

ODC AND ODC THEATER
(NONPROFIT PUBLIC BENEFIT CORPORATION)

REPORT ON AUDIT OF COMBINED FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION

YEAR ENDED DECEMBER 31, 2018
(WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017)

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INDEPENDENT AUDITOR'S REPORT

May 30, 2019

Board of Directors
ODC and ODC Theater
San Francisco, California

I have audited the combined financial statements of ODC and ODC Theater (nonprofit organizations), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, cash flows, and functional expenses 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 the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of ODC and ODC Theater as of December 31, 2018, 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 Matters

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The separate financial statements presented in pages 22-29 are 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.

Report on Summarized Comparative Information

ODC and ODC Theater's combined 2017 financial statements were audited by me and I expressed an unmodified audit opinion on those audited financial statements in my report dated September 28, 2018. In my opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.


Healy and Associates
Concord, California

ODC AND ODC THEATER

COMBINED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2018

(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017)

	December 31	
	2018	2017
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,056,888	\$ 902,282
Accounts receivable	82,941	69,942
Grants and pledges receivable, current portion	1,462,148	666,681
Prepaid expenses	66,705	100,811
Investments	2,792,296	2,005,472
Inventory	11,152	21,025
TOTAL CURRENT ASSETS	5,472,130	3,766,213
Real property, furniture and equipment, net	10,929,293	11,417,598
Grants and pledges receivable, non-current portion	1,214,339	734,839
Deposits	58,138	65,156
TOTAL ASSETS	\$ 17,673,900	\$ 15,983,806
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 304,447	\$ 337,700
Deferred revenue	316,497	308,650
Deposits held for others	6,500	4,500
Line of credit	-	250,000
TOTAL CURRENT LIABILITIES	627,444	900,850
TOTAL LIABILITIES	627,444	900,850
CONTINGENCIES AND COMMITMENTS		
NET ASSETS		
Without donor restrictions:		
Designated fund	13,532,267	13,317,525
Undesignated	3,440	16,097
	13,535,707	13,333,622
With donor restrictions:		
Specific in nature	1,150,904	602,323
Permanent restriction	2,359,845	1,147,011
	3,510,749	1,749,334
TOTAL NET ASSETS	17,046,456	15,082,956
TOTAL LIABILITIES AND NET ASSETS	\$ 17,673,900	\$ 15,983,806

See Notes to Financial Statements

ODC AND ODC THEATER

COMBINED STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2018

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017)

	Without Donor Restrictions			Total All Funds	
	General	Designated Fund	With Donor Restrictions	Year Ended December 31 2018	2017
REVENUE					
Performances	\$ 389,742	\$ -	\$ -	\$ 389,742	\$ 569,727
Interest and dividend income	-	78,676	-	78,676	3,814
Theater revenue	408,804	-	-	408,804	252,985
School revenue	2,458,413	-	-	2,458,413	2,132,522
Merchandise & concessions	4,133	-	-	4,133	6,270
Space rental	161,762	-	-	161,762	311,876
Unrealized loss on investments	(281,578)	-	-	(281,578)	-
Other revenue and fees	292,012	3,153	-	295,165	28,420
	<u>3,433,288</u>	<u>81,829</u>	<u>-</u>	<u>3,515,117</u>	<u>3,305,614</u>
PUBLIC SUPPORT					
Government grants	37,100	-	225,880	262,980	254,550
Foundation grants	749,050	1,250,000	2,247,450	4,246,500	515,525
Corporate contributions	71,826	5,000	-	76,826	88,642
Individual contributions	1,185,014	55,500	4,398	1,244,912	1,141,232
In-kind	12,775	-	-	12,775	2,888
	<u>2,055,765</u>	<u>1,310,500</u>	<u>2,477,728</u>	<u>5,843,993</u>	<u>2,002,837</u>
	5,489,053	1,392,329	2,477,728	9,359,110	5,308,451
Net assets released from restrictions	<u>1,360,404</u>	<u>(644,091)</u>	<u>(716,313)</u>	<u>-</u>	<u>-</u>
TOTAL REVENUE AND SUPPORT	<u>6,849,457</u>	<u>748,238</u>	<u>1,761,415</u>	<u>9,359,110</u>	<u>5,308,451</u>
EXPENSES:					
Program	4,110,414	480,146	-	4,590,560	4,543,270
General and administrative	2,265,941	53,350	-	2,319,291	1,987,301
Fundraising	485,759	-	-	485,759	534,109
	<u>6,862,114</u>	<u>533,496</u>	<u>-</u>	<u>7,395,610</u>	<u>7,064,680</u>
Change in net assets	(12,657)	214,742	1,761,415	1,963,500	(1,756,229)
NET ASSETS, beginning of year	<u>16,097</u>	<u>13,317,525</u>	<u>1,749,334</u>	<u>15,082,956</u>	<u>16,839,185</u>
NET ASSETS, end of year	<u>\$ 3,440</u>	<u>\$ 13,532,267</u>	<u>\$ 3,510,749</u>	<u>\$ 17,046,456</u>	<u>\$ 15,082,956</u>

ODC AND ODC THEATER

COMBINED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2018

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017)

	Total All Funds	
	Year Ended December 31	
	2018	2017
CASH PROVIDED BY OPERATING ACTIVITIES:		
Change in net assets	\$ 1,963,500	\$(1,756,229)
ADJUSTMENTS TO RECONCILE TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Depreciation	533,496	534,010
Unrealized loss on investments	281,578	-
CHANGES IN ASSETS AND LIABILITIES:		
(Increase) decrease in:		
Grants and accounts receivable	(1,287,966)	773,979
Other current assets	43,979	(45,307)
Increase (decrease) in:		
Accounts payable and accrued liabilities	(33,253)	23,287
Deposits held for others	2,000	850
Deferred revenue	7,847	46,777
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>1,511,181</u>	<u>(422,633)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Increase (decrease) in deposits	7,018	(29,358)
Increase in investments	(1,068,402)	(2,005,472)
Increase in equipment and construction in progress, net	<u>(45,191)</u>	<u>(6,086)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(1,106,575)</u>	<u>(2,040,916)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment on line of credit	<u>(250,000)</u>	<u>-</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(250,000)</u>	<u>-</u>
NET CHANGE IN CASH	154,606	(2,463,549)
CASH AND CASH EQUIVALENTS, beginning of year	<u>902,282</u>	<u>3,365,831</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 1,056,888</u>	<u>\$ 902,282</u>
Supplementary Information:		
Interest paid/Line of credit fees	<u>\$ 2,847</u>	<u>\$ 2,536</u>

See Notes to Financial Statements

ODC AND ODC THEATER**COMBINED STATEMENT OF FUNCTIONAL EXPENSES**

YEAR ENDED DECEMBER 31, 2018

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017)

EXPENDITURES:	Program	General and Administrative	Fundraising	Total All Funds	
				Year Ended December 31 2018	2017
Personnel	\$ 2,206,208	\$ 1,642,683	\$ 257,817	\$ 4,106,708	3,954,826
Production	860,875	3,910	197,433	1,062,218	984,650
Marketing	205,057	8,029	5,816	218,902	311,448
Operating	373,326	593,669	22,453	989,448	720,165
Depreciation	480,146	53,350	-	533,496	534,010
Professional services	127,418	17,650	2,240	147,308	234,829
Cost of merchandise sold	7,424	-	-	7,424	3,135
Rhythm & Motion expense	330,106	-	-	330,106	321,617
TOTAL OPERATING EXPENSES	\$ 4,590,560	\$ 2,319,291	\$ 485,759	\$ 7,395,610	\$ 7,064,680

ODC AND ODC THEATER

NOTES TO COMBINED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017)

NOTE A – NATURE OF ACTIVITIES

ODC (Organization) is a not-for-profit public benefit corporation, incorporated in 1976 to present performances of original dance works and to extend awareness of and participation in dance through education and training programs. ODC is supported through public support, tuition, ticket sales and performances.

ODC is comprised of a company, school and theater and general administrative offices, which are known collectively as ODC. ODC is in residence at the ODC Dance Commons and ODC Theater, two multi-use performing and training facilities. ODC operates under the names ODC Dance, ODC School and ODC San Francisco. ODC Theater is a not-for-profit public benefit corporation that was incorporated in 2001 to empower and develop innovative artists. In September 2010, ODC Theater returned to the newly renovated performance and training facility.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Method and Basis of Presentation

The accounting records of the Organization are maintained on the accrual basis of accounting. The financial statements of the Organization have been prepared in accordance with ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*, 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.

ODC AND ODC THEATER

NOTES TO COMBINED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Organization to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Principles of consolidation

The combined financial statements include the accounts of ODC and ODC Theater, which are 100% consolidated in the financial statements. All material inter-company accounts and transactions have been eliminated.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months, which are neither held for nor restricted by donors for long term purposes. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Fair Value Measurements

The Organization's financial instruments include cash, cash equivalents, and investments measured using Level 1 inputs. The carrying amount of these financial instruments has been estimated by management to approximate fair value. Fair value is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." When determining the inputs used to measure fair value, the highest priority is given to observable inputs and lowest priority is given to unobservable inputs. ASC 820-10, *Fair Value Measurement*, establishes a fair value hierarchy to prioritize the inputs used in measuring fair value. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1— Quoted prices for identical assets and liabilities in active markets.

Level 2—Observable inputs other than Level 1, which include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument.

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair values of the assets and liabilities.

ODC AND ODC THEATER

NOTES TO COMBINED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory

Inventory is comprised of program-related merchandise held for sale, and is stated at the lower of cost or market determined by the first-in first-out method. Management performs periodic assessments to determine the existence of obsolete, slow moving and non-salable inventories, and records necessary provisions to reduce such inventories to net realizable value.

Fixed Assets

Fixed asset additions exceeding \$1,000 are recorded at cost, or if donated, at fair value on the date of donation. Property and equipment purchases are capitalized and depreciated over their respective useful lives which range from three to thirty years. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets. Maintenance and repairs that do not extend the useful lives of the respective assets are expensed as incurred.

Designated Fund

The designated fund represents the depreciated value of real property, furniture and equipment, reserves for building maintenance, artistic venture fund, and board designated funds. At December 31, 2018 and 2017, the balance of the designated fund is \$13,532,267 and \$13,317,525, respectively (See Note K).

Accounts Receivable

Accounts receivable consist primarily of amounts due for services provided. Management determines the allowance for uncollectable receivables based on historical experience, an assessment of economic conditions, and a review of subsequent collections. As such, no allowance for doubtful accounts was deemed necessary in 2018 or 2017.

Grants and Pledges Receivable

Grants and pledges receivable consist primarily of unconditional promises to give, pledges, grants, and other contributions. Amounts expected to be collected in future years are initially recorded at face value as the discount, if imputed, would be immaterial to these financial statements taken as a whole.

The Organization determines the allowance for uncollectable grants and pledges receivables based on historical experience, an assessment of economic conditions, and a review of subsequent collections. At December 31, 2018, the allowance for uncollectible pledges receivable is \$4,667.

ODC AND ODC THEATER

NOTES TO COMBINED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

ODC receives contributions and grants from corporations, governmental entities, charitable organizations, and individuals. In accordance with ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*, 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. As permitted by ASC 958, donor-restricted contributions whose restrictions are met in the same year may be reported as unrestricted support.

Performance Revenue

Performance revenue is recognized as earned. Amounts received (e.g. advance ticket sales) but not yet earned are reported as deferred revenue.

Donated Services and In-Kind Contributions

ODC records donated facilities use, supplies, and services at their estimated fair value on the date of receipt, if they meet the criteria for recognition. In-kind revenue and expense are \$12,775 (\$10,775 for goods and \$2,000 in services), for the year ended December 31, 2018, as reflected in the accompanying statement of activities and statement of functional expenses.

Tax Exemption Status

ODC is exempt from income tax under IRC section 501(c)(3) and Section 23701(d) of the State of California Revenue and Taxation Code, though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code(s). ODC has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. ODC has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. ODC's returns are subject to examination by federal and state taxing authorities generally for three years after they are filed.

ODC AND ODC THEATER

NOTES TO COMBINED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of program activities and supporting services have been summarized on a functional basis in the statements of functional expenses. The statement presents the natural classification of detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Indirect costs such as general and administrative expenses include costs that are not directly identifiable with any specific program, but which provide the overall support and direction of the Organization. Such expenses which are common to multiple functions have been allocated among the various functions benefited either based upon square footage or personnel time records.

Marketing

ODC recognized marketing and advertising expenditures of \$218,902 and \$311,448 for the years ended December 31, 2018 and 2017, respectively.

Comparative Financial Information and Reclassifications

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with our audited financial statements for the year ended December 31, 2017, from which the summarized information was derived.

Change in Accounting Principles

During the year ended December 31, 2018, the Organization adopted the requirements of the Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") No. 2016-14, *Not-for-Profit Entities* (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities* ("ASU 2016-14"), required for annual reporting periods beginning after December 15, 2017. This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provide about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 are the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity and availability has also been added.

ODC AND ODC THEATER

NOTES TO COMBINED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements

In May 2014, as part of its ongoing efforts to assist in the convergence of U.S. GAAP and International Financial Reporting Standards (“IFRS”), the FASB issued 2014-09, *Revenue from Contracts with Customers* (Topic 606). The new guidance sets forth a new five-step revenue recognition model which replaces the prior revenue recognition guidance in its entirety and is intended to eliminate numerous industry-specific pieces of revenue recognition guidance that have historically existed in U.S. GAAP. The underlying principle of the new standard is that a business or other organization will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects what it expects in exchange for the goods or services. The standard also requires more detailed disclosures and provides additional guidance for transactions that were not addressed completely in the prior accounting guidance. The ASU provides alternative methods of initial

Recent Accounting Pronouncements (Continued)

adoption and will become effective for private companies for annual periods beginning after December 15, 2018. The FASB has issued several updates to the standard which i) defer the original effective date from January 1, 2018 to January 1, 2019, while allowing for early adoption as of January 1, 2018 (ASU 2015-14); ii) clarify the application of the principal versus agent guidance (ASU 2016-08); and iii) clarify the guidance on inconsequential and perfunctory promises and licensing (ASU 2016-10). In May 2016, the FASB issued ASU 2016-12, *Revenue from Contracts with Customers* (Topic 606) *Narrow-Scope Improvements and Practical Expedients*, to address certain narrow aspects of the guidance including collectability criterion, collection of sales taxes from customers, noncash consideration, contract modifications and completed contracts. This issuance does not change the core principle of the guidance in the initial topic issued in May 2014. The Organization is currently evaluating the impact of adopting this new guidance on its financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases* (ASU 2016-02). ASU 2016-02 establishes a comprehensive new lease accounting model. The new standard clarifies the definition of a lease and causes lessees to recognize leases on the balance sheet as a lease liability with a corresponding right-of-use asset for leases with a lease term of more than one year. ASU 2016-02 is effective for financial statements issued for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption is permitted. The new standard requires a modified retrospective transition for capital or operating leases existing at or entered into after the beginning of the earliest comparative period presented in the financial statements, but it does not require transition accounting for leases that expire prior to the date of initial application. The Organization is currently evaluating impact of adopting this new guidance on its financial statements.

ODC AND ODC THEATER

NOTES TO COMBINED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017)

NOTE C – CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject ODC to concentrations of credit risk consist of cash and cash equivalents and certificates of deposit accounts in financial institutions. Cash, cash equivalents, and investments exceeding federally insured limits totaled \$541,858 and \$338,415 at December 31, 2018 and 2017, respectively. To date, the Organization has not experienced losses in any of these accounts, and the liquidity of the financial institution is monitored by management. Additionally, the Finance Committee of the Board monitors the credit worthiness of the financial institutions where these deposits are located.

At December 31, 2018, two donors accounted for 69% of total receivables. In addition, two contributors accounted for approximately 32% of total support and revenue for the year ended December 31, 2018.

NOTE D – ACCOUNTS, GRANTS, AND PLEDGES RECEIVABLE

At December 31, 2018 and 2017, accounts, grants, and pledges receivable are \$2,759,428 and \$1,471,462, respectively. Management expects they will be received as follows:

<u>Amount Due</u>	<u>Grants and Gifts</u>	<u>Accounts Receivable</u>	<u>2018</u>	<u>2017</u>
<i><u>Within One Year:</u></i>				
ODC	\$1,367,823	\$ 71,321	\$1,439,144	\$ 695,268
ODC Theater	94,325	11,620	105,945	41,355
<i><u>From 2 to 5 years:</u></i>				
ODC	1,214,339	-	1,214,339	704,189
ODC Theater	-	-	-	30,650
Total receivables	<u>\$2,676,487</u>	<u>\$ 82,941</u>	<u>\$2,759,428</u>	<u>\$1,471,462</u>

ODC AND ODC THEATER

NOTES TO COMBINED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017)

NOTE E – INVESTMENTS

The composition and fair value of cash and investments held in investment accounts at December 31, 2018 and 2017, is as follows:

	Fair Value Measurements Using	
	Level 1	
	2018	2017
<u>Short Term Investments</u>		
Cash held in investment accounts	\$ 21,543	\$ 16,196
Mutual funds	2,770,753	1,989,276
Total Investments	<u>\$ 2,792,296</u>	<u>\$ 2,005,472</u>

Investment activity for the year ended December 31, 2018, is as follows:

	2018
Investments, beginning of year	\$2,005,472
Purchases	1,000,000
Unrealized gain (loss)	(281,578)
Interest and dividends	78,676
Fees	(10,274)
Investments, end of year	<u>\$2,792,296</u>

NOTE F – FIXED ASSETS

Real property, furniture, and equipment at December 31, together with their estimated useful lives, are listed below:

	2018	2017
Land	\$ 1,357,474	\$ 1,357,474
Building	14,299,703	14,299,703
Furniture, fixtures, and equipment	3,037,452	2,992,261
Sets and costumes	72,697	72,697
Total	18,767,326	18,722,135
Less: Accumulated depreciation	(7,838,033)	(7,304,537)
Real property, furniture and equipment, net	<u>\$10,929,293</u>	<u>\$11,417,598</u>

Depreciation expense was \$533,496 and \$534,010, for the years ended December 31, 2018 and 2017, respectively.

ODC AND ODC THEATER

NOTES TO COMBINED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017)

NOTE G – LINE OF CREDIT

ODC has a \$500,000 line of credit with Wells Fargo bank, which expires in June 2019. Borrowings bear interest at the prime rate (set by the funder) plus 1.00%, with a floor of 5%. There was \$0 and \$250,000 drawn under the line of credit at December 31, 2018 and 2017, respectively. Renewal fees associated with the line is \$250 per year for the years ended December 31, 2018 and 2017, respectively.

NOTE H – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$ 1,056,888
Accounts receivable	82,941
Grants and pledges receivable	1,462,148
Investments	2,792,296
	<u>5,394,273</u>
Less amounts not available to be used within one year:	
Liquid portion of designated funds established by the Board	(2,602,974)
Endowment funds	(2,359,845)
Net assets with purpose restrictions to be met in one year	(876,904)
	<u>(4,085,915)</u>
Total financial assets available for general expenditures	<u>\$ 1,308,358</u>

ODC's permanent endowment fund consists of donor-restricted funds to support building maintenance. The expected annual draw rate from the endowment is 2% multiplied by the average of the prior twelve quarter-ending endowment values. The principal of ODC's permanent endowment is not available for expenditure.

ODC's board-designated funds are \$13,532,267 at December 31, 2018, of which \$10,929,293 is the net real property, furniture, and equipment plus \$2,602,974 in the Artistic Venture Fund (a 10-year spend-down, Board designated fund). Although ODC does not intend to spend from this board-designated fund (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

In addition, to help manage liquidity needs, ODC has a committed line of credit in the amount of \$500,000, which it could draw upon.

ODC AND ODC THEATER

NOTES TO COMBINED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017)

NOTE I – CONTINGENCIES AND COMMITMENTS

Grant awards require the fulfillment of certain conditions as set forth in the instruments of the grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. ODC deems this contingency remote since by accepting the grants it is compelled to adjust its objectives and policies to accommodate the terms of the grants. Management believes ODC has complied with the terms of all grants.

During 2017, ODC entered into a written agreement to license the Rhythm and Motion (R&M) Dance Workout program. ODC agreed to pay R&M the amount of the gross income from the Dance Workout Program net of a monthly fixed fee for all services associated with hosting the Dance Workout program at the ODC facilities. Total expense for the year ended December 31, 2018 and 2017, is \$330,106 and \$321,617, respectively.

The Organization leases various equipment and storage space. Future minimum operating lease payments are as follows:

<u>Year ended December 31</u>	
2019	\$79,435
2020	\$80,627
2021	\$42,115
2022	\$16,703
2023	\$16,202

NOTE J – EMPLOYEE BENEFITS

The Organization accrues vacation expense for full-time staff members. Total accrued vacation payable liability at December 31, 2018 and 2017, is \$57,691 and \$43,897, respectively, and is reflected in the accrued expenses in the accompanying Statement of Financial Position.

ODC AND ODC THEATER

NOTES TO COMBINED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017)

NOTE K – NET ASSETS WITHOUT DONOR RESTRICTIONS - DESIGNATED FUND

The net assets without restriction but have been designated by the Organization is comprised of the following items at December 31:

	<u>2018</u>	<u>2017</u>
Fixed assets	\$10,929,293	\$11,417,598
Building maintenance fund	-	36,352
Artistic venture fund	2,602,974	1,863,575
Total designated funds	<u>\$13,532,267</u>	<u>\$13,317,525</u>

The Artistic Venture Fund is a 10-year spend-down fund.

NOTE L – NET ASSETS WITH DONOR RESTRICTIONS

The nature and amount of net assets with donor restrictions at December 31 was:

	<u>12/31/17</u>	<u>Income</u>	<u>Releases</u>	<u>12/31/18</u>
<u>ODC</u>				
<u>Nature of restriction</u>				
Programmatic purposes	\$75,200	\$ 97,398	\$ (70,750)	\$101,848
Time restriction	359,051	677,630	(407,575)	629,106
<u>Permanently Restricted</u>				
Endowment	1,147,011	1,250,000	(37,166)	2,359,845
Total ODC	<u>1,581,262</u>	<u>2,025,028</u>	<u>(515,491)</u>	<u>3,090,799</u>
<u>ODC Theater</u>				
<u>Nature of restriction</u>				
Programmatic purposes	137,422	387,200	(137,422)	387,200
Time restriction	30,650	65,500	(63,400)	32,750
Total ODC Theater	<u>168,072</u>	<u>452,700</u>	<u>(200,822)</u>	<u>419,950</u>
Grand Total	<u>\$1,749,334</u>	<u>\$ 2,477,728</u>	<u>\$ (716,313)</u>	<u>\$3,510,749</u>

ODC AND ODC THEATER

NOTES TO COMBINED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017)

NOTE M – ENDOWMENT NET ASSETS

The Organization created *The Way Forward* endowment campaign in 2016. The goal of the campaign is to raise \$14 million to create a \$10 million permanent endowment fund and a \$4 million ten-year spend down fund. At December 31, 2018 and 2017, the endowment balance was \$2,359,845 and \$1,147,011, respectively. Activity for the year was as follows:

Permanent endowment, beginning of year	\$1,147,011
Contributions	1,250,000
Building maintenance fund withdrawal	<u>(37,166)</u>
Permanent endowment, end of year	<u><u>\$2,359,845</u></u>

Pursuant to the endowment policy, the permanent principal funds will remain intact and the interest generated on that principal will help underwrite the upkeep of the campus in perpetuity. In addition, the ten-year spend-down fund is intended to replenish and expand the Artistic Venture and Innovation Fund to underwrite new work, help subsidize rental costs for artists using ODC facilities, address succession planning, and provide seed money for promising new business initiatives.

The Board of Directors has interpreted the California Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At December 31, 2018 and 2017, there were no such donor stipulations. As a result of this interpretation, they retain in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) donated to the Endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by ODC in a manner consistent with the standard of prudence prescribed by UPMIFA.

ODC AND ODC THEATER

NOTES TO COMBINED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017)

NOTE M – ENDOWMENT NET ASSETS (continued)

ODC considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). ODC has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At December 31, 2018, there were no underwater endowment funds.

Investment and Spending Policies

The ODC Board of Directors adopted an Investment Policy Statement in 2015 to govern the investment practices of the assets in the Endowment and the Artistic Venture Fund. The assets will be managed on a total return basis while taking into account the level of liquidity required. The objective is to preserve and enhance the real purchasing power of the investment assets over time while providing a predictable contribution. The expected return objective, measured over rolling three-year periods, is to provide an annualized total return, net of fees, of 2% over the rate of inflation (as measured by the Consumer Price Index (“CPI”). An additional goal was set to outperform a composite market beta index which best represents the target asset allocation of the assets. The beta benchmark is set as 60 percent of the MSCI All Country World Index (“ACWI”) and 40 percent of the Barclays U.S. Aggregate Bond Index. The investment assets should experience risk as measured by volatility or variability of return not materially higher than that of the composite market beta index.

The ODC Board of Directors sets the spending policy of the Endowment to meet the building maintenance needs. The expected annual draw rate from the Endowment is 2% multiplied by the average of the prior twelve quarter-ending Endowment values (or, if fewer, the number of quarters from and including the quarter-end preceding initial distributions).

ODC AND ODC THEATER

NOTES TO COMBINED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017)

NOTE N – SUBSEQUENT EVENT

Management has evaluated subsequent events for recognition and disclosure through May 30, 2019, the date the financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2018, that required recognition or disclosure in the financial statements.

SUPPLEMENTAL INFORMATION

FE&A

ODC

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2018

(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017)

	December 31	
	2018	2017
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 798,791	\$ 851,727
Accounts receivable, current portion	71,321	61,518
Grants and pledges receivable, current portion	1,367,823	633,750
Prepaid expenses	56,891	100,811
Investments	2,792,296	2,005,472
Inventory	11,152	21,025
TOTAL CURRENT ASSETS	5,098,274	3,674,303
Real property, furniture and equipment, net	10,929,293	11,417,598
Grants and pledges receivable, non-current portion	1,214,339	704,189
Deposits	58,138	65,156
TOTAL ASSETS	\$ 17,300,044	\$ 15,861,246
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 274,723	\$ 312,014
Deferred revenue	307,730	292,342
Line of credit	-	250,000
TOTAL CURRENT LIABILITIES	582,453	854,356
TOTAL LIABILITIES	582,453	854,356
CONTINGENCIES AND COMMITMENTS		
NET ASSETS		
Without donor restrictions:		
Designated fund	13,532,267	13,317,525
Undesignated	94,525	108,103
	13,626,792	13,425,628
With donor restrictions:		
Temporarily	730,954	434,251
Permanently	2,359,845	1,147,011
TOTAL NET ASSETS	16,717,591	15,006,890
TOTAL LIABILITES AND NET ASSETS	\$ 17,300,044	\$ 15,861,246

ODC

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2018

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017)

	Without Donor Restrictions			Total All Funds	
	General	Designated Fund	With Donor Restrictions	Year Ended December 31 2018	2017
REVENUE					
Performances	\$ 389,742	\$ -	\$ -	\$ 389,742	\$ 569,727
Interest and dividend income	-	78,676	-	78,676	3,814
Theater revenue	195,254	-	-	195,254	23,209
School revenue	2,458,413	-	-	2,458,413	2,132,522
Merchandise & concessions	4,133	-	-	4,133	6,270
Space rental	(32,140)	-	-	(32,140)	116,900
Unrealized loss on investments	(281,578)	-	-	(281,578)	-
Other revenue and fees	290,658	3,153	-	293,811	9,550
	<u>3,024,482</u>	<u>81,829</u>	<u>-</u>	<u>3,106,311</u>	<u>2,861,992</u>
PUBLIC SUPPORT					
Government grants	37,100	-	140,380	177,480	163,250
Foundation grants	724,050	1,250,000	1,880,250	3,854,300	505,525
Corporate contributions	71,826	5,000	-	76,826	63,642
Individual contributions	1,177,957	55,500	4,398	1,237,855	1,134,706
In-kind	12,775	-	-	12,775	2,888
	<u>2,023,708</u>	<u>1,310,500</u>	<u>2,025,028</u>	<u>5,359,236</u>	<u>1,870,011</u>
	<u>5,048,190</u>	<u>1,392,329</u>	<u>2,025,028</u>	<u>8,465,547</u>	<u>4,732,003</u>
Subsidy to Theater	(350,000)	-	-	(350,000)	(330,605)
Net assets released from restrictions	1,159,582	(644,091)	(515,491)	-	-
TOTAL REVENUE AND SUPPORT	<u>5,857,772</u>	<u>748,238</u>	<u>1,509,537</u>	<u>8,115,547</u>	<u>4,401,398</u>
EXPENSES:					
Program	3,454,894	480,146	-	3,935,040	3,895,421
General and administrative	1,986,550	53,350	-	2,039,900	1,722,446
Fundraising	429,906	-	-	429,906	454,328
TOTAL EXPENSES	<u>5,871,350</u>	<u>533,496</u>	<u>-</u>	<u>6,404,846</u>	<u>6,072,195</u>
Change in net assets	(13,578)	214,742	1,509,537	1,710,701	(1,670,797)
NET ASSETS, beginning of year	<u>108,103</u>	<u>13,317,525</u>	<u>1,581,262</u>	<u>15,006,890</u>	<u>16,677,687</u>
NET ASSETS, end of year	<u>\$ 94,525</u>	<u>\$ 13,532,267</u>	<u>\$ 3,090,799</u>	<u>\$ 16,717,591</u>	<u>\$ 15,006,890</u>

ODC

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2018

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017)

	Total All Funds	
	Year Ended December 31 2018	2017
CASH PROVIDED BY OPERATING ACTIVITIES:		
Change in net assets	\$ 1,710,701	\$(1,670,797)
ADJUSTMENTS TO RECONCILE TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Depreciation	333,496	334,010
Facility use fee from Theater (Depreciation)	200,000	200,000
Unrealized loss on investments	281,578	-
CHANGES IN ASSETS AND LIABILITIES:		
(Increase) decrease in:		
Grants and accounts receivable	(1,254,026)	763,065
Other current assets	53,793	(48,219)
Increase (decrease) in:		
Accounts payable and accrued liabilities	(37,291)	15,533
Deferred revenue	15,388	33,505
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>1,303,639</u>	<u>(372,903)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Decrease in deposits	7,018	(29,358)
Increase in investments	(1,068,402)	(2,005,472)
Increase in equipment and construction in progress, net	(45,191)	(6,086)
NET CASH USED BY INVESTING ACTIVITIES	<u>(1,106,575)</u>	<u>(2,040,916)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowing on line of credit	(250,000)	-
NET CASH USED BY FINANCING ACTIVITIES	<u>(250,000)</u>	<u>-</u>
NET CHANGE IN CASH	(52,936)	(2,413,819)
CASH AND CASH EQUIVALENTS, beginning of year	<u>851,727</u>	<u>3,265,546</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 798,791</u>	<u>\$ 851,727</u>
Supplementary Information:		
Interest paid/Line of credit fees	<u>\$ 2,847</u>	<u>\$ 2,536</u>

ODC

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2018

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017)

EXPENDITURES:	Program	General and Administrative	Fundraising	Total All Funds	
				Year Ended December 31 2018	2017
Personnel	\$ 2,075,137	\$ 1,428,203	\$ 206,183	\$3,709,523	3,618,677
Production	600,768	3,910	197,433	802,111	706,338
Marketing	162,954	8,029	5,816	176,799	269,316
Operating	353,437	557,508	18,234	929,179	609,633
Depreciation	300,146	33,350	-	333,496	334,010
Professional services	105,068	8,900	2,240	116,208	209,469
Cost of merchandise sold	7,424	-	-	7,424	3,135
Rhythm & Motion expense	330,106	-	-	330,106	321,617
TOTAL OPERATING EXPENSES	\$ 3,935,040	\$ 2,039,900	\$ 429,906	\$6,404,846	\$6,072,195

ODC THEATER

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2018

(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017)

	December 31	
	2018	2017
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 258,097	\$ 50,555
Accounts receivable	11,620	8,424
Grants and pledges receivable	94,325	32,931
Prepaid expenses	9,814	-
TOTAL CURRENT ASSETS	<u>373,856</u>	<u>91,910</u>
Grants and pledges receivable, non-current portion	-	30,650
TOTAL ASSETS	<u>\$ 373,856</u>	<u>\$ 122,560</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 29,724	\$ 25,686
Deferred revenue	8,767	16,308
Deposits held for others	6,500	4,500
TOTAL CURRENT LIABILITIES	<u>44,991</u>	<u>46,494</u>
TOTAL LIABILITIES	<u>44,991</u>	<u>46,494</u>
CONTINGENCIES AND COMMITMENTS		
NET ASSETS		
Without donor restrictions	(91,085)	(92,006)
With donor restrictions	419,950	168,072
TOTAL NET ASSETS	<u>328,865</u>	<u>76,066</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 373,856</u>	<u>\$ 122,560</u>

ODC THEATER

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2018

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017)

	Without Donor Restrictions			Total All Funds	
	General	Designated Fund	With Donor Restrictions	Year Ended December 31 2018	2017
REVENUE					
Theater revenue	\$ 213,550	\$ -	\$ -	\$ 213,550	\$ 229,776
Space rental	193,902	-	-	193,902	194,976
Other	1,354	-	-	1,354	18,870
	<u>408,806</u>	<u>-</u>	<u>-</u>	<u>408,806</u>	<u>443,622</u>
PUBLIC SUPPORT					
Government grants	-	-	85,500	85,500	91,300
Foundation grants	25,000	-	367,200	392,200	10,000
Corporate contributions	-	-	-	-	25,000
Individual contributions	7,057	-	-	7,057	6,526
	<u>32,057</u>	<u>-</u>	<u>452,700</u>	<u>484,757</u>	<u>132,826</u>
	440,863	-	452,700	893,563	576,448
Subsidy to Theater	350,000	-	-	350,000	330,605
Net assets released from restrictions	200,822	-	(200,822)	-	-
	<u>991,685</u>	<u>-</u>	<u>251,878</u>	<u>1,243,563</u>	<u>907,053</u>
TOTAL REVENUE AND SUPPORT					
EXPENSES:					
Program	655,520	-	-	655,520	647,849
General and administrative	279,391	-	-	279,391	264,855
Fundraising	55,853	-	-	55,853	79,781
	<u>990,764</u>	<u>-</u>	<u>-</u>	<u>990,764</u>	<u>992,485</u>
TOTAL EXPENSES					
CHANGE IN NET ASSETS	921	-	251,878	252,799	(85,432)
NET ASSETS, beginning of year	(92,006)	-	168,072	76,066	161,498
NET ASSETS, end of year	<u>\$ (91,085)</u>	<u>\$ -</u>	<u>\$ 419,950</u>	<u>\$ 328,865</u>	<u>\$ 76,066</u>

ODC THEATER

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2018

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017)

	Total All Funds	
	Year Ended December 31	
	2018	2017
CASH PROVIDED BY OPERATING ACTIVITIES:		
Change in net assets	\$ 252,799	\$ (85,432)
CHANGES IN ASSETS AND LIABILITIES:		
(Increase) decrease in:		
Grants and accounts receivable	(33,940)	10,914
Other current assets	(9,814)	2,912
Increase (decrease) in:		
Accounts payable and accrued liabilities	4,038	7,754
Deposits held for others	2,000	850
Deferred revenue	(7,541)	13,272
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	207,542	(49,730)
NET CHANGE IN CASH	207,542	(49,730)
CASH AND CASH EQUIVALENTS, beginning of year	50,555	100,285
CASH AND CASH EQUIVALENTS, end of year	\$ 258,097	\$ 50,555

ODC THEATER

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2018

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017)

EXPENDITURES:	Program	General and Administrative	Fundraising	Total All Funds	
				Year Ended December 31 2018	2017
Personnel	\$ 131,071	\$ 214,480	\$ 51,634	\$ 397,185	336,149
Production	260,107	-	-	260,107	278,312
Marketing	42,103	-	-	42,103	42,132
Operating	19,889	36,161	4,219	60,269	110,532
Facility use fee (Depreciation)	180,000	20,000	-	200,000	200,000
Professional services	22,350	8,750	-	31,100	25,360
TOTAL OPERATING EXPENSES	\$ 655,520	\$ 279,391	\$ 55,853	\$ 990,764	\$ 992,485