

Marin Shakespeare Company

Financial Statements

As of and for the year ended
October 31, 2014

with

Independent Auditors' Report

Independent Auditors' Report

CERTIFIED PUBLIC
ACCOUNTANTS

DONALD WILSON
ALAN MARKLE
CHARLES STUCKEY
DAVID HARDESTY
DAVID BOTT
DAVID BAILEY
MICHAEL SMITH
SHIRLEY CHEN-BLUM

Board of Directors
Marin Shakespeare Company
San Rafael, CA

We have audited the accompanying financial statements of Marin Shakespeare Company (a nonprofit organization), which comprise the statement of financial position as of October 31, 2014, and the related statements of activities and changes in net assets, functional expenses 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

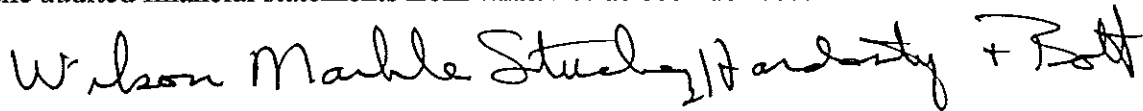
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Marin Shakespeare Company as of October 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Marin Shakespeare Company's 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 27, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended October 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in cursive script that reads "Wilson Markle Stuckey Hardesty + Bott". The signature is written in black ink and is positioned above the printed name of the firm.

Wilson Markle Stuckey Hardesty & Bott, LLP

Larkspur, CA

December 29, 2014

Marin Shakespeare Company
Statements of Financial Position
As of October 31

	<u>2014</u>	<u>2013</u>
Current assets		
Cash and cash equivalents	\$ 2,260	\$ 136,801
Investment	103,436	103,183
Grants receivable	4,086	1,000
Accounts receivable	8,000	12,213
Refunds receivable	1,680	-
Prepaid expenses	<u>11,375</u>	<u>8,566</u>
Total current assets	130,837	261,763
Property and equipment, at cost		
Vehicles	75,035	75,035
Administrative equipment	8,314	7,390
Program equipment	62,291	41,985
Accumulated depreciation	<u>(123,807)</u>	<u>(120,514)</u>
Net property and equipment	21,833	3,896
Other assets		
Deposits	25,877	22,168
Future fund at Marin Community Foundation	1,103,794	-
Leasehold improvement planning	<u>30,064</u>	<u>30,064</u>
Total other assets	<u>1,159,735</u>	<u>52,232</u>
Total assets	<u>\$ 1,312,405</u>	<u>\$ 317,891</u>
Liabilities		
Accounts payable and accrued liabilities	<u>\$ -</u>	<u>\$ 5,868</u>
Total liabilities	-	5,868
Net assets		
Unrestricted	1,278,988	278,606
Temporarily restricted	<u>33,417</u>	<u>33,417</u>
Total net assets	<u>1,312,405</u>	<u>312,023</u>
Total liabilities and net assets	<u>\$ 1,312,405</u>	<u>\$ 317,891</u>

See accompanying notes.

Marin Shakespeare Company
Statements of Activities and Changes in Net Assets
For the year ended October 31, 2014 with
Comparative totals only for the year ended October 31, 2013

	Unrestricted	Temporarily restricted	Totals 2014	Totals only 2013
Support and revenue				
Donations	\$ 1,138,988	\$ -	\$ 1,138,988	\$ 131,008
Foundation grants	61,565	57,000	118,565	103,022
Grants and contracts	56,885	-	56,885	20,000
Promotional events, net	37,626	-	37,626	25,824
In-kind contributions	101,000	-	101,000	101,000
Program income	171,579	-	171,579	150,249
Tuition	74,904	-	74,904	92,302
Investment income, net	68,347	-	68,347	1,018
Other income	6,937	-	6,937	6,841
Net assets released from restrictions	57,000	(57,000)	-	-
Total support and revenue	1,774,831	-	1,774,831	631,264
Expenses				
Program services	620,433	-	620,433	568,112
Management and general	96,530	-	96,530	55,696
Fundraising and development	57,486	-	57,486	35,324
Total expenses	774,449	-	774,449	659,132
Change in net assets	1,000,382	-	1,000,382	(27,868)
Net assets, beginning of year	278,606	33,417	312,023	339,891
Net assets, end of year	\$ 1,278,988	\$ 33,417	\$ 1,312,405	\$ 312,023

See accompanying notes.

Marin Shakespeare Company
Statements of Functional Expenses
For the year ended October 31, 2014 with
Comparative totals only for the year ended October 31, 2013

	Program services	Management and general	Fundraising and development	Total	2014	Totals only 2013
Salaries and wages	\$ 216,299	\$ 35,010	\$ 38,712	\$ 290,021		\$ 206,061
Employee benefits	57,570	22,399	10,918	90,887		51,562
Payroll taxes	22,635	5,271	3,101	31,007		17,975
Contractors fees	83,325	4,900	545	88,770		136,480
Donated facilities and services	65,500	-	-	65,500		65,500
Marketing and advertising	47,883	712	2,635	51,230		41,938
Donated products and supplies	33,500	1,000	1,000	35,500		35,500
Program related expenses	37,459	-	-	37,459		32,215
Occupancy - rent	25,637	5,000	-	30,637		30,579
Postage and shipping	15,950	750	250	16,950		13,660
Meals and entertainment	4,978	2,582	-	7,560		2,857
Miscellaneous refunds	991	-	-	991		3,876
Bank service charges	-	4,667	-	4,667		4,415
Supplies	-	6,239	-	6,239		4,949
Insurance	1,879	2,365	-	4,244		4,051
Telephone	2,164	775	325	3,264		3,194
Education and seminars	-	3,056	-	3,056		200
Fees and licenses	1,702	280	-	1,982		1,103
Depreciation and amortization	2,960	331	-	3,291		2,066
Dues and subscriptions	-	1,192	-	1,192		953
Total expenses	\$ 620,433	\$ 96,530	\$ 57,486	\$ 774,449		\$ 659,133

See accompanying notes.

Marin Shakespeare Company
Statements of Cash Flows
For the year ended October 31

	2014	2013
Cash flows from (to) operating activities		
Change in net assets	\$ 1,000,382	\$ (27,868)
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Depreciation and amortization	3,291	2,066
Contributions of securities	(936,585)	-
Changes in operating assets and liabilities		
Grants receivable	(3,086)	(1,000)
Accounts receivable	4,213	(12,213)
Refunds receivable	(1,680)	-
Prepaid expenses	(2,809)	3,473
Deposits	(3,709)	2,995
Accounts payable and accrued liabilities	(5,868)	1,019
Cash provided (used) by operating activities	54,149	(31,528)
Cash used by investing activities		
Purchases of property and equipment	(21,230)	(1,476)
Increase in Future fund at MCF	(1,103,794)	-
Proceeds from sale of securities	982,797	-
Gains reinvested	(46,209)	-
Increase in investment	(253)	(611)
Cash used by investing activities	(188,689)	(2,087)
Net change in cash and cash equivalents	(134,540)	(33,615)
Cash and cash equivalents, beginning of year	136,801	170,416
Cash and cash equivalents, end of year	\$ 2,260	\$ 136,801

See accompanying notes.

Marin Shakespeare Company
Notes to the Financial Statements
October 31, 2014

Note 1 – Description of organization

The mission of the Marin Shakespeare Company (MSC) is to achieve excellence in the staging and study of Shakespearean plays, to celebrate Shakespeare, and to serve as a cultural and educational resource for the people of Marin County, the San Francisco Bay area and beyond.

MSC presents a three-play summer main stage season at the Forest Meadows Amphitheatre on the campus of Dominican University in San Rafael. Classes in acting and other theatre skills are offered to students ages five to adult year-round. Classes include Shakespeare's Stories for five to seven year olds, the Young Company for eight to twelve year olds, the Teen Touring Company which provides free performances of a Shakespeare play at schools and senior centers, various summer performance programs for teenagers, and the summer professional actor training Intern Program. MSC provides performing arts education in public and private schools, and correctional facilities and typically presents various special events throughout the year.

Note 2 – Summary of significant accounting policies

Basis of accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

Cash and cash equivalents

MSC considers all highly liquid debt instruments including time deposits and certificates of deposit with original maturities of three months or less to be cash equivalents.

Risks and Concentrations

Financial instruments that potentially subject MSC to credit risk consist principally of cash on deposit and short term investments. MSC maintains its cash balances at three major financial institutions. Investment consists of one certificate of deposit. The balances at times may exceed federally insured limits. Management believes that MSC is not exposed to any significant credit risk with respect to these accounts.

Long term investments are subject to credit and market risks. Credit risk is the probability that parties holding or supporting an investment will default or otherwise fail to perform. Market risk is the inherent change in the value of an investment due to changes in conditions.

During the year ended October 31, 2014, contributions received from one donor totaled approximately 60% of total support and revenue.

Marin Shakespeare Company
Notes to the Financial Statements
October 31, 2014

Note 2 -- Summary of significant accounting policies (continued)

Fair value measurements

MSC uses a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority. Level 2 inputs consist of observable inputs other than quoted prices for identical assets.

Level 3 inputs consist of unobservable inputs that reflect internal judgments and have the lowest priority. MSC uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, MSC measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. MSC only uses Level 3 inputs when Level 1 or Level 2 inputs are not available.

MSC values all contributions at fair value when promised.

Property and equipment

Vehicles and equipment are carried at cost, less related accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from three to ten years. Purchases of property and equipment costing over \$1,000 are capitalized. Depreciation expense was \$3,291 and \$2,066 for the years ended October 31, 2014 and 2013, respectively.

Net assets

MSC records support from grants and contributions as unrestricted, temporarily restricted, or permanently restricted net assets, depending on donor or payer imposed restrictions. MSC reports restricted support as restricted revenue and as an increase in temporarily restricted net assets. When a restriction expires based on a stipulated time or accomplishment, MSC reclassifies temporarily restricted net assets as unrestricted net assets and reports it as net assets released from restrictions.

Revenue recognition

Unconditional promises to give cash and other assets are recognized at fair value in the period the promise is made. MSC records revenues when earned and expenses when the related obligations are incurred. A significant portion of annual revenue is earned during the performance season through ticket sales. During the fiscal year ended October 31, 2014 and 2013, MSC presented three plays during the summer season. MSC also receives income in the form of tuition for its standards-based in-school and summer programs.

Marin Shakespeare Company
Notes to the Financial Statements
October 31, 2014

Note 2 – Summary of significant accounting policies (continued)

In-kind donations

Donations of products, production services and facilities that would otherwise be paid for by MSC are included as a contribution to program income and are deducted as program expenses based on the estimated fair market value of the donations. These contributions are valued using Level 2 technique; the fair value is based upon what the donor would charge for the product or service if it was sold in an arm's length transaction. For the years ended October 31, 2014 and 2013, such donations totaled \$101,000.

Advertising costs

Costs incurred for producing and communicating advertising are expensed when incurred. Such costs totaled \$16,481 in 2014, (\$12,454 in 2013).

Functional expenses

Expenses have been charged to program or supporting service classifications based on direct expenditures incurred. Any expenditure not directly chargeable is allocated among program or service classifications based on related usage.

Income taxes

MSC has been granted exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code and from California bank and corporation taxes under Section 23701(d) of the California Revenue and Taxation Code. Therefore, no provision for federal or California income tax is reflected in the financial statements.

MSC has been classified as a publicly supported organization as described in Section 509(a)(1) of the Internal Revenue Code. Accordingly, donors are entitled to the maximum charitable contribution deduction allowed by law.

MSC files informational tax returns in the United States federal jurisdiction and the state of California. The organization's federal informational tax returns for tax years 2009 and beyond remain subject to examination by the Internal Revenue Service. The organization's California informational tax returns for tax years 2008 and beyond remain subject to examination by state tax authorities. MSC expects no change to its tax provision for the year ending October 31, 2014.

Marin Shakespeare Company
Notes to the Financial Statements
October 31, 2014

Note 2 – Summary of significant accounting policies (continued)

Subsequent events

Management of MSC evaluated subsequent events for recognition and disclosure through December 29, 2014, the date which these financial statements were available to be issued. Actors' Equity Association (AEA), which requires MSC to pay an annual bond, has changed their policy. In the past, the bond was held by AEA indefinitely with the required minimum adjusted annually. In November 2014, the \$20,192 bond held by AEA was distributed to MSC with the understanding that a new amount would be required once the season started for 2015.

Use of estimates

MSC prepares its financial statements in accordance with accounting principles generally accepted in the United States. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts and disclosures herein. Actual results could differ from those estimated.

Reclassification

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States. Accordingly, such information should be read in conjunction with the financial statements for the year ended October 31, 2013, from which MSC derived the summarized information.

Note 3 – Investment

The organization has funds on deposit with a local bank in a time certificate. The maturity date is 4/30/15, with fixed interest at 0.245% paid monthly. This investment is recorded at cost with interest compounded.

Note 4 – Future Fund at Marin Community Foundation

The Future Fund consists entirely of units of a pooled investment fund (PIF) of a community foundation. MSC records the PIF at its contract value. Contract value represents the amount MSC would realize upon sale, transfer, exchange or liquidation of the investment when transacted with the investment custodian. Contract value of the units of the PIF is the MSC share of the fair value of the underlying investments, determined by the community foundation, net of certain custodial and administrative fees.

Marin Shakespeare Company
Notes to the Financial Statements
October 31, 2014

Note 4 – Future Fund at Marin Community Foundation (continued)

MSC records interest, dividends, gains, losses and changes in contract value (unrealized appreciation and depreciation), net of custodial and administrative fees, as net investment income.

The PIF of the community foundation is subject to variance power under a Fund Agreement dated April 4, 2014. The Board of Trustees of The Marin Community Foundation shall have the power to modify any restriction or the condition on the distribution of funds for any specified charitable purposes or to a specific organization, if, in the sole judgment of the Board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the needs of the community served by the Foundation.

As of October 31, 2014, Future Fund totaled as follows:

	<u>2014</u>
Contract value	
PIFs	\$1,103,794

The community foundation that holds the PIF invests the funds of MSC in its “Expendable Pool.” The Expendable Pool policy index consists of the Enhanced Cash (60%), Equity (30%), and Fixed Income (10%).

Note 5 – Net investment income

During the year ended October 31, 2014, net investment income from all sources totaled as follows:

	<u>2014</u>
Dividends and interest	\$ 13,762
Realized gain	46,209
Unrealized appreciation on	
Investments carried at other than fair value	10,760
Investment management and administrative fees	<u>(2,384)</u>
Net investment income	<u>\$ 68,347</u>

Marin Shakespeare Company
Notes to the Financial Statements
October 31, 2014

Note 6 – Endowment funds

MSC follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, “Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and Enhanced Disclosures for All Endowment Funds” and the related state of California version of the UPMIFA (CA-UPMIFA).

Endowment funds subject to FASB ASC 958-205 include all the endowment funds described below. As of October 31, 2014, no endowment funds are subject to the CA-UPMIFA.

The endowment funds of MSC consist of one individual fund held by a community foundation. The endowment funds of MSC include only funds designated by the Board of Directors to function as endowments. As required by US-GAAP, MSC classifies and records net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, based on the existence or absence of donor-imposed restrictions.

The Board of Directors of MSC has interpreted the CA-UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Because of this interpretation, MSC classifies as permanently restricted net assets the original value of gifts contributed to the permanent endowment, the original value of subsequent gifts to the permanent endowment and 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 that MSC does not classify as permanently restricted net assets MSC classifies as temporarily restricted net assets until the Board of Directors of MSC appropriates those amounts for expenditure by MSC in a manner consistent with the standard of prudence prescribed by CA-UPMIFA. In accordance with CA-UPMIFA, MSC considers various factors in making a determination to appropriate or accumulate donor-restricted endowment funds and incorporating the limitation under California state law of appropriations to seven percent of the fair value of the endowment funds

As of October 31, 2014, endowment funds totaled as follows:

	<u>Unrestricted</u>	Temporarily <u>restricted</u>	Permanently <u>restricted</u>	<u>Totals</u>
Board designated	<u>\$1,103,794</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$1,103,794</u>

Marin Shakespeare Company
Notes to the Financial Statements
October 31, 2014

Note 6 – Endowment funds (continued)

During the year ended October 31 2014, endowment funds reconciled as follows:

	<u>Unrestricted</u>	Temporarily <u>restricted</u>	Permanently <u>restricted</u>	<u>Totals</u>
Beginning of year	\$ —	\$ —	\$ —	\$ —
Contributions to the fund	1,092,013	—	—	—
Dividends and interest	3,391	—	—	3,391
Realized gain	—	—	—	—
Unrealized appreciation	10,760	—	—	10,760
Investment management and administrative fees	(2,368)	—	—	(2,368)
End of year	<u>\$1,103,794</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$1,103,794</u>

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or CA-UPMIFA requires MSC to retain as a fund of perpetual duration. In accordance with US-GAAP, MSC records deficiencies of this nature in unrestricted net assets. Deficiencies may result from unfavorable market fluctuations that occur shortly after the investment of new permanently restricted contributions and continued appropriation for programs that the Board of Directors deems prudent. There were no such deficiencies as of October 31, 2014.

MSC 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 maintain the purchasing power of the endowment assets.

Endowment assets include those assets of donor-restricted funds that MSC must hold in perpetuity or for donor-specified periods as well as board-designated funds.

The investment policy of MSC provides for diversification, preservation of capital and risk aversion. The long-term financial goal for MSC investments is to provide a relatively stable stream of spendable revenue that increases over time at least as fast as the general rate of inflation, as measured by the Consumer Price Index. The long-term investment objective for MSC investments is to maximize long-term real (i.e., after inflation) total returns (i.e., yield plus capital appreciation) while moderating fundamental investment risks.

In addition, the endowment assets held by the community foundation are subject to the investment policy of the community foundation.

Marin Shakespeare Company
Notes to the Financial Statements
October 31, 2014

Note 6 – Endowment funds (continued)

The spending policy of MSC incorporates CA-UPMIFA and consists of a spending rate, approved by the board of directors annually, to the average fair value of endowment assets over the past three years. The spending rate should provide, to the extent practical, a steady stream of income from year to year, consistent with the need to preserve the endowment fund and taking into account the factors incorporated in CA-UPMIFA.

In addition, the endowment assets held by the community foundation are subject to the “Spending Rule” of the community foundation.

Unrestricted (board designated) endowment funds are subject to redesignation at any time, including redesignation as other than endowment funds.

Note 7 – Leasehold improvement planning

In 2008, MSC retained an architect to draft a conceptual plan for the renovation of its Dominican University venue in coordination with the plans for the construction of an adjacent athletic facility. This project has not yet been funded by the University. MSC is still in negotiations with Dominican University regarding the renovation of this site and the signing of a long term lease for this performance space (see Note 9). Until the renovation occurs or not, funds expended toward this construction will be capitalized and considered an investment, which is not subject to amortization.

Note 8 – Temporarily restricted net assets

As of October 31, 2014 the balance consists of the following:

	October 31 2013	2014 Additions	2014 Releases	October 31 2014
<u>Time Restrictions</u>				
Marin Community Foundation	\$24,667	\$42,000	\$(42,000)	\$24,667
Fullerton Family Foundation	8,750	15,000	(15,000)	8,750
Total temporarily restricted net assets	<u>\$33,417</u>	<u>\$57,000</u>	<u>\$(57,000)</u>	<u>\$33,417</u>

Marin Shakespeare Company
Notes to the Financial Statements
October 31, 2014

Note 9 – Commitments and contingencies

MSC leases the Forest Meadows Amphitheater at Dominican University of San Rafael under an annual operating lease that expires December 31, 2014 and is renewable annually. A security deposit is refunded at the end of each performance season. Other short term leased venues utilized throughout the year include Marin Art & Garden Center, Marin Ballet, The Belrose, and the Marin Tennis Club.

Occupancy expense for performances and instruction for the year ended October 31, 2014 was \$25,637, (2013 - \$25,579). Occupancy expense for office space for the year ended October 31, 2014 and 2013 was \$5,000. The office space is located in the managing director's home. In addition, the value of donated facilities for performances and actors for the years ended October 31, 2014 was 50,500, (2013 - \$50,500).

MSC is a member of the Actors' Equity Association (AEA), an association of non-profit regional theatres. AEA represents its members in both a collective bargaining and an administrative capacity. Since MSC often employs production staff that are AEA members, they are required by AEA to maintain a deposit account that holds an annually stipulated bond. These funds are held as insurance for guaranteed payment to production staff as provided by contract. Management of MSC believes they are in compliance with the current bond requirement of AEA. The balance held on deposit by AEA for the year ended October 31, 2014 was \$20,192, (2013 - \$20,192). See Note 2.

MSC has entered into a memorandum of understanding with Dominican University regarding its intention to establish a long term lease agreement for use of the Forest Meadows amphitheater. MSC is to conduct a capital campaign with the goal of raising \$2-3 million dollars for the improvement of the amphitheater in exchange for a twenty-five year lease. Negotiations are still open and the understanding may be terminated by either party at any time.

Note 10 – The Marin Shakespeare Company Fund

MSC is the sole beneficiary of the Marin Shakespeare Company Fund, a trust established in 2000. The trustees, Marin Community Foundation, have sole discretion as to the management, investment and distribution policies of the funds' assets. Since MSC does not have direct control over the assets in the fund and has not been designated as remainder man, the Fund's assets are not included in these financial statements. The fund held assets in the amount of \$99,781 as of October 31, 2014 (2013 - \$94,859).

The fund contributed \$4,202 to MSC during the year ended October 31, 2014, (2013 - \$0).

Marin Shakespeare Company
Notes to the Financial Statements
October 31, 2014

Note 10 – The Brebner Artistic Endowment Fund

MSC is the beneficiary of the Brebner Artistic Endowment Fund, a trust established in 2001. The purpose of the Fund is to provide support to or for artistic excellence as defined by the Marin Shakespeare Company. The trustees, Marin Community Foundation, have sole discretion as to the management, investment and distribution of the Fund's assets.

Since MSC does not have direct control over the assets in the fund and has not been designated as remainder man, the Fund's assets are not included in these financial statements. As of October 31, 2014, the fund held assets of \$158,358 (2013 - \$155,779).

The Fund contributed \$7,135 to MSC during the year ended October 31, 2014, (2013 - \$7,022).

Note 11 – Scholarships

Through the generosity of donors, MSC is able to offer financial assistance to individuals and schools that are unable to otherwise afford the cost of the drama instruction workshops. For the year ended October 31, 2014 MSC was able to provide instruction without remuneration (scholarship funding) with a fair market value of \$118,740, (2013 - \$105,250).

Note 12 - Promotional events

MSC held two main fundraising events during the year ended October 31, 2014, tours to the Ashland Oregon Shakespeare Festival and twenty fifth anniversary gala. The income derived from these special events is presented net of direct expenses. A summary of the activity during the year is as follows:

	<u>Ashland</u>	<u>25th Anniversary</u>
Income	\$100,137	\$ 23,500
Expenses	<u>(71,943)</u>	<u>(8,907)</u>
Net event income	<u>\$ 28,194</u>	<u>\$ 14,593</u>

Marin Shakespeare Company
Notes to the Financial Statements
October 31, 2014

Note 13 – Contributed services

The organization received donated services during the years ended October 31, 2014 with a fair market value of \$15,000 (2013 - \$15,000). These professional services included website design/maintenance and dry cleaning. The majority of the services were for the benefit of the programs; however a portion of the website services has been allocated to the administration expenses of the organization.