



East Side
1500 NE Irving St., Ste 440
Portland, OR 97232

Accounting (503) 233-1133
Wealth Management (503) 430-0563
www.crossfinancialmgmt.com

West Side
16100 NW Cornell Rd., Ste 240
Beaverton, OR 97006

November 18, 2025

To the Board of Directors
Portland Jazz Festival, Inc.
c/o Atif Zaman, Board President
2839 SW 2nd Ave, Ste B
Portland, OR 97201

Dear Mr. Zaman:

Enclosed is one bound copy of the financial statements of Portland Jazz Festival, Inc. for the year ended June 30, 2025. Additional copies may be requested at any time.

Thank you for your cooperation.

Very truly yours,

A handwritten signature in black ink, appearing to read "Tommy" or similar, written over a horizontal line.

Cross Financial

TBV:ds

WPCS\6418\Portland Jazz Festival, Inc.\Financial Statements 6-30-25

PORTLAND JAZZ FESTIVAL, INC.

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

PORTLAND JAZZ FESTIVAL, INC.

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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Independent Accountants' Review Report

To the Board of Directors of
Portland Jazz Festival, Inc.
Portland, Oregon

We have reviewed the accompanying financial statements of Portland Jazz Festival, Inc. (a non-profit organization), which comprise the statement of assets, liabilities, and net assets – tax basis as of June 30, 2025, and the related statement of support, revenues, expenses, and changes in net assets without donor restrictions – tax basis, and statement of functional expenses – tax basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the tax basis of accounting; this includes determining that the tax basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the tax basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Portland Jazz Festival, Inc., and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Independent Accountants' Review Report
(continued)

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the tax basis of accounting.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the tax basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Bottaini, Gallucci & O'Hanlon, P.C.

Bottaini, Gallucci & O'Hanlon, PC
DBA Cross Financial
Portland, Oregon
November 18, 2025

PORTLAND JAZZ FESTIVAL, INC.

**STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS
TAX BASIS**

JUNE 30, 2025

ASSETS

Current assets	
Cash	\$ 512,051
Grants and sponsorships receivable	268,112
Deposits and prepaid expenses	6,905
Total current assets	787,068
Property and equipment	7,761
Less accumulated depreciation	(7,387)
Net property and equipment	374
Non-current assets	
Grants and sponsorships receivable	80,000
Total non-current assets	80,000
Total assets	\$ 867,442

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable	\$ 10,150
Deferred revenue	346,000
Total current liabilities	356,150
Net assets	
Net assets without donor restrictions	511,292
Total liabilities and net assets	\$ 867,442

See Accompanying Notes and Independent Accountants' Review Report.

PORTLAND JAZZ FESTIVAL, INC.

**STATEMENT OF SUPPORT, REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS
TAX BASIS**

YEAR ENDED JUNE 30, 2025

Support and revenues	
Ticket sales	\$ 671,095
Grants and sponsorships	420,221
Memberships	75,869
Interest income	8,901
In-kind contributions	7,433
Cash donations	5,318
Other income	740
	<hr/>
Total support and revenues	1,189,577
	<hr/>
Expenses	
Program services	1,321,825
Management and general	78,751
Fundraising	40,785
	<hr/>
Total expenses	1,441,361
	<hr/>
Change in net assets without donor restrictions	(251,784)
Net assets without donor restrictions, beginning of the year	763,076
	<hr/>
Net assets without donor restrictions, end of the year	<u>\$ 511,292</u>

See Accompanying Notes and Independent Accountants' Review Report.

PORTLAND JAZZ FESTIVAL, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
TAX BASIS**

YEAR ENDED JUNE 30, 2025

	Program Services	Management and General	Fundraising	Total
Artist fees	\$ 543,234			\$ 543,234
Event expenses	294,397			294,397
Wages and salaries	173,979	\$ 23,197	\$ 34,796	231,972
Advertising and promotion	108,938			108,938
Artistic director fees	80,000			80,000
Meetings	29,919	279		30,198
Payroll taxes	18,303	2,441	3,661	24,405
Travel and lodging	18,754	58		18,812
Insurance	9,390	7,230		16,620
Professional services	1,000	14,538		15,538
Employee health insurance	11,638	1,552	2,328	15,518
Event venue rental	12,983			12,983
Membership	2,177	10,627		12,804
Office rent		10,758		10,758
Equipment lease	7,950			7,950
Website hosting and design	7,159			7,159
Utilities		6,036		6,036
Dues and subscriptions		2,073		2,073
Supplies	1,076	1,315		2,391
Music licenses	928			928
Bank fees		602		602
Depreciation		249		249
Taxes and business licenses		(2,204)		(2,204)
	<u>\$ 1,321,825</u>	<u>\$ 78,751</u>	<u>\$ 40,785</u>	<u>\$ 1,441,361</u>

See Accompanying Notes and Independent Accountants' Review Report.

PORTLAND JAZZ FESTIVAL, INC.**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED JUNE 30, 2025****Note 1 – Nature of the Organization and Summary of Significant Accounting Policies**Nature of the Organization

The Portland Jazz Festival, Inc. (the Organization) was incorporated on April 7, 2004, as an Oregon not-for-profit organization. The mission is to evolve the art of jazz by engaging our community, celebrating live performance, and enhancing arts education. The Organization supports the development, growth, and enhancement of the performing arts by promoting live jazz entertainment and music education outreach in the Pacific Northwest. The Organization's marquee event, the annual Portland Jazz Festival, is a multi-venue series of jazz events presented each spring. The Organization is dedicated to curating performances at various venues across the Pacific Northwest throughout the year. A series of jazz education and outreach programs extends into Pacific Northwest schools and neighborhoods. Support is derived from ticket sales for the festival and other jazz events, sponsorship for the festival, individual donations, memberships, and grants.

Basis of Accounting

The accompanying financial statements have been prepared on the tax basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP).

The following are the more significant differences between that basis and GAAP:

As permitted for income tax reporting purposes, the Organization has not implemented all of the financial reporting requirements of GAAP. Specifically, the Organization records contributions and grants when they are received or pledged. Amounts granted but not yet recognized are recorded as deferred revenue in the amount that is expected to be received in the accompanying statement of assets, liabilities, and net assets – tax basis. Under GAAP, such contributions would be recorded as current year revenue. In addition, GAAP would require grants receivable expected to be collected in greater than one year to be recorded at their present value.

The Organization receives donated services that are not reflected in the accompanying financial statements. Under GAAP, the fair value of contributed services meeting certain requirements would be recognized as contributions and changes to net assets and expenses in the financial statements.

As permitted for income tax reporting purposes, operating leases are expensed on a straight-line basis over the term of the lease with no lease asset or liability recognized.

See Independent Accountants' Review Report.

PORTLAND JAZZ FESTIVAL, INC.**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED JUNE 30, 2025****Note 1 – Nature of the Organization and Summary of Significant Accounting Policies**
(continued)Basis of Accounting (continued)

The Organization uses accrual accounting as it more accurately reflects the income and matching of expenses. As a 501(c)(3) nonprofit, the Organization receives multi-year grant awards, but incurs a majority of the expenses throughout the year for the Portland Jazz Festival, which occurs during February each year.

Income Taxes

No provision for income taxes has been included in the financial statements because the Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from Oregon excise taxes under Oregon Revenue Statute 317.080(4). There was no unrelated business income for the fiscal year ended June 30, 2025. Management does not believe the Organization has any tax positions that do not meet the more likely than not criteria. The Organization did not record any penalties or interest related to its tax positions.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

These net asset classifications are described as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to or no longer subject to donor-imposed restrictions. Net assets without donor restrictions may be designated for specific purposes or locations by action of the Board of Directors.

Net Assets with Donor Restrictions – Net assets whose use is limited by donor-imposed purpose restrictions.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

The Organization had no donor restricted net assets as of June 30, 2025.

PORTLAND JAZZ FESTIVAL, INC.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

Note 1 – Nature of the Organization and Summary of Significant Accounting Policies
(continued)

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and demand deposits. The Organization considers all short-term investments with an original maturity of three months or less to be cash and cash equivalents.

Grants and Contributions Receivable

As the Organization enters into contracts for grants to be awarded in the future, grants receivable and deferred revenue are recorded. As of June 30, 2025, the Organization has a total of \$346,000 as deferred revenue. All receivables are expected to be collected so there is no allowance for bad debt. The following summarizes the future allocation of deferred revenue:

Year ending June 30,	
2026	\$ 266,000
2027	<u>80,000</u>
	<u>\$ 346,000</u>

Property and Equipment

Property and equipment are stated at cost when purchased or at the original estimated fair market value at the date of donation for items given to the Organization. Property and equipment consist of computer equipment and furniture. Depreciation is computed on the double declining balance method over the estimated useful lives of the respective assets, which ranges from 3 to 7 years. Repairs and maintenance of assets are expensed as incurred. The Organization capitalizes property and equipment with a cost of \$500 or more, and a useful life of more than two years. Depreciation expense for the year ended June 30, 2025, was \$249.

Compensated absences

Certain employees are entitled to paid vacation, sick days, and personal days off. As of June 30, 2025, the estimated liability for accrued compensated absences is \$15,142. The estimate is based on vacation hours available and current pay rates. As allowed by the tax basis of accounting, the Organization's policy is to recognize the costs of compensated absences when actually paid, and no liability has been recorded in the accompanying financial statements

See Independent Accountants' Review Report.

PORTLAND JAZZ FESTIVAL, INC.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

Note 1 – Nature of the Organization and Summary of Significant Accounting Policies
(continued)

Donated Services and Materials

The Organization records various types of in-kind support including materials and other tangible assets as contributions at their fair values at the date of donation. Contributed services, travel, and lodging are not recognized in the financial statements. Individuals volunteer their time and perform a variety of tasks that assist the Organization including fundraising, ticket sales, festival operations and office procedures. Although of great value to the Organization, these services have not been recorded nor recognized in the financial statements. Support that meets the recognition criteria are reflected in the accompanying financial statements as in-kind contributions and offset by like amounts included in expenses.

The following contributions for donated services and materials have been recorded to the Organizations books for internal tracking. All but the amount recorded for hospitality have been excluded from the financial statements to be in compliance with the tax basis of accounting:

Advertising	\$ 218,472
Hotel	33,904
Hospitality	7,433
Other	<u>4,500</u>
Total in-kind contributions	<u>\$ 264,309</u>

Contributions, Grants and Sponsorships

All contributions, grants, and sponsorships are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods are reported as deferred revenue. Amounts received that are restricted by the donor for specific purposes are reported as increases in net assets with donor restrictions. When the purpose is achieved, the net assets are reclassified to net assets without donor restrictions and reported in the statements of support, revenues, and expenses as net assets released from restrictions. However, if restrictions on contributions are met in the same reporting period as the contributions are received, the revenues are reported as increases in net assets without donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with the tax basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

PORTLAND JAZZ FESTIVAL, INC.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

Note 1 – Nature of the Organization and Summary of Significant Accounting Policies
(continued)

Advertising and Promotion

Advertising costs are expensed when incurred. Advertising and promotional costs for the year ended June 30, 2025, were \$108,938.

Functional Allocation of Expenses

Expenses consist of costs related to providing various program services and administrative functions. These costs have been summarized on a functional basis in the statement of revenue and expenses without donor restrictions. Costs are directly charged to the functions they benefit. Shared costs have been allocated among programs and supporting services, with the allocations made based on management's calculation of relative benefit.

Note 2 – Concentration of Credit Risk

The Organization maintains cash balances in a financial institution located in the Portland Metropolitan area, which is insured by Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2025, the Organization had cash balances in excess of the FDIC insurance limits of \$263,943.

Note 3 – Liquidity and Availability of Financial Assets

The Organization is primarily funded by ticket sales, cash contributions and grants, sponsorships, and memberships. Donations are provided without donor restrictions, and funds are therefore available for general expenditures.

The Organization's financial assets at June 30, 2025, consisted of cash and current receivables as follows:

Cash and cash equivalents	\$ 512,051
Grants and sponsorships receivable	<u>268,112</u>
Available for the coming year	<u>\$ 780,163</u>

The full amount is available to support general expenditures for the coming year, as there are no restricted funds.

See Independent Accountants' Review Report.

PORTLAND JAZZ FESTIVAL, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

Note 4 – Operating Leases

On June 5, 2023, the Organization entered into a 36-month lease agreement for new office space. The lease began July 1, 2024, with a monthly base rent of \$900, plus tenant share of property expenses. The lease expires on June 30, 2026, with one two-year option to renew. Total rent expense for the year ended June 30, 2025 was \$10,758.

The following summarizes the future minimum lease payment under the operating lease:

Year ending June 30,	
2026	<u>\$ 10,800</u>
	<u>\$ 10,800</u>

Note 5 – Subsequent Events

Management has evaluated subsequent events through November 18, 2025, the date on which the financial statements were available to be issued. Management is not aware of any subsequent events that require recognition or disclosure in the financial statements.