



**OWEN/COX DANCE GROUP**

**AUDITED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED AUGUST 31, 2016 and 2015**

Accounting Solutions Group, LLC  
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**OWEN/COX DANCE GROUP**

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## Independent Auditor's Report

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

We have audited the accompanying financial statements of Owen/Cox Dance Group (a nonprofit organization), which comprise the statement of financial position as of August 31, 2016, 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.

### **Opinion**

In our 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, 2016, 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 Supplemental Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Statement of Functional Expenses on page 6 is presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### **Prior Period Financial Statements**

The financial statements as of August 31, 2015, were audited by Bruce D. Culley, C.P.A., P.C., who was acquired by Accounting Solutions Group, LLC as of June 6, 2016, and whose report dated November 30, 2015, expressed an unmodified opinion on those statements.

*Accounting Solutions Group LLC*

Accounting Solutions Group, LLC

March 6, 2017  
Kansas City, Missouri

**OWEN/COX DANCE GROUP**  
**STATEMENTS OF FINANCIAL POSITION**  
**For The Years Ended August 31, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 38,123	\$ 34,075
Accounts Receivable	-	25,819
Prepaid Expenses	-	<u>2,793</u>
Total Assets	<u>\$ 38,123</u>	<u>\$ 62,687</u>
 <b>Current Liabilities</b>		
Accounts Payable	\$ 1,672	\$ 2,760
Deferred Revenue	-	32,309
Accrued Wages Payable	16,250	10,000
Payroll Taxes Payable	<u>1,559</u>	<u>1,171</u>
Total Current Liabilities	19,481	46,240
 <b>Net Assets</b>		
Temporarily Restricted	\$ 20,350	\$ 20,539
Unrestricted	<u>(1,708)</u>	<u>(4,092)</u>
Total Net Assets	<u>18,642</u>	<u>16,447</u>
Total Liabilities and Net Assets	<u>\$ 38,123</u>	<u>\$ 62,687</u>

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

**OWEN/COX DANCE GROUP**  
**STATEMENT OF ACTIVITIES**  
**For The Year Ended August 31, 2016**

	Owen Cox <u>Unrestricted</u>	KCDF Temporarily <u>Restricted</u>	Other Temporarily <u>Restricted</u>	<u>Total</u>
<b>REVENUE AND SUPPORT</b>				
Contributions and Grants				
Foundations	\$ 64,500	\$ 47,598	\$ 8,800	\$ 120,898
Individuals	71,049	-	-	71,049
Government	-	3,321	18,388	21,709
Corporations	6,300	-	-	6,300
Special Events - Schools	49,088	-	20,500	69,588
Fundraising Events	10,238	-	-	10,238
Ticket Sales	26,861	-	-	26,861
Touring - Performance	6,438	-	-	6,438
Other Earned Income	2,640	-	-	2,640
Advertising	715	-	-	715
Other Income	964	-	-	964
In- Kind	<u>14,180</u>	<u>-</u>	<u>-</u>	<u>14,180</u>
Total Revenue and Support	252,973	50,919	47,688	351,580
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>				
Restrictions Satisfied by Payments	<u>98,796</u>	<u>(59,108)</u>	<u>(39,688)</u>	<u>-</u>
Total Revenues	351,769	(8,189)	8,000	351,580
<b>EXPENSES</b>				
Program Service				
Artistic, Education and Production	301,862	-	-	301,862
Supporting Services				
Administrative and General	29,422	-	-	29,422
Fundraising	<u>18,101</u>	<u>-</u>	<u>-</u>	<u>18,101</u>
Total Expenses	<u>349,385</u>	<u>-</u>	<u>-</u>	<u>349,385</u>
Increase in Net Assets	2,384	(8,189)	8,000	2,195
Net Assets, Beginning of Year	<u>(4,092)</u>	<u>20,539</u>	<u>-</u>	<u>16,447</u>
Net Assets, End of Year	<u>\$ (1,708)</u>	<u>\$ 12,350</u>	<u>\$ 8,000</u>	<u>\$ 18,642</u>

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

**OWEN/COX DANCE GROUP**  
**STATEMENT OF ACTIVITIES**  
**For The Year Ended August 31, 2015**

	Owen Cox <u>Unrestricted</u>	KCDF Temporarily <u>Restricted</u>	Other Temporarily <u>Restricted</u>	<u>Total</u>
<b>REVENUE AND SUPPORT</b>				
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
	<u>323,331</u>	<u>-</u>	<u>-</u>	<u>323,331</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>				
Restrictions Satisfied by Payments	4,576	(4,576)	-	-
Total Revenues	327,907	(4,576)	-	323,331
<b>EXPENSES</b>				
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	<u>342,989</u>	<u>-</u>	<u>-</u>	<u>342,989</u>
Increase in Net Assets	(15,082)	(4,576)	-	(19,658)
Net Assets, Beginning of Year	<u>10,990</u>	<u>25,115</u>	<u>-</u>	<u>36,105</u>
Net Assets, End of Year	<u>\$ (4,092)</u>	<u>\$ 20,539</u>	<u>\$ -</u>	<u>\$ 16,447</u>

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

**OWEN/COX DANCE GROUP**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For The Year Ended August 31, 2016**

	Program Service	Administrative and General	Fundraising	Total Expenses
Salaries	\$ -	\$ 13,344	\$ -	\$ 13,344
Payroll Taxes	1,985	1,308	-	3,293
Advertising and Marketing	10,388	258	9	10,655
Workers Compensation	1,331	2,337	-	3,668
Production Expense				
Box Office Fees	3,248	-	-	3,248
Choreographer	12,900	-	-	12,900
Costumes	5,546	-	-	5,546
Dancer Housing	3,354	-	-	3,354
Equipment Rental	318	-	-	318
Other Production Expenses	3,146	-	-	3,146
Rent	4,848	-	-	4,848
Sound Technician	1,000	-	-	1,000
Stage Manager	2,600	-	-	2,600
Technical Crew	5,070	-	-	5,070
Transport and Trucking	117	-	-	117
Travel	25,687	-	-	25,687
Artistic Expenses				
Artistic Director	34,500	-	-	34,500
Composer	4,085	-	-	4,085
Dancers	87,000	-	-	87,000
Lighting Design	4,450	-	-	4,450
Musicians	8,340	-	-	8,340
Rehearsal Assistance	2,020	-	64	2,084
Set Design	820	-	-	820
Youth Education Program Expense	68,528	-	-	68,528
Fundraising Expenses	1,787	385	5,057	7,229
In-Kind Expense	1,773	174	12,587	14,534
Liability Insurance	1,278	-	-	1,278
Miscellaneous	30	-	-	30
Occupancy	256	3,250	-	3,506
Office Expenses	1,907	889	384	3,180
Professional Fees	3,550	7,477	-	11,027
	<u>3,550</u>	<u>7,477</u>	<u>-</u>	<u>11,027</u>
 Total Expenses	 <u>\$ 301,862</u>	 <u>\$ 29,422</u>	 <u>\$ 18,101</u>	 <u>\$ 349,385</u>

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

**OWEN/COX DANCE GROUP**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For The Year Ended August 31, 2015**

	Program Service	Administrative and General	Fundraising	Total Expenses
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				
Box Office Fees	4,623	-	-	4,623
Choreographer	6,150	-	-	6,150
Costumes	7,373	-	-	7,373
Dancer Housing	4,540	-	-	4,540
Equipment Rental	630	-	-	630
Other Production Expenses	2,147	-	60	2,207
Rent	14,340	-	-	14,340
Sound Technician	1,880	-	60	1,940
Stage Manager	3,350	-	-	3,350
Technical Crew	12,058	-	-	12,058
Transport and Trucking	454	-	-	454
Travel	15,543	-	-	15,543
Artistic Expenses				
Artistic Director	31,500	-	-	31,500
Composer	2,800	-	-	2,800
Dancers	67,980	-	-	67,980
Lighting Design	5,367	-	-	5,367
Musicians	17,010	-	-	17,010
Rehearsal Assistance	5,570	-	30	5,600
Set Design	2,475	-	-	2,475
Youth Education Program Expense	48,989	-	-	48,989
Fundraising Expenses	490	337	8,063	8,890
In-Kind Expense	1,954	-	18,814	20,768
Liability Insurance	864	1,492	-	2,356
Miscellaneous	2	10	-	12
Occupancy	-	2,015	-	2,015
Office Expenses	1,193	1,841	368	3,402
Professional Fees	2,525	10,277	-	12,802
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </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 CASH FLOWS**  
**For The Years Ended August 31, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$ 2,195	\$ (19,658)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities		
Current Assets (Increase) Decrease		
Accounts Receivable	25,819	(16,140)
Prepaid Expenses	2,793	5,744
Current Liabilities Increase (Decrease)		
Accounts Payable	(1,088)	395
Deferred Revenue	(32,309)	32,309
Accrued Wages Payable	6,250	10,000
Payroll Taxes Payable	388	(3,411)
Net Cash Provided (Used) by Operating Activities	<u>4,048</u>	<u>9,239</u>
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	4,048	9,239
Cash and Cash Equivalents, Beginning of Year	<u>34,075</u>	<u>24,836</u>
Cash and Cash Equivalents, End of Year	<u>\$ 38,123</u>	<u>\$ 34,075</u>

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

**OWEN/COX DANCE GROUP**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2016**

**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 – SIGNIFICANT ACCOUNTING POLICIES**

*Basis of Accounting*

The Organization uses the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when incurred. Expenditures for property and equipment are reflected as increases in assets and then depreciated.

Under accounting standards for not-for-profit organizations, net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

*Unrestricted Net Assets* – Net assets that are not subject to donor-imposed stipulations.

*Temporarily Restricted Net Assets* – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

*Permanently Restricted Net Assets* – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes. The Organization has no permanently restricted net assets.

**OWEN/COX DANCE GROUP**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**August 31, 2016**

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

*Income Taxes*

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Organization is exempt from State income tax under a similar provision of state law. As of August 31, 2016, no amounts have been recognized for uncertain income tax positions. The Organization's returns for the 2013 fiscal year and forward are subject to the usual review by the appropriate authorities.

*Cash and Cash Equivalents*

For purposes of the statements 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. At August 31, 2016, the Organization had no cash equivalents.

*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.

*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, 2016**

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

*Accrual Wages Payable*

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

*Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

*Reclassifications*

Certain items previously reported in the prior year consolidated statements of financial position and statement of activities have been reclassified to conform to the current financial statement presentation.

*Subsequent Events*

Subsequent events have been evaluated through March 6, 2017, which is the date the financial statements were issued.

*Functional Allocation of Expenses*

The costs of providing the various programs, fundraising and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the program, administrative and general and fundraising activities benefited.

**NOTE 3 – 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 2016 and 2015. The revenue and expenses for the event are reflected as temporarily restricted funds at August 31, 2016 and 2015. An event is planned in fiscal 2017 for which the funds will be used.

**OWEN/COX DANCE GROUP**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**August 31, 2016**

**NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. The following purpose restrictions were accomplished during the years ended August 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Kansas City Dance Festival	\$ 59,108	\$ 4,576
Take The Stage	12,500	-
Soldiers Tale	1,800	-
MAC Grant	10,888	-
Kurt Weill	9,500	-
Great Friends	<u>5,000</u>	<u>-</u>
Total	<u>\$ 98,796</u>	<u>\$ 4,576</u>

At the years ended August 31, 2016 and 2015 the following amounts were temporarily restricted:

	<u>2016</u>	<u>2015</u>
Kansas City Dance Festival	\$ 12,350	\$ 20,539
Take The Stage	<u>8,000</u>	<u>-</u>
Total	<u>\$ 20,350</u>	<u>\$ 20,539</u>