



**ODC AND ODC THEATER**  
**COMBINED FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 and 2022**



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
ODC and ODC Theater  
San Francisco, California

### Opinion

We have audited the combined financial statements of ODC and ODC Theater (nonprofit organizations) which comprise the combined statement of financial position as of December 31, 2023, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of ODC and ODC Theater as of December 31, 2023, and the change in their net assets and their 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 (GAAS). 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 ODC and ODC Theater, 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.

### Change in Accounting Principle

As discussed in Note 2 to the combined financial statements, in the year ended December 31, 2023, ODC and ODC Theater adopted new accounting guidance Accounting Standards Codification Topic 326, *Financial Instruments - Credit Losses*. Our opinion is not modified with respect to this matter.

### Other Matter

The combined financial statements of ODC and ODC Theater for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on March 19, 2024.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ODC and ODC Theater's ability to continue as a going concern for one year after the date that the combined 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 combined 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 GAAS 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 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 combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 ODC and ODC Theater'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ODC and ODC Theater'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.

## **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplementary combining information is presented for purposes of additional analysis of the combined financial statements rather than to present the financial position, net assets, and cash flows of the individual organizations and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

*Abbott, Stringham & Lynch*

June 2, 2025

## ODC AND ODC THEATER

### COMBINED STATEMENTS OF FINANCIAL POSITION

Assets	December 31,	
	2023	2022
Current assets:		
Cash and cash equivalents	\$ 819,846	\$ 795,082
Accounts receivable, net of allowance for credit losses	136,517	11,582
Grants and pledges receivable, current portion	527,675	449,705
Prepaid expenses and other assets	68,988	84,470
Total current assets	1,553,026	1,340,839
Property and equipment, net of accumulated depreciation	15,424,689	15,807,432
Operating lease right-of-use asset	238,359	277,116
Grants and pledges receivable, less current portion	64,150	141,233
Deposits	6,000	6,000
Investments:		
Artistic Venture Fund - board designated	1,662,213	1,880,668
Endowment - donor restricted	4,230,631	3,966,324
Total investments	5,892,844	5,846,992
	\$ 23,179,068	\$ 23,419,612
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 738,555	\$ 437,488
Accrued expenses	264,375	214,527
Contract liability	402,136	463,425
Operating lease liability, current portion	96,361	78,949
Total current liabilities	1,501,427	1,194,389
Operating lease liability, less current portion	157,907	211,523
Note payable	3,000,000	3,000,000
Total liabilities	4,659,334	4,405,912
Net assets:		
Without donor restrictions:		
Undesignated	(523,959)	(2,302,370)
Board designated	12,233,191	12,807,432
Board designated - Artistic Venture Fund	1,662,213	1,977,679
Total net assets without donor restrictions	13,371,445	12,482,741
With donor restrictions:		
Purpose or time restricted	1,807,289	3,189,959
Endowment	3,341,000	3,341,000
Total net assets with donor restrictions	5,148,289	6,530,959
Total net assets	18,519,734	19,013,700
	\$ 23,179,068	\$ 23,419,612

See accompanying independent auditor's report and notes to combined financial statements.

## ODC AND ODC THEATER

### COMBINED STATEMENTS OF ACTIVITIES

	Year Ended December 31, 2023			
	Without Donor Restrictions		With Donor	Total
	Undesignated	Designated	Restrictions	
Revenue and support:				
Tuition and fees	\$ 1,722,055	\$ -	\$ -	\$ 1,722,055
Performances	572,110	-	-	572,110
Merchandise and concession	11,675	-	-	11,675
Space rental	243,940	-	-	243,940
Special event, net of direct benefit to donor cost of \$133,135	367,731	-	-	367,731
Program service fees	148,474	-	-	148,474
Other revenue and fees	254,707	-	-	254,707
Net investment income	4,457	159,047	450,321	613,825
Total revenue	3,325,149	159,047	450,321	3,934,517
Government grants	106,835	-	100,265	207,100
Foundation grants	736,215	-	1,335,523	2,071,738
Corporate contributions	26,212	-	2,150	28,362
Individual contributions	1,264,592	-	62,815	1,327,407
In-kind contributions	5,167	-	-	5,167
Total support	2,139,021	-	1,500,753	3,639,774
Net assets released from restrictions and designations	4,382,498	(1,048,754)	(3,333,744)	-
Total revenue and support	9,846,668	(889,707)	(1,382,670)	7,574,291
Functional expenses:				
Program services	5,887,751	-	-	5,887,751
Management and general	1,625,594	-	-	1,625,594
Fundraising	554,912	-	-	554,912
Total functional expenses	8,068,257	-	-	8,068,257
Change in net assets	1,778,411	(889,707)	(1,382,670)	(493,966)
Net assets, beginning of year	(2,302,370)	14,785,111	6,530,959	19,013,700
Net assets, end of year	\$ (523,959)	\$ 13,895,404	\$ 5,148,289	\$ 18,519,734

See accompanying independent auditor's report and notes to combined financial statements.

**ODC AND ODC THEATER**  
**COMBINED STATEMENTS OF ACTIVITIES**

	Year Ended December 31, 2022			
	Without Donor Restrictions		With Donor	Total
	Undesignated	Designated	Restrictions	
Revenue and support:				
Tuition and fees	\$ 1,629,316	\$ -	\$ -	\$ 1,629,316
Performances	469,807	-	-	469,807
Merchandise and concession	16,505	-	-	16,505
Space rental	178,767	-	-	178,767
Special event, net of direct benefit to donor cost of \$171,487	(115,543)	-	-	(115,543)
Other revenue and fees	40,271	-	-	40,271
Net investment loss	-	(179,115)	(782,809)	(961,924)
Forgiveness of Paycheck Protection Program loan	525,510	-	-	525,510
Total revenue	<u>2,744,633</u>	<u>(179,115)</u>	<u>(782,809)</u>	<u>1,782,709</u>
Government grants	152,069	-	300,000	452,069
Foundation grants	895,450	-	3,161,000	4,056,450
Corporate contributions	51,912	-	350	52,262
Individual contributions	1,035,268	-	1,542,784	2,578,052
In-kind contributions	51,938	-	-	51,938
Total support	<u>2,186,637</u>	<u>-</u>	<u>5,004,134</u>	<u>7,190,771</u>
Net assets released from restrictions and designations	<u>313,090</u>	<u>5,142,367</u>	<u>(5,455,457)</u>	<u>-</u>
Total revenue and support	<u>5,244,360</u>	<u>4,963,252</u>	<u>(1,234,132)</u>	<u>8,973,480</u>
Functional expenses:				
Program services	5,502,799	449,282	-	5,952,081
Management and general	1,496,529	109,533	-	1,606,062
Fundraising	599,653	36,511	-	636,164
Total functional expenses	<u>7,598,981</u>	<u>595,326</u>	<u>-</u>	<u>8,194,307</u>
Change in net assets	(2,354,621)	4,367,926	(1,234,132)	779,173
Net assets, beginning of year	43,091	10,985,986	7,181,290	18,210,367
Cumulative adjustment - adoption of new standard	(6,210)	-	-	(6,210)
Prior period adjustment	15,370	(568,801)	583,801	30,370
Net assets, end of year	<u>\$ (2,302,370)</u>	<u>\$ 14,785,111</u>	<u>\$ 6,530,959</u>	<u>\$ 19,013,700</u>

See accompanying independent auditor's report and notes to combined financial statements.

## ODC AND ODC THEATER

### COMBINED STATEMENTS OF FUNCTIONAL EXPENSES

	Year Ended December 31, 2023				Year Ended December 31, 2022			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 3,609,140	\$ 527,495	\$ 223,872	\$ 4,360,507	\$ 3,514,374	\$ 548,034	\$ 190,647	\$ 4,253,055
Employee benefits	280,257	50,847	35,002	366,106	293,771	45,811	15,936	355,518
Payroll taxes	287,351	51,065	48,970	387,386	320,895	50,040	17,408	388,343
<b>Total personnel expenses</b>	<b>4,176,748</b>	<b>629,407</b>	<b>307,844</b>	<b>5,113,999</b>	<b>4,129,040</b>	<b>643,885</b>	<b>223,991</b>	<b>4,996,916</b>
Operating	306,403	773,073	17,946	1,097,422	106,435	734,832	187,335	1,028,602
Depreciation	437,270	124,934	62,467	624,671	434,588	119,065	41,673	595,326
Production	438,041	1,361	283,395	722,797	513,881	-	320,960	834,841
Marketing	452,665	1,485	11,159	465,309	389,750	-	18,197	407,947
Rhythm and motion expense	-	-	-	-	264,290	-	-	264,290
Professional services	21,618	95,334	5,236	122,188	12,468	108,280	15,495	136,243
Digital	55,006	-	-	55,006	88,962	-	-	88,962
Other	-	-	-	-	12,667	-	-	12,667
<b>Less direct benefit to donor cost</b>	<b>-</b>	<b>-</b>	<b>(133,135)</b>	<b>(133,135)</b>	<b>-</b>	<b>-</b>	<b>(171,487)</b>	<b>(171,487)</b>
<b>Total functional expenses</b>	<b>\$ 5,887,751</b>	<b>\$ 1,625,594</b>	<b>\$ 554,912</b>	<b>\$ 8,068,257</b>	<b>\$ 5,952,081</b>	<b>\$ 1,606,062</b>	<b>\$ 636,164</b>	<b>\$ 8,194,307</b>
	73%	20%	7%	100%	73%	19%	8%	100%

See accompanying independent auditor's report and notes to combined financial statements.

## ODC AND ODC THEATER

### COMBINED STATEMENTS OF CASH FLOW

December 31, 2023 and 2022

	December 31,	
	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ (493,966)	\$ 779,173
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Prior period adjustment	-	30,370
Cumulative adjustment, adoption of standard	-	(6,210)
Depreciation	624,671	595,326
Non-cash operating lease expense	97,767	82,862
Realized and unrealized (gain) loss on investments	(609,733)	1,102,805
Forgiveness of Paycheck Protection Program loan	-	(525,510)
Changes in operating assets and liabilities:		
Accounts receivable, net of allowance for credit losses	(124,935)	33,185
Grants and pledges receivable	(887)	105,490
Prepaid expenses and other assets	21,482	(23,441)
Deposits	(6,000)	-
Accounts payable	301,067	142,664
Accrued expenses	49,848	52,728
Contract liability	(61,289)	58,282
Operating lease liability	(95,214)	(69,506)
Net cash (used in) provided by operating activities	(297,189)	2,358,218
Cash flows from investing activities:		
Purchase of investments	-	(137,489)
Proceeds from sale of investments	563,881	-
Purchases of property and equipment	(241,928)	(3,981,381)
Net cash provided by (used in) investing activities	321,953	(4,118,870)
Cash flows from financing activities:		
Payments on note payable	-	(200,000)
Net increase (decrease) in cash and cash equivalents	24,764	(1,960,652)
Cash and cash equivalents, beginning of year	795,082	2,755,734
Cash and cash equivalents, end of year	\$ 819,846	\$ 795,082
Non-cash investing and financing activities:		
Purchase of building through issuance of note payable	\$ -	\$ 3,000,000
Operating lease liability arising from addition of operating lease right-of-use asset	\$ 52,621	\$ 359,978
Forgiveness of Paycheck Protection Program loan	\$ -	\$ 525,510

See accompanying independent auditor's report and notes to combined financial statements. 8

# ODC AND ODC THEATER

## NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2023 and 2022

### Note 1 - Nature of operations

ODC is a nonprofit 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 comprised of a company, school, 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 nonprofit public benefit corporation, incorporated in 2001 under the group exemption of ODC, to empower and develop innovative artists.

The financial statements include the combined balances and activities of ODC and ODC Theater (the "Organization" or "ODC").

### Note 2 - Summary of significant accounting policies

#### Basis of presentation

The combined financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

#### Combined financial statement presentation

Under GAAP, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories and the types of transactions affecting each category are as follows:

*Without donor restrictions* - net assets that are not subject to donor-imposed restrictions and includes undesignated and board designated net assets. These funds record the net assets over which the Board of Directors has discretionary control and which are used to carry out operations of the Organization in accordance with its bylaws.

*With donor restrictions* - net assets subject to donor-imposed restrictions that will be met either by actions of the Organization or the passage of time. Includes resources currently available for use, but expendable only for those operating purposes specified by the donor or funding source. Resources of this category originate from gifts and grants. Also included in this category are the endowment funds, which consist of gifts accepted with the donor stipulation that the principal be restricted in perpetuity. Income from these assets is recorded within this category until appropriated for expenditure by the Organization.

#### Principles of combination

The combined financial statements include the accounts of ODC and its affiliate ODC Theater. All significant inter-company balances and transactions have been eliminated.

# ODC AND ODC THEATER

## NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2023 and 2022

### Note 2 - Summary of significant accounting policies (continued)

#### Endowment funds

The California version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) requires 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 net assets with donor restrictions (a) 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 direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with the California version of 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

#### *Investment policy*

The primary investment objectives are to preserve and enhance the real purchasing power of the investment assets over time, while providing a predictable contribution. The Organization manages its assets from the perspective of the total return approach while taking into account the level of liquidity required. 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).

#### *Spending policy*

The ODC Board of Directors sets the spending policy of the endowment to maintain the physical facilities of ODC's Mission District Campus in San Francisco. The expected annual draw rate from the endowment is 2% - 5% multiplied by the average value of the endowment at the eight most recent quarter-ends.

#### *Funds with deficiencies*

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. The Organization had no endowment assets with fund deficiencies at December 31, 2023 and 2022.

#### Management estimates

The preparation of combined financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Significant estimates used in preparing these combined financial statements include the allocation of functional expenses, allocation of investment income to endowments, and useful lives of property and equipment. It is at least reasonably possible that the significant estimate used will change within the next year.

# ODC AND ODC THEATER

## NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2023 and 2022

### **Note 2 - Summary of significant accounting policies (continued)**

#### **Cash and cash equivalents**

The Organization considers all highly liquid investments with an original maturity of three months or less from the date of purchase to be cash equivalents.

#### **Investments**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the combined statements of financial position. Donated securities are recorded at market value on the date received or at nominal value when the market value is not readily available. Realized and unrealized gains and losses are reflected as increases or decreases in unrestricted net assets unless their use has been temporarily restricted by donors.

#### **Fair value measurement**

The Organization adopted fair value accounting for all applicable assets and liabilities. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The inputs and the methodology used for valuing the financial instruments do not necessarily correspond to the risks associated with investing in those instruments. The three levels of the fair value hierarchy under Financial Accounting Standards Board (FASB) issued guidance, Accounting Standards Codification (ASC) Topic 820 are described as follows:

Level 1 - Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Include other observable inputs, not included in Level 1, that are directly or indirectly observable in the marketplace for substantially the full term of financial instrument.

Level 3 - Unobservable inputs which are supported by little or no market activity.

#### **Accounts receivable**

Accounts receivable consist primarily of amounts billed for services provided, and are stated at the amounts management expects to collect on outstanding balances.

# ODC AND ODC THEATER

## NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2023 and 2022

### **Note 2 - Summary of significant accounting policies (continued)**

#### **Allowance for credit losses - recently adopted accounting guidance**

In June 2016, the FASB issued guidance, ASC Topic 326, *Financial Instruments - Credit Losses*, which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through changes in net assets. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses.

The Organization adopted the standard effective January 1, 2023. The impact of the adoption was not considered significant to the combined financial statements and primarily resulted in new and enhanced disclosures. Allowance for credit losses is derived from a review of the Organization's historical losses based on the Organization's unique customer base within the industry. This estimate is adjusted for management assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Organization. The Organization believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the Organization's customer base has remained consistent in the past years. The Organization recognized an allowance for credit losses of \$8,740 and \$8,865 as of December 31, 2023 and 2022, respectively.

#### **Grants and pledges receivable**

Grants and pledges receivable represent an unconditional promise to give to the Organization to be collected in future years. Unconditional promises to give that are expected to be collected in future years are initially recognized at fair value based on discounted cash flows. The discount on these amounts is computed using the rate applicable in the year the promises were received. Amortization of the discount is recorded as additional contribution revenue on the original contribution in the subsequent years, in accordance with donor-imposed restrictions, if any. Discounts on long-term pledges and grants receivables were not considered material at December 31, 2023 and 2022.

The Organization makes estimates as to the ability to collect all of its outstanding receivables and provides provisions for amounts when collection becomes doubtful. Provisions, if necessary, are made based upon a specific review of past due and other outstanding balances for which collection is considered uncertain. At December 31, 2023 and 2022, the Organization recorded no provision for uncollectible grants receivables.

#### **Contributions and revenue**

Contributions are recognized when a donor makes a pledge that is, in substance, an unconditional promise to give. All donor-restricted revenue and support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires or is fulfilled by actions of the Organization, net assets with donor restrictions are released to net assets without donor restrictions.

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. As of December 31, 2023 and 2022, there were no conditional contributions.

# ODC AND ODC THEATER

## NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2023 and 2022

### **Note 2 - Summary of significant accounting policies (continued)**

#### **Contributions and revenue (continued)**

Contributions in-kind are recognized when received. Donated equipment and other goods are recorded at their estimated fair market value as of the date of the donation. Contributed professional services are recognized if the services received a) create or enhance long-lived assets or b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation and are recorded at the estimated fair market value at the time the services are rendered. The amounts reflected in the accompanying financial statements as in-kind support are offset by like amounts included in expenses, or in the case of long-term assets, over the period benefited. The Organization may also receive donated services that do not require specific expertise, but are nonetheless central to the Organization's operations.

The Organization reports the fair value of donated goods and services meeting recognition criteria under GAAP as public support and as expense, based on estimated fair value. During the years ended December 31, 2023 and 2022 the Organization utilized all contributed nonfinancial assets as described in Note 10. Contributed non financial assets did not have donor restrictions.

#### **Revenue recognition - contracts with customers**

##### *Tuition and fees*

The Organization recognizes revenue from tuition and fees when earned, rather than when paid. Tuition and fees are recognized over the period in which the services are performed, and tuition and fees are recorded in the combined financial statements net of tuition assistance. The Organization believes that this method provides a faithful depiction of the transfer of services based on the inputs needed to satisfy the obligations. All tuition and fee revenue is short-term in nature, as the Organization generally bills students on a monthly basis and does not have any significant financing components as payments are generally received monthly as educational services are provided.

##### *Performances, space rental and program service fees*

The Organization's program services revenue is derived primarily from performances held at the Organization's location, space rental and other program service fees. The Organization recognizes these contract revenues at a point-in-time as services or use of space are provided and are considered separate performance obligations.

All of these revenue streams are short-term in nature and do not have any significant financing components as payments are generally received shortly after the services are provided.

##### *Contract liabilities*

Contract liabilities represent funds received in advance for which the services have not yet been performed. The beginning contract liability balance at January 1, 2022 was \$391,143. The change year over year was a result of normal business activity.

The Organization's accounts receivable balance at January 1, 2022 was \$44,767.

# ODC AND ODC THEATER

## NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2023 and 2022

### Note 2 - Summary of significant accounting policies (continued)

#### Property, equipment, and depreciation

The Organization capitalizes property and equipment acquisitions over \$5,000. Purchased property and equipment are recorded at cost. Donated property and equipment are recorded at their estimated fair value at the date of donation. Gifts of property and equipment are reported as support without donor restrictions unless the donor stipulates specifically how the donated asset must be used. Maintenance and repairs that do not extend the useful lives of the respective assets are expensed as incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets as follows:

Buildings and improvements	5 - 30 years
Furniture, fixtures and equipment	3 - 15 years
Sets and costumes	3 - 10 years

#### Impairment of long-lived assets

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate the carrying value may not be fully recoverable. The Organization evaluates the recoverability of long-lived assets by measuring the carrying amount of such assets against the estimated undiscounted future cash flows associated with them. At the time such evaluation indicates that the future undiscounted cash flows of certain long-lived assets are not sufficient to recover the carrying value of such assets, the assets are adjusted to their fair value. To date, the Organization has not recorded any impairment of its long-lived assets as a result of this analysis.

#### Functional allocation of expenses

The costs of providing the various program and supporting services have been summarized on a functional basis in the accompanying combined statements of activities. Accordingly, certain costs have been allocated based on management's estimates. 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.

#### Tax-exempt status

The Organization has been granted tax-exempt status by the Internal Revenue Service (Section 501(c)(3)) and the California Franchise Tax Board (Section 23701d). Accordingly, no provision for income taxes or related credits is included in these financial statements. The Organization is subject to a tax on income earned from any unrelated business activity. The Organization does not believe it has any unrelated business taxable income that should have been reported for tax purposes.

The Organization has adopted the accounting standard related to uncertainties in income taxes. Management has considered its tax positions and believes that all of the positions taken by the Organization in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination; therefore, no liability for unrecognized income tax benefits has been recorded as of December 31, 2023 and 2022. The Organization is subject to examination by a major tax jurisdiction back to 2020.

# ODC AND ODC THEATER

## NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2023 and 2022

### **Note 2 - Summary of significant accounting policies (continued)**

#### **Marketing and advertising**

ODC recognized marketing and advertising expenditures of \$461,559 and \$407,947 for the years ended December 31, 2023 and 2022, respectively.

#### **Leases**

The Organization measures and records lease transactions in accordance with FASB ASC Topic 842, *Leases*. The standard was adopted on January 1, 2022.

As a result of the adoption of the new lease accounting guidance, the Company recognized on January 1, 2022, a lease liability of \$362,669, which represents the present value of the remaining operating lease payments of \$371,232, discounted using the weighted-average risk-free rate of 1.37%, and right-of-use asset of \$356,459. The effect of adopting the new standard resulted in a cumulative adjustment of \$6,210 to net assets as of January 1, 2022.

The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use assets and operating lease liabilities on the statements of financial position. Right-of-use assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease.

Operating lease right-of-use assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Organization's lease does not provide an implicit rate, management uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease right-of-use asset also includes any lease payments made and excludes lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

#### **Subsequent events**

In preparing its combined financial statements, the Organization has evaluated subsequent events through June 2, 2025, which is the date the combined financial statements are available to be issued.

## ODC AND ODC THEATER

### NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2023 and 2022

#### Note 3 - Liquidity and availability of resources

The following table reflects the Organization's financial assets, reduced by amounts not available for general expenditure within one year from this date. Financial assets are considered to be unavailable when illiquid or not readily convertible to cash within one year.

Financial assets available to meet cash needs for general expenditures within one year are as follows:

	December 31,	
	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 819,846	\$ 795,082
Accounts receivable, net	136,517	11,582
Grants and pledges receivable	591,825	590,938
Investments, including those held for endowment	5,892,844	5,846,992
Financial assets	7,441,032	7,244,594
Less:		
Grants and pledges receivable expected to be received beyond 12 months	(64,150)	(141,233)
Accounts payable and accrued expenses	(1,002,930)	(652,015)
Investments held for permanent donor endowments	(3,341,000)	(3,341,000)
	(4,408,080)	(4,134,248)
Total financial assets available within one year	3,032,952	3,110,346
Liquidity resources:		
Amounts unavailable to management without Board approval	(1,662,213)	(1,977,679)
Total financial assets and liquidity resources available within one year	\$ 1,370,739	\$ 1,132,667

ODC's board designated funds are \$14,018,247 at December 31, 2023. This balance consists of \$12,356,034 of net real property, furniture, and equipment, net of loans, and \$1,662,213 of Artistic Venture Funds (Note 8). 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.

ODC's permanent endowment fund consists of donor restricted funds to maintain the physical facilities of ODC's Mission District Campus in San Francisco (see Note 8 and Note 9). The principal of ODC's permanent endowment is not available for general and operating expenditures.

## ODC AND ODC THEATER

### NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2023 and 2022

#### Note 4 - Investments and fair value measurements

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value:

	December 31, 2023			Total
	Level 1	Level 2	Level 3	
Endowment:				
Cash held in investments accounts	\$ 719,002	\$ -	\$ -	\$ 719,002
Equity	2,354,566	-	-	2,354,566
Fixed income	1,091,110	-	-	1,091,110
Commodities	65,953	-	-	65,953
Total endowment	4,230,631	-	-	4,230,631
Artistic Venture Fund:				
Cash held in investments accounts	274,702	-	-	274,702
Equity	915,109	-	-	915,109
Fixed income	440,857	-	-	440,857
Commodities	31,545	-	-	31,545
Total Artistic Venture Fund	1,662,213	-	-	1,662,213
Total Investments	<u>\$ 5,892,844</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,892,844</u>
	December 31, 2022			Total
	Level 1	Level 2	Level 3	
Endowment:				
Cash held in investments accounts	\$ 1,501,990	\$ -	\$ -	\$ 1,501,990
Equity	986,605	-	-	986,605
Fixed income	1,292,525	-	-	1,292,525
Commodities	185,204	-	-	185,204
Total endowment	3,966,324	-	-	3,966,324
Artistic Venture Fund:				
Cash held in investments accounts	1,012,064	-	-	1,012,064
Equity	468,177	-	-	468,177
Fixed income	313,336	-	-	313,336
Commodities	87,091	-	-	87,091
Total Artistic Venture Fund	1,880,668	-	-	1,880,668
Total Investments	<u>\$ 5,846,992</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,846,992</u>

Investments held are classified as Level 1 as they are traded on an active market. The carrying amounts of the Organization's other assets and liabilities on its combined statements of financial position approximate fair value because of the short maturity of those instruments. There were no transfers of investments in or out of Level 1 classification during the years ended December 31, 2023 and 2022.

## ODC AND ODC THEATER

### NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2023 and 2022

#### Note 5 - Endowment assets

The Organization created The Way Forward endowment campaign in 2016 to create a \$10 million permanent endowment fund. The table below presents a reconciliation of the endowment assets for the years ended December 31, 2023 and 2022:

	2023	2022
Balance, January 1	\$ 3,966,324	\$ 5,128,601
Distributions	(178,339)	(80,000)
Designation reclassification (Note 8)	(7,675)	(299,468)
Interest and dividends	93,160	105,300
Net realized and unrealized loss	357,161	(888,109)
Balance, December 31	\$ 4,230,631	\$ 3,966,324

#### Note 6 - Property and equipment

Property and equipment consisted of the following:

	December 31,	
	2023	2022
Land	\$ 6,766,629	\$ 6,766,629
Building and improvements	15,930,395	15,906,088
Furniture, fixtures and equipment	2,412,308	2,923,544
Sets and costumes	81,508	81,508
Construction in progress	191,498	-
Less: accumulated depreciation	(9,957,649)	(9,870,337)
	\$ 15,424,689	\$ 15,807,432

Depreciation expense was \$624,671 and \$595,326 for the years ended December 31, 2023 and 2022, respectively.

Construction in progress consists of construction on facilities to improve the Organization's dance studios and will be completed and begin depreciating in 2024.

## ODC AND ODC THEATER

### NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2023 and 2022

#### **Note 7 - Note payable**

In June 2020, the Organization borrowed \$200,000 from a nonprofit finance fund which does not accrue interest. The unsecured loan was paid in full in 2022.

In November 2022, the Organization entered into a loan agreement for \$3,000,000 plus an additional line of credit of \$500,000, restricted for use on the building. The loan is secured by the building purchased with its proceeds. The loan has a term of 3 years with an option to extend for an additional 1 year, and bears an initial interest rate of 1% with an increase to 2% for the extended option period, if opted. Interest only payments are required in May and November each year.

As of December 31, 2023 and 2022, the loan balance was \$3,000,000 and no amounts of the line of credit had been drawn down.

#### **Note 8 - Board designated reserves**

Net assets without donor restriction that have been designated by the Organization are comprised of the Artistic Venture Fund and property, furniture, and equipment, net of outstanding loan balance.

##### *Artistic Venture Fund*

The Artistic Venture Fund is part of The Way Forward campaign. Along with creating a \$10 million permanent endowment (see Note 5), the goal of the campaign is to create a \$4 million ten-year spend down fund. The Artistic Venture 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 initiatives.

During the year ended December 31, 2023, management determined that a portion of the endowment fund that had previously been reported as net assets with donor restrictions, was not originally restricted by the donor, but instead was part of the Board of Directors' efforts to create a Board designated endowment fund. The reclassification of the endowment fund only affected the presentation of the net asset balances by reducing net assets with donor restriction and increasing net assets without donor restrictions. The amounts reclassified were \$213,132 and \$97,011 for the years ended December 31, 2023 and 2022, respectively.

# ODC AND ODC THEATER

## NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2023 and 2022

### Note 9 - Net assets with donor restrictions

Net assets released from donor restrictions by incurring expenses satisfying donor restricted purposes or by the passage of time are as follows:

	December 31,	
	2023	2022
Time restrictions expired	\$ 760,755	\$ 428,146
Purpose restrictions fulfilled	2,184,518	4,850,300
Designation reclassification - endowments (Note 8)	213,132	97,011
Appropriated endowment earnings	175,339	80,000
	<u>\$ 3,333,744</u>	<u>\$ 5,455,457</u>

Net assets with donor restrictions consisted of the following:

	December 31,	
	2023	2022
Contributions designated for specific programs	\$ 917,658	\$ 2,564,635
Unappropriated earnings on donor restricted endowment funds	889,631	625,324
Permanently restricted endowment funds	3,341,000	3,341,000
	<u>\$ 5,148,289</u>	<u>\$ 6,530,959</u>

## ODC AND ODC THEATER

### NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2023 and 2022

**Note 9 - Net assets with donor restrictions (continued)**

The endowment assets and the unappropriated earnings thereon are presented as follows:

	December 31, 2023		
	With Donor Restrictions		
	Endowment	Temporarily Restricted	Total
Endowment	\$ 3,341,000	\$ -	\$ 3,341,000
Unappropriated earnings	-	889,631	889,631
 Total funds	 \$ 3,341,000	 \$ 889,631	 \$ 4,230,631
	December 31, 2022		
	With Donor Restrictions		
	Endowment	Temporarily Restricted	Total
Endowment	\$ 3,341,000	\$ -	\$ 3,341,000
Unappropriated earnings	-	625,324	625,324
 Total funds	 \$ 3,341,000	 \$ 625,324	 \$ 3,966,324

## ODC AND ODC THEATER

### NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2023 and 2022

#### Note 10 - In-kind contributions

The Organization adopted Accounting Standards Update (ASU) 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets using a retrospective method. The guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. The following table summarizes the categories of contributed nonfinancial assets and other required qualitative disclosures:

	Utilization in Programs/Activities	Valuation Techniques and Inputs	Revenue Recognized Year ended December 31,	
			2023	2022
Professional services	Management support	Valuation is provided by the donor and is based on the price the Organization would pay for similar services on the market.	\$ 5,167	\$ 29,368
Use of facilities	Management support	Valuation is provided by the donor and is based on the price the Organization would pay for similar use on the market.	-	22,570
			<u>\$ 5,167</u>	<u>\$ 51,938</u>

## ODC AND ODC THEATER

### NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2023 and 2022

#### Note 11 - Operating leases

In June 2021, the Organization entered into an operating lease agreement for storage space in San Francisco. The lease term is for five years, and the lease agreement calls for minimum monthly lease payments beginning at \$6,000 with an annual escalation through May 2026.

The Organization also holds an operating lease agreement for a copy machine. The lease term is for five years, and the lease agreement calls for minimum monthly lease payments of \$1,143.

Total operating lease expense was \$145,874 and \$100,786 for the years ended December 31, 2023 and 2022, respectively.

	December 31,	
	2023	2022
Operating cash flows from operating leases	\$ 94,072	\$ 75,500
ROU assets obtained in exchange for operating lease liabilities	\$ 52,621	\$ 356,459
Weighted-average remaining lease term in years for operating leases	2.56	3.42
Weighted-average discount rate for operating leases	1.81%	1.37%

Future minimum lease payments required under the Organization's leases are as follows:

For the Years Ending December 31,	Amount
2024	\$ 100,769
2025	103,847
2026	52,345
2027	3,429
Total future minimum lease payments	260,390
Less: present value discount	(6,122)
Total operating lease liability	254,268
Less: current portion of operating lease liability	96,361
	\$ 157,907

# ODC AND ODC THEATER

## NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2023 and 2022

### **Note 11 - Operating leases (continued)**

#### *Rental income*

In April 2021, the Organization entered into a rental agreement with an unrelated third party to lease a portion of their building space for a Café, which expires in 2026. Rental income for this agreement was \$18,715 and \$17,877 for the years ended December 31, 2023 and 2022, respectively.

In January 2023, the Organization entered into an agreement to lease studio space. Rent payments begin at \$1,966 and escalate by approximately 3% each year through December 2028. Rental income for the leased studio space was \$21,626 for the year ended December 31, 2023.

The Organization also leases its space to other entities on a short term basis and such rental income is insignificant.

#### *Sublease income*

In June 2022, the Organization entered into an agreement to sublease a portion of storage space for a monthly fixed rent of approximately \$1,400 to the sublessee through May 2026. In connection with the sublease, the Organization evaluated the terms of the agreement to determine whether the carrying amount of right-of-use assets is impaired and determined no impairment exists. Sublease income of \$18,083 and \$16,050 for the years ended December 31, 2023 and 2022, respectively and is included in space rental on the combined statement of activities.

### **Note 12 - Employee benefits**

During 2020, the Organization adopted a 403(b) plan wherein all employees who generally work 20 hours or more per week are eligible to participate immediately upon hire. The plan does not provide for employer contributions.

### **Note 13 - Paycheck Protection Program loan**

In March 2021, the Organization received loan proceeds in the amount of \$525,510 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), provided for loans to qualifying businesses for amounts of up to 2.5 times the average monthly payroll expenses of the qualifying business for the qualifying time period. The loan and accrued interest are forgivable after the applicable time period in the CARES Act as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels.

On April 4, 2022, upon completion of the loan forgiveness application review by the Small Business Association, the Organization received confirmation that the principal balance of \$525,510 and the related accrued interest was forgiven.

### **Note 14 - Related-party transactions**

During the years ended December 31, 2023 and 2022, certain members of the Organization's Board of Directors and members of management made contributions to help fund the Organization's mission. This contribution revenue totaled approximately \$575,000 and \$1,988,000, respectively.

## ODC AND ODC THEATER

### NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2023 and 2022

#### **Note 15 - Concentrations, risk and uncertainties**

The Organization maintains its cash and cash equivalents with high-credit, quality financial institutions which, at times, may exceed amounts insured by the Federal Deposit Insurance Corporation (FDIC). The Organization believes its credit policies do not result in significant adverse risk, and historically has not experienced significant credit-related losses.

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the Organization's account balances and the amounts reported in the combined statement of financial Position.

During the year ended December 31, 2023, the Organization had three significant grantors that represented 45% of grants and contributions and two significant grantors accounted for 79% of total grants and pledges receivable. In addition, contributions from management and the Board of Directors represented 16% of total grants and contributions.

During the year ended December 31, 2023, the Organization had one grantor that accounted for 78% of accounts receivable.

During the year ended December 31, 2022, two significant grantors that represented 45% of grants and contributions and three significant grantors that accounted for 68% of total grants and pledges receivable. In addition, contributions from management and the Board of Directors represented 28% of total grants and contributions.

#### **Note 16 - Reclassifications**

Certain reclassifications have been made to the December 31, 2022 combined financial statements to conform to the December 31, 2023 combined financial statements presentation, having no impact on the previously reported net assets.

**SUPPLEMENTARY INFORMATION**

**ODC AND ODC THEATER**  
**COMBINING STATEMENT OF FINANCIAL POSITION**

December 31, 2023

<b>Assets</b>				
	ODC	ODC Theater	Eliminations	Combined
Current assets:				
Cash and cash equivalents	\$ 819,606	\$ 240	\$ -	\$ 819,846
Accounts Receivable, net of allowance for credit losses	67,299	69,218	-	136,517
Grants and pledges receivable, current portion	511,276	16,399	-	527,675
Prepaid expenses and other assets	68,065	923	-	68,988
Due from related party	1,666	-	(1,666)	-
Total current assets	1,467,912	86,780	(1,666)	1,553,026
Property and equipment, net of accumulated depreciation	15,424,689	-	-	15,424,689
Operating lease right-of-use asset	238,359	-	-	238,359
Grants and pledges receivable, less current portion	64,150	-	-	64,150
Deposits	6,000	-	-	6,000
Investments:				
Artistic Venture Fund - board-designated	1,662,213	-	-	1,662,213
Endowment - donor-restricted	4,230,631	-	-	4,230,631
Total investments	5,892,844	-	-	5,892,844
	\$ 23,093,954	\$ 86,780	\$ (1,666)	\$ 23,179,068

See accompanying independent auditor's report and notes to combined financial statements.

**ODC AND ODC THEATER**  
**COMBINING STATEMENT OF FINANCIAL POSITION (CONTINUED)**

December 31, 2023

**Liabilities and Net Assets**

	<u>ODC</u>	<u>ODC Theater</u>	<u>Eliminations</u>	<u>Combined</u>
Current liabilities:				
Accounts payable	\$ 709,146	\$ 29,409	\$ -	\$ 738,555
Accrued expenses	240,706	23,669	-	264,375
Contract liability	341,557	60,579	-	402,136
Operating lease liability, current portion	96,361	-	-	96,361
Due to related party	-	1,666	(1,666)	-
Total current liabilities	<u>1,387,770</u>	<u>115,323</u>	<u>(1,666)</u>	<u>1,501,427</u>
Operating lease liability, less current portion	157,907	-	-	157,907
Note payable	<u>3,000,000</u>	<u>-</u>	<u>-</u>	<u>3,000,000</u>
Total liabilities	4,545,677	115,323	(1,666)	4,659,334
Net assets:				
Without donor restrictions	13,406,988	(35,543)	-	13,371,445
With donor restrictions	<u>5,141,289</u>	<u>7,000</u>	<u>-</u>	<u>5,148,289</u>
Total net assets	<u>18,548,277</u>	<u>(28,543)</u>	<u>-</u>	<u>18,519,734</u>
	<u>\$ 23,093,954</u>	<u>\$ 86,780</u>	<u>\$ (1,666)</u>	<u>\$ 23,179,068</u>

See accompanying independent auditor's report and notes to combined financial statements.

**ODC AND ODC THEATER**  
**COMBINING STATEMENT OF ACTIVITIES**

December 31, 2023

	ODC				ODC Theater			Combined			
	Without Donor Restrictions		With Donor	Total	Without Donor	With Donor	Total	Without Donor Restrictions		With Donor	Total
	Undesignated	Designated	Restrictions					Restrictions	Designated	Restrictions	
Revenue and support:											
Tuition and fees	\$ 1,648,116	\$ -	\$ -	\$ 1,648,116	\$ 73,939	\$ -	\$ 73,939	\$ 1,722,055	\$ -	\$ -	\$ 1,722,055
Performances	358,600	-	-	358,600	213,510	-	213,510	572,110	-	-	572,110
Merchandise and concession	5,599	-	-	5,599	6,076	-	6,076	11,675	-	-	11,675
Space rental	152,157	-	-	152,157	91,783	-	91,783	243,940	-	-	243,940
Special event, net of direct benefit to donor cost of \$133,135	367,731	-	-	367,731	-	-	-	367,731	-	-	367,731
Program service fees	56,717	-	-	56,717	91,757	-	91,757	148,474	-	-	148,474
Other revenue and fees	222,511	-	-	222,511	32,196	-	32,196	254,707	-	-	254,707
Net investment income	4,457	159,047	450,321	613,825	-	-	-	4,457	159,047	450,321	613,825
Total revenue	2,815,888	159,047	450,321	3,425,256	509,261	-	509,261	3,325,149	159,047	450,321	3,934,517
Government grants	91,835	-	100,265	192,100	15,000	-	15,000	106,835	-	100,265	207,100
Foundation grants	684,465	-	1,328,523	2,012,988	51,750	7,000	58,750	736,215	-	1,335,523	2,071,738
Corporate contributions	25,012	-	2,150	27,162	1,200	-	1,200	26,212	-	2,150	28,362
Individual contributions	1,240,692	-	62,815	1,303,507	23,900	-	23,900	1,264,592	-	62,815	1,327,407
In-kind contributions	1,367	-	-	1,367	3,800	-	3,800	5,167	-	-	5,167
Subsidy (to) from related party	(460,000)	-	-	(460,000)	460,000	-	460,000	-	-	-	-
Total support	1,583,371	-	1,493,753	3,077,124	555,650	7,000	562,650	2,139,021	-	1,500,753	3,639,774
Net assets released from restrictions and designations	4,222,498	(1,048,754)	(3,173,744)	-	160,000	(160,000)	-	4,382,498	(1,048,754)	(3,333,744)	-
Total revenue and support	8,621,757	(889,707)	(1,229,670)	6,502,380	1,224,911	(153,000)	1,071,911	9,846,668	(889,707)	(1,382,670)	7,574,291
Functional expenses:											
Program services	5,112,289	-	-	5,112,289	775,462	-	775,462	5,887,751	-	-	5,887,751
Management and general	1,313,917	-	-	1,313,917	311,677	-	311,677	1,625,594	-	-	1,625,594
Fundraising	462,081	-	-	462,081	92,831	-	92,831	554,912	-	-	554,912
Total functional expenses	6,888,287	-	-	6,888,287	1,179,970	-	1,179,970	8,068,257	-	-	8,068,257
Change in net assets	1,733,470	(889,707)	(1,229,670)	(385,907)	44,941	(153,000)	(108,059)	1,778,411	(889,707)	(1,382,670)	(493,966)
Net assets, beginning of year	(2,221,886)	14,785,111	6,370,959	18,934,184	(80,484)	160,000	79,516	(2,302,370)	14,785,111	6,530,959	19,013,700
Net assets, end of year	\$ (488,416)	\$ 13,895,404	\$ 5,141,289	\$ 18,548,277	\$ (35,543)	\$ 7,000	\$ (28,543)	\$ (523,959)	\$ 13,895,404	\$ 5,148,289	\$ 18,519,734

See accompanying independent auditor's report and notes to combined financial statements.