

OREGON BALLET THEATRE

Financial Statements and
Independent Auditor's Report

For the Year Ended June 30, 2025

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Dougall Conradie LLC
Certified Public Accountants

Geoffrey Dougall, CPA
Heather Jackson, CPA
Richard Winkel, CPA
Members of AICPA & OSCPA

Independent Auditors' Report

To the Board of Directors
Oregon Ballet Theatre
Portland, Oregon

Opinion

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, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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, 2025, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Oregon Ballet Theatre and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Oregon Ballet Theatre's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Oregon Ballet Theatre's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Oregon Ballet Theatre's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

The summarized comparative information for Oregon Ballet Theatre presented herein as of and for the year ended June 30, 2024 was audited by other auditors, whose report dated October 20, 2024 expressed an unqualified opinion on those financial statements.

Dougall Conradi LLC

Portland, Oregon
October 23, 2025

OREGON BALLET THEATRE
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025
(With Comparative Totals for June 30, 2024)

	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,440,774	\$ 2,519,248
Investments	5,670,316	5,297,763
Grants and pledges receivable, current portion	342,312	797,635
Accounts receivable	194,557	34,276
Inventory	134,138	78,976
Deferred performance costs	63,000	32,500
Prepaid expenses and other assets	387,234	249,854
	9,232,331	9,010,252
Grants and pledges receivable, net of current portion	4,391	253,440
Right-to-Use lease asset	1,639,420	1,724,790
Capital assets, net of accumulated depreciation	201,830	133,256
	\$ 11,077,972	\$ 11,121,738
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses	\$ 128,050	\$ 147,022
Accrued liabilities	8,750	-
Payroll liabilities	124,731	132,625
Deferred revenues	1,388,101	1,016,007
Current portion of lease liability	349,549	260,866
	1,999,181	1,556,520
Lease liability, net of current portion	1,386,712	1,530,854
Fiscal agency payable - Artist Fund	14,910	23,237
	3,400,803	3,110,611
NET ASSETS		
Net assets without restrictions	1,548,834	1,933,537
Net assets without restrictions - board designated	5,670,316	5,297,763
Net assets with restrictions	458,019	779,827
	7,677,169	8,011,127
	\$ 11,077,972	\$ 11,121,738

The accompanying notes are an integral part of these financial statements

OREGON BALLET THEATRE
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

	2025		Total 2025	Total 2024
	Without Restrictions	With Restrictions		
Public support and revenues:				
Public support				
Grants and contributions	\$ 1,357,865	\$ 399,386	\$ 1,757,251	\$ 3,195,825
Contributions of non-financial assets	509,557	-	509,557	114,327
Special event income, net of costs	375,029	-	375,029	425,722
Net assets released from restriction	721,194	(721,194)	-	-
Total public support	2,963,645	(321,808)	2,641,837	3,735,874
Other revenue				
Ticket sales	4,352,634	-	4,352,634	4,322,095
Ticket handling fees	381,440	-	381,440	416,391
School income	1,506,573	-	1,506,573	1,536,993
Tour income	28,916	-	28,916	27,221
Rental income	49,236	-	49,236	58,273
Boutique and concessions, net of costs	138,362	-	138,362	110,216
Other revenue	36,197	-	36,197	63,052
Interest and investment income	458,130	-	458,130	463,187
Total other revenue	6,951,488	-	6,951,488	6,997,428
Total revenues	9,915,133	(321,808)	9,593,325	10,733,302
Expenses:				
Program services:				
Productions	7,185,609	-	7,185,609	6,955,766
School	1,467,703	-	1,467,703	1,470,931
Education and community engagement	225,710	-	225,710	202,246
Total program services	8,879,022	-	8,879,022	8,628,943
General and administrative	462,327	-	462,327	423,603
Fundraising	585,934	-	585,934	560,990
Total expenses	9,927,283	-	9,927,283	9,613,536
Change in net assets	(12,150)	(321,808)	(333,958)	1,119,766
Net assets, beginning of year	7,231,300	779,827	8,011,127	6,891,361
Net assets, end of year	<u>\$ 7,219,150</u>	<u>\$ 458,019</u>	<u>\$ 7,677,169</u>	<u>\$ 8,011,127</u>

The accompanying notes are an integral part of these financial statements

OREGON BALLET THEATRE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)
2025

	Program Services				Management and General	Fundraising	Total	2024 Total
	Productions	School	Education and Outreach	Total Program Services				
Salaries and wages	\$2,737,042	\$ 668,046	\$ 154,440	\$ 3,559,528	\$ 268,857	\$ 362,065	\$4,190,450	\$3,960,844
Fringe benefits	452,251	44,608	9,848	506,707	11,945	27,297	545,949	615,501
Payroll tax expense	289,991	70,101	16,238	376,330	26,605	36,649	439,584	422,224
Artistic expenses	652,101	6,990	-	659,091	140	-	659,231	815,954
Production costs	837,328	11,588	-	848,916	-	7,843	856,759	723,261
Space and studio rental expenses	335,751	112,958	8,517	457,226	16,781	17,395	491,402	479,131
Marketing	623,487	40,847	390	664,724	-	3,727	668,451	456,952
Merchant and credit card fees	419,233	51,579	1,189	472,001	328	7,046	479,375	503,247
Contracted services	208,391	46,248	2,715	257,354	16,754	37,180	311,288	421,408
Equipment rentals	34,329	10,838	1,798	46,965	2,484	2,981	52,430	104,331
Summer housing	-	140,619	-	140,619	-	-	140,619	131,280
Accounting and legal services	8,833	9,500	-	18,333	38,098	-	56,431	38,132
Travel	148,827	21,204	5,643	175,674	4,379	61	180,114	125,926
Utilities	65,889	25,957	5,162	97,008	8,971	6,858	112,837	101,894
Scholarships and assistance	-	105,433	-	105,433	-	-	105,433	138,541
Depreciation	31,437	14,945	744	47,126	1,465	1,519	50,110	49,402
Insurance	64,147	16,831	1,325	82,303	2,611	2,707	87,621	81,735
Registrations, licenses and permits	12,905	7,119	3,266	23,290	22,286	9,234	54,810	30,037
Information technology	17,489	8,072	5,381	30,942	5,007	5,381	41,330	36,313
Postage and delivery	36,419	1,808	649	38,876	5,761	626	45,263	46,272
Supplies	181,494	34,383	3,632	219,509	12,446	47,882	279,837	255,841
Repairs and maintenance	11,269	4,974	392	16,635	1,106	895	18,636	10,700
Dues and subscriptions	1,142	-	240	1,382	6,048	-	7,430	7,504
Recruitment costs	292	1,588	190	2,070	1,037	242	3,349	15,829
Miscellaneous	-	6,361	-	6,361	-	-	6,361	8,950
Printing and copying	2,558	1,098	732	4,388	1,164	3,104	8,656	12,871
Staff training and development	9,426	2,700	2,347	14,473	7,182	4,370	26,025	10,924
Interest	-	-	-	-	-	-	-	1,284
Data storage fees	3,578	1,308	872	5,758	872	872	7,502	7,248
	<u>\$7,185,609</u>	<u>\$1,467,703</u>	<u>\$ 225,710</u>	<u>\$ 8,879,022</u>	<u>\$ 462,327</u>	<u>\$ 585,934</u>	<u>\$9,927,283</u>	<u>\$9,613,536</u>

The accompanying notes are an integral part of these financial statements

OREGON BALLET THEATRE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ (333,958)	\$ 1,119,766
Depreciation expense	50,110	49,402
Net (gains) and losses on investments	(372,553)	(203,156)
Adjustments to reconcile change in assets and liabilities to net cash provided (used) by operating activities:		
Receivables	544,091	(681,901)
Inventory	(55,162)	(25,401)
Prepaid expenses	(137,380)	48,146
Deferred performance costs	(30,500)	1,833
Right-to-Use lease asset	85,370	353,441
Accounts payable and accrued expenses	(18,972)	(58,951)
Accrued liabilities	8,750	(640)
Payroll liabilities	(7,894)	(569)
Deferred revenues	372,094	7,536
Lease liability	(55,459)	(320,435)
Fiscal agency payable	(8,327)	(1,979)
	40,210	287,092
Cash flows from investing activities:		
Purchases of investments	-	(3,433,115)
Sale of investments	-	2,990,453
Purchases of capital assets	(118,684)	(62,611)
	(118,684)	(505,273)
Cash flows from financing activities:		
Payments on line of credit	-	(100,000)
	-	(100,000)
Net change in cash	(78,474)	(318,181)
Cash and cash equivalents, beginning of year	2,519,248	2,837,429
Cash and cash equivalents, end of year	\$ 2,440,774	\$ 2,519,248

The accompanying notes are an integral part of these financial statements

OREGON BALLET THEATRE
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE A – ORGANIZATION

Oregon Ballet Theatre (the “Organization”), a nonprofit corporation founded in 1989 in the State of Oregon as the only full-time operating ballet company in the Portland metropolitan area. The ballet company performs an annual season of four programs and also conducts regional and national tours. Through its many programs, the Organization’s continuing goal is to provide its constituency with performances, education and training of the highest caliber. The Organization receives funding from grants and contributions and through ticket sales to events and education tuition.

The Organization operates the following programs:

Productions – Annual presentations of the resident ballet company and guest artists in a series of subscription and single-ticket performances

School – Professional training for dancers interested in a career in ballet and dance instructions for individuals of all ages. The school also serves as a training ground for dancers entering the ballet company.

Education and community engagements – Participation in Young Audiences and other programs through the presentation of dance performances and education in dance for school children.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies applied in the preparation of the accompanying financial statements follows.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (“US GAAP”), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization 's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all short-term debt instruments purchased with an original maturity of three months or less to be cash equivalents.

OREGON BALLET THEATRE
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. At June 30, 2025 cash balances exceeded FDIC insurance limits by \$507,760. The Organization cash and cash equivalent accounts have been placed with high credit quality financial institutions. The Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

Revenue Recognition

Revenue from ticket sales, ticket handling fees, school income, rental income and other program services is recognized when the event or service takes place. Revenues received in advance of the performance or class are recognized as deferred revenue until the event takes place.

Grants and Contributions

Grant and contribution revenues are recognized when they amounts are pledged or when they are received in they are not pledged.

Grants and contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Receivables

The Organization uses the allowance method to account for uncollectible accounts. Accounts are written off when it is determined they are no longer collectible based on the length of time receivables are past due and previous loss history. Management has determined that no allowance was deemed necessary at June 30, 2025.

In-Kind Contributions

Significant services received which create or enhance a non-financial asset or require specialized skills that the Organization would have purchased if not donated are recognized in the statement of activities.

Investments

Investments are reflected on the statement of financial position at fair value with changes in unrealized gains and losses resulting from changes in fair value reflected in the statement of activities. Interest income is reported as earned.

OREGON BALLET THEATRE
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets are recorded at cost. Acquisitions, renovations and repairs which increase the value of assets and have an estimated useful life in excess of one year are capitalized. All expenditures for repairs and maintenance which do not appreciably extend the useful life or increase the value of the assets are expensed in the period in which the cost is incurred. Contributed assets are recorded at fair market value on the date of contribution. Contributed services which extend the useful life or increase the value of assets are recorded at fair value.

Depreciation is recorded on a straight-line basis over the estimated useful life of the assets as follows:

Building	39 years
Building improvements	7-15 years
Furniture and equipment	3-10 years
Sets	3-10 years
Costumes	3-10 years

Inventory

Inventory primarily consists of items for sale in the boutique. Inventory is carried at cost using the average cost method.

Advertising Costs

Advertising is expensed as incurred.

Fair Value of Financial Instruments

Due to the short-term nature of cash equivalents, receivables, prepaid expenses and other assets, and accounts payable, their fair value approximates carrying value.

Income Taxes

The Organization received a tax determination letter indicating that it qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and comparable state law. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

Fundraising Expenses

The Organization follows the guidance in ASC 958-720 related to accounting for costs of activities that include fundraising. As a result, if a fundraising activity contains joint costs that might be allocated to programs or other activities, specific criteria regarding the audience and purpose of activity will be considered before costs will be allocated. If the criteria are not met, all costs are reported as fundraising expenses. During the year ended June 30, 2025 no joint costs were allocated to programs or other activities. Total fundraising expenses for the year were \$585,934.

OREGON BALLET THEATRE
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

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

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional expense basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. Indirect expenses have been allocated primarily based on time and effort of salary expenditures.

Summarized Financial Information for 2024

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 organization’s financial statements for the year ended June 30, 2024, from which the summarized information was derived. Certain amounts from 2024 have been reclassified to conform to current year presentation.

NOTE C – AVAILABILITY AND LIQUIDITY

The following represents the Organization’s financial assets at June 30, 2025:

Financial assets at year end:	
Cash and cash equivalents	\$ 2,440,774
Investments	5,670,316
Grants receivable	346,703
Accounts receivable	<u>194,557</u>
Total financial assets	8,652,350
Less:	
Grants receivable, noncurrent	(4,391)
Net assets with donor restrictions	<u>(458,019)</u>
Total financial assets available	<u>\$ 8,189,940</u>

The Organization manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. The Organization’s cash needs are expected to be met on a monthly basis from regular revenue sources. In general, the Organization maintains sufficient financial assets on hand to meet normal operating expenditures and to reserve for future needs.

OREGON BALLET THEATRE
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE D – INVESTMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, maximizes the use of observable inputs, and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. The classification of assets and liabilities within the hierarchy is based on whether the inputs to the valuation methodology used for measurement are observable or unobservable. Observable inputs reflect market-derived or market-based information obtained from independent resources while unobservable inputs reflect estimates about market data.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level I: Observable inputs such as quoted prices in active markets for identical assets or liabilities.
- Level II: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; these include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
- Level III: Unobservable inputs in which there is little or no market data available, which require the reporting entity to develop its own assumptions.

At June 30, 2025 the Organization invested in investments classified as follows:

		<u>Level I</u>
Fixed income	\$	4,438,856
Equities		1,201,551
Cash sweep funds		<u>29,909</u>
Total	\$	<u><u>5,670,316</u></u>

The following table summarizes the change in investments for the year ended June 30, 2025:

Balance, June 30, 2024	\$	5,297,763
Interest and dividends		159,021
Appreciation in value		228,887
Fees and expenses		<u>(15,355)</u>
Net change in value		<u>372,553</u>
Balance, June 30, 2025	\$	<u><u>5,670,316</u></u>

OREGON BALLET THEATRE
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE E – CAPITAL ASSETS

A summary of capital assets consists of the following at June 30, 2025:

Building and improvements	\$	599,322
Furniture and equipment		890,585
Sets		610,621
Costumes		<u>437,480</u>
		2,538,008
Less accumulated depreciation		<u>(2,336,178)</u>
	\$	<u>201,830</u>

Depreciation expense was \$50,110 during the year ended June 30, 2025.

NOTE F – LEASES

The Organization leases office and warehouse space under non-cancelable operating lease agreements.

At June 30, 2025 the Organization had a right to use asset of \$1,639,420 and a lease liability of \$1,736,261 related to these operating leases. The leases have a weighted average remaining lease term of 55 months and a weighted average discount rate of 3.64% for the calculation of the present value of the lease asset and liability.

The operating lease liability matures as follows:

Year Ending June 30:	Amount
2026	\$ 406,923
2027	421,250
2028	367,440
2029	359,202
2030	<u>338,691</u>
	1,893,507
Less interest	<u>(157,246)</u>
Present value of lease liability	<u>\$ 1,736,261</u>

Total rent expense under the terms of the operating lease agreements was \$407,438 for the year ended June 30, 2025. Total cash flow under the terms of the operating lease was \$377,158 for the year ended June 30, 2025.

OREGON BALLET THEATRE
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE G – CONTRIBUTIONS OF NON-FINANCIAL ASSETS

During the year ended June 30, 2025 the Organization recognized contributed nonfinancial assets within the statement of activities as follows:

	<u>Program Services</u>		<u>Management and General</u>		<u>Fundraising</u>		<u>Total</u>
Advertising	\$ 248,346	\$	-	\$	-	\$	248,346
Professional services	89,055		-		-		89,055
Lodging	38,750		-		-		38,750
Parking	71,906		-		-		71,906
Event supplies and goods	61,500		-		-		61,500
	<u>\$ 509,557</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>509,557</u>

Contributed professional services recognized comprise advertising, dancer wellness and consulting services providing program and administrative support to the Organization. Contributed services are valued by the donor and are reported at the estimated fair value in the financial statements based on current rates for similar services.

Contributed lodging and parking are valued by the donor at the fair valued based on current rates that would be charged.

Contributed supplies and goods are valued at the estimated fair value that would have been paid if the item had been purchased as valued by the donor.

NOTE H – NET ASSETS

According to the *Financial and 818 Building Fund Proceeds Management Resolutions* the investment balance from the proceeds including all realized/unrealized gains & losses as well as dividend & interest earnings, less quarterly fees of the sale of the building on 818 SE 6th Ave Portland, OR 97214 shall be a Board Designated fund. The funds are intended to be used to secure property that will be OBT’s primary place of business. Whereas the Board of Trustees recognizes that from time-to-time market conditions may affect the business of OBT and, as a result, the Board of Trustees has established policies and procedures that must be followed before Building Capital Funds may be used for any purpose other than securing property to act as OBT's principal place of business. At June 30, 2025 the Organization has \$5,670,316 of net assets designated by the board of directors for this purpose.

At June 30, 2025 the Organization has net assets restricted by donors as follows:

Restricted for purpose	\$	208,019			
Restricted for time		<u>250,000</u>			
	\$	<u>458,019</u>			

OREGON BALLET THEATRE
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE I – SPECIAL FUNDRAISING EVENT

The Organization holds an annual gala event to raise awareness and funds from the community to support programming. The gala is shown net of expenses on the accompanying statement activities and changes in net assets and the specific revenues and costs were as follows for the year ended June 30, 2025:

Gala revenues:	
Paddle raise	\$ 380,390
Sponsorships	70,713
Ticket sales	71,318
Auction	101,187
Donated goods and services	<u>65,057</u>
 Total revenues	 <u>688,665</u>
Gala expenses:	
Catering	67,664
Equipment rentals	84,410
Contracted services	25,214
Payroll	27,479
Supplies and other	43,812
Donated goods and services	<u>65,057</u>
 Total expenses	 <u>313,636</u>
 Special event income, net of expenses	 \$ <u>375,029</u>

NOTE J – GRANTS AND CONTRIBUTIONS

During the year ended June 30, 2025 the Organization had grants and contributions from the following sources:

	Without Donor Restrictions	With Donor Restrictions	Total
Foundations	\$ 429,725	\$ 311,500	\$ 741,225
Businesses	28,937	4,534	33,471
Government	236,277	-	236,277
Individuals	<u>662,925</u>	<u>83,352</u>	<u>746,277</u>
 Total	 \$ <u>1,357,865</u>	 \$ <u>399,386</u>	 \$ <u>1,757,251</u>

OREGON BALLET THEATRE
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE K – FISCAL AGENCY PAYABLE – ARTIST FUND

Oregon Ballet Theatre has an Artist Fund which is intended to support artists (dancers and stage managers) during their career transitions when they retire from the ballet. Through an application process, the retiring or retired artist may apply for scholarship awards supporting college tuition, other educational fees, or costs to start a new business thus helping the Artists with the important next steps in their career. The fund consists of artist payroll contributions, company matches, and contributed cash gifts from donors to the Artist Fund.

In accordance with FASB ASC, these activities are considered agency transactions and are therefore recorded using a Fiscal Agency Payable account. The account is increased when assets are received from artist payroll contributions, company matches, and contributed cash gifts from donors and decreased when assets are disbursed. At June 30, 2025 the balance in the artist fund is \$14,910.

NOTE L – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through October 23, 2025, which is the date the financial statements were available to be issued, noting no events requiring recording or disclosure in the financial statements for the year ended June 30, 2025.