

CHICAGO THEATRE GROUP, INC.
Chicago, Illinois

FINANCIAL STATEMENTS

Including Independent Auditors' Report
August 31, 2011 and 2010

CHICAGO THEATRE GROUP, INC.

TABLE OF CONTENTS

Independent Auditors' Report	1
Financial Statements	
Statements of Financial Position	2 - 3
Statements of Activities	4 - 7
Statements of Cash Flows	8
Notes to Financial Statements	9 - 14
Supplementary Information	
Schedules of General Functional Expenses – Annual Operations	15 - 16

Independent Auditors' Report

To the Board of Trustees of
Chicago Theatre Group, Inc.

We have audited the accompanying statements of financial position of Chicago Theatre Group, Inc. ("CTG") as of August 31, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of CTG's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chicago Theatre Group, Inc. as of August 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedules of General Functional Expenses – Annual Operations for the years ended August 31, 2011 and 2010 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements for the years ended August 31, 2011 and 2010, taken as a whole.



Chicago, Illinois
December 13, 2011

CHICAGO THEATRE GROUP, INC.

STATEMENTS OF FINANCIAL POSITION

August 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 454,217	\$ 190,300
Grants, pledges and other receivables (net of allowance for uncollectible pledges of \$175,000 in 2011 and \$250,000 in 2010)	2,110,897	2,182,801
Prepaid expenses	<u>1,508,091</u>	<u>1,839,165</u>
Total Current Assets	<u>4,073,205</u>	<u>4,212,266</u>
Noncurrent Investments (Note 5)	<u>25,967,147</u>	<u>25,281,558</u>
Property and Equipment		
Building	47,066,372	47,012,030
Equipment	<u>7,191,357</u>	<u>6,869,361</u>
Total	54,257,729	53,881,391
Less accumulated depreciation and amortization	<u>16,714,278</u>	<u>15,126,256</u>
Net Property and Equipment	<u>37,543,451</u>	<u>38,755,135</u>
Other Assets		
Grants, pledges and other receivables	1,237,532	1,159,792
Deposits	<u>104,000</u>	<u>75,171</u>
Total Other Assets	<u>1,341,532</u>	<u>1,234,963</u>
TOTAL ASSETS	<u><u>\$ 68,925,335</u></u>	<u><u>\$ 69,483,922</u></u>

LIABILITIES AND NET ASSETS

	<u>2011</u>	<u>2010</u>
Current Liabilities		
Accounts payable and accrued expenses	\$ 475,406	\$ 718,339
Deferred subscription and admission revenue	4,452,658	4,162,840
Bonds Payable - due within one Year (Note 6)	<u>490,000</u>	<u>390,000</u>
 Total Current Liabilities	 <u>5,418,064</u>	 <u>5,271,179</u>
 Bonds Payable (Note 6)	 <u>26,450,000</u>	 <u>26,940,000</u>
 Net Assets		
Unrestricted	33,818,990	33,841,792
Temporarily restricted	<u>3,238,281</u>	<u>3,430,951</u>
 Total Net Assets	 <u>37,057,271</u>	 <u>37,272,743</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 68,925,335</u>	 <u>\$ 69,483,922</u>

CHICAGO THEATRE GROUP, INC.

STATEMENT OF ACTIVITIES

For the Period Ended August 31, 2011

	Unrestricted		Total	Temporarily	Total
	Annual Operations	Designated		Restricted	
Revenues					
Admissions					
Subscriptions	\$ 4,028,765	\$ -	\$ 4,028,765	\$ -	\$ 4,028,765
Individual and group ticket sales	5,624,956	-	5,624,956	-	5,624,956
	9,653,721	-	9,653,721	-	9,653,721
Public support	5,630,427	347,229	5,977,656	1,500,244	7,477,900
Investment earnings (Note 5)	573,771	1,123,239	1,697,010	-	1,697,010
Concessions income, net of expenses of \$236,426	147,782	-	147,782	-	147,782
Royalty income	27,227	-	27,227	-	27,227
Costume and scenery sales/rentals	40,907	-	40,907	-	40,907
Tour and production income	656,233	-	656,233	-	656,233
Miscellaneous income	141,201	-	141,201	-	141,201
Total Revenues	16,871,269	1,470,468	18,341,737	1,500,244	19,841,981
Net Assets Released from Restrictions	980,750	712,164	1,692,914	(1,692,914)	-
Total Revenues and Net Assets Released from Restrictions	17,852,019	2,182,632	20,034,651	(192,670)	19,841,981
Expenses					
Program Services					
Direct Expenses					
Artistic	3,673,930	965,538	4,639,468	-	4,639,468
Advertising and subscription	3,269,905	-	3,269,905	-	3,269,905
Production	4,060,723	683,923	4,744,646	-	4,744,646
General artistic	1,456,556	-	1,456,556	-	1,456,556
General production	972,594	-	972,594	-	972,594
Total Program Services	13,433,708	1,649,461	15,083,169	-	15,083,169
Supporting Services					
General and administrative	2,111,424	376,758	2,488,182	-	2,488,182
Fundraising	1,990,465	495,637	2,486,102	-	2,486,102
Total Supporting Services	4,101,889	872,395	4,974,284	-	4,974,284
Total Expenses	17,535,597	2,521,856	20,057,453	-	20,057,453
Change in Net Assets	316,422	(339,224)	(22,802)	(192,670)	(215,472)
Net Assets, Beginning of Year	1,065,515	32,776,277	33,841,792	3,430,951	37,272,743
Net Assets, End of Year	\$ 1,381,937	\$ 32,437,053	\$ 33,818,990	\$ 3,238,281	\$ 37,057,271

CHICAGO THEATRE GROUP, INC.

STATEMENT OF ACTIVITIES
For the Period Ended August 31, 2010

	Unrestricted		Temporarily Restricted	Total
	Annual Operations	Designated		
Revenues				
Admissions				
Subscriptions	\$ 4,203,964	\$ -	\$ -	\$ 4,203,964
Individual and group ticket sales	4,456,753	-	-	4,456,753
	8,660,717	-	-	8,660,717
Public support	4,751,028	179,894	1,479,500	6,410,422
Investment earnings (Note 5)	986,248	705,525	-	1,691,773
Concessions income, net of expenses of \$239,189	121,175	-	-	121,175
Royalty income	48,936	-	-	48,936
Costume and scenery sales/rentals	184,690	-	-	184,690
Miscellaneous income	104,570	-	-	104,570
Total Revenues	14,857,364	885,419	1,479,500	17,222,283
Net Assets Released from Restrictions	1,431,116	649,451	(2,080,567)	-
Total Revenues and Net Assets Released from Restrictions	16,288,480	1,534,870	(601,067)	17,222,283
Expenses				
Program Services				
Direct Expenses				
Artistic	3,204,206	899,649	-	4,103,855
Advertising and subscription	3,143,396	-	-	3,143,396
Production	3,588,519	637,252	-	4,225,771
General artistic	1,382,158	-	-	1,382,158
General production	956,529	-	-	956,529
Total Program Services	12,274,808	1,536,901	-	13,811,709
Supporting Services				
General and administrative	2,253,758	374,195	-	2,627,953
Fundraising	1,747,760	259,022	-	2,006,782
Total Supporting Services	4,001,518	633,217	-	4,634,735
Total Expenses	16,276,326	2,170,118	-	18,446,444
Change in Net Assets	12,154	(635,248)	(601,067)	(1,224,161)
Net Assets, Beginning of Year	1,053,361	33,411,525	4,032,018	38,496,904
Net Assets, End of Year	\$ 1,065,515	\$ 32,776,277	\$ 3,430,951	\$ 37,272,743

CHICAGO THEATRE GROUP, INC.

STATEMENTS OF CASH FLOW For the Years Ended August 31, 2011 and 2010

	2011	2010
Cash Flows From Operating Activities		
Change in net assets	\$ (215,472)	\$ (1,224,161)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	1,588,022	1,597,862
Unrealized (gain)/loss on investments	(46,840)	598,351
Realized gain on investments	(720,664)	(1,514,154)
Change in noncash assets and liabilities		
Grants, pledges and other receivables	(5,836)	(251,478)
Prepaid expenses and deposits	302,245	(288,612)
Accounts payable and accrued expenses	(242,933)	61,951
Deferred subscription and admission revenue	289,818	(300,591)
Net Cash Flows From Operating Activities	948,340	(1,320,832)
Cash Flows From Investing Activities		
Sales of investments	20,600,744	36,383,309
Purchases of investments	(20,518,829)	(34,698,898)
Purchases of equipment	(376,338)	(654,612)
Net Cash Flows From Investing Activities	(294,423)	1,029,799
Cash Flows From Financing Activities:		
Net payments from issuance of bonds payable	(390,000)	(190,000)
Net Cash Flows From Financing Activities	(390,000)	(190,000)
Net Change in Cash and Cash Equivalents	263,917	(481,033)
Cash and Cash Equivalents, Beginning of Year	190,300	671,333
Cash and Cash Equivalents, End of Year	\$ 454,217	\$ 190,300
Supplemental Disclosure		
Interest payments on bonds payable	\$ 56,774	\$ 67,876

CHICAGO THEATRE GROUP, INC.

NOTES TO FINANCIAL STATEMENTS August 31, 2011 and 2010

NOTE 1 – Nature of Operations

Chicago Theatre Group, Inc. ("CTG"), operating as the Goodman Theatre (the "Theatre"), is an Illinois not-for-profit corporation established for the purpose of promoting interest in the theatre arts in Chicago. CTG's annual activities include the production of five main-stage series plays, a special holiday production, three second-stage series plays, other second-stage presentations, and educational and community engagement programs.

NOTE 2 – Summary of Significant Accounting Policies

Basis of Accounting

CTG follows current authoritative accounting guidance relating to financial statements of not-for-profit organizations. Under this guidance, CTG is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Revenue and expenses are reported on the accrual basis.

Basis of Reporting

CTG classifies resources for reporting purposes in the following three net asset categories according to the existence or absence of donor-imposed restrictions:

- *Unrestricted Net Assets* – Net assets that are not subject to donor-imposed restrictions or restricted gifts whose restrictions were met during the year. Unrestricted net assets are further segregated into annual operations and designated. Annual Operations represents the undesignated operating activity of CTG. Designated includes funds designated by the Board of Trustees primarily for the New Goodman Theatre project (see Note 3), including funds received from the City of Chicago under a redevelopment agreement (see Note 4).
- *Temporarily Restricted Net Assets* – Net assets subject to donor-imposed restrictions expected to be met either by Theatre actions or passage of time.
- *Permanently Restricted Net Assets* – Net assets subject to donor-imposed restrictions stipulating that the corpus be held in perpetuity. CTG had no permanently restricted net assets at August 31, 2011 or 2010.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid short-term investments with maturities of three months or less at the date of acquisition. CTG maintains cash balances that exceed the federally insured limit of \$250,000. CTG has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

CHICAGO THEATRE GROUP, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2011 and 2010

NOTE 2 – Summary of Significant Accounting Policies (cont.)

Grants and Pledges Receivable

Contributions, including cash and noncash assets, as well as reasonably collectible unconditional promises to give, are recognized in the year the promise is received.

Conditional promises to give, which depend on the occurrence of specified future and uncertain events to bind the promise, are recognized when the conditions on which they depend are substantially met.

When donor restrictions expire (i.e., when a stipulated time restriction ends or other restriction is met), CTG reports the change from temporarily restricted net assets to unrestricted net assets as net assets released from restrictions in the statements of activities.

Property and Equipment

Equipment is stated at cost and depreciated using the straight-line method over estimated useful lives ranging from three to five years. The building is being depreciated using the straight-line method over an estimated useful life of 40 years. Capitalized interest costs associated with the New Goodman Theatre Project (see Note 3) are being amortized on a straight-line basis over the estimated useful life of the building.

Fair Values

CTG's short-term financial instruments consist of the following: cash and cash equivalents; grants, pledges and other receivables; prepaid expenses; accounts payable and accrued expenses; and, deferred subscription and admission revenue. The carrying values of these short-term financial instruments approximate their estimated fair values based on the instruments' short-term nature.

The fair value of CTG's investments is based on quoted market prices. For the fiscal year ended August 31, 2011, there have been no changes in the application of valuation methods applied to similar assets and liabilities.

As defined in current authoritative accounting guidance related to fair value measurements, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, CTG uses various valuation methods including the market, income, and cost approaches. The assumptions used in the application of these valuation methods are developed from the perspective of market participants pricing the asset or liability. Inputs used in the valuation methods can be readily observable, market corroborated, or generally unobservable inputs.

CHICAGO THEATRE GROUP, INC.

NOTES TO FINANCIAL STATEMENTS
August 31, 2011 and 2010

NOTE 2 – Summary of Significant Accounting Policies (cont.)

Whenever possible, CTG attempts to utilize valuation methods that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the ability to observe the inputs used in the valuation methods, CTG is required to provide the following information according to the fair value hierarchy. The fair value ranks the quality and reliability of the information used to determine fair values. Assets and liabilities measured, reported and/or disclosed at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Quoted market prices in active markets for identical assets or liabilities.

Level 2 – Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3 – Unobservable inputs that are not corroborated by market data.

All of CTG's assets and liabilities measured at fair value on a recurring basis are classified as follows:

As of August 31, 2011	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
ASSETS				
Investments				
Fixed income funds	\$ 14,805,179	\$ 14,805,179	\$ -	\$ -
Equity funds	11,036,834	11,036,834	-	-
Cash	125,134	125,134	-	-
	<u>125,134</u>	<u>125,134</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 25,967,147</u>	<u>\$ 25,967,147</u>	<u>\$ -</u>	<u>\$ -</u>
As of August 31, 2010				
ASSETS				
Investments				
Fixed income funds	\$ 12,977,821	\$ 12,977,821	\$ -	\$ -
Equity funds	12,055,161	12,055,161	-	-
Cash	248,576	248,576	-	-
	<u>248,576</u>	<u>248,576</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 25,281,558</u>	<u>\$ 25,281,558</u>	<u>\$ -</u>	<u>\$ -</u>

Investments in fixed income funds, equity funds and cash are based on quoted market prices.

While CTG believes 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 estimate of fair value at the reporting date.

Admission Revenue

Ticket sales are recorded as admission revenue on a specific-performance basis. Subscriptions for the coming play season are shown as deferred subscription and admission revenue in the statements of financial position.

CHICAGO THEATRE GROUP, INC.

NOTES TO FINANCIAL STATEMENTS
August 31, 2011 and 2010

NOTE 2 – Summary of Significant Accounting Policies (cont.)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Tax Status

The Internal Revenue Service has determined that CTG is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. It is also exempt from state income tax; however, any unrelated business income may be subject to taxation.

In accordance with the accounting standard on *Accounting for Uncertainty in Income Taxes*, CTG addresses the determination of whether tax benefits claimed on a tax return should be recorded in the financial statements. Under the guidance, CTG may recognize a tax benefit from an uncertain tax position only if it is more than likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merit of the position. Examples of tax positions include the tax-exempt status of CTG and various positions related to the potential sources of unrelated business taxable income. There were no significant unrecognized tax benefits identified or recorded as liabilities during fiscal year 2011. Open tax years subject to examination by the U.S. and state taxing authorities are from the years 2008 to 2010, which statutes expire in 2011 to 2013, respectively.

NOTE 3 – The New Goodman Theatre Project

In 1993, pursuant to an agreement with the City of Chicago ("City"), CTG's Board of Trustees established a capital resource campaign entitled "The Campaign for the New Goodman" to determine the feasibility of redeveloping the Selwyn-Harris Theatres and adjacent properties in Chicago ("New Goodman Theatre"). Beginning in 1994, costs associated with this endeavor were capitalized as part of the planned development of the New Goodman Theatre Project (see Note 4). These costs are being amortized over the estimated useful life of the New Goodman Theatre from the date placed in service in fiscal year 2001. Fundraising costs associated with this campaign were charged to expense as incurred.

CHICAGO THEATRE GROUP, INC.

NOTES TO FINANCIAL STATEMENTS
August 31, 2011 and 2010

NOTE 4 – Grants, Pledges and Other Receivables

Grants, pledges and other receivables, net of allowance for uncollectibles, at August 31 consist of the following:

	<u>2011</u>	<u>2010</u>
Grants and pledges:		
Campaign for the Goodman Endowment	\$ 1,668,440	\$ 1,728,178
Individuals	339,658	206,545
Government	600,000	520,000
Foundations	220,000	358,750
Corporations	113,500	95,745
	<u>2,941,598</u>	<u>2,909,218</u>
Other receivables	<u>406,831</u>	<u>433,375</u>
Total Receivables	3,348,429	3,342,593
Less current portion	<u>2,110,897</u>	<u>2,182,801</u>
Noncurrent portion	<u>\$ 1,237,532</u>	<u>\$ 1,159,792</u>

The current portion of the above is due in less than one year. The noncurrent portion is all due within one to five years.

In prior years CTG received from the City \$18.5 million under one of the City's redevelopment projects using tax increment financing funds. Under the agreement with the City, CTG will utilize these funds to pay for a portion of the New Goodman Theatre Project (see Note 3). CTG is not required to make principal or interest payments on these funds provided it maintains the facility for use in the performing arts (as defined in the agreement). No funds were received from the City for the fiscal years 2011 and 2010.

The Campaign for the Goodman Endowment was established as a fund-raising effort to create an operating reserve. These amounts are not restricted and can be designated for use by the board as appropriate. As such, they are not considered permanently restricted.

CTG analyzes all uncollected amounts as of year-end and determines allowances as appropriate. As of August 31, 2011, CTG has a remaining uncollected pledge totaling \$175,000, all of which is temporarily restricted and due in less than one year. CTG has set up an allowance for doubtful accounts totaling \$175,000 as of August 31, 2011 upon evaluation of the remaining uncollected pledge related to the Campaign for the New Goodman Theatre.

CHICAGO THEATRE GROUP, INC.

NOTES TO FINANCIAL STATEMENTS
August 31, 2011 and 2010

NOTE 5 – Noncurrent Investments

Noncurrent investments are stated at fair market value and consist of the following at August 31:

	<u>2011</u>	<u>2010</u>
Fixed income funds	\$ 14,805,179	\$ 12,977,821
Equity funds	11,036,834	12,055,161
Cash and cash equivalents	<u>125,134</u>	<u>248,576</u>
Total	<u>\$ 25,967,147</u>	<u>\$ 25,281,558</u>

The components of investment income and gains/losses on investments for the years ended August 31 are as follows:

	<u>2011</u>	<u>2010</u>
Unrestricted		
Interest and dividends	\$ 929,507	\$ 775,970
Realized gains	720,664	1,514,154
Unrealized gains (losses)	<u>46,840</u>	<u>(598,351)</u>
Total	<u>1,697,010</u>	<u>1,691,773</u>

The statement of activities reflects a distribution of investment earnings from designated investments to annual operations of \$515,148 and \$921,207 for 2011 and 2010, respectively. The distribution represents a 2.00% for 2011 and a 3.25% for 2010 of a three year rolling average of the investment market value.

NOTE 6 – Bonds Payable

The construction costs for the New Goodman Theatre were financed through a bond issuance in addition to tax increment financing funds received from the City (see Note 3). On January 1, 1999, the Illinois Development Finance Authority issued on behalf of CTG \$24,100,000 of Adjustable Rate Demand Revenue Bonds, Series 1999 (Goodman Theatre Project) (the "Bonds"), due December 1, 2033. Interest during the construction period and expenses of \$1,754,909 incurred in connection with the offering are included in property as of August 31, 2011 and 2010, and are being amortized on a straight-line basis over the life of the building.

CHICAGO THEATRE GROUP, INC.

NOTES TO FINANCIAL STATEMENTS
August 31, 2011 and 2010

NOTE 6 – Bonds Payable (cont.)

The bonds, prior to conversion to a fixed rate of interest, are secured by an irrevocable transferable direct-pay letter of credit issued by JP Morgan Chase and The Northern Trust Company. The terms of that agreement require principal payments over the next two years as follows:

2012	\$ 300,000
2013	<u>400,000</u>
Total	<u><u>\$ 700,000</u></u>

The remaining \$23,200,000 will be due according to a payment schedule that will be determined upon renewal of CTG's letter of credit after 2013.

The Bonds have adjustable methods of interest rate determination, demand features, and interest payment dates. The Bonds are currently in a floating rate mode, with interest being reset on a weekly basis. On August 31, 2011 and 2010, the Bonds bore interest rates of 0.25% and 0.27%, respectively. Upon written notification, CTG can make an irrevocable election to convert the Bonds to a fixed rate.

During 2007, CTG entered into an agreement with the Illinois Finance Authority and JP Morgan Chase Bank for a \$3,800,000 tax-exempt bond issue/mortgage to finance the purchase and renovation of a new scene shop at 363 West Pershing, Chicago, Illinois. The tax-exempt bond/mortgage bore an interest rate of 4.71%. Future maturities of the mortgage are as follows:

2012	\$ 190,000
2013	190,000
2014	190,000
2015	190,000
2016	190,000
2017 - 2021	950,000
2022 - 2026	950,000
2027	<u>190,000</u>
Total	<u><u>\$ 3,040,000</u></u>

NOTE 7 – Net Assets Released from Restrictions

Temporarily restricted net assets held as of August 31, 2011 and 2010 are restricted for timing purposes and available for release to unrestricted net assets upon receipt of the respective pledge. All amounts released from temporarily restricted net assets to unrestricted net assets during 2011 and 2010 were due to timing restrictions expiring.

CHICAGO THEATRE GROUP, INC.

NOTES TO FINANCIAL STATEMENTS
August 31, 2011 and 2010

NOTE 8 – 401(K) Plan

During 1999, the Board of Trustees approved the creation of CTG's 401(k) Plan (the "Plan"), a defined contribution plan. Employees voluntarily make contributions to the Plan in amounts based upon limits established by Sections 402(g) and 414(v) of the Internal Revenue Code. The Plan's assets are invested in certain self-directed income, money market and equity funds.

The Board of Trustees approved a 1% employer contribution of \$102,323 for the year ended August 31, 2011 and no discretionary employer contribution for 2010.

NOTE 9 – Subsequent Events

CTG has evaluated subsequent events through December 13, 2011, which is the date that the financial statements were issued.

Supplementary Information

CHICAGO THEATRE GROUP, INC.

SCHEDULE OF GENERAL FUNCTIONAL EXPENSES - ANNUAL OPERATIONS
For the Year Ended August 31, 2011 With Comparative Totals for 2010

	Program Services					Supporting Services					
	Artistic	Subscription	Production	General Artistic	General Production	Total Program Services	General and Administration	Fundraising	Total Supporting Expenses	Total 2011 Expenses	Total 2010 Expenses
Salaries, payroll taxes	\$ 2,079,754	\$ 1,104,078	\$ 2,831,249	\$ 911,900	\$ 851,727	\$ 7,778,708	\$ 1,658,061	\$ 931,052	\$ 2,589,113	\$ 10,367,821	\$ 9,440,344
employee benefits		1,656,681				1,656,681				1,656,681	1,638,533
Advertising	488,548					488,548				488,548	438,788
Royalties	550,712			409,111		959,823	74,690		74,690	1,034,513	1,054,291
Fees and expenses			226,724			226,724				226,724	167,360
Costumes		40,621				40,621				40,621	34,492
Electrical equipment		570,234				570,234				570,234	440,984
Props and scenery		20,286		22,393	10,773	332,949	50,451	8,733	59,184	392,133	410,976
Travel, housing and entertainment	271,515	7,982				279,497	72,201		72,201	351,698	83,836
Insurance											0.5
Repairs and maintenance	41,823		74,357		11,263	127,443	13,070	2,614	15,684	143,127	128,167
Supplies and non-depreciable equipment	70,987	62,125	34,829	96,562	42,129	306,632	126,683	116,813	243,496	550,128	320,098
Postage		84,660		1,127	314	86,101	5,463	57,162	62,625	148,726	147,861
Rental					28,353	28,353				28,353	42,996
Depreciation and amortization	683	27,132	45,493	3,304	28,035	104,647	58,660	23,656	82,316	186,963	343,034
Phone campaign		327,247				327,247				327,247	404,275
Benefit and other event expense			176,475			176,475	40,280	8,056	48,336	363,708	400,435
Utilities	128,697					128,697	1,604	321	1,925	10,694	4,268
Security	5,133		3,636			8,769	10,261	63,705	73,966	158,822	244,679
Miscellaneous	35,878		36,819	12,159		84,856				84,856	1.5
Total	\$ 3,673,930	\$ 3,269,905	\$ 4,060,723	\$ 1,456,556	\$ 972,594	\$ 13,433,708	\$ 2,111,424	\$ 1,990,465	\$ 4,101,889	\$ 17,535,597	\$ 16,276,326
	21.0%	18.6%	23.2%	8.3%	5.5%	76.6%	12.0%	11.4%	23.4%	100.0%	100.0%
2010 Total	\$ 3,204,206	\$ 3,143,396	\$ 3,588,519	\$ 1,382,158	\$ 956,529	\$ 12,274,808	\$ 2,253,758	\$ 1,747,760	\$ 4,001,518	\$ 16,276,326	
	19.7%	19.3%	22.0%	8.5%	5.9%	75.4%	13.8%	10.7%	24.6%	100.0%	

