

BALLETROX, INC.

FINANCIAL STATEMENTS

with

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

YEAR ENDED JUNE 30, 2021

(With Summarized Comparative Information for 2020)

Smith  Sullivan
& Brown PC
CERTIFIED PUBLIC ACCOUNTANTS

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BALLETROX, INC.

REPORT ON FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

(With Summarized Comparative Information for 2020)



Mission Statement

"A chance to dance!"

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

YEAR ENDED JUNE 30, 2021

(With Summarized Comparative Information for 2020)

C O N T E N T S

	<i>Pages</i>
Independent Accountants' Review Report.....	1
Statements of Financial Position as of June 30, 2021 and 2020.....	2
Statement of Activities for the Year Ended June 30, 2021..... <i>(With Summarized Comparative Totals for 2020)</i>	3
Statement of Functional Expenses for the Year Ended June 30, 2021..... <i>(With Summarized Comparative Totals for 2020)</i>	4
Statements of Cash Flows for the Years Ended June 30, 2021 and 2020.....	5
Notes to Financial Statements.....	6 - 13



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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

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

We have reviewed the accompanying financial statements of BalletRox, Inc. (a Massachusetts nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. 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'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 and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Accountants' Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our report.

Accountants' Conclusion

Based on our review, 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.

Summarized Comparative Information

We previously reviewed BalletRox, Inc.'s FY 2020 financial statements and in our conclusion dated September 30, 2020 stated that based on our review, we were not aware of any material modifications that should be made to the FY 2020 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended June 30, 2020, for it to be consistent with the reviewed financial statements from which it has been derived.

Smith, Sullivan & Brown, PC.

Westborough, Massachusetts
January 12, 2022

BALLETROX, INC.

STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
<u>CURRENT ASSETS:</u>		
Cash	\$ 194,027	\$ 168,477
Accounts Receivable	-	5,980
Grants and Contributions Receivable	-	25,797
Total Current Assets	<u>194,027</u>	<u>200,254</u>
<u>PROPERTY AND EQUIPMENT:</u>		
Property and Equipment	6,252	6,252
Less: Accumulated Depreciation	<u>(6,252)</u>	<u>(5,738)</u>
Net Property and Equipment	<u>-</u>	<u>514</u>
<u>OTHER ASSETS:</u>		
Board Designated Funds	<u>10,000</u>	<u>10,000</u>
Total Other Assets	<u>10,000</u>	<u>10,000</u>
<u>TOTAL ASSETS</u>	<u>\$ 204,027</u>	<u>\$ 210,768</u>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES:</u>		
Conditional Grant Advance	\$ -	\$ 534
Total Current Liabilities	<u>-</u>	<u>534</u>
<u>NET ASSETS:</u>		
Net Assets Without Donor Restrictions:		
Board Designated	10,000	10,000
Operating Funds	<u>164,027</u>	<u>160,234</u>
Total Net Assets Without Donor Restrictions	174,027	170,234
Net Assets With Donor Restrictions	<u>30,000</u>	<u>40,000</u>
Total Net Assets	<u>204,027</u>	<u>210,234</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 204,027</u>	<u>\$ 210,768</u>

BALLETROX, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
(With Summarized Comparative Totals for 2020)

	<u>WITHOUT</u> <u>DONOR</u> <u>RESTRICTIONS</u>	<u>WITH</u> <u>DONOR</u> <u>RESTRICTIONS</u>	<u>TOTAL ACTIVITIES</u>	
			<u>2021</u>	<u>2020</u>
<u>SUPPORT, REVENUES AND RECLASSIFICATIONS:</u>				
<i>Support and Revenues:</i>				
School-Based Programs	\$ 17,353	\$ -	\$ 17,353	\$ 34,882
BalletRox Dance! Tuition Fees	21,610	-	21,610	79,768
Ticket Sales	1,425	-	1,425	4,752
Gifts, Grants and Contributions	150,515	30,000	180,515	265,344
Paycheck Protection Program Grant	-	36,284	36,284	36,966
Donated Goods and Services	2,794	-	2,794	1,915
<i>Reclassifications of Net Assets:</i>				
Satisfaction of Program Restrictions	<u>76,284</u>	<u>(76,284)</u>	<u>-</u>	<u>-</u>
<u>TOTAL SUPPORT, REVENUES AND RECLASSIFICATIONS</u>	<u>269,981</u>	<u>(10,000)</u>	<u>259,981</u>	<u>423,627</u>
<u>FUNCTIONAL EXPENSES:</u>				
Program Services	204,235	-	204,235	243,255
<i>Supporting Services:</i>				
Administrative	32,053	-	32,053	27,902
Fund Raising	<u>29,900</u>	<u>-</u>	<u>29,900</u>	<u>46,712</u>
<u>TOTAL FUNCTIONAL EXPENSES</u>	<u>266,188</u>	<u>-</u>	<u>266,188</u>	<u>317,869</u>
<u>CHANGE IN NET ASSETS</u>	3,793	(10,000)	(6,207)	105,758
<u>NET ASSETS - BEGINNING OF YEAR</u>	<u>170,234</u>	<u>40,000</u>	<u>210,234</u>	<u>104,476</u>
<u>NET ASSETS - END OF YEAR</u>	<u>\$ 174,027</u>	<u>\$ 30,000</u>	<u>\$ 204,027</u>	<u>\$ 210,234</u>

BALLETROX, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2021

(With Summarized Comparative Totals for 2020)

	<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>2021</u>	<u>2020</u>
Salaries and Wages	\$ 123,282	\$ 15,805	\$ 18,966	\$ 158,053	\$ 165,882
Payroll Taxes	13,695	1,756	2,107	17,558	17,814
Employee Benefits	20,875	2,676	3,212	26,763	13,423
Scholarships	15,625	-	-	15,625	63,900
Professional Fees	2,190	6,590	-	8,780	15,736
Field Trip Fees	-	-	-	-	170
Printing and Design Fees	-	-	-	-	2,199
Advertising	1,594	-	-	1,594	2,385
Theater and Studio Rental	14,300	-	-	14,300	13,200
Costumes	1,673	-	-	1,673	3,328
Depreciation Expense	257	257	-	514	1,027
Insurance	1,344	1,416	158	2,918	2,789
Miscellaneous	9,400	3,553	5,457	18,410	16,016
	<u>9,400</u>	<u>3,553</u>	<u>5,457</u>	<u>18,410</u>	<u>16,016</u>
Total Functional Expenses	<u>\$ 204,235</u>	<u>\$ 32,053</u>	<u>\$ 29,900</u>	<u>\$ 266,188</u>	<u>\$ 317,869</u>

BALLETROX, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Change in Net Assets	\$ (6,207)	\$ 105,758
<i>Adjustments to Reconcile the Above to Net Cash Provided by Operating Activities:</i>		
Depreciation Expense	514	1,027
<i>(Increase) Decrease in Current Assets:</i>		
Accounts Receivable	5,980	(5,980)
Grants and Contributions Receivable	25,797	(2,663)
<i>Increase (Decrease) in Current Liabilities:</i>		
Conditional Grant Advance	(534)	534
Net Adjustment	<u>31,757</u>	<u>(7,082)</u>
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u>25,550</u>	<u>98,676</u>
<u>NET INCREASE IN CASH BALANCES</u>	<u>25,550</u>	<u>98,676</u>
<u>CASH BALANCES - BEGINNING OF YEAR</u>	<u>178,477</u>	<u>79,801</u>
<u>CASH BALANCES - END OF YEAR</u>	<u>\$ 204,027</u>	<u>\$ 178,477</u>
<i>Cash Balances:</i>		
Cash	\$ 194,027	\$ 168,477
Board Designated Funds	<u>10,000</u>	<u>10,000</u>
	<u>\$ 204,027</u>	<u>\$ 178,477</u>

BALLETROX, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

(With Summarized Comparative Information for 2020)

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.

The Organization is primarily funded by its school programs and grants and contributions from the general public.

NOTE 2 PROGRAM SERVICES

BalletRox strives to improve the well-being of local youth and the greater community through exposure and access to dance. BalletRox programs are based on the premise that participation in dance not only provides dance training, but also contributes to social development, encourages healthy lifestyle, and helps develop valuable life skills. While BalletRox helps students increase technical dance abilities, it is these additional skills which lead to increased confidence levels and self-efficacy that are the most important goals of BalletRox’s programming.

BalletRox works to expose Boston youth to dance and performance, who otherwise would not have the opportunity. BalletRox provides a supportive and safe community in which self-expression, confidence and discipline are cultivated.

BalletRox runs programming with external partners to bring dance programming to students at various locations throughout the city. Our primary external partner has been Boston Public Schools, with a new partnership between BalletRox and Roger Clap Elementary. In FY 2021, we expanded this to include a collaboration with Ann’s Christian Learning Center. These year-long programs provide arts-integrated dance curriculum to hundreds of students each year.

BalletRox Dance! is a community dance program located in Jamaica Plain that is open to all community members with no audition or selection process. Full and partial scholarships are made available on a sliding fee schedule based on family income and size.

BalletRox programs are based on the premise that participation in dance not only provides dance training, but also contributes to students’ social development and teaches valuable life skills. 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.

BalletRox Youth Council is a student government body, founded on the premise of independence, collaboration, and giving a voice to the youth in the communities served. Thanks to the creative as well as organizational processes taking place during the Youth Council meetings, teenagers are able to learn such skills as leadership, cooperation, and accountability through participating on board committees, grant writing, and more.

BALLETROX, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

(With Summarized Comparative Information for 2020)

(Continued)

NOTE 2 *(Continued)*

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

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.

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.

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.

Financial Statement Presentation:

As required by the *FASB Accounting Standards Codification*TM, the Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. These classifications are related to the existence or absence of donor-imposed restrictions as follows:

Net Assets Without Donor Restrictions - consists of assets, public support and program revenues which are available and used for operations and programs. Net assets without donor restrictions represents the portion of net assets of the Organization that are not restricted by donor-imposed stipulations. Contributions are considered available for use unless specifically restricted by the donor. In addition, net assets within this classification include funds which represent resources designated by the Board of Directors for specific purposes.

BALLETROX, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

(With Summarized Comparative Information for 2020)

(Continued)

NOTE 3 *(Continued)*

Net Assets With Donor Restrictions - 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 or bequests and may include investment income earned on restricted funds. These net assets may also include resources which have a donor-imposed restriction which stipulates that a portion of the assets are to be maintained in perpetuity, but permits the Organization to expend part or all of the income derived from the donated assets.

The accompanying financial statements include certain FY 2020 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 2020 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, 2020 from which the summarized information was derived.

Receivables:

Accounts Receivable represents uncollected fees due from school programs.

Grants and Contributions Receivable represent amounts which are due from individual donors, organizations, 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. For the years presented, the fair value of the Organization's receivables approximates carrying value due to the short maturity of the instrument.

Management periodically reviews specific accounts receivable balances, grants and commitments to determine if any balances are uncollectible. Management considers *Accounts Receivable* and *Grants and Contributions Receivable* fully collectible; therefore, no allowance for doubtful amounts has been established. If balances are determined to be uncollectible in subsequent periods, an allowance will be established at that time. For the years ended June 30, 2021 and 2020, there was no bad debt expense related to uncollectible receivables.

Property and Equipment:

Property and equipment purchases in excess of \$500 are capitalized at cost, if purchased, or if donated, at fair value at the date of the receipt. Expenditures for maintenance, repairs and renewals are charged to expense as incurred, whereas major betterments are capitalized as additions to property and equipment. Depreciation of property and equipment is computed using the straight-line method, and is charged to activities over the estimated useful lives of the assets, as expressed in terms of years. As of June 30, 2021 and 2020, property and equipment consists of a Marley dance floor, a portable stage floor covering, and computer equipment with an original cost of \$6,252. The estimated useful life of the dance floor is seven years and the computer equipment is three years. Depreciation expense was \$514 and \$1,027 for the years ended June 30, 2021 and 2020, respectively.

BALLETROX, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

(With Summarized Comparative Information for 2020)

(Continued)

NOTE 3 *(Continued)*

Revenue Recognition:

School program fees are recognized as revenue as the services are rendered.

The BalletRox Dance! program has established tuition rates based upon the number of classes per week of attendance and the age group of the child. Tuition, which includes dancewear and recital costumes, can be paid annually or divided into three installment payments. Parents also pay a nonrefundable registration fee.

BalletRox Dance! offers need-based reduced tuition through scholarships based on family size, number of children under the age of 18 living in the household, the annual family income, and sources of income. The fees for optional master dance class are waived for these scholarship students. BalletRox separately tracks these scholarships and has reflected these amounts as *Scholarships* expense in the accompanying Statement of Functional Expenses. Scholarships for the BalletRox Dance! Program were \$15,625 and \$63,900 for the years ended June 30, 2021 and 2020, respectively.

Gifts, Grants and Contributions:

As required by the FASB Accounting Standards Codification™, contributions are required to 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.

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give—that is, those with a measurable performance or other barrier and right of return—are not recognized until the conditions on which they depend have been met. Contributions of assets other than cash are reported at their estimated fair value.

Unconditional, multi-year commitments are recognized in the year during which the initial commitment was made. 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.

Support that is restricted by the donor is reported as an increase in net assets with donor restrictions until the restrictions expire, at which time the assets are reclassified to net assets without donor restrictions. Donor restricted contributions are classified as net assets without donor restrictions if the restrictions are met in period in which the contributions are received.

Donated Goods and Services:

As required by the *FASB Accounting Standards Codification*™, the Organization maintains a policy whereby contributions of donated goods and services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recognized as revenue on the Statement of Activities and are reported as expenses on the Statement of Functional Expenses. 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.

BALLETROX, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

(With Summarized Comparative Information for 2020)

(Continued)

NOTE 3 (Continued)

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 a salary-based formulas or from the nature of related item. In the accompanying Statement of Functional Expenses, *Salaries and Wages*, *Payroll Taxes* and *Employee Benefits* are allocated based on estimates of time and effort. 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 for BalletRox's programs.

Advertising:

The Organization expenses the costs of advertising at the time the advertising is incurred.

NOTE 4 RESTRICTIONS AND DESIGNATIONS OF NET ASSETS

As of June 30, 2021 and 2020, net assets without donor restrictions of \$10,000 were designated by the Board of Directors for an operating reserve.

Net assets with donor restrictions include unexpended contributions and grants restricted by donors for the following purposes as of June 30, 2021 and 2020:

<u>Nature of Restriction</u>	<u>2021</u>	<u>2020</u>
Time Restricted	\$30,000	\$20,000
Future Programming	-	<u>20,000</u>
Total	<u>\$30,000</u>	<u>\$40,000</u>

For the years presented, net assets were released from restriction for the following programs and purposes:

<u>Nature of Restriction</u>	<u>2021</u>	<u>2020</u>
Time Restricted	\$20,000	\$37,000
Future Programming	20,000	24,750
Paycheck Protection Program	<u>36,284</u>	<u>36,966</u>
Total	<u>\$76,284</u>	<u>\$98,716</u>

BALLETROX, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

(With Summarized Comparative Information for 2020)

(Continued)

NOTE 5 DONATED GOODS AND SERVICES

For the years ended June 30, 2021 and 2020, BalletRox received the following donated goods and services which have been recorded in the accompanying financial statements:

<u>Description</u>	<u>2021</u>	<u>2020</u>
Communications and Marketing	\$1,594	\$1,721
Supplies	-	94
Professional Fees	<u>1,200</u>	<u>100</u>
Total	<u>\$2,794</u>	<u>\$1,915</u>

NOTE 6 RENTAL AGREEMENT

BalletRox is party to a space sharing arrangement in the form of an annually renewable rental agreement at the Spontaneous Celebrations community facility located in Jamaica Plain, the term of which coincides with the Organization’s fiscal year. The rental agreement provides BalletRox with dance studio space for their BalletRox Dance! Program. Total rent expense paid to Spontaneous Celebrations amounted to \$14,300 and \$13,200, respectively, for the years ended June 30, 2021 and 2020 and is included within the *Theater and Studio Rental* expense in the accompanying Statement of Functional Expenses.

NOTE 7 CONTINGECIES

Paycheck Protection Program:

BalletRox has received two Small Business Administration (“SBA”) loans from Eastern Bank (the “Bank”) through the Paycheck Protection Program (“PPP”) established by the U.S. CARES Act and by further funded by the Consolidated Appropriations Act. The Organization has elected to account for the expected forgivable portion of these loan as conditional grant commitments as permitted by the AICPA. The Organization intends to apply for and receive full forgiveness of the loans, while any remaining balance would be repayable over a five-year term and subject to interest at the annual rate of 1%. The amount forgiven equals the amount incurred on qualifying costs (payroll, mortgage interest, rent utilities, as defined and subject to limitations) during the covered period. The amount forgiven is reduced if a) BalletRox decreases its staffing levels during the covered period, or b) reduces salaries/wages during the covered period; however, those reductions are subject to certain exemptions. The Organization has elected to use a 24-week covered period for each loan. BalletRox must prepare and submit a loan forgiveness application to the lender, which is then reviewed by both the bank and the SBA and then approved.

The first loan, referred to as PPP-1, in the amount of \$37,500 was received on April 11, 2020. As of June 30, 2020, BalletRox had incurred \$36,966, of qualifying costs, meeting the conditions of the grant, which have been recognized as grant income for the fiscal year then ended. The unexpended funds totaling \$534 are reported on the accompanying Statements of Financial Position as *Conditional Grant Advance*, a current liability, as of June 30, 2020. The Organization received full forgiveness of the PPP-1 loan on December 22, 2020.

The second loan, referred to as PPP-2, in the amount of \$35,750, was received on January 30, 2021. As of June 30, 2021, the Organization had incurred the qualifying expenditures to meet the conditions of this loan; therefore, \$37,750 is reported as revenue in the accompanying Statement of Activities.

BALLETROX, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

(With Summarized Comparative Information for 2020)

(Continued)

NOTE 8 CONCENTRATIONS

Accounts Receivable:

As of June 30, 2020, the balance of *Accounts Receivable* is due from two schools.

Grants and Contributions Receivable:

As of June 30, 2020, 77% of *Grants and Contributions Receivable* was due from one donor.

NOTE 9 RETIREMENT PLAN

BalletRox maintains a retirement savings plan for employees meeting certain eligibility requirements. The Organization, at its discretion, may match a portion of the employees' contributions. For the years ended June 30, 2021 and 2020, the total expense recognized for the Organization's match was \$12,871 and \$4,917, respectively and is included in *Employee Benefits* in the accompanying Statement of Functional Expenses.

NOTE 10 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects BalletRox's financial assets as of June 30, 2021 and 2020, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, or because the governing board has set aside the funds for a specific contingency reserve or a long-term investment.

	<u>2021</u>	<u>2020</u>
Financial Assets:		
Cash, Operating	\$194,027	\$ 168,477
Accounts Receivable	-	5,980
Grants and Contributions Receivable	-	25,797
Board Designated Funds	<u>10,000</u>	<u>10,000</u>
Total Financial Assets	204,027	210,254
Less Amounts Not Available to be Used Within One Year:		
Board Designated Funds	<u>(10,000)</u>	<u>(10,000)</u>
Financial Assets Available to Meet		
General Expenditures Within One Year	<u>\$194,027</u>	<u>\$ 200,254</u>

As part of the Organization's liquidity management, BalletRox has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Additionally, the Organization has Board Designated funds, and while the Organization does not intend to spend these funds for general operating purposes within the next year, these amounts could be made available for current operations, if necessary.

For the purposes of analyzing resources available to meet general expenditures over a twelve-month period, the Organization considers all expenditures related to its ongoing activities as well as the conduct of services undertaken to support those activities to be general expenditures.

BALLETROX, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

(With Summarized Comparative Information for 2020)

(Continued)

NOTE 11 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 January 12, 2022 the date which the financial statements were available for issue, and noted no events which met the disclosure criteria.