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OWEN/COX DANCE GROUP

AUDITED FINANCIAL STATEMENTS

AUGUST 31, 2015 AND AUGUST 31, 2014

OWEN/COX DANCE GROUP

Table of Contents

Independent Auditor's Report	1 – 2
Statements of Financial Position, August 31, 2015 and August 31, 2014	3
Statement of Activities and Changes in Net Assets, August 31, 2015	4
Statement of Activities and Changes in Net Assets, August 31, 2014	5
Statement of Functional Expenses, August 31, 2015	6
Statement of Functional Expenses, August 31, 2014	7
Statements of Cash Flows, August 31, 2015 and August 31, 2014	8
Notes to Financial Statements	9 – 12

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Independent Auditor's Report

To the Board of Directors
Owen/Cox Dance Group
Kansas City, Missouri

I have audited the accompanying financial statements of Owen/Cox Dance Group (a nonprofit organization), which comprise the statements of financial position as of August 31, 2015 and 2014, and the related statements of activities and changes in net assets, statements of functional expenses, and statements of cash flows for the years 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

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audits 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Owen/Cox Dance Group as of August 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Bruce Culley
Certified Public Accountant

Gladstone, Missouri
November 30, 2015

OWEN/COX DANCE GROUP
STATEMENTS OF FINANCIAL POSITION
AUGUST 31,

	2015	2014
Assets		
Cash and Cash Equivalents	\$ 34,075	\$ 24,836
Accounts Receivable	25,819	9,679
Prepaid Expenses	2,793	8,537
Total Assets	\$ 62,687	\$ 43,052
Current Liabilities		
Account Payable	\$ 2,760	\$ 2,365
Deferred Revenue	32,309	-
Accrued Wages Payable	10,000	-
Payroll Taxes	1,171	4,582
Total Current Liabilities	46,240	6,947
Net Assets		
Temporarily Restricted	\$ 20,539	\$ 25,115
Unrestricted	(4,092)	10,990
Total Net Assets	16,447	36,105
Total Liabilities and Net Assets	\$ 62,687	\$ 43,052

The accompanying notes are an integral part of the financial statements.

OWEN/COX DANCE GROUP
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
AUGUST 31, 2015

	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
Contributions and Grants			
Foundations	\$ 91,500	\$ -	\$ 91,500
Individuals	60,014	-	60,014
Government	31,308	-	31,308
Corporations	5,350	-	5,350
Special Events - Schools	48,764	-	48,764
Fundraising Events	14,077	-	14,077
Ticket Sales	33,660	-	33,660
Touring - Performance	9,350	-	9,350
Other Earned Income	2,610	-	2,610
Advertising	400	-	400
Other Income	4,893	-	4,893
In- Kind	21,405	-	21,405
	323,331	-	323,331
NET ASSETS RELEASED FROM RESTRICTIONS			
Restrictions Satisfied by Payments	4,576	(4,576)	-
Total Revenues	327,907	(4,576)	323,331
EXPENSES			
Program Service			
Artistic, Education and Production	283,945	-	283,945
Supporting Services			
Administrative and General	31,612	-	31,612
Fundraising	27,432	-	27,432
Total Expenses	342,989	-	342,989
Increase in Net Assets	(15,082)	(4,576)	(19,658)
Net Assets, Beginning of Year	10,990	25,115	36,105
Net Assets, End of Year	\$ (4,092)	\$ 20,539	\$ 16,447

The accompanying notes are an integral part of the financial statements.

OWEN/COX DANCE GROUP
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
AUGUST 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Contributions and Grants			
Foundations	\$ 68,000	\$ 82,550	\$ 150,550
Individuals	31,081	25,500	56,581
Government	28,788	8,000	36,788
Corporations	400	-	400
Special Events - Schools	15,820	-	15,820
Fundraising Events	9,569	-	9,569
Ticket Sales	20,587	16,557	37,144
Touring - Performance	750	-	750
Other Earned Income	2,200	275	2,475
Advertising	150	-	150
Other Income	1,128	-	1,128
In- Kind	36,392	-	36,392
	<hr/>	<hr/>	<hr/>
Total Revenue and Support	214,865	132,882	347,747
NET ASSETS RELEASED FROM RESTRICTIONS			
Restrictions Satisfied by Payments	139,290	(139,290)	-
Total Revenues	<hr/>	<hr/>	<hr/>
	354,155	(6,408)	347,747
EXPENSES			
Program Service			
Artistic, Education and Production	310,201	-	310,201
Supporting Services			
Administrative and General	26,892	-	26,892
Fundraising	14,938	-	14,938
Total Expenses	<hr/>	<hr/>	<hr/>
	352,031	-	352,031
Increase in Net Assets	2,124	(6,408)	(4,284)
Net Assets, Beginning of Year	15,300	31,523	46,823
Prior Period Adjustment	(6,434)	-	(6,434)
	<hr/>	<hr/>	<hr/>
Adjusted Net Assets Beginning of Year	8,866	31,523	40,389
Net Assets, End of Year	<u>\$ 10,990</u>	<u>\$ 25,115</u>	<u>\$ 36,105</u>

The accompanying notes are an integral part of the financial statements.

OWEN/COX DANCE GROUP
STATEMENT OF FUNCTIONAL EXPENSES
AUGUST 31, 2015

	<u>Program Service</u>	<u>Administrative and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries	\$ -	\$ 12,726	\$ -	\$ 12,726
Payroll Taxes	1,645	1,477	-	3,122
Advertising and Marketing	18,887	79	37	19,003
Workers Compensation	1,606	1,358	-	2,964
Production Expense				
Choreographer	6,150	-	-	6,150
Costumes	7,373	-	-	7,373
Equipment Rental	630	-	-	630
Stage Manager	3,350	-	-	3,350
Rent	14,340	-	-	14,340
Technical Crew	12,058	-	-	12,058
Travel	15,543	-	-	15,543
Box Office Fees	4,623	-	-	4,623
Dancer Housing	4,540	-	-	4,540
Sound Technician	1,880	-	60	1,940
Transport and Trucking	454	-	-	454
Other Production Expenses	2,147	-	60	2,207
Artistic Expenses				
Composer	2,800	-	-	2,800
Artistic Director	31,500	-	-	31,500
Lighting Design	5,367	-	-	5,367
Dancers	67,980	-	-	67,980
Musicians	17,010	-	-	17,010
Rehearsal Assistance	5,570	-	30	5,600
Set Design	2,475	-	-	2,475
Education Expense	48,989	-	-	48,989
Liability Insurance	864	1,492	-	2,356
Professional Fees	2,525	10,277	-	12,802
Office Expenses	1,193	1,841	368	3,402
Fundraising Expenses	490	337	8,063	8,890
Occupancy	-	2,015	-	2,015
In-Kind Expense	1,954	-	18,814	20,768
Miscellaneous	2	10	-	12
	<u>2</u>	<u>10</u>	<u>-</u>	<u>12</u>
Total Expenses	<u>\$ 283,945</u>	<u>\$ 31,612</u>	<u>\$ 27,432</u>	<u>\$ 342,989</u>

The accompanying notes are an integral part of the financial statements.

OWEN/COX DANCE GROUP
STATEMENT OF FUNCTIONAL EXPENSES
AUGUST 31, 2014

	<u>Program Service</u>	<u>Administrative and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries	\$ 53,766	\$ 5,990	\$ 657	\$ 60,413
Payroll Taxes	730	7,149	-	7,879
Advertising and Marketing	16,131	412	-	16,543
Workers Compensation	1,331	1,612	-	2,943
Production Expense				
Choreographer	15,100	-	-	15,100
Costumes	11,808	-	3	11,811
Equipment Rental	6,895	-	-	6,895
Stage Manager	4,975	-	-	4,975
Studio Rent	10,379	-	-	10,379
Technical Crew	11,553	-	-	11,553
Travel	6,084	-	-	6,084
Box Office Fees	5,559	-	-	5,559
Dancer Housing	4,382	-	-	4,382
Sound Technician	2,200	-	-	2,200
Transport and Trucking	1,749	-	-	1,749
Other Production Expenses	4,281	-	-	4,281
Artistic Expenses				
Lighting Design	7,000	-	-	7,000
Dancers	82,840	-	-	82,840
Musicians	15,545	-	-	15,545
Rehearsal Assistance	2,769	-	-	2,769
Set Design	963	-	-	963
Education Expense	26,386	-	-	26,386
Liability Insurance	4,143	2,567	-	6,710
Professional Fees	4,750	7,058	-	11,808
Office Expenses	827	1,749	302	2,878
Fundraising Expenses	3,815	220	6,456	10,491
In-Kind Expense	4,240	-	7,520	11,760
Miscellaneous	-	135	-	135
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenses	<u>\$ 310,201</u>	<u>\$ 26,892</u>	<u>\$ 14,938</u>	<u>\$ 352,031</u>

The accompanying notes are an integral part of the financial statements.

OWEN/COX DANCE GROUP
STATEMENT OF CASH FLOWS
AUGUST 31,

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in Net Assets	\$ (19,658)	\$ (10,718)
Adjustments to Reconcile Net Increase in Net Assets to Cash Provided (Used) in Operations		
Prior Period Adjustment	-	6,434
Increase in Accounts Receivable	(16,140)	(9,679)
Decrease (Increase) in Prepaid Expenses	5,744	(8,537)
Increase (Decrease) in Accounts Payable	395	(4,069)
Increase (Decrease) in Payroll Taxes	(3,411)	4,582
Increase in Wages Payable	10,000	-
Increase in Deferred Revenue	32,309	-
Total Adjustments	28,897	(11,269)
Net Cash Provided (Used) by Operations	9,239	(21,987)
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
Net Decrease in Cash and Cash Equivalents	9,239	(21,987)
Cash and Cash Equivalents, Beginning of Year	24,836	46,823
Cash and Cash Equivalents, End of Year	\$ 34,075	\$ 24,836

The accompanying notes are an integral part of the financial statements.

OWEN/COX DANCE GROUP
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015

NOTE 1 – ORGANIZATION

The Owen/Cox Dance Group (the Organization) is an ensemble of professional dancers and musicians dedicated to performing collaborative new works. The group's mission is to create new music and dance collaborations, to present high-quality contemporary dance performances with live music, and to engage as wide an audience as possible through affordable live performances and education and outreach programs. With diverse backgrounds ranging from the Bolshoi ballet and the Leningrad Chamber Orchestra, to Alvin Ailey and Dave Brubeck, these dancers and musicians form a highly skilled and multi-faceted corps.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in FASB ASC 958 in which the Organization is required to report information regarding its financial position and activities according to the three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash Equivalents

For the purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The Organization had no cash equivalents at August 31, 2015 and August 31, 2014.

Donor Imposed Restrictions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes.

Deferred Revenue

Deferred revenue is for money received in advance for events to be performed in the future. The amounts will be recognized as revenue when the events are conducted.

OWEN/COX DANCE GROUP
NOTES TO FINANCIAL STATEMENTS - CONTINUED
AUGUST 31, 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Accrual Wages Payable

The wages payable represent amounts due on one of the founder (also a board member) for services performed during the year. The amounts have not been paid in order to preserve the cash flow.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted support depending on the existence or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

No provision for income taxes has been recorded, as the Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization accounts for uncertain tax positions in accordance with the provisions of FASB Codification topic *Income Taxes*. *Income Taxes* clarifies the accounting for uncertainty in income taxes and requires the Organization to recognize in the financial statements the impact of a tax position taken or expected to be taken in a tax return, if that position is more likely than not to be sustained under audit, based on the technical merits of the position. Management has assessed the tax positions of the Organization and determined that no positions exist that require adjustment or disclosure in the financial statements.

**OWEN/COX DANCE GROUP
NOTES TO FINANCIAL STATEMENTS - CONTINUED
AUGUST 31, 2015**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2015</u>	<u>2014</u>
Kansas City Dance Festival	\$ 20,539	\$ 25,115

Net assets of \$4,576 were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by the donors as follows:

	<u>2015</u>	<u>2014</u>
Capacity Grant	\$ -	\$ 6,500
Education and Awareness Programs	-	2,398
Kansas City Dance Festival	4,576	99,442
Take the Stage	-	3,700
Bach Aria	-	5,000
Memory Palace	-	22,250
Total	<u>\$4,576</u>	<u>\$139,290</u>

NOTE 4 – SPECIAL EVENT – KANSAS CITY DANCE FESTIVAL

The Owen/Cox Dance Group sponsored a special event for an organization known as the Kansas City Dance Festival during 2015 and 2014. The revenue and expenses for the event are reflected as temporarily restricted funds at August 31, 2015 and August 31, 2014. An event is planned in fiscal 2016 for which the funds will be used.

OWEN/COX DANCE GROUP
NOTES TO FINANCIAL STATEMENTS - CONTINUED
AUGUST 31, 2015

NOTE 5 – PRIOR PERIOD ADJUSTMENT - 2014

During fiscal 2014, the Organization converted from the cash basis of accounting (not in accordance with Generally Accepted Accounting Principles) to the accrual method of accounting (in accordance with Generally Accepted Accounting Principles). Certain expenses paid in fiscal 2014 were incurred during fiscal 2013. These expenses have been charged to 2013 by reducing the net assets at August 31, 2013 as follows;

Net Assets, August 31, 2013, as reported	\$ 46,823
Expense Paid in Fiscal 2014 for 2013	<u>(6,434)</u>
Adjusted Net Assets, August 31, 2013	<u>\$ 40,389</u>

NOTE 6 – SUBSEQUENT EVENTS

FASB ASC 855, *Subsequent Events*, provides guidance on management's assessment of subsequent events and clarifies that management must evaluate, as of each reporting period, events or transactions that occur after the Statement of Financial Position date through the date that the financial statements are issued, or are available to be issued. Management has evaluated events and transactions for subsequent events disclosures occurring after August 31, 2015, through November 30, 2015, the date the financial statements were available to be issued.