

PROJECT BANDALOOP

FINANCIAL STATEMENT

FOR THE YEAR ENDED

DECEMBER 31, 2015

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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 corporation), which comprise the statement of financial position as of December 31, 2015, 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, 2015, 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, 2014, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 29, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Goranson and Associates, Inc.

June 1, 2016

Santa Rosa, California

PROJECT BANDALOOB
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015
(With summarized comparative totals for December 31, 2014)

| | 2015 | 2014 |
|---------------------------------------|------------|------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 64,418 | \$ 36,423 |
| Accounts and grants receivable | 318,121 | 165,811 |
| Prepaid expenses | 7,116 | 229 |
| Total current assets | 389,655 | 202,463 |
| 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 |
| Total assets | \$ 389,655 | \$ 206,186 |
| LIABILITIES AND NET ASSETS | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | \$ 31,795 | \$ 3,263 |
| Line of credit | - | 25,000 |
| Deferred revenue | 110,000 | 50,400 |
| Total liabilities | 141,795 | 78,663 |
| Net assets: | | |
| Unrestricted | (16,362) | 16,523 |
| Temporarily restricted | 264,222 | 111,000 |
| Total net assets | 247,860 | 127,523 |
| Total liabilities and net assets | \$ 389,655 | \$ 206,186 |

The accompanying notes are an integral part of these financial statements

PROJECT BANDALOOB
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015
(With summarized comparative totals for the year ended December 31, 2014)

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>2015 Total</u> | <u>2014 Total</u> |
|--------------------------------------|---------------------|-----------------------------------|-----------------------|-----------------------|
| SUPPORT AND REVENUE: | | | | |
| Donations | \$ 48,162 | | \$ 48,162 | \$ 38,816 |
| Grants | 12,400 | \$ 355,936 | 368,336 | 149,000 |
| Fees and workshops | 29,803 | - | 29,803 | 42,183 |
| Performance income | 917,735 | - | 917,735 | 566,427 |
| Rental income | 10,263 | - | 10,263 | 23,465 |
| In kind donations | 30,803 | - | 30,803 | - |
| Other income | 564 | - | 564 | 2,307 |
| Net assets released from restriction | 202,714 | (202,714) | - | - |
| Total support and revenue | <u>1,252,444</u> | <u>153,222</u> | <u>1,405,666</u> | <u>822,198</u> |
| EXPENSES: | | | | |
| Program services: | 1,041,818 | | 1,041,818 | 616,858 |
| Administration | 131,301 | | 131,301 | 103,644 |
| Fundraising | 112,210 | | 112,210 | 61,992 |
| Total expenses | <u>1,285,329</u> | | <u>1,285,329</u> | <u>782,494</u> |
| CHANGE IN NET ASSETS | (32,885) | 153,222 | 120,337 | 39,704 |
| NET ASSETS, BEGINNING | <u>16,523</u> | <u>111,000</u> | <u>127,523</u> | <u>87,819</u> |
| NET ASSETS, ENDING | <u>\$ (16,362)</u> | <u>\$ 264,222</u> | <u>\$ 247,860</u> | <u>\$ 127,523</u> |

The accompanying notes are an integral part of these financial statements

PROJECT BANDALOOP
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

(With summarized comparative totals for the year ended December 31, 2014)

| | <u>Program</u> | <u>Administration</u> | <u>Fundraising</u> | <u>2015 Total</u> | <u>2014 Total</u> |
|-----------------------------|---------------------|-----------------------|--------------------|-----------------------|-----------------------|
| Personnel | \$ 208,428 | \$ 65,598 | \$ 67,527 | \$ 341,553 | \$ 250,026 |
| Musicians and artists | 234,033 | - | - | 234,033 | 158,645 |
| Travel | 98,625 | 1,461 | 824 | 100,910 | 43,850 |
| Outside services | 3,177 | 889 | 17 | 4,083 | 2,144 |
| Production expense | 162,184 | 643 | 17,365 | 180,192 | 64,007 |
| Insurance | 27,834 | 2,283 | 3,256 | 33,373 | 14,666 |
| Supplies | 358 | 435 | 64 | 857 | 2,266 |
| Equipment rental | - | - | - | - | 4,189 |
| Occupancy | 30,425 | 3,231 | 2,174 | 35,830 | 34,030 |
| Professional fees | 127,766 | 18,981 | 510 | 147,257 | 97,685 |
| Communications | 3,485 | 1,110 | 299 | 4,894 | 5,615 |
| Promotions and marketing | 121,400 | 762 | 791 | 122,953 | 14,151 |
| Fundraising and development | 175 | 18 | 19,027 | 19,220 | 11,961 |
| Postage and printing | 1,662 | 492 | 40 | 2,194 | 876 |
| Inkind legal expense | - | 30,803 | - | 30,803 | - |
| Other expenses | 22,266 | 4,595 | 316 | 27,177 | 78,383 |
| Total expenses | <u>\$ 1,041,818</u> | <u>\$ 131,301</u> | <u>\$ 112,210</u> | <u>\$ 1,285,329</u> | <u>\$ 782,494</u> |

The accompanying notes are an integral part of these financial statements

PROJECT BANDALOOB
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015
(With summarized comparative totals for the year ended December 31, 2014)

| | <u>2015</u> | <u>2014</u> |
|--|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in net assets | \$ 120,337 | \$ 39,704 |
| Adjustments to reconcile change in net assets to cash from operations: | | |
| Depreciation expense | - | - |
| (Increase) decrease in: | | |
| Accounts and grants receivable | (152,310) | (30,207) |
| Prepays | (6,887) | (229) |
| Deposits | 3,723 | - |
| Increase (decrease) in: | | |
| Accounts payable | 28,532 | (3,876) |
| Deferred revenue | 59,600 | (39,975) |
| Net cash provided (used) by operating activities | <u>52,995</u> | <u>(34,583)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Net (payments) borrowings on line of credit | <u>(25,000)</u> | <u>25,000</u> |
| NET INCREASE (DECREASE) IN CASH | 27,995 | (9,583) |
| CASH, beginning of year | <u>36,423</u> | <u>46,006</u> |
| CASH, end of year | <u>\$ 64,418</u> | <u>\$ 36,423</u> |
| SUPPLEMENTAL INFORMATION: | | |
| Cash paid for interest | <u>\$ 2,001</u> | <u>\$ 1,774</u> |

The accompanying notes are an integral part of these financial statements

PROJECT BANDALOO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

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 BANDALOO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

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, 2015. 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, 2015.

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.

Contributed Services – The Agency records contribution revenue for certain services received at the fair value of those services, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would be purchased if not donated. The Agency receives a significant amount of donated services from unpaid volunteers who assist in legal services which have been valued by the Law Firm and are recorded on the Statement of Activities.

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 BANDALOO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

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, 2015, from which the summarized information was derived.

NOTE 3 LINE OF CREDIT

The Agency has a \$50,000 revolving line of credit with a local financial institution, Bank of the West, with no balance at December 31, 2015. Bank advances on the credit line are payable on demand and carry an interest rate of 6.25 percent at December 31, 2015.

NOTE 4 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of future program funding with time restrictions and a balance of \$264,222 at December 31, 2015.

PROJECT BANDALOO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

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 \$2,088.

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, 2015.

Rent expense at December 31, 2015 is \$33,147.

NOTE 6 SUBSEQUENT EVENTS

The Agency has evaluated subsequent events through June 1, 2016, the date the financial statements were available to be issued, and determined that there were no events occurring subsequent to December 31, 2015 that would have a material impact on the Agency's results of operations or financial position.