

White Bird

Financial Statements and Other Information
as of and for the Year Ended June 30, 2009
and Report of Independent Accountants

WHITE BIRD

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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, 2009, 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, 2008 and, in our report dated December 2, 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 2009 financial statements referred to above present fairly, in all material respects, the financial position of White Bird as of June 30, 2009, 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, 2009 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 11 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, 2009.

September 10, 2009

WHITE BIRD
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2009
(WITH COMPARATIVE AMOUNTS FOR 2008)

	2009	2008
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Assets:		
Cash and cash equivalents	\$ 171,869	149,239
Contributions receivable (<i>note 4</i>)	296,787	107,200
Prepaid expenses	27,269	29,930
Property and equipment (<i>note 5</i>)	38,587	19,536
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Total assets	\$ 534,512	305,905
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Liabilities:		
Accounts payable and accrued expenses	8,131	6,481
Deferred revenue	290,179	267,334
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Total liabilities	298,310	273,815
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Net assets:		
Unrestricted:		
Available for programs and general operations	(140,992)	(134,386)
Net investment in capital assets	38,587	19,536
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Total unrestricted	(102,405)	(114,850)
Temporarily restricted (<i>note 6</i>)	338,607	146,940
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Total net assets	236,202	32,090
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Commitments (<i>note 9</i>)		
Total liabilities and net assets	\$ 534,512	305,905
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See accompanying notes to financial statements.

WHITE BIRD

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2009
(WITH COMPARATIVE TOTALS FOR 2008)

	2009			2008
	Unrestricted	Temporarily restricted	Total	
Revenues, gains and other support:				
Ticket sales	\$ 583,693	—	583,693	686,600
Grants and contributions	291,962	539,244	831,206	510,988
In-kind contributions	229,946	—	229,946	204,269
Special events, net of direct costs of \$24,693 in 2008	—	—	—	55,184
Other	773	—	773	3,454
Total revenues and gains	1,106,374	539,244	1,645,618	1,460,495
Net assets released from restrictions (<i>note 7</i>)	347,577	(347,577)	—	—
Total revenues, gains and other support	1,453,951	191,667	1,645,618	1,460,495
Expenses (<i>note 8</i>):				
Program services	1,259,848	—	1,259,848	1,193,769
Supporting services:				
Management and general	90,350	—	90,350	98,677
Fundraising	91,308	—	91,308	82,523
Total expenses	1,441,506	—	1,441,506	1,374,969
Increase in net assets	12,445	191,667	204,112	85,526
Net assets at beginning of year	(114,850)	146,940	32,090	(53,436)
Net assets at end of year	\$ (102,405)	338,607	236,202	32,090

See accompanying notes to financial statements.

WHITE BIRD

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2009
(WITH COMPARATIVE TOTALS FOR 2008)

	2009	2008
Cash flows from operating activities:		
Cash received from ticket sales	\$ 606,538	652,676
Cash received from contributors, grantors and other sources	642,392	504,392
Cash paid to employees and suppliers	(1,191,398)	(1,170,539)
Cash paid for interest	(1,087)	(2,230)
Net cash provided by (used in) operating activities	56,445	(15,701)
Cash flows from investing activities:		
Capital expenditures	(33,815)	(12,374)
Net cash used in investing activities	(33,815)	(12,374)
Cash flows from financing activities:		
Net payments on line of credit	-	(31,819)
Net payments on note to related parties	-	(18,678)
Net cash used in financing activities	-	(50,497)
Net increase (decrease) in cash and cash equivalents	22,630	(78,572)
Cash and cash equivalents at beginning of year	149,239	227,811
Cash and cash equivalents at end of year	\$ 171,869	149,239

See accompanying notes to financial statements.

WHITE BIRD

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2009

1. Organization

White Bird, established initially as a limited liability corporation in 1997 and converted to a non-profit organization in July of 1999, 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, 2009, White Bird recorded the following in-kind contributions:

Contributed services (see <i>note 10</i>)	\$ 140,780
Advertising	43,466
Free use of facilities and utilities (see <i>note 10</i>)	16,800
Catering	18,701
Video production and other	10,199
	\$ 229,946

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, 2009, cash equivalents represent money market funds totaling \$61,740.

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 five to seven years for furniture and equipment and five 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 \$203,446 for the year ended June 30, 2009.

Concentrations of Credit Risk – White Bird's financial instruments 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 ("FDIC").

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, 2013. In addition, unlimited deposit insurance coverage is provided through December 31, 2009 by the FDIC for non-interest-bearing transaction accounts at institutions participating in the FDIC's Transaction Account Guarantee Program.

Certain receivables may also, from time to time, subject the organization to concentrations of credit risk. To minimize its exposure to significant losses from customer or donor insolvencies, management evaluates the financial condition of its customers and donors, and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics. When necessary, receivables are reported net of an allowance for uncollectible accounts.

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. The organization has been classified as a public charity under Section 509(a)(2) of the Internal Revenue Code.

Summarized Financial Information for 2008 – The accompanying financial information as of and for the year ended June 30, 2008 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. New Accounting Pronouncements

During the year ended June 30, 2009, White Bird adopted Statement of Financial Accounting Standards No. 157 (“SFAS No. 157”), *Fair Value Measurements*. SFAS No. 157 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 implementation of this new accounting standard did not result in any change in previously reported net assets or changes in net assets.

4. Contributions Receivable

Contributions receivable totaling \$296,787 at June 30, 2009 represents unconditional promises expected to be collected in one year or less.

At June 30, 2009, White Bird also held a conditional gift in amount of \$52,000. The gift is conditioned upon White Bird’s successfully raising matching funds. The gift has not been included in the accompanying financial statements, because the associated conditions have not been satisfied as of June 30, 2009.

5. Property and equipment

A summary of property and equipment at June 30, 2009, is as follows:

Equipment and furniture	\$ 59,642
Software and website development costs	31,483
Theater and catering equipment	10,986
	102,111
Less accumulated depreciation	(63,524)
	\$ 38,587

6. Restrictions and Limitations on Net Asset Balances

At June 30, 2009, White Bird held \$338,607 in temporarily restricted net assets, representing contributions, grants and other unexpended gifts restricted by donors as follows:

New Works Fund	\$ 83,175
2009-2010 performances	156,001
General manager position	88,431
NEST	11,000
	\$ 338,607

7. Net Assets Released from Restrictions

During the year ended June 30, 2009, White Bird incurred \$347,577 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. Line of Credit

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% (9.25% at June 30, 2009). The line of credit is personally guaranteed by White Bird's two co-founders. There was no outstanding balance as of June 30, 2009.

10. Related Party Transactions

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 \$16,800 for the year ended June 30, 2009, 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. The value of these contributed services was estimated to total \$140,000 for the year ended June 30, 2009, which has been reflected in the accompanying financial statements.

Finally, the co-founders contributed \$82,103 in cash to the organization during the year ended June 30, 2009.

11. 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 provided by operating activities (as reported on the statement of cash flows):

Increase in net assets	\$ 204,112
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<i>Adjustments to reconcile increase in net assets to net cash provided by operating activities:</i>	
Depreciation	11,091
Loss on the disposal of capital assets	3,673
<i>Net changes in:</i>	
Contributions receivable	(189,587)
Prepaid expenses	2,661
Accounts payable and accrued expenses	1,650
Deferred revenue	22,845
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Total adjustments	(147,667)
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Net cash provided by operating activities	\$ 56,445
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WHITE BIRD

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2009
(WITH COMPARATIVE TOTALS FOR 2008)

	2009				2008
	Program services	Management and general	Fundraising	Total	
Salaries and related costs	\$ 262,068	49,303	75,591	386,962	327,164
Artistic fees	360,240	—	—	360,240	360,533
Advertising and marketing	199,982	2,425	1,039	203,446	222,748
Theater labor	123,312	—	—	123,312	125,062
Professional fees	27,102	17,699	1,991	46,792	33,217
Ticketing	56,669	—	—	56,669	56,806
Supplies	3,818	632	924	5,374	8,844
Telephone	4,777	913	1,335	7,025	8,986
Equipment and hall rental	91,687	—	—	91,687	68,776
Outreach	11,332	—	—	11,332	9,388
Occupancy	11,424	2,184	3,192	16,800	14,400
Postage and shipping	7,453	466	1,397	9,316	10,052
Insurance	420	6,461	117	6,998	5,626
Travel and entertainment	31,570	—	—	31,570	38,575
Transportation	14,214	—	—	14,214	9,612
Catering	23,111	2,568	—	25,679	25,178
Conferences and meetings	4,380	—	—	4,380	2,523
Licenses and fees	11,247	250	393	11,890	6,823
Interest	—	1,087	—	1,087	2,230
Provision for uncollectible contributions receivable	—	—	—	—	12,000
Depreciation	7,542	1,442	2,107	11,091	8,248
Other	7,500	4,920	3,222	15,642	18,178
Total expenses	\$ 1,259,848	90,350	91,308	1,441,506	1,374,969

WHITE BIRD

GOVERNING BOARD, MANAGEMENT AND STAFF

2008-09 Board of Directors

Paul King, *President*

George Thorn, *Co-Vice President*

Nancy Thorn, *Co-Vice President*

Walter Jaffe, *Secretary*

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.

2008-09 Management and Staff

Walter Jaffe

Co-founder

Paul King

Co-founder

Phil Busse

General Manager

Noel Plemmons

Fiscal Manager

Chelsea Bushnell

Audience Services Manager

Nancy Ellis

Development Manager

Chad Greenwood

Marketing Manager

Christopher Roesing

Special Projects Manager

Kayla Scrivner

Technical Manager

WHITE BIRD

INQUIRIES AND OTHER INFORMATION

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