

PROJECT BANDALOOP

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2017

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 10

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, 2017, 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, 2017, 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, 2016, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 16, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Goranson and Associates, Inc.

May 14, 2018

Santa Rosa, California

PROJECT BANDALOOB
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017
(With summarized comparative totals for December 31, 2016)

	2017	2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 40,121	\$ 42,732
Accounts and grants receivable	351,744	242,842
Prepaid expenses	8,230	6,600
Total current assets	400,095	292,174
Fixed assets:		
Equipment and furniture	61,786	58,285
Leasehold improvements	9,529	9,529
Total fixed assets	71,315	67,814
Less accumulated depreciation	(67,931)	(67,814)
Total fixed assets	3,384	-
Total assets	\$ 403,479	\$ 292,174
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 31,782	\$ 24,935
Deferred revenue	106,000	103,375
Total liabilities	137,782	128,310
Net assets:		
Unrestricted	104,948	45,527
Temporarily restricted	160,749	118,337
Total net assets	265,697	163,864
Total liabilities and net assets	\$ 403,479	\$ 292,174

The accompanying notes are an integral part of these financial statements

PROJECT BANDALOOB
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017
(With summarized comparative totals for the year ended December 31, 2016)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2017 Total</u>	<u>2016 Total</u>
SUPPORT AND REVENUE:				
Donations	\$ 36,160		\$ 36,160	\$ 40,984
Grants	2,707	\$ 179,500	182,207	129,325
Fees and workshops	47,973	-	47,973	39,321
Performance income	2,042,195	16,363	2,058,558	1,133,325
Rental income	14,260	-	14,260	8,226
In kind donations	81,000	-	81,000	47,618
Special events	-	-	-	2,729
Other income	256	-	256	496
Net assets released from restriction	153,451	(153,451)	-	-
Total support and revenue	<u>2,378,002</u>	<u>42,412</u>	<u>2,420,414</u>	<u>1,402,024</u>
EXPENSES:				
Program services:	2,101,648		2,101,648	1,301,607
Administration	114,819		114,819	92,048
Fundraising	102,114		102,114	92,365
Total expenses	<u>2,318,581</u>		<u>2,318,581</u>	<u>1,486,020</u>
CHANGE IN NET ASSETS	59,421	42,412	101,833	(83,996)
NET ASSETS, BEGINNING	<u>45,527</u>	<u>118,337</u>	<u>163,864</u>	<u>247,860</u>
NET ASSETS, ENDING	<u>\$ 104,948</u>	<u>\$ 160,749</u>	<u>\$ 265,697</u>	<u>\$ 163,864</u>

The accompanying notes are an integral part of these financial statements

PROJECT BANDALOOP
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

(With summarized comparative totals for the year ended December 31, 2016)

	<u>Program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>2017 Total</u>	<u>2016 Total</u>
Personnel	\$ 378,385	\$ 48,645	\$ 62,340	\$ 489,370	\$ 341,553
Musicians and artists	510,400	92	33	510,526	234,033
Travel	273,483	3,620	343	277,446	100,910
Outside services	2,370	1,960	74	4,404	4,083
Production expense	201,790	3,924	4,741	210,456	180,192
Insurance	53,908	186	160	54,254	33,373
Supplies	2,208	363	223	2,794	857
Equipment rental	379	-	-	379	-
Occupancy	34,196	2,750	1,686	38,631	35,830
Professional fees	351,356	41,871	3,544	396,771	147,257
Communications	3,077	3,431	30	6,537	4,894
Promotions and marketing	251,612	2,359	827	254,797	122,953
Fundraising and development	-	2	26,771	26,773	19,220
Postage and printing	1,398	257	312	1,967	2,194
Depreciation	-	117	-	117	-
Inkind expense	26,000	-	-	26,000	30,803
Other expenses	11,085	5,244	1,029	17,358	27,177
Total expenses	<u>\$ 2,101,648</u>	<u>\$ 114,819</u>	<u>\$ 102,114</u>	<u>\$ 2,318,581</u>	<u>\$ 1,285,329</u>

The accompanying notes are an integral part of these financial statements

PROJECT BANDALOO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017
(With summarized comparative totals for the year ended December 31, 2016)

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 101,833	\$ (83,996)
Adjustments to reconcile change in net assets to cash from operations:		
Depreciation expense	117	-
(Increase) decrease in:		
Accounts and grants receivable	(108,902)	75,279
Prepays	(1,630)	516
Deposits	-	-
Increase (decrease) in:		
Accounts payable	6,847	(6,860)
Deferred revenue	2,625	(6,625)
Net cash provided (used) by operating activities	890	(21,686)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property, plant and equipment	(3,501)	-
NET (DECREASE) INCREASE IN CASH	(2,611)	(21,686)
CASH, beginning of year	42,732	64,418
CASH, end of year	\$ 40,121	\$ 42,732
SUPPLEMENTAL INFORMATION:		
Cash paid for interest	\$ 1,059	\$ 1,707

The accompanying notes are an integral part of these financial statements

PROJECT BANDALOO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

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, 2017

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, 2017. 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, 2017.

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 BANDALOOB
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

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, 2016, 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. Bank advances on the credit line are payable on demand and carry an interest rate of 6.75 percent at December 31, 2017. There is no balance at December 31, 2017.

NOTE 4 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of future program funding with time restrictions and a balance of \$160,749 at December 31, 2017.

PROJECT BANDALOO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 5 IN-KIND INCOME AND EXPENSES

The Agency receives in-kind income for legal services as well as for a portion of their rent. The amount for legal services is \$55,000 and for rent expense is \$26,000 which totals \$81,000 the year ending for December 31, 2017.

NOTE 6 LEASE COMMITMENTS

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 \$2,349.

The Agency leases its office space in Oakland under a lease commencing April 1, 2017 and ending March 31, 2020. Monthly rent is \$1,786 at December 31, 2017.

Rent expense at December 31, 2017 is \$36,945.

Future minimum payments are as follows at December 31, 2017:

2018	\$ 47,787
2019	59,664
2020	8,037

NOTE 7 SUBSEQUENT EVENTS

The Agency has evaluated subsequent events through May 14, 2018, the date the financial statements were available to be issued, and determined that there were no events occurring subsequent to December 31, 2017 that would have a material impact on the Agency's results of operations or financial position.