised their decision with regards to a donation and determined it should have been reported as without donor restriction. The Organizations have corrected net assets as of January 1, 2023 to increase net assets with donor restrictions for \$1,500,000 to include the capital contribution and to decrease net assets with donor restrictions to remove funds appropriated from the Forrest Fund endowment of \$212,068 which no longer carries a donor restriction, with a corresponding correction to reduce net assets without donor restrictions.

The following table summarizes the restatement of previously reported amounts for beginning net assets with donor restrictions and net assets without donor restrictions at January 1, 2023:

	As Previously Reported	Restatement Adjustments	As Restated
Consolidated Statements of Financial Position:			
Without donor restrictions	\$ 31,196,035	\$ (1,287,932)	\$ 29,908,103
With donor restrictions	3,967,509	1,287,932	5,255,441
Total net assets	\$ 35,163,544	\$ -	\$ 35,163,544

### Note 3: Concentration of Credit Risk

The Organizations maintain cash balances at a financial institution, which is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash balances in excess of \$249,000 in the operating checking account and \$1 in the capital checking account are swept daily into repurchase agreements. During the year, balances in these accounts may exceed the insurance limits. Management believes the financial institution has a strong credit rating and credit risk related to these deposits is minimal.

### Note 4: Cash Restricted for Actors' Equity Association

The Organizations are required by the Actors' Equity Association to make a deposit to cover the total weekly salary for actors in case the Organizations are unable to pay the salaries. As of December 31, 2024 and 2023, the balance was \$106,478 and \$99,757.

# **American Players Theatre of Wisconsin, Inc. and Subsidiaries**

## **Consolidated Notes to Financial Statements**

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### **Note 5: Community Foundation**

In prior years, donors gifted funds to the Madison Community Foundation (MCF) for the purpose of establishing an APT fund. The fair value of the fund is \$122,455 and \$109,085 at December 31, 2024 and 2023. The agreement indicates that MCF has variance power over the funds and is required to hold the funds in an APT fund, and therefore, are not reflected in the Organizations' financial statements.

### **Note 6: Liquidity and Availability**

APT does not have a formal liquidity policy but generally maintains financial assets in liquid form, such as cash and cash equivalents, for approximately three months of operating expenses. There is an established board-designated fund where the board has the objective of setting funds aside to be drawn upon for future maintenance projects at APT as well as the Baltimore Street, Cole Street, and Sunrise apartments.

APT also receives significant contributions that may be subject to donor-imposed restrictions. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs (see Note 9).

Financial assets available for general expenditure, that is, without donor restrictions or designations limiting their use, within twelve months of the statement of financial position date, are comprised of the following as of December 31, 2024:

Cash and cash equivalents	\$ 262,990
Accounts receivable	94,128
Investments	21,366,880
<hr/>	
Subtotal financial assets	21,723,998
Less: Current liabilities	(444,849)
Less: Cash received for future improvements	(450,000)
Less: Restricted and designated investments - endowment	(657,068)
Less: Board designated funds	(2,676,441)
<hr/>	
Total	\$ 17,495,640

# American Players Theatre of Wisconsin, Inc. and Subsidiaries

## Consolidated Notes to Financial Statements

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### **Note 6: Liquidity and Availability (Continued)**

Financial assets available for general expenditure, that is, without donor restrictions or designations limiting their use, within twelve months of the statement of financial position date, are comprised of the following as of December 31, 2023 (as restated):

Cash and cash equivalents	\$ 440,437
Accounts receivable	96,999
Investments	<u>17,927,826</u>
Subtotal financial assets	18,465,262
Less: Current liabilities	(438,141)
Less: Cash received for future improvements	(300,000)
Less: Restricted and designated investments - endowment	(694,878)
Less: Board designated funds	<u>(2,576,028)</u>
Total	<u>\$ 14,456,215</u>

### **Note 7: Promises to Give**

Promises to give are unconditional. The present value of the outstanding promises to give balance for December 31, 2024 and 2023, was discounted at rates ranging between 4.00% and 4.50%, the weighted average discount rate was 4.33%. A breakdown of promises to give by purpose is as follows:

	2024	2023
Promises to give for capital improvement	\$ 1,050,000	\$ 1,200,000
Promises to give for operations	1,851,378	426,618
Promises to give to APT Foundation endowment	<u>11,050,000</u>	<u>1,200,000</u>
Subtotals	13,951,378	2,826,618
Present value discount	(1,968,464)	(317,492)
Totals	<u>\$ 11,982,914</u>	<u>\$ 2,509,126</u>

# American Players Theatre of Wisconsin, Inc. and Subsidiaries

## Consolidated Notes to Financial Statements

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### Note 7: Promises to Give (Continued)

Future maturities on the promises to give are as follows:

2025	\$ 715,893
2026	710,893
2027	555,000
2028	800,092
2029	10,453,000
Thereafter	716,500
 Subtotal	 13,951,378
Less: Present value discount	(1,968,464)
 Total	 \$ 11,982,914
 Current portion	 \$ 715,893
Long-term portion	11,267,021
 Total	 \$ 11,982,914

Promises to give of \$3,271,963 and \$2,100,616 are from members of the Organizations' board as of December 31, 2024 and 2023.

Approximately 91% of the Organizations' promises to give were provided from two donors for the year ended December 31, 2024 and 84% was provided from one donor for 2023.

### Note 8: Beneficial Interest in Assets Held by the Kohler Foundation

Beneficial interest in assets held by the Kohler Foundation represents a donor-restricted endowment trust that was setup with an initial donation of \$100,000. The trust agreement states that the endowment will hold and invest the funds for the sole benefit of APT. The trust agreement indicates that the Trustees will meet yearly and consider funding requests from APT. Under the trust agreement, the principal balance is to remain intact and only the income may be distributed. During the year ended December 31, 2023 the donor-restricted endowment trust was dissolved and funds were distributed to the Organizations.

# American Players Theatre of Wisconsin, Inc. and Subsidiaries

## Consolidated Notes to Financial Statements

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### Note 8: Beneficial Interest in Assets Held by the Kohler Foundation (Continued)

The change in beneficial interest in assets held by the Kohler Foundation consisted of the following at December 31:

	2024	2023
Interest and dividends	\$ -	\$ 6,627
Contribution	-	-
Realized and unrealized gain (loss)	-	46,064
Distributions	-	(361,584)
Investment fees	-	(1,647)
 Total change	 \$ -	 \$ (310,540)

### Note 9: Donor-Designated Endowments

In 2017, APT Foundation established an endowment fund to benefit APT for a variety of purposes. The endowment includes both donor-designated endowment funds and funds designated by the Board of Directors to function as endowments (quasi-endowments). In addition, several years ago, an endowment trust was set up on behalf of APT by the Kohler Foundation. See Note 8. As required by GAAP, net assets associated with endowment funds, including quasi-endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

APT Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as adopted by the Wisconsin state legislature, as requiring APT Foundation to preserve the fair value of the donor's original gift, as of the date of the gift, absent explicit donor stipulations to the contrary. As a result of this interpretation, APT Foundation classifies as net assets with donor restrictions (a) the original value of the donor's gifts to the permanent endowment, (b) the original value of a donor's subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by APT Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

APT Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to preserve the purchasing power of the endowment assets. Endowment assets are invested in a manner to protect principal, grow the aggregate portfolio value in excess of the rate of inflation, and achieve an effective annual rate of return that is equal to or greater than the designated benchmarks for the various types of investment vehicles and to ensure that any risk assumed is commensurate with the given investment vehicle and APT's objectives.

To achieve its investment goals, APT Foundation targets an asset allocation that will achieve a balanced return of current income and long-term growth of principal while exercising risk control. APT Foundation's asset allocations include a blend of stocks and bonds.

# **American Players Theatre of Wisconsin, Inc. and Subsidiaries**

## **Consolidated Notes to Financial Statements**

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### **Note 9: Donor-Designated Endowments (Continued)**

Interest, dividends, and net appreciation in fair value of the legacy fund, quasi-endowment, or donor-restricted endowment funds are classified as net assets without donor restrictions and net assets with donor restrictions. Interest and dividends on donor-restricted endowment funds are appropriated for distribution at the discretion of the APT Foundation.

#### **Investment Held by APT Foundation – Forrest Fund Donor Endowment**

During 2017, a gift of \$500,000 was made to APT Foundation to establish the Forrest Fund (the “Fund”). Annual distributions shall be made by APT Foundation in an amount equal to 5% of the value of the Fund on the day of the distribution. Annual distributions may be accumulated at the discretion of APT Foundation, and do not necessarily need to be spent in the year of distribution. The distributions may be made out of both income and principal of the Fund.

#### **APT Ken Albers Memorial Fund and APT Frautschi Fund (Board Designated)**

During 2020, APT raised \$25,123 to establish the Ken Albers Memorial Fund. The purpose of the fund is to provide grants to performers at APT to supplement their contractual income in recognition of superior contributions to APT’s artistic endeavors. Annual distributions shall be made at APT’s discretion for the grants. The distributions may be made out of both income and principal of the Fund.

The John Frautschi Memorial Fund was established in 2017 with a \$250,000 gift from Mr. Frautschi's family in his memory. The fund supports initiatives that further APT's diversity, equity, accessibility, and inclusion efforts. Distributions are at APT's discretion and may be made from the fund's income and principal.

#### **Beneficial Interest in Assets Held by the Kohler Foundation – APT Endowment Trust**

See Note 8

Changes in endowment funds with donor restrictions were as follows:

Endowments at January 1, 2023 (as restated)	\$ 824,117
Withdrawal	(392,444)
Interest and dividends	21,561
Realized and unrealized gains	137,000
Investment fees	(1,647)
Endowments at December 31, 2023	588,587
Withdrawal	(34,695)
Interest and dividends	17,118
Realized and unrealized gains	86,058
Endowments at December 31, 2024	\$ 657,068

# **American Players Theatre of Wisconsin, Inc. and Subsidiaries**

## **Consolidated Notes to Financial Statements**

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### **Note 10: Investments**

Investments at December 31, 2024 and 2023, and related returns for the years then ended consisted of the following:

Stocks	\$ 11,449,934	\$ 9,389,407
Bonds	5,698,102	4,982,451
US Treasury Notes	150,023	705,890
Money Market Funds	2,547,281	1,099,485
Certificates of Deposit	1,521,540	1,750,593
<b>Totals</b>	<b>\$ 21,366,880</b>	<b>\$ 17,927,826</b>

Investment income consisting primarily of interest and dividends totaled \$635,143 and \$454,517 for the year ended December 31, 2024 and 2023. Unrealized and realized gain on investments totaled \$1,506,350 and \$1,656,199 for the years ended December 31, 2024 and 2023.

### **Note 11: Fair Value Measurement**

The Organizations use a fair value hierarchy that includes three levels of inputs to be used to measure fair value. The Organizations have determined that the fair value for the APT Foundation investments and the endowment fund are Level 1 financial instruments. Quotes from pricing vendors based on recent trading activity and other observable market data were used in making this determination. The fair value for the beneficial interest in assets held by others are Level 3 financial instruments. Statements from the Kohler Foundation's broker were used in making this determination. The Organizations do not have any liabilities measured at fair value on a recurring basis.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, while the Organizations believe its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

See Note 8 for level 3 activity on beneficial interest in assets held by others.

# American Players Theatre of Wisconsin, Inc. and Subsidiaries

## Consolidated Notes to Financial Statements

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### Note 11: Fair Value Measurement (Continued)

Information regarding the fair value of assets measured at fair value on a recurring basis as of December 31, 2024 and 2023, is as follows:

		2024			
		Recurring Fair Value Measurements Using			
		Quoted Prices		Significant	
		Assets Measured at Fair Value	in Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
APT Foundation investments					
Stocks					
Domestic		\$ 8,468,913	\$ 8,468,913	\$ -	\$ -
Foreign		1,912,250	1,912,250	-	-
Bonds - Domestic		3,193,367	3,193,367	-	-
Endowment funds held by APT Foundation					
Stocks					
Domestic		396,700	396,700	-	-
Foreign		105,251	105,251	-	-
Bonds - Domestic		155,117	155,117	-	-
APT board designated endowment funds held by APT Foundation					
Stocks					
Domestic		52,446	52,446	-	-
Foreign		13,915	13,915	-	-
Bonds - Domestic		20,507	20,507	-	-
APT board designated endowment funds					
Bonds - Domestic		27,705	27,705	-	-
Domestic CDs		168,463	-	168,463	-
Money Market Funds		3,066	3,066	-	-
APT investments					
Stocks - Domestic		500,459	500,459	-	-
Bonds - Domestic		2,301,406	2,301,406	-	-
Money Market Funds		2,544,215	2,544,215	-	-
US Treasury Notes		150,023	150,023	-	-
Domestic CDs		1,353,077	-	1,353,077	-
<b>Totals</b>		<b>\$ 21,366,880</b>	<b>\$ 19,845,340</b>	<b>\$ 1,521,540</b>	<b>\$ -</b>

# American Players Theatre of Wisconsin, Inc. and Subsidiaries

## Consolidated Notes to Financial Statements

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### Note 11: Fair Value Measurement (Continued)

		2023				
		Recurring Fair Value Measurements Using				
		Quoted Prices		Significant		
		Assets Measured at Fair Value	in Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
APT Foundation investments						
Stocks						
Domestic	\$ 7,114,649	\$ 7,114,649	\$	-	\$	-
Foreign	1,752,888	1,752,888		-		-
Bonds - Domestic	2,785,428	2,785,428		-		-
Endowment funds held by APT Foundation						
Stocks						
Domestic	353,155	353,155		-		-
Foreign	88,803	88,803		-		-
Bonds - Domestic	146,517	146,517		-		-
APT board designated endowment funds held by APT Foundation						
Stocks						
Domestic	63,855	63,855		-		-
Foreign	16,057	16,057		-		-
Bonds - Domestic	26,492	26,492		-		-
APT board designated endowment funds						
Bonds - Domestic	26,070	26,070		-		-
Domestic CDs	162,111		-	162,111		-
Money Market Funds	913	913		-		-
APT investments						
Money Market Funds	1,098,572	1,098,572		-		-
Bonds Domestic	1,997,944	1,997,944		-		-
US Treasury Notes	705,890	705,890		-		-
Domestic CDs	1,588,482		-	1,588,482		-
Beneficial interest in assets held by others	112		-		112	
<b>Totals</b>	<b>\$ 17,927,938</b>	<b>\$ 16,177,233</b>	<b>\$ 1,750,593</b>	<b>\$ 112</b>		

# American Players Theatre of Wisconsin, Inc. and Subsidiaries

## Consolidated Notes to Financial Statements

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### **Note 12: Property and Equipment**

A summary of property and equipment is as follows at December 31:

	<b>2024</b>	<b>2023</b>
Land and improvements	\$ 1,975,550	\$ 1,928,794
Buildings, stage, and sets	20,063,729	20,034,209
Light and sound equipment	166,024	183,067
Vehicles	482,356	465,620
Equipment	465,883	500,035
Construction in progress	-	21,200
 Total cost	 23,153,542	 23,132,925
Accumulated depreciation	(7,526,422)	(6,912,080)
 Property and equipment, net	 \$ 15,627,120	 \$ 16,220,845

### **Note 13: Leases**

The Organizations lease various properties for the purpose of housing seasonal actors as well as office equipment for use in the main office. The leases entered into do not include options to renew.

The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

The Organizations' lease agreements do not contain any material residual value guarantees or material restrictive covenants. Payments due under the lease contracts include fixed payments.

Operating leases are included in the following asset and liability accounts on the Organizations' consolidated statements of financial position: Leased assets, Current lease liabilities, and Noncurrent lease liabilities.

Components of lease expense were as follows for the year ended December 31, 2024 and 2023:

	<b>2024</b>	<b>2023</b>
Lease cost		
Operating lease cost	\$ 85,063	\$ 84,633
Short-term lease cost	284,239	269,934
 Total lease cost	 \$ 369,302	 \$ 354,567

# American Players Theatre of Wisconsin, Inc. and Subsidiaries

## Consolidated Notes to Financial Statements

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### **Note 13: Leases (Continued)**

Supplemental balance sheet information related to leases is as follows as of December 31, 2024 and 2023:

	<b>2024</b>	<b>2023</b>
Weighted-average remaining lease term (in years) - Operating leases	2.82	3.82
Weighted-average discount rate - Operating leases	4.12 %	4.12 %
Maturities of lease liabilities are as follows as of December 31, 2024:		
2025	\$ 85,019	
2026	86,603	
2027	71,788	
Total lease payments	243,410	
Less: Current portion	(78,838)	
Less: Imputed interest	(11,634)	
<b>Total</b>	<b>\$ 152,938</b>	

### **Note 14: Net Assets with Donor Restriction**

Net assets with donor restrictions, which have purpose or time restrictions, are as follows at December 31:

	<b>2024</b>	<b>2023</b>	<b>As Restated</b>
Promises to give - Time restriction	\$ 11,055,829	\$ 1,427,481	
Promise to give - Future improvements	927,086	1,050,308	
Time restriction - 2024 and 2023 season sponsorships	264,195	218,561	
Forrest Fund Endowment	657,068	588,587	
Cash received for future improvements	1,500,000	1,500,000	
<b>Total net assets with donor restrictions</b>	<b>\$ 14,404,178</b>	<b>\$ 4,784,937</b>	

# American Players Theatre of Wisconsin, Inc. and Subsidiaries

## Consolidated Notes to Financial Statements

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### Note 14: Net Assets with Donor Restriction (Continued)

Net assets were released from donor restrictions by incurring expenses, satisfying the restricted purpose, or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31, 2024 and 2023:

	2024	2023
Expiration of time restrictions	\$ 524,191	\$ 425,755
Forrest Fund Endowment distribution	34,583	30,603
 Satisfaction of purpose restrictions		
Capital improvements: Next Great Stage	-	22,619
Capital improvements	150,000	150,000
 Total net assets released from donor restrictions	\$ 708,774	\$ 628,977

### Note 15: Employee Retirement Plan

The Organizations have a retirement plan that covers all permanent full-time employees who work a minimum of 1,000 hours per year and have been employed for one year. The pension plan is invested in individual employee 403(b) accounts. The retirement benefits are fully vested with the plan participant at the time the funds are contributed. Contributions for the plan were \$54,315 and \$67,810 for the years ended December 31, 2024 and 2023. Future employer contributions are discretionary and determined annually subject to the Organization's profitability and plan limitations.

### Note 16: Subsequent Events

The Organizations have evaluated events and transactions for potential recognition or disclosure in the consolidated financial statements through August 20, 2025, which is the date the financial statements were available to be issued.

In August 2025, the Organizations purchased a six-unit apartment complex located in Spring Green in the amount of \$700,000.

## **Supplementary Information**

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# American Players Theatre of Wisconsin, Inc. and Subsidiaries

## Consolidating Statements of Financial Position

<i>December 31, 2024</i>	<b>American Players Theatre**</b>	<b>APT Foundation</b>	<b>Eliminations</b>	<b>Total</b>
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 262,965	\$ 25	-	\$ 262,990
Accounts receivable	94,128	-	-	94,128
Gift shop inventory	19,249	-	-	19,249
Prepaid expenses	206,042	-	-	206,042
Promises to give, current portion	565,893	150,000	-	715,893
Promises to give from APT, current portion	-	154,901	(154,901)	-
Assets held by APT Foundation	86,868	-	(86,868)	-
<b>Total current assets</b>	<b>1,235,145</b>	<b>304,926</b>	<b>(241,769)</b>	<b>1,298,302</b>
Property and equipment	23,153,542	-	-	23,153,542
Less: Accumulated depreciation	(7,526,422)	-	-	(7,526,422)
<b>Property and equipment, net</b>	<b>15,627,120</b>	-	-	<b>15,627,120</b>
Right of use assets	535,818	-	-	535,818
Accumulated amortization	(312,330)	-	-	(312,330)
<b>Leased asset, net</b>	<b>223,488</b>	-	-	<b>223,488</b>
Other assets				
Investments	7,048,414	14,318,466	-	21,366,880
Promises to give, net	2,065,693	9,201,328	-	11,267,021
Promised to give from APT, net	-	148,232	(148,232)	-
Cash restricted for Actors' Equity				
Association	106,478	-	-	106,478
Other asset	27,462	-	-	27,462
<b>Total other assets</b>	<b>9,248,047</b>	<b>23,668,026</b>	<b>(148,232)</b>	<b>32,767,841</b>
<b>TOTAL ASSETS</b>	<b>\$ 26,333,800</b>	<b>\$ 23,972,952</b>	<b>\$ (390,001)</b>	<b>\$ 49,916,751</b>

# American Players Theatre of Wisconsin, Inc. and Subsidiaries

## Consolidating Statements of Financial Position (Continued)

December 31, 2024	American Players Theatre**	APT Foundation	Eliminations	Total
<b>LIABILITIES AND NET ASSETS</b>				
Current liabilities				
Accounts payable	59,155	-	-	59,155
Gift certificates	141,885	-	-	141,885
Other accrued expenses	110,525	-	-	110,525
Contract liability	54,446	-	-	54,446
Lease liabilities, current portion	78,838	-	-	78,838
<b>Total current liabilities</b>	<b>444,849</b>	<b>-</b>	<b>-</b>	<b>444,849</b>
Long-term liabilities				
Lease liabilities	152,938	-	-	152,938
APT assets held by APT Foundation	-	86,868	(86,868)	-
Promise to give to APT Foundation	303,133	-	(303,133)	-
<b>Total long-term liabilities</b>	<b>456,071</b>	<b>86,868</b>	<b>(390,001)</b>	<b>152,938</b>
<b>Total liabilities</b>	<b>900,920</b>	<b>86,868</b>	<b>(390,001)</b>	<b>597,787</b>
Net assets				
Without donor restrictions				
Undesignated	18,360,657	13,574,571	303,117	32,238,345
Board designated - Creating the classics	86,868	-	-	86,868
Board designated - Ken Albers memorial	27,705	-	-	27,705
Board designated - Frautschi fund	171,529	-	-	171,529
Board designated operating and capital reserve	2,390,339	-	-	2,390,339
<b>Total net assets without donor     restrictions</b>	<b>21,037,098</b>	<b>13,574,571</b>	<b>303,117</b>	<b>34,914,786</b>
<b>With donor restrictions</b>	<b>4,395,782</b>	<b>10,311,513</b>	<b>(303,117)</b>	<b>14,404,178</b>
<b>Total net assets</b>	<b>25,432,880</b>	<b>23,886,084</b>	<b>-</b>	<b>49,318,964</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 26,333,800</b>	<b>\$ 23,972,952</b>	<b>\$ (390,001)</b>	<b>\$ 49,916,751</b>

\*\* The financial information for APT Baltimore Street Apartments, LLC, APT Cole Street Apartments, LLC, and APT Sunrise Apartments, LLC are included in this column. There were no eliminations between these entities and APT.

See Independent Audit Report on Supplementary Information.

# American Players Theatre of Wisconsin, Inc. and Subsidiaries

## Consolidating Statement of Activities

Year Ended December 31, 2024	Without Donor Restrictions			Total Without Donor Restrictions	With Donor Restrictions			Total With Donor Restrictions	Total
	American Players Theatre**	APT Foundation	Eliminations		American Players Theatre**	APT Foundation	Eliminations		
<b>Revenue:</b>									
Ticket sales	\$ 4,500,150	\$ -	\$ -	\$ 4,500,150	\$ -	\$ -	\$ -	\$ -	\$ 4,500,150
Concession revenue	715,388	-	-	715,388	-	-	-	-	715,388
Education revenue	54,094	-	-	54,094	-	-	-	-	54,094
Interest income	325,528	292,497	-	618,025	-	17,118	-	17,118	635,143
Other income	155,770	-	-	155,770	-	-	-	-	155,770
<b>Total revenue</b>	<b>5,750,930</b>	<b>292,497</b>	<b>-</b>	<b>6,043,427</b>	<b>-</b>	<b>17,118</b>	<b>-</b>	<b>17,118</b>	<b>6,060,545</b>
<b>Expenses:</b>									
Artistic and Production	5,576,863	-	-	5,576,863	-	-	-	-	5,576,863
Marketing and Patron Services	1,580,968	-	-	1,580,968	-	-	-	-	1,580,968
General and administrative	1,477,955	2,150	-	1,480,105	-	-	-	-	1,480,105
Fundraising	614,464	330,093	(583,593)	360,964	-	-	-	-	360,964
Education	175,631	-	-	175,631	-	-	-	-	175,631
<b>Total expenses</b>	<b>9,425,881</b>	<b>332,243</b>	<b>(583,593)</b>	<b>9,174,531</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,174,531</b>
<b>Operating income (loss)</b>	<b>(3,674,951)</b>	<b>(39,746)</b>	<b>583,593</b>	<b>(3,131,104)</b>	<b>-</b>	<b>17,118</b>	<b>-</b>	<b>17,118</b>	<b>(3,113,986)</b>
<b>Support:</b>									
Contributions for operations	4,399,650	-	(330,093)	4,069,557	1,747,041	-	-	1,747,041	5,816,598
Contributions for capital improvements	-	-	-	-	26,778	-	-	26,778	26,778
Contributions for APT Foundation	-	213,110	(204,000)	9,110	-	8,500,520	(49,500)	8,451,020	8,460,130
Grants	47,912	-	-	47,912	-	-	-	-	47,912
Gain on investments	11,551	1,408,741	-	1,420,292	-	86,058	-	86,058	1,506,350
Net assets released from restrictions for operations	389,406	269,342	(99,974)	558,774	(389,406)	(269,342)	99,974	(558,774)	-
Net assets released from restrictions for capital improvements	150,000	-	-	150,000	(150,000)	-	-	(150,000)	-
<b>Total support</b>	<b>4,998,519</b>	<b>1,891,193</b>	<b>(634,067)</b>	<b>6,255,645</b>	<b>1,234,413</b>	<b>8,317,236</b>	<b>50,474</b>	<b>9,602,123</b>	<b>15,857,768</b>
<b>Income (loss) from current activities</b>	<b>1,323,568</b>	<b>1,851,447</b>	<b>(50,474)</b>	<b>3,124,541</b>	<b>1,234,413</b>	<b>8,334,354</b>	<b>50,474</b>	<b>9,619,241</b>	<b>12,743,782</b>
Depreciation expense	666,966	-	-	666,966	-	-	-	-	666,966
Changes in net assets	656,602	1,851,447	(50,474)	2,457,575	1,234,413	8,334,354	50,474	9,619,241	12,076,816
<b>Net assets, beginning of year as restated</b>	<b>20,380,496</b>	<b>11,723,124</b>	<b>353,591</b>	<b>32,457,211</b>	<b>3,161,369</b>	<b>1,977,159</b>	<b>(353,591)</b>	<b>4,784,937</b>	<b>37,242,148</b>
<b>Net assets, end of year</b>	<b>\$ 21,037,098</b>	<b>\$ 13,574,571</b>	<b>\$ 303,117</b>	<b>\$ 34,914,786</b>	<b>\$ 4,395,782</b>	<b>\$ 10,311,513</b>	<b>\$ (303,117)</b>	<b>\$ 14,404,178</b>	<b>\$ 49,318,964</b>

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