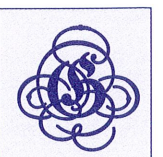


# PROJECT BANDALOOP

## FINANCIAL STATEMENT

FOR THE YEAR ENDED

DECEMBER 31, 2012



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# INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors  
Project Bandaloop  
San Francisco, 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, 2012, and the related statements of activities, 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**

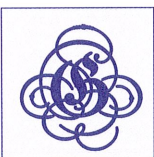
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and 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 of 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 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 auditor 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 Project Bandaloop as of December 31, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

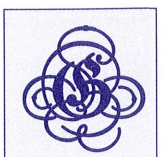
## Other Matter

The December 31, 2011 financial statements were reviewed by us, and our report thereon, dated May 1, 2012, stated we were not aware of any material modifications that should be made to those statements for them to be in conformity with accounting principles generally accepted in the United State of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements.

*goranson and Associates, Inc.*

August 19, 2013

Santa Rosa, California



PROJECT BANDALOOP  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2012

(With summarized comparative totals for December 31, 2011)

	2012	2011
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 10,321	\$ 56,256
Accounts and grants receivable	75,292	69,888
Prepaid expenses	304	2,346
Total current assets	85,917	128,490
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	(65,925)	(65,925)
Total fixed assets	1,889	1,889
Other assets:		
Deposits	5,340	3,288
Total assets	\$ 93,146	\$ 133,667
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable	\$ 18,046	\$ 7,427
Deferred revenue	37,333	40,000
Total liabilities	55,379	47,427
Net assets:		
Unrestricted	2,767	31,240
Temporarily restricted	35,000	55,000
Total net assets	37,767	86,240
Total liabilities and net assets	\$ 93,146	\$ 133,667

The accompanying notes are an integral part of these financial statements

PROJECT BANDALOOB  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2012  
(With summarized comparative totals for the year ended December 31, 2011)

	Unrestricted	Temporarily Restricted	2012 Total	2011 Total
<b>SUPPORT AND REVENUE:</b>				
Donations	\$ 24,721		\$ 24,721	\$ 22,183
Foundation grants	100,000		100,000	86,250
Fees and workshops	45,834	-	45,834	41,828
Performance income	355,481	-	355,481	186,327
Rental income	18,823	-	18,823	14,951
Other income	890	-	890	3,381
Net assets released from restriction	20,000	(20,000)	-	-
Total support and revenue	565,749	(20,000)	545,749	354,920
<b>EXPENSES:</b>				
Program services:	432,522		432,522	361,833
Administration	96,268		96,268	42,140
Fundraising	65,432		65,432	17,976
Total expenses	594,222		594,222	421,949
CHANGE IN NET ASSETS	(28,473)	(20,000)	(48,473)	(67,029)
NET ASSETS, BEGINNING	31,240	55,000	86,240	153,269
NET ASSETS, ENDING	\$ 2,767	\$ 35,000	\$ 37,767	\$ 86,240

The accompanying notes are an integral part of these financial statements

PROJECT BANDALOOP  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2012

(With summarized comparative totals for the year ended December 31, 2011)

	Program	Administration	Fundraising	2012 Total	2011 Total
Personnel	\$ 103,632	\$ 52,360	\$ 61,365	\$ 217,357	\$ 149,219
Musicians and artists	129,358	-	-	129,358	113,023
Travel	39,834	3,319	\$ 47	43,200	15,034
Outside services	4,965	378	-	5,343	9,168
Production expense	49,609	414	-	50,023	29,819
Insurance	18,807	2,161	-	20,968	12,852
Supplies	251	1,042	-	1,293	1,162
Equipment rental	11,012	396	-	11,408	32,853
Occupancy	29,743	1,840	-	31,583	22,636
Professional fees	25,980	11,619	17	37,616	9,404
Communications	1,121	3,608	-	4,729	3,451
Promotions and marketing	4,549	13,637	-	18,186	19,093
Fundraising and development	-	2,058	4,000	6,058	335
Postage and printing	477	1,020	-	1,497	909
Other expenses	13,184	2,416	3	15,603	2,991
Total expenses	\$ 432,522	\$ 96,268	\$ 65,432	\$ 594,222	\$ 421,949

The accompanying notes are an integral part of these financial statements

PROJECT BANDALOO  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2012

(With summarized comparative totals for the year ended December 31, 2011)

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (48,473)	\$ (67,029)
Adjustments to reconcile change in net assets to cash from operations:		
(Increase) decrease in:		
Accounts and grants receivable	(5,404)	96,894
Prepays	2,042	3,437
Deposits	(2,052)	486
Increase (decrease) in:		
Accounts payable	10,619	(11,436)
Deferred revenue	(2,667)	40,000
Net cash used by operating activities	(45,935)	62,352
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on line of credit	-	(10,000)
NET (DECREASE) INCREASE IN CASH	(45,935)	52,352
CASH, beginning of year	56,256	3,904
CASH, end of year	\$ 10,321	\$ 56,256
SUPPLEMENTAL INFORMATION:		
Cash paid for interest	\$ 333	\$ 391

The accompanying notes are an integral part of these financial statements

PROJECT BANDALOO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

NOTE 1 ORGANIZATION

Project Bandaloop honors nature, community, and the human spirit through perspective-bending dance. A pioneer in vertical performance, Project Bandaloop 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, Project Bandaloop 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, 2012

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, 2012. 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, 2012.

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 BANDALOOP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

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, 2011, from which the summarized information was derived.

NOTE 3 LINE OF CREDIT

The Agency has a \$50,000 revolving line of credit, with a zero balance at December 31, 2012. Bank advances on the credit line are payable on demand and carry an interest rate of 5.5 percent at December 31, 2012.

NOTE 4 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of future program funding with time restrictions at December 31, 2012.

PROJECT BANDALOOP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

NOTE 5 LEASE COMMITMENT

The Agency leases studio and warehouse space in Oakland on a month-to-month basis. Monthly rent is currently \$1,700. The Agency leases its office space in San Francisco under a three year lease originating April 1, 2009 and expiring March 31, 2012 and reverting thereafter to month-to-month tenancy. Monthly rent is currently \$150. Rent expense at December 31, 2012 is \$31,047. The Agency moved to another office space in January 2013.

NOTE 8 SUBSEQUENT EVENTS

The Agency has evaluated subsequent events through August 19, 2013, the date the financial statements were available to be issued, and determined that there were no events occurring subsequent to December 31, 2012 that would have a material impact on the Agency's results of operations or financial position.