

White Bird

Financial Statements and Other Information
as of and for the Year Ended June 30, 2008
and Report of Independent Accountants

WHITE BIRD

TABLE OF CONTENTS

	Page
Report of Independent Accountants	3
Financial Statements:	
Statement of Financial Position	4
Statement of Activities	5
Statement of Cash Flows	6
Notes to Financial Statements	7
Supplementary Financial Information	
Schedule of Functional Expenses	12
Other Information:	
Governing Board, Management and Staff	13
Inquiries and Other Information	14

REPORT OF INDEPENDENT ACCOUNTANTS

*The Board of Directors
White Bird:*

We have audited the accompanying statement of financial position of White Bird as of June 30, 2008, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of White Bird's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the financial statements of White Bird as of June 30, 2007 and, in our report dated January 21, 2008, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of White Bird's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2008 financial statements referred to above present fairly, in all material respects, the financial position of White Bird as of June 30, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

Our audit for the year ended June 30, 2008 was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary financial information included on page 12 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, which is also the responsibility of White Bird's management, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole for the year ended June 30, 2008.



December 2, 2008

WHITE BIRD

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2008

(WITH COMPARATIVE AMOUNTS FOR 2007)

	2008	2007
Assets:		
Cash and cash equivalents	\$ 149,239	227,811
Contributions receivable <i>(note 3)</i>	107,200	35,000
Prepaid expenses	29,930	35,784
Property and equipment <i>(note 4)</i>	19,536	15,410
Total assets	\$ 305,905	314,005
Liabilities:		
Accounts payable and accrued expenses	6,481	15,686
Deferred revenue	267,334	301,258
Note payable <i>(note 5)</i>	-	31,819
Note payable to related parties <i>(note 9)</i>	-	18,678
Total liabilities	273,815	367,441
Net assets:		
Unrestricted:		
Available for programs and general operations	(134,386)	(169,846)
Net investment in capital assets	19,536	15,410
Total unrestricted	(114,850)	(154,436)
Temporarily restricted <i>(note 6)</i>	146,940	101,000
Total net assets	32,090	(53,436)
Total liabilities and net assets	\$ 305,905	314,005

See accompanying notes to financial statements.

WHITE BIRD

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2008
(WITH COMPARATIVE TOTALS FOR 2007)

	2008			2007
	Unrestricted	Temporarily restricted	Total	
Revenues, gains and other support:				
Ticket sales	\$ 686,600	–	686,600	638,328
Grants and contributions	185,885	325,103	510,988	444,257
In-kind contributions	204,269	–	204,269	195,048
Forgiveness of debt	–	–	–	30,000
Special events, net of direct costs of \$24,693 in 2008 and \$1,450 in 2007	55,184	–	55,184	7,800
Other	3,454	–	3,454	9,881
Total revenues and gains	1,135,392	325,103	1,460,495	1,325,314
Net assets released from restrictions (<i>note 7</i>)	279,163	(279,163)	–	–
Total revenues, gains and other support	1,414,555	45,940	1,460,495	1,325,314
Expenses (<i>note 8</i>):				
Program services	1,193,769	–	1,193,769	1,059,962
Supporting services:				
Management and general	98,677	–	98,677	117,898
Fundraising	82,523	–	82,523	81,830
Total expenses	1,374,969	–	1,374,969	1,259,690
Increase in net assets	39,586	45,940	85,526	65,624
Net assets at beginning of year	(154,436)	101,000	(53,436)	(119,060)
Net assets at end of year	\$ (114,850)	146,940	32,090	(53,436)

See accompanying notes to financial statements.

WHITE BIRD

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2008
(WITH COMPARATIVE TOTALS FOR 2007)

	2008	2007
Cash flows from operating activities:		
Cash received from ticket sales	\$ 652,676	697,601
Cash received from contributors, grantors and other sources	504,392	505,716
Cash paid to employees and suppliers	(1,170,539)	(1,059,479)
Cash paid for interest	(2,230)	(5,263)
Net cash provided by (used in) operating activities	(15,701)	138,575
Cash flows from investing activities:		
Capital expenditures	(12,374)	(4,062)
Net cash used in investing activities	(12,374)	(4,062)
Cash flows from financing activities:		
Net draws (payments) on line of credit	(31,819)	1,112
Net draws (payments) on note to related parties	(18,678)	20,000
Net cash provided by (used in) financing activities	(50,497)	21,112
Net increase (decrease) in cash and cash equivalents	(78,572)	155,625
Cash and cash equivalents at beginning of year	227,811	72,186
Cash and cash equivalents at end of year	\$ 149,239	227,811

See accompanying notes to financial statements.

WHITE BIRD

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

1. Organization

White Bird, established as a nonprofit organization in July of 1997, is dedicated to bringing excellence in dance to Portland, Oregon. White Bird is committed to bringing the best Portland-based, regional, national and international dance companies to Portland and to fostering the growth of dance in the region. White Bird achieves this through presenting established and emerging companies and choreographers, commissioning or co-commissioning new work, and collaborating with other local and regional arts organizations to make dance performances possible. The organization strives to make dance exciting, educational and accessible to everyone.

2. Summary of Significant Accounting Policies

The significant accounting policies followed by White Bird are described below to enhance the usefulness of the financial statements to the reader.

Basis of Accounting – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and the principles of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors.

Basis of Presentation – White Bird has adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*, and SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*. Under these provisions, net assets and all balances and transactions are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of White Bird and changes therein are classified and reported as follows:

- *Unrestricted net assets* – Net assets not subject to donor-imposed stipulations.
- *Temporarily restricted net assets* – Net assets subject to donor-imposed stipulations that will be met either by actions of White Bird and/or the passage of time.

Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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. In the opinion of White Bird's management, such differences would not be significant.

Contributions – Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

Contributions of Long-Lived Assets – Contributions of property and equipment without donor stipulations concerning the use of such long-lived assets are reported as revenues of the unrestricted net asset class. Contributions of cash or other assets to be used to acquire equipment with such donor stipulations are reported as revenues of the temporarily restricted net asset class; the restrictions are considered to be released at the time of acquisition of such long-lived assets.

In-Kind Contributions – White Bird receives contributed services from a large number of volunteers who assist in fundraising and program efforts through their participation in a range of activities. In accordance with SFAS No. 116, significant services received which create or enhance a non-financial asset or require specialized skills that White Bird would have purchased if not donated are recognized in the statement of activities.

In-kind contributions of equipment and other materials are recorded where there is an objective basis upon which to value these contributions and where the contributions are an essential part of White Bird's activities.

During the year ended June 30, 2008, White Bird recorded the following in-kind contributions:

Contributed services (see note 9)	\$ 140,000
Advertising	30,851
Free use of facilities and utilities (see note 9)	14,400
Video production and other	19,018
	204,269
Special event contributions	5,727
	\$ 209,996

Cash Equivalents – For purposes of the financial statements, White Bird considers all liquid investments having initial maturities of three months or less to be cash equivalents. At June 30, 2008, cash equivalents represent money market funds totaling \$131,931.

Capital Assets and Depreciation – Capital assets are carried at cost, and at market value when acquired by gift. Depreciation is generally provided on a straight-line basis over the estimated useful lives of the respective assets, which are 5 to 7 years for furniture and equipment and 5 years for computer software and website development costs.

Revenue Recognition – All contributions and grants are considered available for unrestricted use unless specifically restricted by the donor. Ticket sales are recognized as income in the period in which the performances occur. Sales collected in advance of the performances are deferred.

Advertising Expenses – Advertising and promotional costs are charged to expense as they are incurred. Advertising expenses totaled \$222,748 for the year ended June 30, 2008.

Concentrations of Credit Risk – White Bird's cash equivalents consist primarily of money market funds. These financial instruments may subject White Bird to concentrations of credit risk as, from time to time, cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation. Certain receivables also subject White Bird to concentrations of credit risk.

On October 3, 2008, President George W. Bush signed the Emergency Economic Stabilization Act of 2008, which temporarily raises the basic limit on federal deposit insurance coverage from \$100,000 to \$250,000 per depositor. The temporary increase became effective immediately upon the President's signature and will remain in effect through December 31, 2009. In addition, on October 14, 2008 the FDIC announced that all non-interest bearing transaction deposit accounts will be fully insured for the entire amount in the deposit account.

Income Taxes – White Bird is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law.

Summarized Financial Information for 2007 – The accompanying financial information as of and for the year ended June 30, 2007 is presented for comparative purposes only and is not intended to represent a complete financial statement presentation.

Other Significant Accounting Policies – Other significant accounting policies are set forth in the financial statements and the following notes.

3. Contributions Receivable

Contributions receivable totaling \$107,200 at June 30, 2008 represents unconditional promises expected to be collected in one year or less.

4. Property and equipment

A summary of property and equipment at June 30, 2008, is as follows:

Office equipment	\$ 24,541
Office furniture	21,684
Software and website development costs	25,765
Theater and catering equipment	10,673
	<hr/> 82,663
Less accumulated depreciation	(63,127)
	<hr/> \$ 19,536

5. Note Payable

White Bird maintains a \$57,000 revolving line of credit with a commercial bank. The interest rate on the line is the prime rate plus 4.75% (10.5% at June 30, 2008). The line of credit is personally guaranteed by White Bird’s two co-founders. There was no outstanding balance as of June 30, 2008.

6. Restrictions and Limitations on Net Asset Balances

At June 30, 2008, White Bird held \$146,940 in temporarily restricted net assets, representing contributions, grants and other unexpended gifts restricted by donors as follows:

New Works Fund	\$ 82,940
2008-2009 performances	64,000
	<hr/> \$ 146,940

7. Net Assets Released from Restrictions

During the year ended June 30, 2008, White Bird incurred \$279,163 in expenses in satisfaction of the restricted purposes specified by donors, or otherwise satisfied the restrictions by the occurrence of other events. Accordingly, a corresponding amount is reported as a reclassification from temporarily restricted net assets to unrestricted net assets in the accompanying financial statements.

8. Expenses

The costs of providing the various programs and other activities of the organization have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on certain estimates made by management.

9. Related Party Transactions

During the year ended June 30, 2008, the organization's co-founders advanced to the organization, and were repaid, a total of \$10,168. In addition, the co-founders were repaid advances totaling \$28,846 outstanding at June 30, 2007. These temporary advances of funds were provided by the co-founders with no interest charged. At June 30, 2008, there were no balances outstanding under this arrangement.

In addition, the organization operates from the personal residence of its co-founders free-of-charge. The estimated fair value ascribed to the free use of facilities and utilities was \$14,400 for the year ended June 30, 2008, and has been reflected in the accompanying financial statements.

The co-founders also contribute a significant amount of time to the leadership of the organization. Their contributed services were estimated to total \$140,000 for the year ended June 30, 2008, and have been reflected in the accompanying financial statements.

Finally, the co-founders contributed \$64,640 in cash to the organization during the year ended June 30, 2008.

10. Statement of Cash Flows Reconciliation

The following presents a reconciliation of the increase in net assets (as reported on the statement of activities) to net cash used in operating activities (as reported on the statement of cash flows):

Increase in net assets	\$	85,526
<hr/>		
<i>Adjustments to reconcile increase in net assets to net cash used in operating activities:</i>		
Depreciation		8,248
Provision for uncollectible contributions receivable		12,000
<i>Net changes in:</i>		
Contributions receivable		(84,200)
Prepaid expenses		5,854
Accounts payable and accrued expenses		(9,205)
Deferred revenue		(33,924)
<hr/>		
Total adjustments		(101,227)
<hr/>		
Net cash used in operating activities	\$	(15,701)
<hr/>		

11. New Accounting Standards

The following new accounting standards may affect the organization's financial statements in future years.

- Statement of Financial Accounting Standards No. 157 ("SFAS No. 157"), *Fair Value Measurements*, was issued by the Financial Accounting Standards Board ("FASB") in September of 2006. This standard defines fair value, establishes a framework for measuring fair value in accounting principles generally accepted in the U.S., and expands disclosures about fair value measurements. The pronouncement applies under other accounting standards that require or permit fair value measurements. Accordingly, this statement does not require any new fair value measurements. The statement is effective for years beginning after November 15, 2007; the organization will be required to adopt SFAS No. 157 during the year ended June 30, 2009. Management is currently evaluating the requirements of SFAS No. 157 and does not expect the effect on the organization's financial statements to be materially significant.



WHITE BIRD

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2008
(WITH COMPARATIVE TOTALS FOR 2007)

	2008				2007
	Program services	Management and general	Fundraising	Total	
Salaries and payroll taxes	\$ 232,287	32,716	62,161	327,164	309,827
Artistic fees	360,533	—	—	360,533	293,502
Advertising and marketing	219,052	2,587	1,109	222,748	219,568
Theater labor	125,062	—	—	125,062	112,527
Professional fees	6,650	27,677	—	34,327	30,381
Ticketing	56,806	—	—	56,806	53,250
Supplies	6,280	884	3,070	10,234	10,758
Telephone	6,380	899	1,707	8,986	7,093
Equipment and hall rental	68,776	—	—	68,776	68,147
Occupancy	10,224	1,440	2,736	14,400	14,400
Postage and shipping	7,137	1,005	1,910	10,052	12,762
Insurance	368	5,160	98	5,626	5,688
Travel and entertainment	38,575	—	—	38,575	54,711
Transportation	15,604	—	—	15,604	10,131
Catering	17,876	2,518	4,784	25,178	9,367
Conferences and meetings	2,523	—	—	2,523	4,965
Licenses and fees	5,988	835	—	6,823	9,312
Sponsorships	200	—	—	200	970
Interest	—	2,230	—	2,230	5,263
Provision for uncollectible contributions receivable	—	12,000	—	12,000	108
Depreciation	5,856	825	1,567	8,248	7,172
Other	7,592	7,901	3,381	18,874	19,788
Total expenses	\$ 1,193,769	98,677	82,523	1,374,969	1,259,690

WHITE BIRD

GOVERNING BOARD, MANAGEMENT AND STAFF

2007-08 Board of Directors

Paul King, *President*

George Thorn, *Co-Vice President*

Nancy Thorn, *Co-Vice President*

Walter Jaffe, *Secretary/Treasurer*

Lynne DeVries

Richard Didzun

Mark Gaskill

Ivan Gold

Norm Kalbfleisch, M.D.

David D. Magilke, M.D.

Neil Matteucci, M.D.

Mary Meyer, M.D.

Maynard Orme

Bette Sinclair

Butch Williams, D.M.D.

Management and Staff

Walter Jaffe
Co-founder

Paul King
Co-founder

Noel Plemmons
Fiscal Manager

Chelsea Bushnell
Audience Services Director

Nancy Ellis
Development Coordinator

Chad Greenwood
Marketing Manager

Christopher Roesing
Special Projects Coordinator

Kayla Scrivner
Technical Coordinator

WHITE BIRD

INQUIRIES AND OTHER INFORMATION

WHITE BIRD

P.O. Box 99

Portland, Oregon 97207-0099

Phone: (503) 245-1600

Fax: (503) 244-2111

info@whitebird.org

Website

www.whitebird.org