

OREGON BALLET THEATRE
AUDITED BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
(WITH AUDITOR'S REPORT THEREON)

OREGON BALLET THEATRE
PORTLAND, OREGON
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JUNE 30, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Oregon Ballet Theatre

We have audited the accompanying financial statements of Oregon Ballet Theatre (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, 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 Oregon Ballet Theatre as of June 30, 2015, 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 4 is presented for purposes of additional analysis and is 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.



Gregg S. Bossen, CPA, PC
Atlanta, Georgia
December 7, 2015

OREGON BALLET THEATRE
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015

	<u>ASSETS</u>			
	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
CURRENT ASSETS:				
Cash and Cash Equivalents	\$153,210	\$41,125	\$56,923	\$251,258
Grants Receivable	40,000	246,000		286,000
Pledges Receivable	25,206			25,206
Other Receivables	11,068			11,068
Inventory	22,341			22,341
Prepaid Expenses	21,871			21,871
Total Current Assets	<u>273,696</u>	<u>287,125</u>	<u>56,923</u>	<u>617,744</u>
LONG-TERM FIXED ASSETS:				
Long-Term Fixed Assets at Cost				
Less Accumulated Depreciation of \$2,279,555	<u>2,322,066</u>			<u>2,322,066</u>
Total Long-Term Fixed Assets	<u>2,322,066</u>			<u>2,322,066</u>
OTHER ASSETS:				
Performance Rights & Loan Fees				
Less Accumulated Amortization of \$275,146	80,832			80,832
Security Deposit	21,463			21,463
Total Other Assets	<u>102,295</u>			<u>102,295</u>
TOTAL ASSETS	<u>\$2,698,057</u>	<u>\$287,125</u>	<u>\$56,923</u>	<u>\$3,042,105</u>
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES:				
Accounts Payable and Accrued Expenses	\$252,322			\$252,322
Credit Card Payable	4,246			4,246
Line of Credit	10,000			10,000
Costume Rental Deposits	10,000			10,000
Deferred Revenue	760,291			760,191
Notes Payable – Short-term portion	111,132			111,132
Total Current Liabilities	<u>1,147,991</u>			<u>1,147,891</u>
LONG-TERM LIABILITIES:				
Notes Payable – Long-term portion	1,827,655			1,827,655
Total Long-Term Liabilities	<u>1,827,655</u>			<u>1,827,655</u>
NET ASSETS:	<u>(277,589)</u>	<u>287,125</u>	<u>56,923</u>	<u>66,459</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$2,698,057</u>	<u>\$287,125</u>	<u>\$56,923</u>	<u>\$3,042,105</u>

See Auditor's Report and Notes to Financial Statements

OREGON BALLET THEATRE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
PUBLIC SUPPORT & REVENUE:				
Public Support:				
Foundation and Trust Grants	\$744,280	\$259,500	\$-0-	\$1,003,780
State and Local				
Government Grants	204,932			204,932
Corporate Grants	8,299	15,000		23,299
Individual and Corporate				
Contributions	600,125	2,625	3,296	606,046
Special Events Income, Net of Costs	143,071			143,071
In-Kind Contributions	10,048			10,048
Net Assets, Restrictions Met	<u>204,075</u>	<u>(204,075)</u>		
Total Public Support	<u>1,914,830</u>	<u>73,050</u>	<u>3,296</u>	<u>1,991,176</u>
Other Revenue:				
Ticket Sales	3,136,120			3,136,120
School Income	669,129			669,129
Warehouse Income	151,241			151,241
Vendor Discounts & Refunds	56,063			56,063
Outreach Income	38,150			38,150
Touring Income	22,500			22,500
Parking & Space Rental Income	15,905			15,905
Costumes Income, Net of Costs	4,891			4,891
Boutique & Concession, Net of Costs	5,486			5,486
Miscellaneous Income	2,320			2,320
Interest Income	<u>6</u>			<u>6</u>
Total Other Revenue	<u>4,101,811</u>	<u>-0-</u>	<u>-0-</u>	<u>4,101,811</u>
Total Public Support and Revenue	<u>6,016,641</u>	<u>73,050</u>	<u>3,296</u>	<u>6,092,987</u>
EXPENSES:				
Programs:				
Productions	4,022,036			4,022,036
School	513,522			513,522
Outreach	201,669			201,669
Management & General	906,791			906,791
Fundraising	434,014			434,014
Total Expenses	<u>6,078,032</u>	<u>-0-</u>	<u>-0-</u>	<u>6,078,032</u>
CHANGE IN NET ASSETS	<u>(\$61,391)</u>	<u>\$73,050</u>	<u>\$3,296</u>	<u>\$14,955</u>

See Auditor's Report and Notes to Financial Statements

OREGON BALLET THEATRE
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015

	PROGRAMS			MANAGEMENT & GENERAL	FUNDRAISING	TOTAL
	PRODUCTIONS	SCHOOL	OUTREACH			
Salaries & Wages	\$1,310,385	\$266,519	\$111,050	\$333,148	\$199,889	\$2,220,991
Artistic Expenses	593,595	3,800		3,589		\$600,984
Fringe Benefits	348,605	70,903	29,543	88,628	53,177	\$590,856
Marketing	429,449	10,062	569	481	14,322	\$454,883
Merchant & Credit Card Fees	305,202	21,903		7,731	68,782	\$403,618
Production Costs	391,969	2,286		1,511	3,141	\$398,907
Contracted Services	142,794	18,011	3,992	103,398	17,841	\$286,036
Payroll Tax Expense	162,981	33,149	13,812	41,435	24,862	\$276,239
Depreciation & Amortization	87,541	21,885	21,885	65,655	21,885	\$218,851
Space & Studio Rental Fees	73,652	1,675		17,450	330	\$93,107
Bad Debts Expense				82,472		\$82,472
Interest	32,790	8,198	8,198	24,593	8,198	\$81,977
Supplies	29,214	7,906	170	31,754	8,808	\$77,852
Utilities	24,868	6,359	6,359	17,859	6,359	\$61,804
Postage and Delivery	40,520	409	262	4,256	393	\$45,840
Insurance	14,046	3,510	3,510	10,532	3,510	\$35,108
Travel	19,988	6,330	483	5,204	484	\$32,489
Information Technology				23,714		\$23,714
Summer Housing		22,605				\$22,605
Repairs and Maintenance	5,041	390		14,242		\$19,673
Registrations, Licenses & Permits	6,603	202		1,852	665	\$9,322
Copier Fees				8,718		\$8,718
Printing & Copying	2,675	736	733	3,104	733	\$7,981
Equipment Rental	118			5,775		\$5,893
Scholarships & Assistance		5,639				\$5,639
Dues & Subscriptions		1,045	153	3,011	190	\$4,399
Parking Space and Storage				2,804	250	\$3,054
Bank Service Charges				1,240		\$1,240
Investment Fees				1,554		\$1,554
Staff Training & Development			950	50	195	\$1,195
Miscellaneous				1,031		\$1,031
TOTAL EXPENSES	\$4,022,036	\$513,522	\$201,669	\$906,791	\$434,014	\$6,078,032

See Auditor's Report and Notes to Financial Statements

OREGON BALLET THEATRE
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2015

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
BALANCE, JUNE 30, 2014	(\$216,198)	\$214,075	\$53,627	\$51,504
CHANGE IN NET ASSETS	(61,391)	73,050	3,296	14,955
BALANCE, JUNE 30, 2015	<u>(\$277,589)</u>	<u>\$287,125</u>	<u>\$56,923</u>	<u>\$66,459</u>

See Auditor's Report and Notes to Financial Statements

OREGON BALLET THEATRE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in Net Assets	\$14,955
Adjustments to reconcile Excess to net cash provided by operating activities:	
Depreciation & Amortization	218,851
Decrease in Receivables	27,309
(Increase) in Inventory	(22,341)
Decrease in Prepaid expenses	65,506
(Increase) in Security Deposits	(18,964)
Increase in Payables	17,582
(Decrease) in Line of Credit	(60,000)
Increase in Costume Rental Deposits	10,000
Increase in Deferred Revenue	99,130
Net cash provided by operating activities	<u>352,028</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of Furniture & Equipment	(13,938)
Purchase of Costumes	<u>(52,526)</u>
Net cash (used) by investing activities	<u>(66,464)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Principle payments on Notes payments	<u>(108,727)</u>
Net cash (used) by financing activities	<u>(108,727)</u>
NET CHANGE IN CASH	176,837
CASH AT JUNE 30, 2014	74,421
CASH AT JUNE 30, 2015	<u>\$251,258</u>

See Auditor's Report and Notes to Financial Statements

OREGON BALLET THEATRE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1: ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) Nature of organization and operations:

Oregon Ballet Theatre (OBT) is an Oregon nonprofit organization established in 1989 as the only full-time operating ballet company in the Portland metropolitan region. The ballet company performs an annual season of four programs and also conducts regional and national tours. Through its many programs, OBT's continuing goal is to provide its constituency with performances, education, and training of the highest caliber. OBT's revenue and support are provided through a combination of contributions, grants, ticket sales and tuition.

For the year ended June 30, 2015, OBT operated the following programs:

(i) **Productions** - Annual presentations of the resident professional ballet company and guest artists in a series of subscription and single ticket performances.

(ii) **School** - Professional training for dancers interested in a career in ballet and dance instruction for individuals of all ages. The school also serves as a training ground for dancers entering the ballet company.

(iii) **Educational Outreach** – Participation in the Young Audiences and other programs through presentation of dance performances and education in dance for school children.

(B) Basis of Presentation:

These financial statements are presented on the accrual basis of accounting in accordance with generally accepted accounting principles. These statements reflect application of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under these standards, all contributions are immediately recognized as revenue as soon as pledged (or if not pledged when received) regardless of any restrictions on use placed by the contributor. The basic financial statements are then shown divided into three net assets groups. These are:

Unrestricted Net Assets:

All assets who either have no imposed restrictions on use or whose restrictions have been met by June 30, 2015.

Temporarily Restricted Net Assets:

All contributions by foundations, corporations and individuals with restrictions on use that have not been met by June 30, 2015.

Permanently Restricted Net Assets:

All contributions with permanent restrictions on use that, by definition, will never be met.

See Auditor's Report

OREGON BALLET THEATRE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
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NOTE 1: ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(C)Support and Revenues:

Federal, State and Local Government Grants:

Support from these sources is recognized in the accounting period in which the grants are earned.

Foundations Grants:

Support from these sources is recognized in the accounting period in which the grants are pledged (or if not pledged, when received).

Individual and Corporate Contributions:

Revenue from this source is recognized in the accounting period during which the contribution is pledged (or if not pledged, when received).

(D)Fixed Assets:

OBT follows the practice of capitalizing, at cost, all eligible expenditures for fixed assets. Depreciation is computed on the straight line method as follows:

Furniture & Equipment	3, 5, 7 and 10 years
Costumes	3, 5 and 10 years
Sets	3, 5, 7 and 10 years
Building Improvements	3, 5 and 39 years
Building	39 years

(E)Other Assets:

OBT follows the practice of capitalizing, at cost, all eligible expenditures for other assets. Amortization is computed on the straight line method as follows:

Loan Fees	10 years
Performance Rights	2, 3, 5 and 10 years

(F)Income Taxes:

OBT is exempt from income taxes under Section 501 (c) (3) of the United States Internal Revenue Code and is classified as an organization which is not a private foundation under Section 509 (a) of the United States Internal Revenue Code. Donations to the organization qualify for the charitable contributions deduction. During the year ended June 30, 2015, OBT had no unrelated business income as defined by Section 512 of the Code and, therefore no provision for income tax is necessary.

OBT adopted the income standard related to the recognition and measurement of uncertain tax positions. The adoption of this standard had no financial statement effect for OBT. OBT is no longer subject to federal tax examinations for the years prior to 2011 and no longer subject to state income tax examinations for the years prior to 2011.

See Auditor's Report

OREGON BALLET THEATRE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
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NOTE 1: ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(G) Estimates:

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

(H) Donated Services:

Donated services are recognized at their estimated values at the date of service or donation. OBT received no material donated services during the year ended June 30, 2015. However, many individuals volunteer time and perform a variety of tasks that assist OBT with various administrative and program function. No amounts have been recorded in the financial statements to reflect these volunteers since they do not meet the criteria for recognition.

(I) Functional Allocation of Expenses:

OBT allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support services are allocated directly according to their natural expenditure classification. Indirect expenses have been allocated based primarily on salary expenditures.

(J) Concentration of Credit Risk:

OBT maintains bank accounts with financial institutions whose balances are insured by the Federal Deposit Insurance Corporation (FDIC) within limits. Periodically, bank account balances may exceed FDIC coverage. No credit risk is expected from uninsured deposits.

(K) Evaluation of Subsequent Events:

OBT has evaluated subsequent events through December 7, 2015, the date which the financial statements were available to be issued. None were found.

NOTE 2: LONG-TERM FIXED ASSETS

Depreciation is recorded on a straight line basis over the estimated useful lives of the assets. At June 30, 2015, the value of such assets is as follows:

Building and Improvements	\$3,245,512
Furniture and Equipment	579,185
Sets	417,221
Costumes	346,338
Construction in Progress	13,365
Less: Accumulated Depreciation	<u>(2,279,555)</u>
Total Long-Term Fixed Assets	
At Cost, less Accumulated Depreciation	<u><u>\$2,322,066</u></u>

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OREGON BALLET THEATRE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
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NOTE 3: OTHER ASSETS

At June 30, 2015, the value of other assets is as follows:

Performance Rights	\$322,733
Loan Fees	33,245
Less: Accumulated Amortization	<u>(275,146)</u>
Total Other Assets	
less Accumulated Amortization	<u>\$80,832</u>

NOTE 4: NOTES PAYABLE

A summary of the 3 Notes Payable as of June 30, 2015 is as follows:

1st Note Payable to First Republic Bank

The note is due in monthly installments of \$10,539, including interest at 4.3 % for the first 84 months then payable at LIBOR plus 2.4%

The note is secured by the building and substantially all assets of the Organization and matures August 2022 at which time the final payment of approximately \$1,395,000 will be due.

\$1,794,633

2nd Note Payable to Portland 5 Center for the Arts

The note is due in monthly installments of \$5,006 and does not bear interest, is unsecured and matures September 2017.

135,161

3rd Note Payable to City of Portland

The note is due in monthly installments of \$220 including interest at 6%. The note is secured by the building and matures April 2019.

8,993

Total Notes Payable	1,938,787
Less Current Portion	<u>(111,132)</u>
Notes Payable,	
Excluding Current Portion	<u>\$1,827,655</u>

NOTE 5: LINE OF CREDIT

OBT has an \$800,000 line of credit with First Republic Bank. Interest is payable monthly on the outstanding balance at 4.5%. The line of credit is secured by the building and substantially all other assets of the Organization and matures on January 31, 2016. The line of credit contains certain restrictive covenants. Advances on the line at June 30, 2015 totaled \$10,000.

See Auditor's Report

OREGON BALLET THEATRE
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2015
 -continued

NOTE 6: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at June 30, 2015:

General Operating Support for 2016 to 2018	\$246,000
Fiscal year 2015/2016 Productions	<u>41,125</u>
Total Temporarily restricted net assets	<u><u>\$287,125</u></u>

NOTE 7: PERMANENTLY RESTRICTED NET ASSETS - ENDOWMENT

The Organization’s endowment consists of donor-restricted funds established to sustain future programs. As required by U.S. generally accepted accounting principles (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Trustees of the Organization has interpreted Oregon’s enacted Uniform Prudent Management of Institutional Funds Act (UPMIFA or the Act) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Organization classifies as permanently restricted net assets (s) the original value of gifts donated to the permanent endowment (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the directions of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence restricted by the Act. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The investment policies of the Organization

Endowment net assets include only donor-restricted net assets at June 30, 2015. Changes in endowment net assets for the year ended June 30, 2015 are as follows:

Endowment net assets – beginning of year	\$53,627
Contributions	<u>3,296</u>
Endowment net assets – end of year	<u><u>\$56,923</u></u>

As of June 30, 2015, the Organization has not implemented policies for investment and appropriating for spending as the funds have not reached the level desired to begin investment planning and spending.

OREGON BALLET THEATRE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
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NOTE 8: DEFERRED REVENUE

Deferred revenue represents amounts collected in advance for summer school tuition, tickets sales for the next year's performance season, costume income for the next year's performance season and income received for next year's ATM bank rental fees which are detailed below for the year ended June 30, 2015:

2015/2016 Season Ticket Sales	\$412,801
Summer School Tuition	342,190
2015/2016 Costume Income	5,000
2015/2016 ATM Bank Rental Income	<u>300</u>
Total In-Kind Contributions	<u><u>\$760,291</u></u>

In accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), deferred revenue is recorded as a current liability on the statement of financial position.

NOTE 9: LEASE AGREEMENTS

A) Warehouse & Storage Space Lease

On October 21, 2015, OBT entered into an operating lease agreement with Joseph R Josephs LLC for warehouse and storage space located at 2320 NW 21st Street, Portland, Multnomah County, Oregon. The 36-month lease starts on September 1, 2015 and expires on August 31, 2018. The monthly rental payments will be as follows:

9/1/15 to 8/31/16	\$4,000
9/1/16 to 8/31/17	5,334
9/1/17 to 8/31/18	6,627

B) Copier Lease

On June 19, 2014, OBT entered into an operating lease agreement with Pacific Office Automation for a copier. The lease term is 60 months with a monthly payment of \$671.

C) Postage Meter Lease

On January 13, 2012, OBT entered into an operating lease agreement with Pitney Bowes for a postage meter. The lease term is 57 months with a quarterly payment of \$960.

Total minimum future commitments under these above leases as of June 30, 2015 are as follows:

<u>For the year ended:</u>	
June 30, 2016	\$51,892
June 30, 2017	71,312
June 30, 2018	84,990
June 30, 2019	<u>21,306</u>
Total Future Minimum Lease Obligations	<u><u>\$229,500</u></u>

See Auditor's Report

OREGON BALLET THEATRE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
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NOTE 10: RELATED PARTY DISCLOSURE

For the year ended June 30, 2015, a board member, who is an employee at a company providing IT services to the Organization, was paid approximately \$18,854.

NOTE 11: IN-KIND CONTRIBUTIONS

The In-Kind Contributions revenue account consists of items contributed to the Organization that can be recorded in the statement of activities under the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) and are detailed below:

Marketing	\$8,336
Supplies	1,355
Contracted Services	250
Information Technology	<u>107</u>
Total In-Kind Contributions	<u><u>\$10,048</u></u>

NOTE 12: FUTURE SALE OF BUILDING

OBT entered into a purchase and sale agreement with MCRT Investments, LLC on October 6, 2014. The sale of the building is scheduled to close by December 18, 2015 and the net proceeds shall be invested in a separate building capital account. OBT has executed a lease agreement to accommodate its studios and office administration in the south waterfront area for a period of up to seven years with option to extend for an additional three years.

See Auditor's Report

OREGON BALLET THEATRE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
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NOTE 13: SPECIAL EVENT

OBT holds an annual gala event to raise awareness and funds from the community to support the organization's programming. The event, titled the *Cinderella Ball* coincided with our production of *Cinderella*, was held at The Exchange in February of 2015. The event was attended by over 250 and included a sit down dinner with performances by our company dancers and Artistic Director Kevin Irving, highlighting our programming for the upcoming 2015-2016 season. During the event, a silent and live and auction and separate paddle raise were held to raise funds for the organization with a special appeal from community leader and co-chair Jordan Schnitzer.

In accordance with generally accepted accounting principles, the special event income is shown net of expenses on the Statement of Activities and the specific revenues and costs are detailed below:

	<u>Annual Gala</u>
<u>Gala Income</u>	
Ticket Sales	12,750
Table Sales	55,500
Dancer Admission	3,750
Paddle Raise	127,400
Raffle Sales	10,400
Auction Sales	44,540
Donated Auction & Raffle Items	53,910
Donations	<u>3,100</u>
Total Gala Income	<u>311,350</u>
 <u>Gala Expenses</u>	
Donated Auction & Raffle Items	53,910
Food & Beverage	28,652
Contracted Services	29,082
Venue Rental Space Fee	18,891
Supplies	17,931
Marketing	7,854
Travel	6,507
Credit Card Fees	5,283
Printing	<u>169</u>
Total Expenses	<u>168,279</u>
 Special Event Income, Net of Expenses	 <u><u>\$143,071</u></u>

See Auditor's Report