

BALLETROX, INC.

FINANCIAL STATEMENTS

with

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

YEARS ENDED JUNE 30, 2013 AND 2012

Smith  Sullivan
& Brown PC
CERTIFIED PUBLIC ACCOUNTANTS

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BALLETROX, INC.
REPORT ON FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 AND 2012

Mission Statement

The mission of BalletRox, Inc. is to expose Boston youth to dance and opportunities for mastery and performance, to which they would not otherwise have access, giving them discipline and a supportive community to succeed in life.

BALLETROX, INC.
REPORT ON FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 AND 2012

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
BalletRox, Inc.
Jamaica Plain, Massachusetts

We have reviewed the accompanying statements of financial position of BalletRox, Inc. (a Massachusetts nonprofit organization) as of June 30, 2013 and 2012, and the related statements of activities, functional expenses, and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Smith, Sullivan & Brown, P.C.

Westborough, Massachusetts
February 7, 2014

BALLETROX, INC.

STATEMENTS OF FINANCIAL POSITION AS OF JUNE 30, 2013 AND 2012

ASSETS

	<u>2013</u>	<u>2012</u>
<u>CURRENT ASSETS:</u>		
Cash	\$ 50,290	\$ 6,313
Accounts Receivable, After School Program Fees	600	-
Total Current Assets	<u>50,890</u>	<u>6,313</u>
<u>PROPERTY AND EQUIPMENT:</u>		
Property and Equipment	3,170	74,271
Less: Accumulated Depreciation	<u>(906)</u>	<u>(53,730)</u>
Net Property and Equipment	<u>2,264</u>	<u>20,541</u>
<u>TOTAL ASSETS</u>	<u>\$ 53,154</u>	<u>\$ 26,854</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES:</u>		
Accounts Payable and Accrued Expenses	\$ 2,650	\$ 3,141
Due to Related Party	<u>-</u>	<u>12,561</u>
Total Current Liabilities	<u>2,650</u>	<u>15,702</u>
<u>NET ASSETS:</u>		
Unrestricted Net Assets	35,504	11,152
Temporarily Restricted Net Assets	<u>15,000</u>	<u>-</u>
Total Net Assets	<u>50,504</u>	<u>11,152</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 53,154</u>	<u>\$ 26,854</u>

BALLETROX, INC.

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012
(With Summarized Comparative Totals for 2012)

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>2013</u>	<u>TOTAL ACTIVITIES 2012</u>
<u>SUPPORT AND REVENUES:</u>				
<i>Program Service Revenues:</i>				
Ticket Sales	\$ -	\$ -	\$ -	\$ 248,505
After School Program	58,294	-	58,294	67,317
Miscellaneous Program Income	4,182	-	4,182	9,331
Concessions	-	-	-	2,675
Donated Goods and Services	4,884	-	4,884	2,385
<i>Public Support:</i>				
Gifts, Grants and Contributions	55,966	15,000	70,966	118,247
<i>Other Income:</i>				
Gain on Sale of Van	7,120	-	7,120	-
	<u>130,446</u>	<u>15,000</u>	<u>145,446</u>	<u>448,460</u>
<u>TOTAL SUPPORT AND REVENUES</u>				
<u>FUNCTIONAL EXPENSES:</u>				
Program Services	67,021	-	67,021	399,679
<i>Supporting Services:</i>				
Administrative	10,670	-	10,670	33,323
Fund Raising	10,579	-	10,579	757
	<u>88,270</u>	<u>-</u>	<u>88,270</u>	<u>433,759</u>
<u>TOTAL FUNCTIONAL EXPENSES</u>				
<u>CHANGE IN NET ASSETS BEFORE LOSSES</u>				
	42,176	15,000	57,176	14,701
Loss on Abandonment of Property and Equipment	(17,824)	-	(17,824)	-
	<u>24,352</u>	<u>15,000</u>	<u>39,352</u>	<u>14,701</u>
<u>CHANGE IN NET ASSETS</u>				
<u>NET ASSETS (DEFICIT) - BEGINNING OF YEAR</u>				
	11,152	-	11,152	(3,549)
	<u>\$ 35,504</u>	<u>\$ 15,000</u>	<u>\$ 50,504</u>	<u>\$ 11,152</u>
<u>NET ASSETS - END OF YEAR</u>				

BALLETROX, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013
(With Summarized Comparative Totals for 2012)

	<u>PROGRAM</u> <u>SERVICES</u>	<u>ADMINI-</u> <u>STRATIVE</u>	<u>FUND</u> <u>RAISING</u>	<u>TOTAL</u> <u>FUNCTIONAL EXPENSES</u>	
				<u>2013</u>	<u>2012</u>
Contracted Services	\$ 26,471	\$ -	\$ -	\$ 26,471	\$ 214,314
Salaries and Wages	20,635	-	3,750	24,385	-
Payroll Taxes	2,640	-	417	3,057	-
Theater Rental	-	-	-	-	60,750
Scholarships	7,911	-	-	7,911	37,036
Professional Fees	-	3,605	-	3,605	24,684
Printing and Design Fees	1,240	-	4,960	6,200	3,600
Facilities and Equipment Storage Rental	3,112	-	-	3,112	19,234
Advertising	1,009	-	-	1,009	15,054
Sound, Lighting and Rigging	-	-	-	-	13,215
Miscellaneous	3,550	3,031	1,452	8,033	11,666
Travel and Meetings	-	18	-	18	10,860
Set and Props	-	-	-	-	6,737
Costumes	-	-	-	-	6,270
Depreciation Expense	453	-	-	453	6,075
Insurance	-	3,691	-	3,691	2,764
Bad Debt Expense	-	325	-	325	1,500
	<u>-</u>	<u>-</u>	<u>-</u>	<u>325</u>	<u>1,500</u>
Total Functional Expenses	\$ 67,021	\$ 10,670	\$ 10,579	\$ 88,270	\$ 433,759

BALLETROX, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Change in Net Assets	\$ 39,352	\$ 14,701
<i>Adjustments to Reconcile the Above to Net Cash Provided (Used) by Operating Activities:</i>		
Depreciation Expense	453	6,075
Gain on Sale of Van	(7,120)	-
Loss on Abandonment of Property and Equipment	17,824	-
<i>(Increase) Decrease in Current Assets:</i>		
Accounts Receivable, After School Program Fees	(600)	-
Pledges Receivable	-	2,000
<i>Increase (Decrease) in Current Liabilities:</i>		
Accounts Payable and Accrued Expenses	(491)	(869)
Due to Related Party	(12,561)	(36,043)
Net Adjustment	<u>(2,495)</u>	<u>(28,837)</u>
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	<u>36,857</u>	<u>(14,136)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Proceeds from Sale of Van	7,120	-
Purchase of Property and Equipment	-	(3,170)
Net Cash Flows from Investing Activities	<u>7,120</u>	<u>(3,170)</u>
<u>NET INCREASE (DECREASE) IN CASH BALANCES</u>	43,977	(17,306)
<u>CASH BALANCES - BEGINNING OF YEAR</u>	<u>6,313</u>	<u>23,619</u>
<u>CASH BALANCES - END OF YEAR</u>	<u>\$ 50,290</u>	<u>\$ 6,313</u>
<i>Supplemental Disclosures :</i>		
Interest Paid	\$ -	\$ -
Income Taxes Paid	\$ -	\$ -

BALLETROX, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

NOTE 1 ORGANIZATION

BalletRox, Inc. (“BalletRox” or the “Organization”) was incorporated in January 1992 under the provisions of Massachusetts General Laws Chapter 180 and qualifies as a tax-exempt nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code. BalletRox, Inc. is not classified as a private foundation under Section 509(a); accordingly, contributions made to this Organization qualify for the maximum charitable deduction for federal income tax purposes.

Since inception, BalletRox has collaborated with the Tony Williams Dance Center (“TWDC”), formerly J P School of Dance, a Massachusetts Limited Liability Partnership. TWDC was formed in the early 1990’s by the founder and member of the Board of Directors of BalletRox, Tony Williams, to provide quality dance opportunities, reflective of the diversity and racial harmony of the community it serves. The collaboration changed in FY 2012, as the BalletRox dance company was disbanded in February 2012, and the decision was made in May 2012 by Tony Williams to have all shows previously produced by BalletRox privately produced by TWDC.

NOTE 2 PROGRAM SERVICES

The purpose of BalletRox is to engage in the following activities: to promote, advance and sponsor artistic endeavors, creative work and education in dance, theater, music and other performance arts, including but not limited to, providing activities and facilities on professional, semi-professional and recreational levels, sponsoring instruction, workshops, residencies and classes, providing rehearsal, performance and instructional spaces and sponsoring professional and non-professional concerts and performances.

Over the years, and specifically since 1997, BalletRox successfully focused on the connection between dance, diversity and community as described below:

The mission of BalletRox is to channel the power of dance to create new opportunities for inner-city Boston youth and to unite people and communities in a celebration of diversity.

BalletRox still operates under the founder’s original mission and subsequent dedication to diversity, accessibility and community with a focus on the educational components of dance as the foundation for performance. The mission of BalletRox is to expose Boston Youth to dance and opportunities for mastery and performance, to which they would not otherwise have access, giving them discipline and a supportive community to succeed in life.

BalletRox’s long-term plan continues to include professional performance opportunities as an integral part of program offerings.

BalletRox offers scholarships for under-served children, regardless of financial ability or career goals. All children at BalletRox receive a solid foundation in ballet, as well as an opportunity to explore other dance styles, such as modern, jazz, tap, and more.

BalletRox students and professional dancers have the opportunity to perform in critically acclaimed productions and other innovative dances. BalletRox continues to establish its unique position as a multi-racial provider of in-school and afterschool dance instruction. This is where dance gets real.

BALLETROX, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

(Continued)

NOTE 2 *(Continued)*

All ballet schools teach dance technique, but because BalletRox focuses on at-risk, urban children, it is able to teach much more. BalletRox is uniquely positioned to provide the proven psychological and developmental benefits of dance. Through dance classes and performance opportunities students learn discipline, teamwork, self-respect, and self-esteem. BalletRox provides critical tools for helping young people manage peer pressures, family crisis, and threats from the streets as well as for success in the adult world.

As mentioned in Note 1, an arrangement was made in FY 2012 between TWDC and BalletRox to have the main show previously produced by BalletRox be privately produced by TWDC. BalletRox is now focusing on its in-school and scholarship program.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies which affect significant elements of the Organization's financial statements are described below to enhance the usefulness of the financial statements to the reader. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates; however, adherence to generally accepted accounting principles has, in the management's opinion, resulted in reliable and consistent financial reporting by the Organization. The following policies should be read in conjunction with the accompanying notes to the financial statements.

Basis of Accounting:

The Organization's policy is to maintain its books and prepare its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles. Consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when a liability has been incurred.

Fair Value of Financial Instruments:

The Organization reports its fair value measures by using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by generally accepted accounting principles, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

BALLETROX, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

(Continued)

NOTE 3 *(Continued)*

The three levels of inputs used to measure fair value are defined as follows:

- Level 1 - Quoted prices for identical assets or liabilities in active markets to which the Organization has access at the measurement date.

- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in markets that are not active; observable inputs other than quoted prices for the asset or liability (for example, interest rate and yield curves); and inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

- Level 3 - Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

For the years presented, the Organization did not have any assets that require re-measurement on a recurring basis, which would be required to be classified under the fair value hierarchy.

Financial Statement Presentation:

As required by the *FASB Accounting Standards Codification*TM, the Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. These classifications are related to the existence or absence of donor-imposed restrictions as indicated below:

Unrestricted Net Assets - consists of assets, public support and program revenues which are available and used for operations and programs. Unrestricted net assets represents the portion of net assets of the Organization that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Contributions are considered available for unrestricted use unless specifically restricted by the donor. In addition, unrestricted net assets of the Organization includes funds which represent unrestricted resources designated by the Board of Directors for specific purposes.

Temporarily Restricted Net Assets - includes funds with donor-imposed restrictions which permit the donee organization to expend the assets as specified and is satisfied either by the passage of time or by actions of the Organization. Resources of this nature originate from gifts, grants, bequests, contracts and investment income earned on restricted funds.

Permanently Restricted Net Assets - includes resources which have a permanent donor-imposed restriction which stipulates that the assets are to be maintained permanently, but permits the Organization to expend part or all of the income derived from the donated assets. For the years presented, there were no net assets of this nature.

The accompanying financial statements include certain comparative FY 2012 comparative information. With respect to the Statement of Activities, such prior year information is not presented by net asset class and, in the Statement of Functional Expenses, FY 2012 expenses by line item are in total rather than by functional category. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2012 from which the summarized information was derived.

BALLETROX, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

(Continued)

NOTE 3 (Continued)

Accounts Receivable, After School Program Fees:

Accounts Receivable, After School Program Fees represents uncollected fees due from after school programs. Bad debt expense from uncollectible fees was \$325 for the year ended June 30, 2013. There were no uncollectible fees for the year ended June 30, 2012.

Pledges Receivable:

Pledges Receivable represent amounts which are due from individual donors and foundations which are classified as current if they are scheduled for payment within one year, and non-current when the expected payment date exceeds one year. The fair value of the pledges approximates carrying value due to the short maturity of the instrument. As of June 30, 2013 and 2012, there were no pledges receivable; however, one FY 2011 commitment of \$1,500 was deemed uncollectible in FY 2012 and is reported as a bad debt expense on the Statement of Functional Expenses.

Management believes that *Accounts and Pledges Receivable* will be collected in full; accordingly, these financial statements do not contain a provision for uncollectible amounts. Balances that remain outstanding after management has made reasonable collection efforts are written off through a charge to activities.

Property and Equipment:

BalletRox, Inc. records all property and equipment at cost, if purchased (exceeding \$500), or if donated, at the fair value on the date of receipt. Expenditures for maintenance, repairs and renewals are charged to expense as incurred, whereas major betterments (exceeding \$500) are capitalized as additions to property and equipment. Depreciation of property and equipment is computed using the straight-line method, and is charged against activities over the estimated useful lives of the assets, as expressed in terms of years.

Revenue Recognition:

Revenue is recognized as the program services are rendered. Fees for the after school program may be paid by the term or in installments.

Contributions, Gifts and Grants:

As required by the *FASB Accounting Standards Codification*TM, contributions are required be recorded as receivables and revenues, and the Organization is required to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Contributions may include gifts of cash, collection items, or promises to give.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions of assets other than cash are reported at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved, when such amounts are considered material.

BALLETROX, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

(Continued)

NOTE 3 (Continued)

Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction until the restriction expires, at which time temporarily restricted net assets are reclassified to unrestricted net assets. The Organization has elected to report restricted contributions whose restrictions are met in the same reporting period as unrestricted support.

Donated Goods and Services:

As required by the *FASB Accounting Standards Codification*TM, the Organization maintains a policy whereby the value of the donated goods and services which requires a specialized skill and/or which would have otherwise been purchased by the Organization are recorded at their fair value in the period received. Donated goods and services of \$4,884 and \$2,385 for the years ended June 30, 2013 and 2012, respectively, are reflected as revenue in the accompanying Statement of Activities with a corresponding expense reported on the Statement of Functional Expenses. Donations of volunteer services were not tracked or quantified for the years presented. Members of the Board of Directors and other volunteers donated numerous hours of services, assisting with the Organization's mission, office administrative work, promotional, artistic and community outreach. These services, while significant, do not meet the recognition criteria and, therefore, have not been recorded in the accompanying financial statements.

Functional Expenses:

As required by the *FASB Accounting Standards Codification*TM, the Organization allocates its expenses on a functional basis among various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expense classification. Other expenses that are common to several functions are allocated using formulas derived from the nature of related time. Supporting services are those related to operating and managing the Organization and its programs on a day-to-day basis. Supporting services have been sub-classified as follows:

Administrative - includes all activities related to BalletRox, Inc.'s internal management and accounting for program services.

Fund Raising - includes all activities related to maintaining contributor information, writing grant proposals, direct mail solicitation, distribution of materials and other similar projects related to the procurement of funds.

Advertising:

The Organization expenses the costs of advertising at the time the advertising is incurred. During the years ended June 30, 2013 and 2012, the Organization incurred advertising costs totaling \$1,009 and \$15,054, respectively.

BALLETROX, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

(Continued)

NOTE 3 *(Continued)*

Tax Position:

The Organization currently evaluates all tax positions, and makes a determination regarding the likelihood of those positions being upheld under review. The primary tax positions made by the Organization are the classification of its workforce as independent contractors and the Organization's status as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. For the years presented, the Organization has not recognized any tax benefits or loss contingencies for uncertain tax positions based on this evaluation. All tax periods prior to FY 2010 are no longer subject to examination by tax authorities.

Reclassifications:

Certain amounts in the FY 2012 financial statements have been reclassified to conform to the current year presentation. The reclassifications had no effect on the change in net assets.

NOTE 4 PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of June 30, 2013 and 2012:

<u>Asset Category</u>	<u>Est. Life</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	
				<u>2013</u>	<u>2012</u>
Marley Dance Floor	7	\$3,170	\$906	\$2,264	\$ 2,717
Dance Floor	7	-	-	-	3,858
Company Equipment	7	-	-	-	3,308
Studio Improvements	*	-	-	-	<u>10,658</u>
Total		<u>\$3,170</u>	<u>\$906</u>	<u>\$2,264</u>	<u>\$20,541</u>

* 27.5 – 39 years

During FY 2013, a fully depreciated van with an original basis of \$22,019 was sold at a gain of \$7,120. Studio improvements, equipment and a dance floor remained at the TWDC rented studio location, which was vacated by BalletRox during FY 2012. The disposition and ultimate abandonment of these items was determined during FY 2013 when the two parties finalized negotiations. The cost basis of these items was \$49,082 and the accumulated depreciation was \$31,258 as of June 30, 2013, resulting in a loss on the abandonment of property and equipment of \$17,824.

NOTE 5 NET ASSETS

Temporarily Restricted Net Assets:

As of June 30, 2013, BalletRox had \$15,000 of temporarily restricted funds specified for an Arts Expansion Initiative in two schools for the 2013-2014 school year.

BALLETROX, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

(Continued)

NOTE 5 *(Continued)*

Opening Net Assets – As Restated:

The property and equipment that remained at the dance studio rented by TWDC was owned by BalletRox at both the beginning and end of FY 2012. Accordingly, beginning net assets were restated by \$23,446, the net book value of these specific assets as of June 30, 2011. Management restated its net assets (deficit) (with a corresponding increase in Property and Equipment) as of July 1, 2011 in the accompanying Statement of Activities as follows:

Unrestricted Net Assets (Deficit)	\$ (26,995)
Prior Period Adjustment	<u>23,446</u>
Unrestricted Net Assets (Deficit) as Restated, as of July 1, 2011	<u>\$ (3,549)</u>

NOTE 6 RELATED PARTY TRANSACTIONS

As described in Note 1, BalletRox collaborated with a for-profit limited liability partnership, the Tony Williams Dance Center (“TWDC”). The President of TWDC is the founder and member of the Board of Directors of BalletRox (through December 2012).

The following transactions took place between the two entities during the years ended June 30, 2013 and 2012:

Contracted Services:

During FY 2012, BalletRox paid Tony Williams, a Board member, as an Artistic Director \$18,450 for services provided through March 2012.

Scholarships:

BalletRox incurred costs of \$7,911 and \$37,036 for scholarships for students to attend TWDC during FY 2013 and 2012, respectively. As of June 30, 2012, scholarship amounts due to TWDC in the amount of \$12,561 are reported as *Due to Related Party* on the Statement of Financial Position, and were paid during FY 2013.

Rent:

During FY 2012, BalletRox paid rent for administrative space and rehearsal space to TWDC. There was an informal arrangement with monthly payments of \$2,000. BalletRox discontinued using the rehearsal space in January 2012, at the time their dance company was disbanded. The administrative space continued to be used until June 30, 2012. Total rent paid to TWDC was \$16,000 for FY 2012 and is included in *Facilities and Equipment Storage Rental* in the accompanying Statement of Functional Expenses.

TWDC Use of BalletRox Property and Equipment:

During FY 2013, BalletRox received \$2,251 from TWDC for equipment and costume rental fees, which has been included in *Miscellaneous Program Income* in the accompanying Statement of Activities.

BALLETROX, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

(Continued)

NOTE 6 (Continued)

Throughout FY 2012, TWDC continued to use the van, studio improvements, equipment and dance floor which remained at the TWDC rented studio location, vacated by BalletRox during FY 2012. No fees were collected by BalletRox during FY 2012 for this usage.

NOTE 7 IN-KIND GOODS AND SERVICES

For the years ended June 30, 2013 and 2012, BalletRox received the following donated goods and services which met the recognition criteria:

<u>Description</u>	<u>2013</u>	<u>2012</u>
Communications and Marketing	\$ 638	\$ -
Scholarship Event Expenses	1,160	-
Software	1,570	-
Office Supplies	853	-
Postage	663	-
Professional Services	-	1,785
Laptop Computer and Software	-	600
Total	<u>\$4,884</u>	<u>\$2,385</u>

NOTE 8 CONCENTRATIONS

For the year ended June 30, 2012, ticket sales related to one production represented approximately 55% of total support and revenue.

NOTE 9 SUBSEQUENT EVENTS

Management is required to consider events subsequent to the financial statement date for potential adjustment to or disclosure in the financial statements. Therefore, Management has evaluated subsequent events through February 7, 2014, the date which the financial statements were available for issue, and noted the following event which met the recognition criteria: