

PROJECT BANDALOO

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2018

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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, 2018, 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 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, 2018, 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, 2017, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 14, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Goranson and Associates, Inc.

May 14, 2019

Santa Rosa, CA

PROJECT BANDALOOP
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018
(With summarized comparative totals for December 31, 2017)

	2018	2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 16,986	\$ 40,121
Accounts and grants receivable	317,149	351,744
Prepaid expenses	9,319	8,230
Total current assets	343,454	400,095
Fixed assets:		
Equipment and furniture	61,786	61,786
Leasehold improvements	9,529	9,529
Total fixed assets	71,315	71,315
Less accumulated depreciation	(68,748)	(67,931)
Total fixed assets	2,567	3,384
Total assets	\$ 346,021	\$ 403,479
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 40,303	\$ 31,782
Deferred revenue	109,100	106,000
Total current liabilities	149,403	137,782
Long Term Liabilities:		
Line of credit	50,000	-
Total long term liabilities	50,000	-
Total liabilities	199,403	137,782
Net assets:		
Without donor restriction	3,468	104,948
With donor restriction	143,150	160,750
Total net assets	146,618	265,698
Total liabilities and net assets	\$ 346,021	\$ 403,480

The accompanying notes are an integral part of these financial statements

PROJECT BANDALOOB
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018
(With summarized comparative totals for the year ended December 31, 2017)

	Without Donor Restriction	With Donor Restriction	2018 Total	2017 Total
SUPPORT AND REVENUE:				
Donations	\$ 52,499		\$ 52,499	\$ 36,160
Grants	21,000	\$ 118,600	139,600	182,207
Fees and workshops	52,133	-	52,133	47,974
Performance income	943,138	-	943,138	2,058,558
Rental income	14,180	-	14,180	14,260
In kind donations	49,240	-	49,240	81,000
Other income	126	-	126	256
Net assets released from restriction	136,200	(136,200)	-	-
Total support and revenue	<u>1,268,516</u>	<u>(17,600)</u>	<u>1,250,916</u>	<u>2,420,415</u>
EXPENSES:				
Program services	1,147,332		1,147,332	2,101,648
Administration	145,839		145,839	114,819
Fundraising	76,825		76,825	102,114
Total expenses	<u>1,369,996</u>		<u>1,369,996</u>	<u>2,318,581</u>
CHANGE IN NET ASSETS	(101,480)	(17,600)	(119,080)	101,834
NET ASSETS, BEGINNING	<u>104,948</u>	<u>160,750</u>	<u>265,698</u>	<u>163,864</u>
NET ASSETS, ENDING	<u>\$ 3,468</u>	<u>\$ 143,150</u>	<u>\$ 146,618</u>	<u>\$ 265,698</u>

The accompanying notes are an integral part of these financial statements

PROJECT BANDALOO
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

(With summarized comparative totals for the year ended December 31, 2017)

	<u>Program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>2018 Total</u>	<u>2017 Total</u>
Personnel	\$ 304,030	\$ 95,069	\$ 73,245	\$ 472,344	\$ 489,370
Musicians and artists	256,545	9	5	256,559	510,526
Travel	131,345	466	75	131,886	277,446
Outside services	1,792	853	-	2,645	4,404
Production expense	75,532	404	130	76,066	210,456
Insurance	32,720	179	93	32,992	54,254
Supplies	3,350	557	20	3,927	2,794
Equipment rental	3,007	-	-	3,007	379
Occupancy	67,139	5,341	2,733	75,213	64,631
Technical and professional fees	166,805	33,184	-	199,989	451,771
Communications	1,421	3,668	-	5,089	6,537
Promotions and marketing	95,993	245	89	96,327	254,797
Fundraising and development	-	-	92	92	26,773
Postage and printing	263	156	90	509	1,967
Depreciation	-	817	-	817	117
Other expenses	7,390	4,891	253	12,534	17,358
Total expenses	<u>\$ 1,147,332</u>	<u>\$ 145,839</u>	<u>\$ 76,825</u>	<u>\$ 1,369,996</u>	<u>\$ 2,373,581</u>

The accompanying notes are an integral part of these financial statements

PROJECT BANDALOO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018
(With summarized comparative totals for the year ended December 31, 2017)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (119,080)	\$ 101,833
Adjustments to reconcile change in net assets to cash from operations:		
Depreciation expense	817	117
(Increase) decrease in:		
Accounts and grants receivable	34,595	(108,902)
Prepays	(1,089)	(1,630)
Deposits	-	-
Increase (decrease) in:		
Accounts payable	8,522	6,847
Deferred revenue	3,100	2,625
Line of credit	50,000	-
Net cash provided (used) by operating activities	(23,135)	890
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property, plant and equipment	-	(3,501)
NET (DECREASE) INCREASE IN CASH	(23,135)	(2,611)
CASH, beginning of year	40,121	42,732
CASH, end of year	\$ 16,986	\$ 40,121
SUPPLEMENTAL INFORMATION:		
Cash paid for interest	\$ 3,051	\$ 1,059

The accompanying notes are an integral part of these financial statements

PROJECT BANDALOO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 ORGANIZATION

Project Bandaloop (Agency) celebrates the human spirit, nature, and communities through dance that uses climbing technology to expand and challenge what is possible. A pioneer in vertical performance, the Agency seamlessly weaves dynamic physicality and intricate choreography 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. The Agency trains dancers and youth at home and on tour, and has performed live for over a million people.

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 two classes of net assets: net assets without donor restriction and net assets with donor restriction.

Net assets without donor restriction – 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.

Net assets with donor restriction – Net assets that are subject to donor-imposed stipulations that may be fulfilled by actions of the Organization's to meet the stipulations or that become net assets without donor restriction at the date specified by the donor.

Net assets Released from Restriction – Net assets with donor restriction are “released” to net assets without donor restriction 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, 2018

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, 2018. 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, 2018.

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 BANDALOOP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

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, 2017, 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 8.25 percent at December 31, 2018. There is a balance of \$50,000 at December 31, 2018.

NOTE 4 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of future program funding with time restrictions and a balance of \$143,150 at December 31, 2018.

PROJECT BANDALOOB
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 5 LIQUIDITY

The following reflects the Agency's financial assets as of December 31, 2018, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Donor-restricted amounts that are available within one year for general purposes includes \$143,150 restricted by time.

Financial assets:	
Cash and cash equivalents	\$ 16,986
Accounts receivables	317,149
Total financial assets	334,135
Financial assets, at year end	
Less those unavailable for general	
expenditures within one year due to:	
Restricted by donor (time or purpose)	(143,150)
Financial assets available to meet cash needs	
for general expenditure within one year	\$ 190,985

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, 2018 and ending March 31, 2020. Monthly rent is \$1,786 at December 31, 2018.

Rent expense at December 31, 2018 is \$47,771.

Future minimum payments are as follows at December 31, 2019:

2019	\$ 59,664
2020	8,037

PROJECT BANDALOO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 7 CHANGE IN ACCOUNTING PRINCIPLES

The financial statements have been changed to early adopt ASU 2016-14, changing to the new language of “without donor restriction” and “with donor restriction.” This change has been applied to both the current year and the prior summarized information. As well, an addition to the summary of significant accounting policies in Note 2 has been written to disclose the allocation methodology used by the Agency, and the new liquidity note has been added in Note 3. The prior year change was only in terminology from “unrestricted” and “temporarily restricted” to “without donor restriction” and with “donor restriction.” There was no change in the beginning net asset number.

NOTE 8 SUBSEQUENT EVENTS

The Agency has evaluated subsequent events through May 14, 2019, the date the financial statements were available to be issued and determined that there were no events occurring subsequent to December 31, 2018 that would have a material impact on the Agency’s results of operations or financial position.