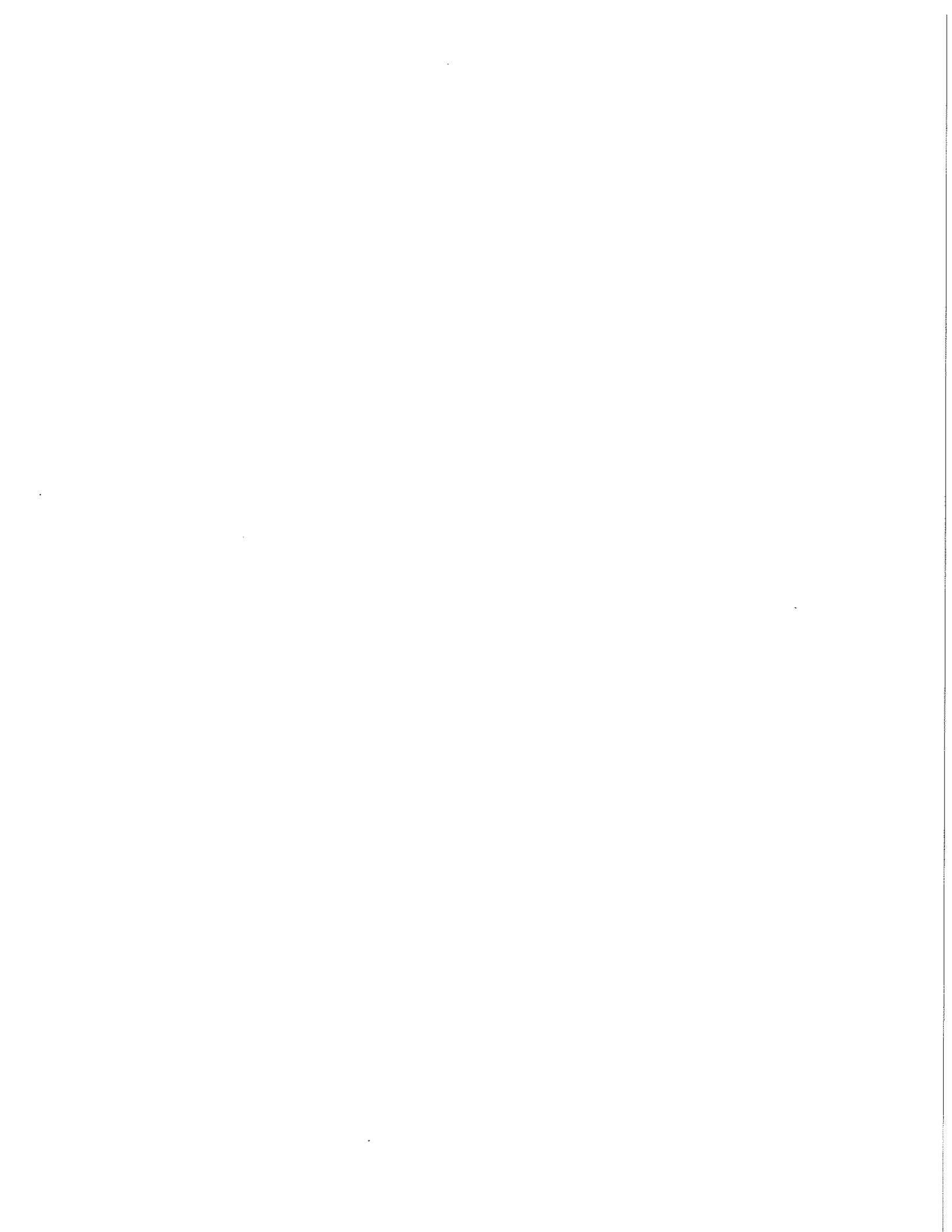


# McKinney Youth Theater



**MCKINNEY COMMUNITY DEVELOPMENT CORPORATION  
Grant Application**

Fiscal Year 2014

**IMPORTANT:**

- Please read the McKinney Community Development Corporation Grant Guidelines prior to completing this application.
- Application is available at [www.mckinneycdc.org](http://www.mckinneycdc.org); by calling 214.544.0296 or by emailing [cgibson@mckinneycdc.org](mailto:cgibson@mckinneycdc.org)
- Please call to discuss your plans for submitting an application in advance of completing the form provided. Completed application and all supporting documents are required to be submitted electronically or on a CD for consideration by the MCDC board. Please submit the application to:

McKinney Community Development Corporation  
5900 S. Lake Forest Blvd., Suite 110  
McKinney, TX 75070

- *If you are interested in a preliminary review of your project proposal or idea, please complete and submit the **Letter of Inquiry** form, available at [www.mckinneycdc.org](http://www.mckinneycdc.org), by calling 214.544.0296 or emailing [cgibson@mckinneycdc.org](mailto:cgibson@mckinneycdc.org).*

***Applications must be completed in full, using this form, and received by MCDC, electronically or on a CD, by 5:00 p.m. on the date indicated in schedule below.***

**Please indicate the type of funding you are requesting:**

- |   |   |
|---|---|
| <input type="checkbox"/> <b>xProject Grant</b><br>Quality of Life projects that advance the mission of MCDC and are eligible for funding in accordance with the Type B sales tax statute (refer to examples in Grant Guidelines). | <input type="checkbox"/> <b>Promotional or Community Event Grant (maximum \$15,000)</b><br>Initiatives, activities and events that promote the City of McKinney for the purpose of developing new or expanded business opportunities and/or tourism – and enhance quality of life for McKinney residents. |
|---|---|

**Promotional and Community Event Grants:**

Application Deadline	Presentation to MCDC Board	Board Vote and Award Notification
Cycle I: January 3, 2014	January 2014	February 2014
Cycle II: June 30 2014	July 2014	August 2014

**Project Grants:**

Application Deadline	Presentation to MCDC Board	Board Vote and Award Notification
Cycle I: January 31, 2014	February 2014	March 2014
Cycle II: April 30, 2014	May 2014	June 2014
Cycle III: July 31, 2014	August 2014	September 2014

## APPLICATION

### ORGANIZATION INFORMATION

Name: McKinney Youth Theatre (dba of Plano Children's Theatre)

Federal Tax I.D.: 75-2387300

Incorporation Date: 1991

Mailing Address: 1301 Custer Road, Suite 706

City: Plano

ST: Texas

Zip: 75075

Phone: 972 422-2575

Fax: na

Email: sakers@planochildrenstheatre.org

Website: <http://www.mckinneyyouththeatre.com>

#### Check One:

- Nonprofit – 501(c) Attach a copy of IRS Determination Letter
- Governmental entity
- For profit corporation
- Other

Professional affiliations and organizations to which your organization belongs: McKinney Chamber of Commerce, Plano Chamber of Commerce, Frisco Chamber of Commerce, Allen Chamber of Commerce, Metrocrest Chamber of Commerce, Texas Non-Profit Theatres

### REPRESENTATIVE COMPLETING APPLICATION:

Name: Sara Egelston Akers

Title: Executive Director, Founder

Mailing Address: 1301 Custer Road, Suite 706

City: Plano

ST: Tx

Zip: 75075

Phone: 972 422-2575 cell 972 571-7626

Fax: na

Email: sakers@planochildrenstheatre.org

**CONTACT FOR COMMUNICATIONS BETWEEN MCDC AND ORGANIZATION:**

Name: Sara Akers or Autumn Daly (Business Manager)with questions about receipts

Title:

Mailing Address: same

City:

ST:

Zip:

Phone 972 422-2575

Fax:

Email:

businessmanager@planochildrenstheatre.org

**FUNDING**

Total amount requested: \$15,000

**PROJECT/PROMOTION/COMMUNITY EVENT**

Start Date: June 1, 2014

Completion Date: May 31, 2015

**BOARD OF DIRECTORS** (*may be included as an attachment*)

See Attached

**LEADERSHIP STAFF** (*may be included as an attachment*)

See attached

**Using the outline below, provide a written narrative no longer than 7 pages in length:**

**I. Applying Organization**

*Describe the mission, strategic goals and objectives, scope of services, day to day operations and number of paid staff and volunteers.*

**Mission:** The mission of McKinney Youth Theatre is to develop the character of youth by providing arts education and family entertainment.

**Vision:** Our vision is that our programs will be desirable and available to all.

**Scope of Services:** For the past nine years, McKinney Youth Theatre has a year round program at Heard Craig Hall in McKinney. We produce six major productions each year with each production having six to ten performances. Each production has at least 54 hours of rehearsal over a 9-12 week period. In addition, we offer after school, summer arts programs, and free community outreach. We also perform children's theatre scripts to schools and daycares during the school day.

Currently, our performances are two weekends in the following months: February, April, May, July, September and December. The after school classes align with the start of classes in the fall and the spring. We also offer two weeks in June and July for elementary educational classes.

The parent organization is Plano Children's Theatre which was founded in 1991. We have programs in Frisco (Frisco Youth Theatre), Plano Sports Authority, Legacy Christian Academy, and All Saints Catholic School. We are the largest youth arts organization in Collin County and the second largest arts non-profit.

We are a tuition based program, but making our programs available to as many people as possible is critical to our mission. In 2013, our organization awarded \$42,715 in scholarships and \$63,397 in discounts. In 2012 to celebrate our 20<sup>th</sup> year of operations, we began a 1/2 off tuition discount for new students. The program has been highly successful with 2013 ending with \$51,597 in new student discounts. In addition, we offer free workshops at MYT, FYT, PCT for anyone and a discounted (\$4) performances at PCT for the general public. Each year, we offer free arts programming at Boys and Girls Club.

In addition to scholarships and discounts, our organization donates complimentary tickets and free classes to schools and non-profits for their fundraising needs as well as offering free tickets to Vet Tix, Samaritan Inn, Boys and Girls Club, Big Brother and Sisters, and other non-profits that serve the disadvantaged. Our scholarship form is posted clearly on our website for people to submit. Our scholarship committee is made up of patrons which follow a scholarship criteria.

**Organization Awards:**

- 2013 Best Children's Theatre in DFW for Fun House Theatre and Film (PCT's theatre within a theatre)
- 2012 Best Community Partner by the Junior League of Collin County Advisory Board
- 2012 Best Community Organization by the Plano Chamber of Commerce
- 2011 Best Summer Camp by D Magazine
- 2009 Best Youth Arts Organization by Plano Art Centre Advisory Board

**Staff:** Our organization has four full time admin positions, three full time program positions who also direct most of our productions and classes. We also have at least nine hourly visual and performing degreed artists.

All of our staff and contract artists must submit to a criminal background check each year.

**Volunteers:** Crucial to our success, our volunteers assist our directors to bring a production to life by serving as light and sound board operators, box office managers, show managers, costume coordinators, promotions, set design, set building, follow spot operators, back stage managers, fundraising and event planners. Our Board of Directors meet each month to review financials and provide governance to our organization. Each year over 360 McKinney Youth Theatre volunteers help us fulfill our mission.

*Disclose and summarize any significant, planned organizational changes and describe their potential impact on the Project/Promotion/Community Event for which funds are requested.*

Heard Craig Hall has been a gracious host for the past nine years, however, we are currently at our maximum number of weeks that they will allow us to rent for our productions. Our productions are at capacity and beyond (Les Mis in 2013 had over 90 actors, Shrek had over 80, Peter Pan had over 50), and our McKinney patrons want a permanent home of their own in McKinney. With a permanent home (leased space), McKinney Youth Theatre; would be able to increase its offerings including plays without music, voice, dance, piano, visual arts, birthday and scout parties, and special event workshops. Having a dedicated space would allow our volunteers to meet and plan events, build sets in McKinney, and have Board Meetings.

This spring 2014, the Board of Directors passed a Resolution to allow MYT to be self governing within our mission, vision, and budget set by the Governance Board. A dedicated committee of parent volunteers raised \$17,000 this past year to help fund a home. Our total goal is \$60,000 by January 2015. Heard Craig Hall may not be available for programming after June 2015 so MYT must have a home and open for business by June 1<sup>st</sup>.

The funds requested from MCDC will be used in three ways:

1. \$5,000 To fund publicity to draw new customers to MYT's programs either as a student or to purchase a ticket. Funds from MCDC will be matched with other funds to run online and print ads in cities outside of McKinney, radio ads, and outdoor advertising.
2. \$5,000 The script royalty fund request will allow us to publicize our programs a year in advance to allow our patrons to schedule their involvement in a production and/or attendance to a production. Each time we produce a script, we must pay a royalty house between \$2,000-\$3,800 for the rights.
3. \$5,000 Free community outreach will allow McKinney Youth Theatre to hire artists and supplies to provide free programming to McKinney residents and tourists. This past year, we have offered a first Thursday free acting/or visual arts class at Heard Craig Hall. We would like to partner with McKinney Performing Arts Center and other events to provide additional activities for residents and tourists.

The funds from MCDC will be matched from tuition, ticket sales, and donations.

## **II. Project or Promotion/Community Event (whichever is applicable)**

- Outline details of the Project/Promotion/Community Event for which funds are requested. Include

information regarding scope, goals, objectives, target audience.

1. Publicity
  2. Script Royalties: McKinney Youth Theatre Publicity Team (parent volunteers and McKinney Program Director) develops a list of productions based on director and patron submissions. We will pick scripts for all ages and for grades 13 and up. In 2014 the script titles are: *Joseph and the Amazing Technicolor Dreamcoat*, *Disney's Peter Pan*, *Sweeney Todd*, *Footloose*, *Disney's Beauty and the Beast* and *Christmas Broadway*. A 2015 patron survey is underway to develop the 2015 schedule. After the survey is complete, royalties will be paid for the year partially using the MCDC grant.
  3. Free Community Outreach: MYT is meeting with MPAC this month to find ways to create synergistic events that will help broaden and draw more tourists.
- **For Promotional Grants/Community Events** – describe how this initiative will promote the City of McKinney for the purpose of business development and/or tourism.
  - *Describe how the proposed Project/Promotion/Community Event fulfills strategic goals and objectives for the organization.*
  - 
  - Please also include planned activities, time frame/schedule, and estimated attendance and admission fees if applicable.
  - What is the venue/location for Project/Promotion/Community Event? Heard Craig Hall, McKinney Performing Arts Center, Boys and Girls Club
  - Provide a timeline for the Project/Promotion/Community Event.

These dates are confirmed with Heard Craig Hall. Meeting with with MPAC in May about possible collaborations.

- May 2-11            Sweeney Todd, school edition            Heard Craig Hall. Eight performances
- May 5-10            Spring Recitals            Heard Criag Hall "HCH"
- June 9-September 21<sup>st</sup>    Footloose            HCH Eight performances September 12-21<sup>s</sup>
- August 8-17        Disney's Beauty and the Beast HCH    Eight performances August 8 -17<sup>th</sup>
- Summer Camps – Art and Drama, Afternoon Production Camps HCH the weeks of June 16<sup>th</sup>, June 23<sup>rd</sup>, July 14<sup>th</sup> and July 21<sup>st</sup>
- Fall Classes        Starts September 15<sup>th</sup>. Once a week. Fall recitals second week in December. HCH



- Christmas Broadway Starts late September. Eight performances December 5-14
- TBD Starts rehearsal in October 2014. Eight performances January 9-18 at HCH
- TBD Starts rehearsal in February 2015. Six performances May 8-11
- TBD Starts rehearsal in February 2015. Eight performances May 16-25<sup>th</sup>.

June 1<sup>st</sup> – We will be in a our new space.

- 
- Detail goals for growth/expansion in future years.

McKinney Youth Theatre is raising funds for a permanent location in McKinney that will provide rehearsal and performance space, costume storage, small office and set build area. 5,000-7,000 square feet. Renovations will be done by a general contractor and our volunteers.

**Project Grants – please complete the section below:**

- |                             |   |  |
|-----------------------------|---|--|
| • An expansion/improvement? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            |
| • A replacement/repair?     | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| • A multi-phase project?    | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| • A new project?            | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |

**Has a feasibility study or market analysis been completed for this proposed project?** *If so, please attach a copy of the Executive Summary.*

Because of the current capacity in our productions, many of our highly trained McKinney students are traveling to Frisco and/or Plano because there are more productions offered and opportunities for lead parts for our experienced youth.

Having a permanent space of in McKinney, will allow us to add many more productions so that more youth will have an opportunity for lead roles. Having rehearsals and performances in McKinney generates tax revenue and business income as families go out to eat after/before rehearsals and performances and shop during rehearsals.

**Provide specific information to illustrate how this Project/Promotion/Event will enhance quality of life and further business and economic development in the City of McKinney, and support one or more of MCDC's goals:**

Funding from the MCDC will allow McKinney Youth Theatre to publicize its programs to a wider audience which will bring in more visitors to McKinney. As people are coming and going from rehearsal and performances (over 300 separate events in 2013), tax income and business revenue will be generated as patrons shop, eat,

purchase goods, and gas.

McKinney Youth Theatre wants to contribute to the community life of the city by working with McKinney Performing Arts Center, Boys and Girls Club, Samaritan Inn and other organizations to provide collaborative free community outreach and special learning opportunities for youth.

Funding from MCDC will help MYT promote its programs and garner more students and patrons. With royalties paid in advance, MYT will be able to create a subscription series. All promotional materials and playbills will have MCDC logo.

- Develop and strengthen community amenities to improve quality of life
  - Support projects eligible for Type B support under state law
  - Contribute to business and economic development within McKinney
  - Strengthen relationships with our partners
  - Maintain financial sustainability
  - Educate the community about the impact of MCDC investments on quality of life in McKinney
- Has a request for funding, for this Project/Promotion/Community Event, been submitted to MCDC in the past?**

Yes

No

### III. Financial

- Provide an overview of the organization's financial status including the impact of this grant request.

The grant from the MCDC will allow McKinney Youth Theatre to publicize its programs outside of McKinney to neighboring cities. In addition, the funding will underwrite the costs of free programming so that youth will be able to attend regardless of their ability to pay. And lastly, funding from MCDC will allow us to secure rights to scripts so that we can publicize the titles a year in advance.

- Please attach your budget for the current year and audited financial statements for the preceding two years. If financials are not available, please indicate why.

**What is the estimated total cost for this Project/Promotion/Community Event?**

**MYT 2014 Budget \$174,503. Total Budget for Organization: \$990,000.**

**(Please include a budget for the proposed Project/Promotion/Community Event.)**

**What percentage of Project/Promotion/Community Event funding will be provided by the Applicant? Over 90%**

**Are Matching Funds available?**  Yes

No

Cash \$15,000

Source Tuition, Tickets

% of Total 100%

In-Kind \$5,000

Source parents, community

% of Total 3%

**Are other sources of funding available? If so, please list source and amount.**

**MYT receives revenue from ticket, tuition, special event, fundraising, donations, and grants to cover other costs.**

**Have any other federal, state, or municipal entities or foundations been approached for funding?** *If so, please list entity, date of request and amount requested.*

McKinney Youth Theatre received funding from the Cultural Arts Council of McKinney. Amount for 2013-2014: \$20,000. We will apply for operational funding for 2014-2015.

McKinney Youth Theatre is seeking funding from Collin County businesses, Foundations, grants, and patrons to help fund a permanent rehearsal and performance space for McKinney Youth Theatre.

Plano Children's Theatre is funded by City of Plano (\$156,000), City of Frisco (\$3,500) for the programs in those cities. In addition, we have received funding from Encana Cares Foundation, Grand Prairie Ford, Huffines, Brighten Collectibles, Verizon, Bank of America, Community Foundation of Texas, Junior League of Collin County, HP, In Touch Credit Union, and TI.

#### **IV. Marketing and Outreach**

Describe marketing plans and outreach strategies for your organization and for the Project/Promotion/Community Event for which you are requesting funding – and how they are designed to help you achieve current and future goals.

Seasonal brochures are mailed three – four times a year to our patron database (about 1,000) and McKinney Chamber of Commerce.

Weekly Constant Contact E-mail blasts to our e-mail list (5,000 unique patrons).

New Website with McKinney Programs listed separately and prominently.

New Resident packages through McKinney Chamber of Commerce.

Networking through the Wednesday morning Chamber events

Free tickets to schools and daycares for their fundraising purposes

McKinney ISD back to school "YO" parents handouts in the fall and spring

Posters

Radio Ads

Print advertising in McKinney Living and McKinney Courier Gazette and cities north, west, and east

Outdoor advertising

Dedicated Facebook Page for McKinney Youth Theatre which lists performances, free programming and other opportunities.

**V. Metrics to Evaluate Success**

Outline the metrics that will be used to evaluate success of the proposed Project/Promotion/Community Event. If funding is awarded, a final report will be required summarizing success in achieving objectives outlined for the event.

We will measure success by the following:

1. Success is measured by increased tuition and ticket sales to our events and increased participation in our free community outreach programs.
2. In addition, we send a survey to the participants in each productions to ask for feedback.
3. Increased participation by non-McKinney residents.

**Acknowledgements**

***If funding is approved by the MCDC board of directors, Applicant will assure:***

- The Project/Promotion/Community Event for which financial assistance is sought will be administered by or under the supervision of the applying organization; YES.
- All funds awarded will be used exclusively for the purpose described in this application; YES

**Acknowledgements - continued**

- MCDC will be recognized in all marketing, outreach, advertising and public relations as a funder of the Project/Promotion/Community Event. Specifics to be agreed upon by applicant and MCDC and included in an executed performance agreement; YES.
- Organization's officials who have signed the application are authorized by the organization to submit the application; YES
- Applicant will comply with the MCDC Grant Guidelines in executing the Project/Promotion/Community Event for which funds were received. YES
- A final report detailing the success of the Project/Promotion/Community Event, as measured against identified metrics, will be provided to MCDC no later than 30 days following the completion of the Project/Promotion/Community Event. Yes.
- Up to 80% of the approved grant may be provided, on a reimbursement basis, prior to conclusion of the Project/Promotion/Community Event with submission of invoices/receipts to MCDC. The final 20% will be paid following MCDC's receipt of unpaid invoices/receipts; documentation of fulfillment of obligations to MCDC; and final report on the Project/Promotion/Community Event. YES.
- The required performance agreement will contain a provision certifying that the applicant does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. Further, should the applicant be convicted of a violation under 8 U.S.C. § 1324a(f), the applicant will be required to repay the amount of the public subsidy provided under the agreement plus interest, at an agreed to interest rate, not later than the 120<sup>th</sup> day after the date the MCDC notifies the applicant of the violation. YES.

**We certify that all figures, facts and representations made in this application, including attachments, are true and correct to the best of our knowledge.**

**Chief Executive Officer**

**Representative Completing Application**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

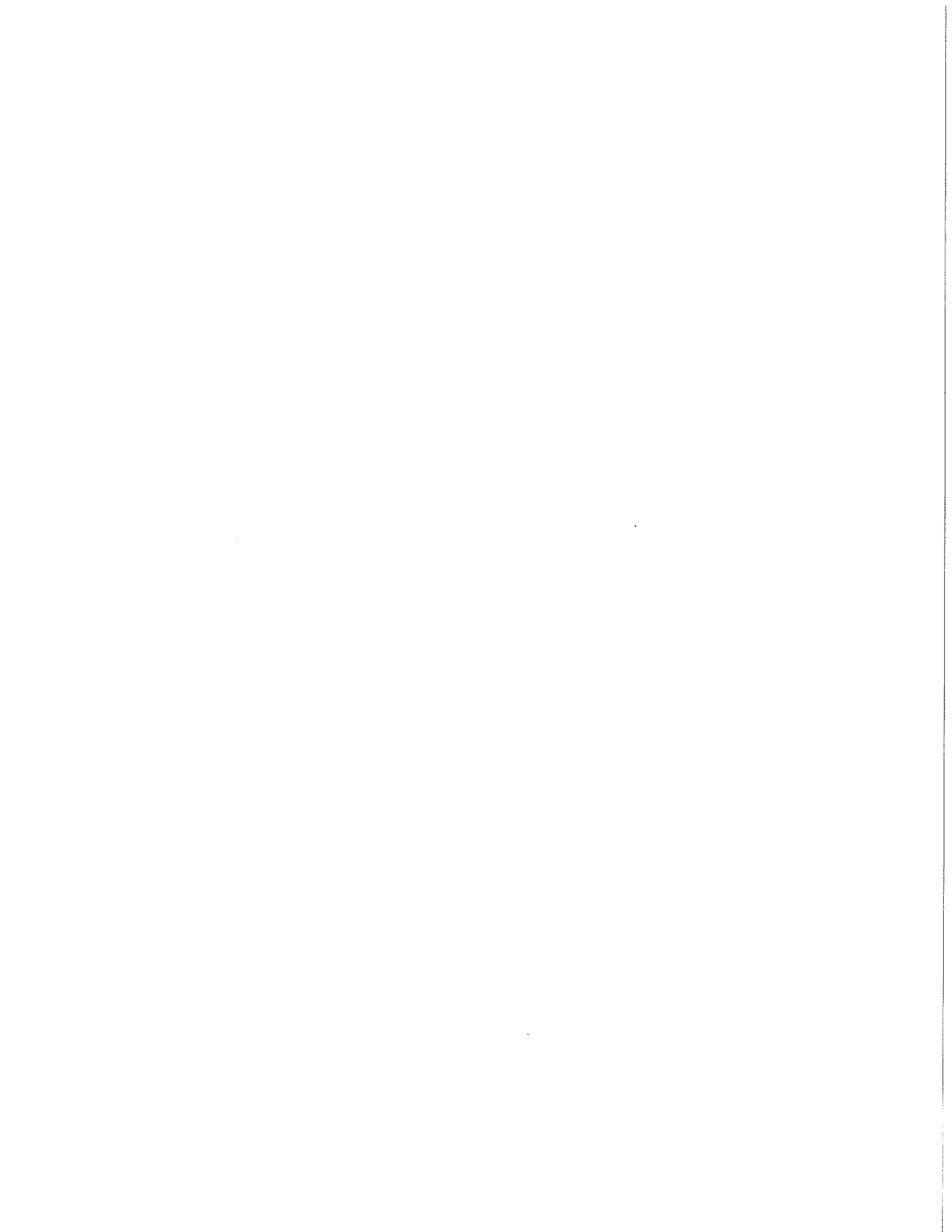
Darrell Rodenbaugh, Board President  
Printed Name

Date April 29, 2014

Sara Egelston Akers  
Printed Name

Date April 29, 2014

***INCOMPLETE APPLICATIONS, OR THOSE RECEIVED AFTER THE DEADLINE, WILL NOT BE  
CONSIDERED.***



INDIANA WESLEYAN UNIVERSITY: FINANCE ADMINISTRATION

TERESA LOVE                      MARKETING DIRECTOR: MBA & BS– FLORIDA AGRICULTURAL AND MECHANICAL  
UNIVERSITY BUSINESS ADMINISTRATION WITH EMPHASIS ON MARKETING.

DANNY MIRANDA                      DIRECTOR OF MCKINNEY PROGRAMS – DIRECTOR/ACTOR/TEACHER AT  
MCKINNEY YOUTH THEATRE/ PLANO CHILDREN’S THEATRE. WELL KNOW  
REGIONAL ACTOR AND DIRECTOR

CASSIDY CROWN                      PLANO AND FRISCO PROGRAM DIRECTOR. BFA/ BAYLOR UNIVERSITY: VOCAL  
PERFORMANCE.

BECCA JOHNSON-SPINOS                      COORDINATOR OF DAYTIME CHILDREN’S THEATRE SERIES FOR SCHOOLS AND  
DAYCARES. DIRECTOR AND ACTOR – ALL LOCATIONS

JEFF SWEARINGEN                      FUN HOUSE THEATRE AND FILM FOUNDER: OUR THEATRE WITHIN A THEATRE.  
(MADE POSSIBLE BY PLANO CHILDRENS THEATRE)

MOSE PLEASURE                      MUSICAL DIRECTOR. BFA/ DILLARD UNIVERSITY IN ORGAN MUSIC

BRIAN LONGWORTH                      SCENIC DESIGNER

OTHER ARTISTS:                      MORGAN MCCLURE, NICK MANN, MICK MCCORMICK, HANNAH DIAS, HOLLIE HONGUSH,  
LINDSEY LEDERER, ANDREW JAY WILLIAMS

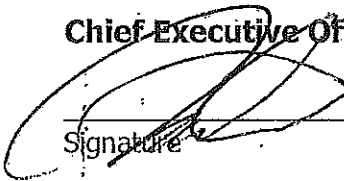
**Acknowledgements - continued**

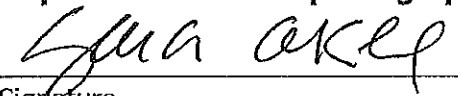
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- Organization's officials who have signed the application are authorized by the organization to submit the application;
- Applicant will comply with the MCDC Grant Guidelines in executing the Project/Promotion/Community Event for which funds were received.
- A final report detailing the success of the Project/Promotion/Community Event, as measured against identified metrics, will be provided to MCDC no later than 30 days following the completion of the Project/Promotion/Community Event.
- Up to 80% of the approved grant may be provided, on a reimbursement basis, prior to conclusion of the Project/Promotion/Community Event with submission of invoices/receipts to MCDC. The final 20% will be paid following MCDC's receipt of unpaid invoices/receipts; documentation of fulfillment of obligations to MCDC; and final report on the Project/Promotion/Community Event.
- The required performance agreement will contain a provision certifying that the applicant does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. Further, should the applicant be convicted of a violation under 8 U.S.C. § 1324a(f), the applicant will be required to repay the amount of the public subsidy provided under the agreement plus interest, at an agreed to interest rate, not later than the 120<sup>th</sup> day after the date the MCDC notifies the applicant of the violation.

**We certify that all figures, facts and representations made in this application, including attachments, are true and correct to the best of our knowledge.**

**Chief Executive Officer**

**Representative Completing Application**

  
Signature

  
Signature

Printed Name *Darrell Rodden*

Printed Name *Sara Egelston Aker*

Date *4-30-14*

Date *4/30/14*

**INCOMPLETE APPLICATIONS, OR THOSE RECEIVED AFTER THE DEADLINE, WILL NOT BE CONSIDERED.**



INTERNAL REVENUE SERVICE  
DISTRICT DIRECTOR  
1100 COMMERCE STREET  
DALLAS, TX 75242-0000

DEPARTMENT OF THE TREASURY

Date: **MAR 13 1992**

PLANO CHILDRENS THEATRE  
2129 PARKER RD STE C171  
PLANO, TX 75023

Employer Identification Number:  
75-2387300

Contact Person:  
SHARI FLOWERS

Contact Telephone Number:  
(214) 767-3526

Accounting Period Ending:  
May 31

Form 990 Required:  
Yes

Addendum Applies:  
No

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in sections 509(a)(1) and 170(b)(1)(A)(ii).

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other Federal excise taxes. If you have any questions about excise, employment, or other Federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of Code sections 2055, 2106, and 2522.

Contribution deductions are allowable to donors only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circum-

Letter 947(DO/CG)

PLANO CHILDRENS THEATRE

stances. See Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, which sets forth guidelines regarding the deductibility, as charitable contributions, of payments made by taxpayers for admission to or other participation in fundraising activities for charity.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$10 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$5,000 or 5 percent of your gross receipts for the year, whichever is less. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

Revenue Procedure 75-50, published in Cumulative Bulletin 1975-2 on page 587, sets forth guidelines and recordkeeping requirements for determining whether private schools have racially nondiscriminatory policies as to students. You must comply with this revenue procedure to maintain your tax-exempt status.

If we have indicated in the heading of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

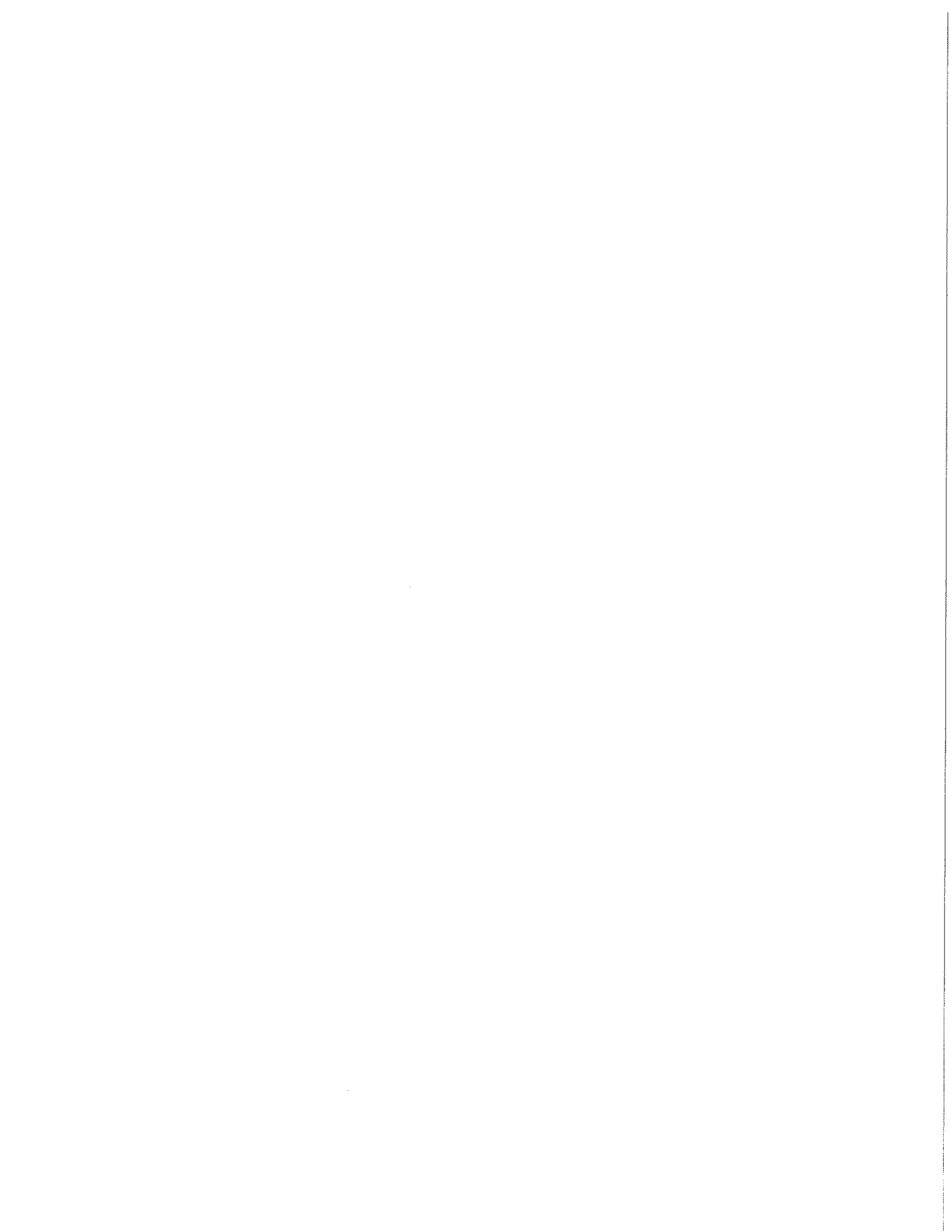
Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

PLANO CHILDRENS THEATRE

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

*Gary O. Booth*  
Gary O. Booth  
District Director



2014

**Income**

McKinney Youth Theatre

Tuition	\$88,820
Ticket Sales	\$48,780
Scholarships	-7,994
Discounts	-6,236
Grants	\$20,000
Concessions	\$5,321
Verify Income (volunteers)	\$13
Miscellaneous Income	\$25
MYT AMP Ticket Sales	4,645
MYT AMP Online/Silent Auction	\$5,946
Merchandise Sales	\$183
Memberships Donations	\$5,000
Donations	\$5,000
Foundations	\$5,000
<b>Total Operational Income</b>	<b>\$174,503</b>
*MYT Home Campaign (restricted)	\$40,000
<b>Total Income</b>	<b>\$234,503</b>

**Expense**

Concessions	\$1,457
Wages	\$89,503
Facilities	\$40,000
Advertising	\$10,000
Auto/Travel Reimbursement	\$2,000
Set Supplies	\$3,665
Script Royalties	\$17,392
Executive Promotions	\$500
Staff Training	\$300
Employee Gifts	\$200
Payroll Taxes	\$2,160
Healthcare for Full Time Employees	\$2,962
AMP Event Costs (Dinner, Trophies, Rent)	\$4,364
<b>Total Expenses</b>	<b>\$174,503</b>

\*MYT Home funds are in separate bank account and will only be used once we have enough to lease and renovate a space

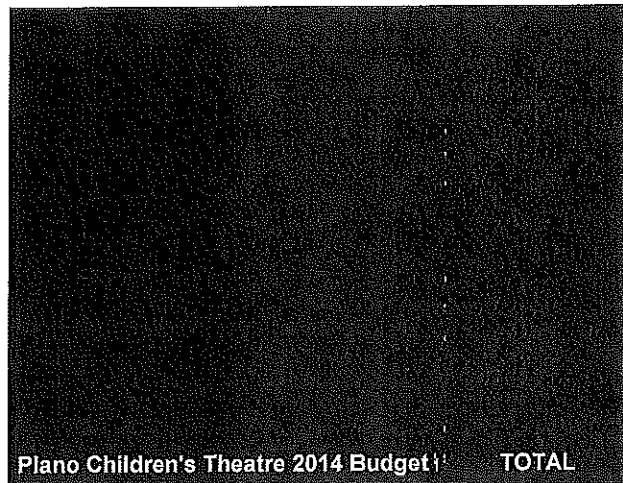


Ordinary Income/Expense

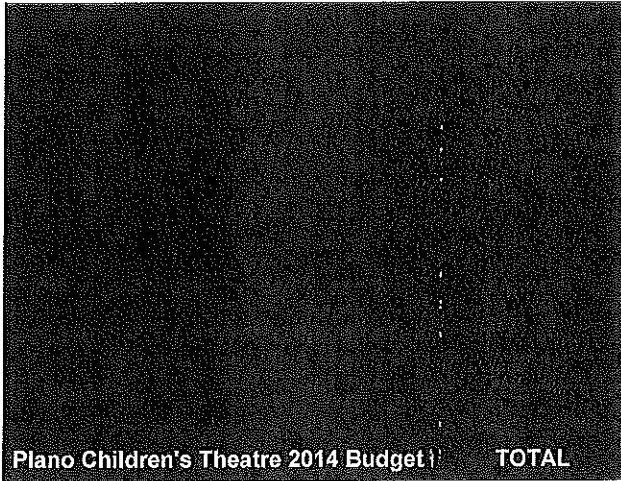
**Income**

Discounts	\$	(64,855)
Scholarships	\$	(43,317)
City of McKinney Grant	\$	20,000
City of Plano - Major Grant	\$	157,365
City of Frisco Grant	\$	3,000
Corporate Sponsors/Donations	\$	10,000
Concessions	\$	19,098
Verify (Volunteer) Income	\$	825
Birthday/Other Parties	\$	7,892
Fun House Ticket Sales	\$	21,000
Fun House Tuition	\$	37,000
Art Income	\$	3,403
Daytime Series	\$	35,000
ACE	\$	32,000
Miscellaneous Income.	\$	2,320
AMP	\$	28,585
Interest/Dividends	\$	1,308
Merchandise Sales	\$	7,997
Membership Donations	\$	23,433
Donations	\$	23,401
Fund Raising	\$	3,242
Grant Income	\$	3,920
Theatre Rental	\$	18,070
Ticket Sales	\$	179,338
T-shirt sales	\$	11,658
Tuition and Registration	\$	448,316
		<hr/>
	\$	<b>990,000</b>

**Expenses**



Plano Children's Theatre 2014 Budget	TOTAL
Concession Supplies	\$ 7,285
Fun House Sets	\$ 1,800
Taxes - Other	\$ 981
Licenses & Permits (Non-Royalty)	\$ 1,248
House Supplies	\$ 4,758
Posting & Shipping (Non-ad)	\$ 3,000
Sound System	\$ 3,000
Executive Promotions	\$ 12,000
ART	\$ 3,969
Event Expenses	\$ 2,500
Staff Training	\$ 2,000
ACE Expenses	\$ 1,000
Executive Director - Back Pay	\$ 6,000
Advertising	\$ 40,000
Administrative	\$ 227
Auto Expenses	\$ 5,703
Bank & Late Fees	\$ 15,383
Dues and Subscriptions	\$ 2,948
Meals, Travel & Entertainment	\$ 1,705
Employee Gifts	\$ 1,473
Free Visual and Arts Supplies	\$ 407
Fundraising Event Expenses	\$ 15,000
Furniture and Equipment	\$ 1,563
Interest	\$ 1,406
Insurance	\$ 9,748
Membership Expenses	\$ 1,241
Merchandise Expense	\$ 6,000
Printing & Reproduction	\$ 18,703
Professional Fees	\$ 15,000
Payroll Expense	\$ 599
Rent	\$ 137,033
Repairs and Maintenance	\$ 16,587
Royalties & Licenses	\$ 60,000



<b>Plano Children's Theatre 2014 Budget i</b>	<b>TOTAL</b>
Security Equipment	\$ 603
Set Supplies	\$ 18,000
Supply	\$ 10,000
Taxes - Payroll	\$ 41,137
Utilities	\$ 35,922
Volunteer Expense	\$ 2,000
Wages	\$ 457,073
Other (Line of Credit)	\$ 25,000
<b>Total Expenses</b>	<b>\$ 990,000</b>

<b>Total Expense</b>	<b>\$ 990,000</b>
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<b>Net Ordinary Income</b>	<b>\$ (0)</b>
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# PLANO CHILDREN'S THEATRE

*Financial Statements*  
*December 31, 2013*

*Together with Independent Auditor's Report*

**SWALM & ASSOCIATES, P.C.**  
*Certified Public Accountants*

**PLANO CHILDREN'S THEATRE**

**Financial Statements**

**DECEMBER 31, 2013**

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# SWALM & ASSOCIATES, P.C.

Certified Public Accountants, Auditors and Consultants

2435 N. Central Expressway, Suite 720

Richardson, Texas 75080

Office (972) 516-8800

Fax (972) 767-2285

## Independent Auditor's Report

Board of Directors  
Plano Children's Theatre

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the Plano Children's Theatre, which comprise the statement of financial position as of December 31, 2013, and the related statement of activities, and cash flows for the year 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 consolidated 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 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 obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

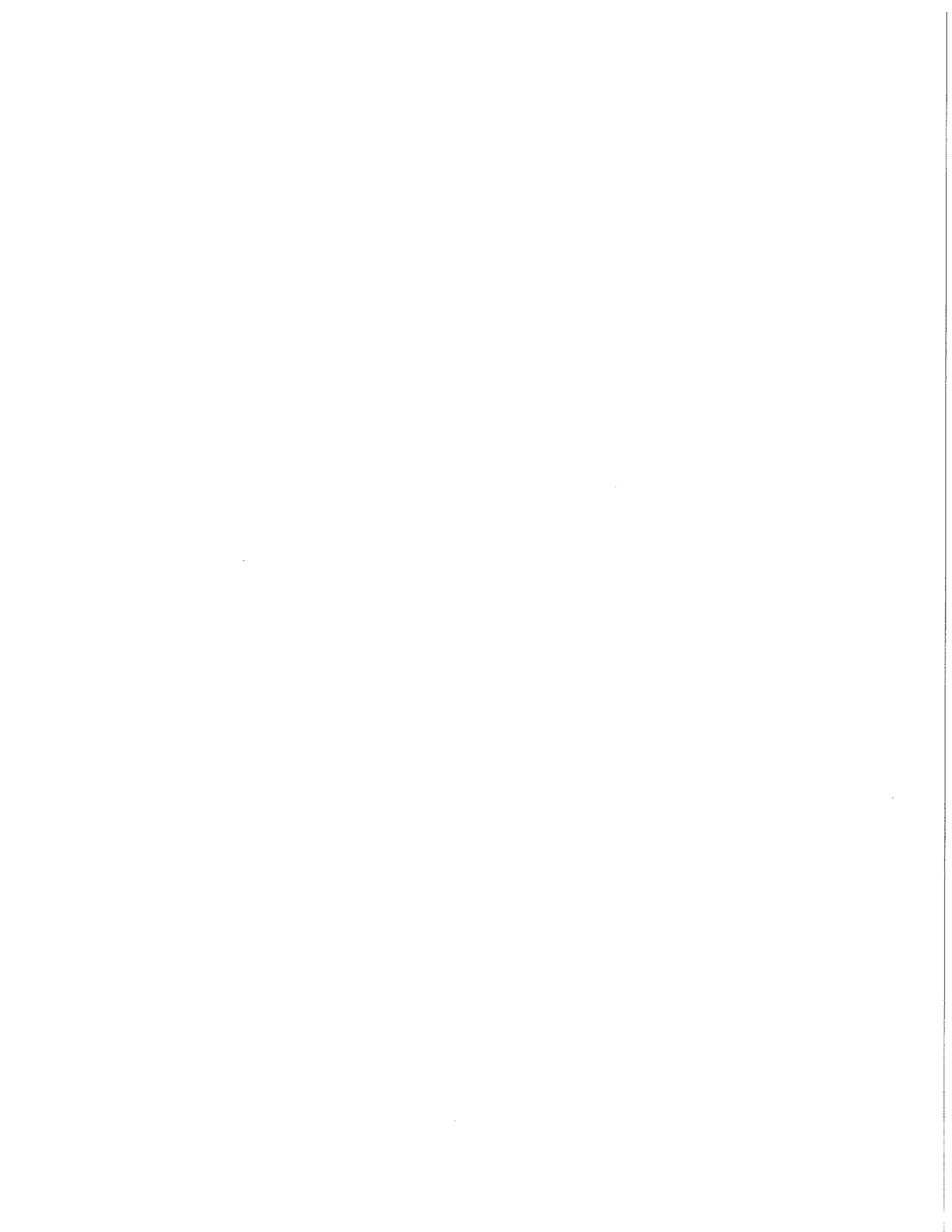
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Plano Children's Theatre as of December 31, 2013, and the changes in its net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

SWALM & ASSOCIATES, P.C.

*Swalm & Associates, P.C.*

Richardson, Texas

April 4, 2014



# PLANO CHILDREN'S THEATRE

## Statement of Financial Position December 31, 2013

### ASSETS

Current assets:	
Cash	\$ 13,131
Restricted cash - City of Plano	30,240
Grants receivable	84,682
Prepaid expenses	18,086
Other current assets	<u>1,421</u>
Total current assets	147,560
Fixed assets, net	<u>28,268</u>
Total assets	<u>\$ 175,828</u>

### LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 10,741
Accrued expenses	17,409
Note payable - line of credit	<u>25,000</u>
Total current liabilities	53,150
Long-term liabilities	
Notes payable-director	41,584
Net assets:	
Unrestricted	(43,418)
Temporarily restricted	<u>124,512</u>
Total net assets	<u>81,094</u>
Total liabilities and net assets	<u>\$ 175,828</u>

See accompanying notes to financial statements.

**PLANO CHILDREN'S THEATRE**  
**Statement of Activities**  
**For the Year Ended December 31, 2013**

**Changes in Unrestricted Net Assets**

Revenues and Support:

Tuition	\$ 316,215
Ticket sales	209,056
Government grants	23,500
Contributions	128,543
Merchandise sales	24,212
Rental income	20,793
Fund-raising	41,115
Other income	<u>23,175</u>

Total Unrestricted Revenue and Support	786,609
Net assets released from restrictions	<u>165,336</u>

951,945

Expenses:

Program Services	804,245
Management and general	133,773
Fund-raising	<u>45,660</u>

Total Expenses	<u>984,133</u>
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Decrease in Unrestricted Net Assets	<u>(32,188)</u>
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**Change in Temporarily Restricted Net Assets**

Revenues and Support

Government grants	157,365
Contributions	27,191
Net assets released from restrictions	<u>(165,336)</u>

Increase in Temporarily Restricted Net Assets	<u>19,220</u>
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Net Assets at Beginning of Year - as originally reported	22,062
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Prior period adjustment	<u>72,000</u>
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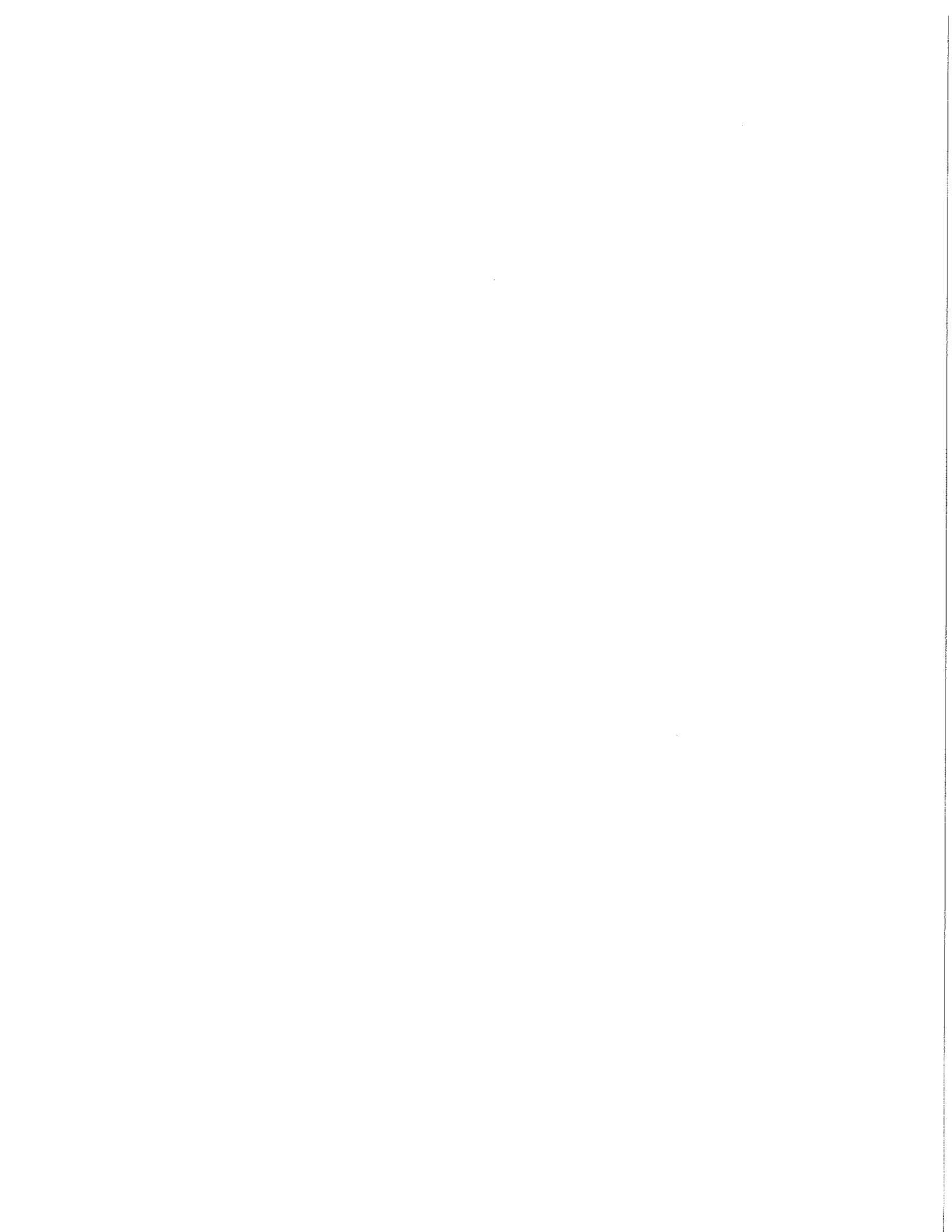
Net Assets At End of Year	<u>\$ 81,094</u>
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See accompanying notes to financial statements.

**PLANO CHILDREN'S THEATRE**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2013**

	<b>2013</b>
<b>Cash Flows from Operating Activities:</b>	
Increase (decrease) in net assets	\$ (12,968)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	11,195
(Increase) decrease in operating assets:	
Accounts receivable	(10,105)
Prepaid expenses	(15,812)
Other current assets	(1,421)
Increase (decrease) in operating liabilities:	
Account payable	10,741
Accrued expenses	4,299
Net cash provided by (used in) operating activities	(14,071)
 <b>Cash Flows from Investing Activities:</b>	
Purchase of fixed assets	(1,938)
Net cash provided by (used in) investing activities	(1,938)
 <b>Cash Flows from Financing Activities:</b>	
Draws on line of credit	10,000
Payments on line of credit	(10,000)
Payments on note payable - director	(3,000)
Net cash used by financing activities	(3,000)
 <b>Net increase (decrease) in cash</b>	 (19,009)
 <b>Cash at the beginning of the period</b>	 <u>62,380</u>
 <b>Cash at the end of the period</b>	 <u>\$ 43,371</u>
 <b>Supplemental cash flow information:</b>	
Interest income received	\$ <u>1,167</u>
Interest expense paid	\$ <u>1,337</u>

See accompanying notes to financial statements.





# PLANO CHILDRENS THEATRE

## Notes to Financial Statements December 31, 2013

### 1. Organization and activities:

The mission of the Plano Children's Theatre ("the organization") is to develop the character of youth through quality arts education and family entertainment. Its vision statement is: Where participation and enjoyment of the arts experience is available and desired by all. The organization performs to over 38,000 patrons a year and over 2,000 students take part in its programs.

The Organization's support comes primarily from ticket sales, tuition, grants, corporate donors, contributions from individuals and fund-raising events.

### 2. Summary of Significant Accounting Policies:

*Basis of presentation* - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

*Unrestricted net assets* - Net assets that are not subject to donor-imposed stipulations.

*Temporarily restricted net assets* - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted net assets, including contributions of long-lived assets, whose restrictions are met in the same reporting period are shown as unrestricted support.

*Permanently restricted net assets* - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes. The Organization had no permanently restricted net assets at December 31, 2013.

*Income taxes* - The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2012, 2011, and 2010 are subject to examination by the IRS.

*Contributions* - Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

# PLANO CHILDRENS THEATRE

## Notes to Financial Statements December 31, 2013

### 2. Summary of Significant Accounting Policies (continued):

*Functional allocation of expenses* - The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

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

*Cash and Cash Equivalents* - For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Cash restricted for City of Plano performances have been restricted by the donor and is not available for other operating purposes.

*Fixed assets* - The Organization capitalizes property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as temporary restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five to seven years.

### 3. Cash:

Cash consists of the following at December 31, 2013:

Cash	\$ 13,131
Cash – temporary restricted- City of Plano	<u>30,240</u>
	<u>\$ 43,371</u>

### 4. Grants Receivable:

On occasion, certain organizations and individuals make commitments for future contributions to the Organization. Such pledges and grants, less an allowance for uncollectible amounts, are recorded as receivables in the year made. At December 31, 2013, grants receivable consisted of the following:

Grants receivable - City of Plano	\$ 78,682
Grants receivable - City of McKinney	<u>6,000</u>
	<u>84,682</u>

# PLANO CHILDRENS THEATRE

## Notes to Financial Statements December 31, 2013

### 5. Prepaid Expenses:

The Organization incurred \$18,086 of expenses in 2013, which relate to program activities in 2014. These amounts consist primarily of non-refundable deposits for performance venues, commitment fees paid to professional artists and insurance.

### 6. Note Payable - Line of Credit

The Organization has a \$25,000 line of credit with Legacy Bank which is fully drawn at December 31, 2013. The line of credit is unsecured and is payable monthly at prime plus 1% until due all principal is on June 28, 2014.

### 7. Temporarily Restricted Net Assets:

Temporarily restricted net assets consist of the following at December 31, 2013:

City of Plano grant for performance programs in 2014	\$ 108,922
Temporarily restricted for capital campaign in 2014	<u>15,590</u>
Net assets subject to temporary restrictions	<u>\$ 124,512</u>

### 9. Fund-raising events:

The Organization held special events to raise funds for continuing operations. The following presents the components of the special events for the year ended December 31, 2013:

Revenues from special events	\$ 41,115
Direct costs of special events	<u>(12,481)</u>
Excess of revenues (costs)	<u>\$ 28,634</u>

### 10. Prior Period Adjustment:

The 2012 financial statements were adjusted for a change to grants receivable (\$68,467) and accumulated depreciation (\$3,533). These adjustments are reflected on the 2013 Statement of Activities.

### 11. In-kind Contributions:

The Organization receives a substantial amount of services donated by citizens interested in the Organization's programs. When contributed services either create or enhance the non-financial assets of the Organization or they provide specialized skills that the Organization would otherwise need to purchase, the amounts are reflected in the financial statements. The Organization benefitted from approximately 1,955 volunteer hours of general labor related to program services which do not meet the conditions described above and therefore, cannot be recognized in the accompanying financial statements.

# PLANO CHILDRENS THEATRE

## Notes to Financial Statements December 31, 2013

### 11. In-kind Contributions: (continued)

The total value of donated materials and services included in the financial statements and the corresponding expenditures for the year ended December 31, 2013, are as follows:

Contributions:

Donated services	\$ 102,668
Donated facilities and materials	<u>8,276</u>

\$ 110,944

Expenses:

Program costs	\$ 110,944
Fund-raising	<u>-</u>

\$ 110,944

### 12. Related Party Transactions:

The executive director has periodically lent funds to the Organization to assist with cash flow. The balance due at December 31, 2013 is a \$21,584 installment note payable. The executive director does not enforce the installment payment of the note if the Organization needs cash for other purposes. The Note Payable accrues interest at 4.00% per annum. The executive director had forgone some wages in 2008 in order to assist the organization with renovations of the new rehearsal and performance space. The Organization owes \$20,000 to the executive director at December 31, 2013 for back wages.

### 13. Commitments and Contingencies:

Most of the facilities presently used to provide operations, rehearsals, and performances are leased under a long-term arrangement which renews on June 30, 2015. This encompasses two rental spaces in Plano, Texas. The larger space rental totals \$6,547 monthly and the smaller space rents for \$500, with a total minimum rent payment of \$211,412 over the life of the lease. The Organization does negotiate rental space offsite for rehearsals and performances, as the need arises. The rates are negotiated and fall within fair market value.

Grants require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to grantors. Although a possibility, the Board deems the contingency remote. For the fiscal year ending December 31, 2013, conditions of all grants were fulfilled by the Organization.

### 14. Subsequent Events:

Management has evaluated subsequent events through April 4, 2014, the date which the financial statements were available to be issued, and determined there are none to be reported.