

PROJECT BANDALOOP

FINANCIAL STATEMENT

FOR THE YEAR ENDED

DECEMBER 31, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Project Bandaloop
Oakland, California

We have audited the accompanying financial statements of Project Bandaloop (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements 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 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.



Goranson and Associates, Inc.

717 College Avenue, First Floor, Santa Rosa, CA 95404 Phone: 707/542-1256 Fax 707/978-3090

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Project Bandaloop as of December 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 Project Bandaloop's financial statements for the year ended December 31, 2013, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 12, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Goranson and Associates, Inc.

April 29, 2015

Santa Rosa, California

PROJECT BANDALOOP
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2014

(With summarized comparative totals for December 31, 2013)

	2014	2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 36,423	\$ 46,006
Accounts and grants receivable	165,811	135,604
Prepaid expenses	229	-
Total current assets	202,463	181,610
Fixed assets:		
Equipment and furniture	58,285	58,285
Leasehold improvements	9,529	9,529
Total fixed assets	67,814	67,814
Less accumulated depreciation	(67,814)	(67,814)
Total fixed assets	-	-
Other assets:		
Deposits	3,723	3,723
Total assets	\$ 206,186	\$ 185,333
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 3,263	\$ 7,139
Line of credit	25,000	-
Deferred revenue	50,400	90,375
Total liabilities	78,663	97,514
Net assets:		
Unrestricted	16,523	21,819
Temporarily restricted	111,000	66,000
Total net assets	127,523	87,819
Total liabilities and net assets	\$ 206,186	\$ 185,333

The accompanying notes are an integral part of these financial statements

PROJECT BANDALOOB
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014
(With summarized comparative totals for the year ended December 31, 2013)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2014 Total</u>	<u>2013 Total</u>
SUPPORT AND REVENUE:				
Donations	\$ 38,816		\$ 38,816	\$ 29,819
Foundation grants	21,000	\$ 128,000	149,000	138,171
Fees and workshops	42,183	-	42,183	34,031
Performance income	566,427	-	566,427	686,957
Rental income	23,465	-	23,465	17,859
Other income	2,307	-	2,307	3,945
Net assets released from restriction	83,000	(83,000)	-	-
Total support and revenue	<u>777,198</u>	<u>45,000</u>	<u>822,198</u>	<u>910,782</u>
EXPENSES:				
Program services:	616,858		616,858	684,008
Administration	103,644		103,644	110,758
Fundraising	61,992		61,992	65,964
Total expenses	<u>782,494</u>		<u>782,494</u>	<u>860,730</u>
CHANGE IN NET ASSETS	(5,296)	45,000	39,704	50,052
NET ASSETS, BEGINNING	<u>21,819</u>	<u>66,000</u>	<u>87,819</u>	<u>37,767</u>
NET ASSETS, ENDING	<u>\$ 16,523</u>	<u>\$ 111,000</u>	<u>\$ 127,523</u>	<u>\$ 87,819</u>

The accompanying notes are an integral part of these financial statements

PROJECT BANDALOOP
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014

(With summarized comparative totals for the year ended December 31, 2013)

	<u>Program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>2014 Total</u>	<u>2013 Total</u>
Personnel	\$ 152,750	\$ 49,051	\$ 48,225	\$ 250,026	\$ 231,143
Musicians and artists	158,645	-	-	158,645	190,745
Travel	42,022	1,789	39	43,850	41,369
Outside services	-	134	2,010	2,144	750
Production expense	64,004	2	1	64,007	82,271
Insurance	14,076	590	-	14,666	23,513
Supplies	230	2,033	3	2,266	1,486
Equipment rental	4,189	-	-	4,189	19,413
Occupancy	29,563	4,367	100	34,030	28,835
Professional fees	77,663	19,985	37	97,685	119,902
Communications	2,623	2,952	40	5,615	5,487
Promotions and marketing	11,958	1,423	770	14,151	30,216
Fundraising and development	777	788	10,396	11,961	15,179
Postage and printing	400	462	14	876	619
Depreciation	-	-	-	-	1,889
Other expenses	57,958	20,068	357	78,383	67,913
Total expenses	<u>\$ 616,858</u>	<u>\$ 103,644</u>	<u>\$ 61,992</u>	<u>\$ 782,494</u>	<u>\$ 860,730</u>

The accompanying notes are an integral part of these financial statements

PROJECT BANDALOOB
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

(With summarized comparative totals for the year ended December 31, 2013)

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 39,704	\$ 50,052
Adjustments to reconcile change in net assets to cash from operations:		
Depreciation expense	-	1,889
(Increase) decrease in:		
Accounts and grants receivable	(30,207)	(60,312)
Prepays	(229)	304
Deposits	-	1,617
Increase (decrease) in:		
Accounts payable	(3,876)	(10,907)
Deferred revenue	(39,975)	53,042
Net cash used by operating activities	<u>(34,583)</u>	<u>35,685</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on line of credit	<u>25,000</u>	<u>-</u>
NET (DECREASE) INCREASE IN CASH	(9,583)	35,685
CASH, beginning of year	<u>46,006</u>	<u>10,321</u>
CASH, end of year	<u>\$ 36,423</u>	<u>\$ 46,006</u>
SUPPLEMENTAL INFORMATION:		
Cash paid for interest	<u>\$ 1,774</u>	<u>\$ 2,947</u>

The accompanying notes are an integral part of these financial statements

PROJECT BANDALOO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 ORGANIZATION

Project Bandaloop (Agency) honors nature, community, and the human spirit through perspective-bending dance. A pioneer in vertical performance, the Agency seamlessly weaves dynamic physicality, intricate choreography and climbing technology to turn the dance floor on its side. Under the artistic direction of Amelia Rudolph, the work re-imagines dance, activates public spaces, and inspires wonder and imagination in audiences around the world. Since 1991, the Agency has trained dancers and youth at home and on tour, and performed for close to a million people. Revenue and support for the Agency is through donations, grants, fees and workshops, and performance fees.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The Agency reports information regarding its financial position and activities on an accrual basis according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Unrestricted Net Assets – Net assets that are not subject to donor-imposed restrictions. These also may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted Net Assets – Net assets that are subject to donor-imposed stipulations that may be fulfilled by actions of the Agency to meet the stipulations or that become unrestricted at the date specified by the donor.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be retained and invested permanently by the Agency to use all or part of the investment return on these net assets for specified or unspecified purposes.

Net Assets Released from Restriction – Temporarily restricted net assets are “released” to unrestricted net assets when the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed.

Other Basis of Presentation Policies – Revenues or support are reported as increases in unrestricted net assets unless subject to donor-imposed restrictions. If temporary restrictions are fulfilled in the same time period the revenue or support is received, the Agency reports the revenue or support as unrestricted. Expenses are reported as decreased in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless restricted by explicit donor stipulation or by law.

PROJECT BANDALOOP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Cash and Cash Equivalents - Cash equivalents represent all highly liquid investment with original maturities of three months or less, except for those short-term investments managed by the Agency's investments managers as part of their long-term investment strategies.

Accounts and Grants Receivable – Accounts receivable consists of billings for services performed which had not yet been received at December 31, 2014. Grants receivable consists of temporarily restricted grants which have been recorded as revenue but due to time restrictions or program restrictions had not been received as of December 31, 2014.

Property and Equipment - Property and equipment are carried at cost or at estimated fair market value at date of donation. Depreciation is calculated using the straight-line method over the useful life of the asset, usually five to forty years depending upon the asset. Ongoing repair and maintenance expenses are recognized as current period expense.

Donated Property and Equipment - Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose.

Donated Services - A substantial number of volunteers have contributed hours to the Agency's program services and fundraising campaigns during the year; however these donated services are not reflected in the financial statements since they do not require specialized services.

Functional Allocation of Expenses - The costs of providing the various programs and other 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.

Income Taxes - The Agency is exempt from Federal and State Income taxes under Internal Revenue Code Section 501(c)(3) and California Franchise Tax Board Code Section 23701d. Therefore, no provision for income taxes has been made in the accompanying financial statements. In addition, the Internal Revenue Service has determined the Agency is not a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

PROJECT BANDALOOB
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Income Taxes, continued – Management of the Agency considers the likelihood of changes by taxing authorities in its filed tax returns and recognizes a liability for or discloses potential significant changes if management believes it is more likely than not for a change to occur, including changes to the Agency's status as a not-for-profit entity. Management believes the Agency met the requirements to maintain its tax-exempt status and has not income subject to unrelated business income tax; therefore no provision for income taxes has been provided in these financial statements. The Agency's tax returns for the past three years are subject to examination by tax authorities, and may change upon examination.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Summarized Financial Information and Reclassifications - 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 of America. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended December 31, 2013, from which the summarized information was derived.

NOTE 3 LINE OF CREDIT

The Agency has a \$50,000 revolving line of credit, with a \$25,000 balance at December 31, 2014. Bank advances on the credit line are payable on demand and carry an interest rate of 5.5 percent at December 31, 2014.

NOTE 4 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of future program funding with time restrictions and a balance of \$111,000 at December 31, 2014.

PROJECT BANDALOO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 5 LEASE COMMITMENT

The Agency leases studio and warehouse space in Oakland in a lease commencing May 2008. The Agency renewed the lease for a time period starting May 2013 and terminating May 2014. After May 2014, the space is rented on a month to month basis. Monthly rent is currently \$1,768.

The Agency leases its office space in Oakland under a month-to-month tenancy commencing January 1, 2013. The lease was amended March 12, 2014 when the Agency moved offices. Monthly rent is \$650 at December 31, 2014.

Rent expense at December 31, 2014 is \$32,946.

NOTE 8 SUBSEQUENT EVENTS

The Agency has evaluated subsequent events through April 29, 2015, the date the financial statements were available to be issued, and determined that there were no events occurring subsequent to December 31, 2014 that would have a material impact on the Agency's results of operations or financial position.