

PITTSBURGH BALLET THEATRE, INC.  
Pittsburgh, Pennsylvania

Financial Statements  
and  
Supplementary Information  
For the years ended June 30, 2024 and 2023  
and Independent Auditor's Report Thereon



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INDEPENDENT AUDITOR’S REPORT

Board of Directors  
Pittsburgh Ballet Theatre, Inc.  
Pittsburgh, Pennsylvania

**Opinion**

We have audited the accompanying financial statements of the Pittsburgh Ballet Theatre, Inc. (Ballet) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Ballet as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Ballet and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Ballet’s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ballet's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Ballet's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control related matters that we identified during the audit.

### **Emphasis of Matter**

As described in Note 3 to the financial statements, the 2023 financial statements have been restated to correct a misstatement in net asset classifications. Our opinion is not modified with respect to this matter.

*Schneider Downs & Co., Inc.*

Pittsburgh, Pennsylvania  
January 27, 2025

PITTSBURGH BALLET THEATRE, INC.  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ 477,587	\$ 66,378	\$ 543,965	\$ 704,134	\$ 2,820,628	\$ 3,524,762
Accounts receivable	67,707	-	67,707	88,646	-	88,646
Short-term investment	-	2,711,744	2,711,744	-	-	-
Due (to) from other funds	(1,858,526)	1,858,526	-	(874,088)	874,088	-
Pledges receivable	335,653	100,000	435,653	313,395	548,632	862,027
Prepaid expenses and other current assets	462,656	-	462,656	390,876	-	390,876
Total Current Assets	(514,923)	4,736,648	4,221,725	622,963	4,243,348	4,866,311
INVESTMENTS	-	16,711,700	16,711,700	-	14,818,165	14,818,165
INVESTMENT HELD BY TRUST	-	407,239	407,239	-	368,765	368,765
PLEDGES RECEIVABLE	-	-	-	-	40,000	40,000
FIXED ASSETS, net	8,253,222	-	8,253,222	8,962,932	-	8,962,932
OPERATING LEASE RIGHT OF USE ASSET	269,965	-	269,965	393,313	-	393,313
Total Assets	<u>\$ 8,008,264</u>	<u>\$ 21,855,587</u>	<u>\$ 29,863,851</u>	<u>\$ 9,979,208</u>	<u>\$ 19,470,278</u>	<u>\$ 29,449,486</u>
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT LIABILITIES</b>						
Payments due within one year on long-term debt	\$ 3,942	-	\$ 3,942	\$ 3,857	-	\$ 3,857
Current portion of operating lease liability	141,097	-	141,097	132,031	-	132,031
Line of credit	725,000	-	725,000	1,360,286	-	1,360,286
Accounts payable and accrued expenses	439,509	-	439,509	543,745	-	543,745
Deferred revenue	1,154,399	-	1,154,399	1,363,089	-	1,363,089
Total Current Liabilities	2,463,947	-	2,463,947	3,403,008	-	3,403,008
LONG-TERM DEBT	138,929	-	138,929	138,782	-	138,782
OTHER LONG-TERM LIABILITIES	75,000	-	75,000	165,000	-	165,000
OPERATING LEASE LIABILITIES	174,441	-	174,441	310,001	-	310,001
NET ASSETS	5,155,947	21,855,587	27,011,534	5,962,417	19,470,278	25,432,695
Total Liabilities and Net Assets	<u>\$ 8,008,264</u>	<u>\$ 21,855,587</u>	<u>\$ 29,863,851</u>	<u>\$ 9,979,208</u>	<u>\$ 19,470,278</u>	<u>\$ 29,449,486</u>

See notes to financial statements.

PITTSBURGH BALLET THEATRE, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024			2023 (as restated)		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE	\$ 6,015,424	-	\$ 6,015,424	\$ 5,152,625	-	\$ 5,152,625
OPERATING EXPENSES	(13,104,987)	-	(13,104,987)	(12,514,968)	-	(12,514,968)
Changes In Net Assets Before Public And Private Support And Releases From Restrictions And Depreciation And Amortization	(7,089,563)	-	(7,089,563)	(7,362,343)	-	(7,362,343)
PUBLIC AND PRIVATE SUPPORT	5,918,998	\$ 2,025,119	7,944,117	4,207,186	\$ 1,628,169	5,835,355
Changes In Net Assets Before Releases From Restrictions And Depreciation And Amortization	(1,170,565)	2,025,119	854,554	(3,155,157)	1,628,169	(1,526,988)
NET ASSETS RELEASED FROM OPERATING RESTRICTIONS						
Investment income spending	473,151	(473,151)	-	467,857	(467,857)	-
Other support	1,150,277	(1,150,277)	-	2,723,126	(2,723,126)	-
Total Net Assets Released From Operating Restrictions	1,623,428	(1,623,428)	-	3,190,983	(3,190,983)	-
Changes In Net Assets From Operations Before Depreciation And Amortization	452,863	401,691	854,554	35,826	(1,562,814)	(1,526,988)
Net realized and unrealized gains, interest and dividends	-	1,983,618	1,983,618	-	1,317,120	1,317,120
Depreciation and amortization	(1,259,333)	-	(1,259,333)	(799,115)	-	(799,115)
Changes In Net Assets	(806,470)	2,385,309	1,578,839	(763,289)	(245,694)	(1,008,983)
NET ASSETS						
Beginning of year	5,962,417	19,470,278	25,432,695	6,725,706	19,715,972	26,441,678
End of year	\$ 5,155,947	\$ 21,855,587	\$ 27,011,534	\$ 5,962,417	\$ 19,470,278	\$ 25,432,695

See notes to financial statements.

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PITTSBURGH BALLET THEATRE, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2024

	Program Activities			Supporting Activities			Totals	
	Performances	School	Arts Education	Total Program Activities	Management and General	Fundraising and Special Events	Total Supporting Activities	2024
Salaries, wages, fees and fringe benefits	\$ 4,771,181	\$1,028,971	\$577,468	\$ 6,377,620	\$1,009,076	\$ 451,813	\$ 1,460,889	\$ 7,838,509
Production costs	2,056,391	729,711	24,483	2,810,585	-	-	-	2,810,585
Depreciation/amortization	730,413	440,767	25,187	1,196,367	37,780	25,186	62,966	1,259,333
Marketing	592,172	-	-	592,172	17,830	-	17,830	610,002
Occupancy	266,670	34,375	-	301,045	36,085	18,439	54,524	355,569
Development and special events	-	-	-	-	-	428,891	428,891	428,891
Professional fees and other	625,219	-	-	625,219	84,602	43,232	127,834	753,053
In-kind	308,378	-	-	308,378	-	-	-	308,378
<b>Total Functional Expenses</b>	<b>\$ 9,350,424</b>	<b>\$2,233,824</b>	<b>\$627,138</b>	<b>\$12,211,386</b>	<b>\$1,185,373</b>	<b>\$ 967,561</b>	<b>\$ 2,152,934</b>	<b>\$14,364,320</b>

See notes to financial statements.



PITTSBURGH BALLET THEATRE, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2023

	Program Activities			Supporting Activities			Totals	
	Performances	School	Arts Education	Total Program Activities	Management and General	Fundraising and Special Events	Total Supporting Activities	2023
Salaries, wages, fees and fringe benefits	\$ 4,383,877	\$ 946,912	\$ 644,940	\$ 5,975,729	\$ 925,299	\$ 441,796	\$ 1,367,095	\$ 7,342,824
Production costs	2,333,081	647,696	48,614	3,029,391	-	-	-	3,029,391
Depreciation/amortization	463,488	279,690	15,982	759,160	23,973	15,982	39,955	799,115
Marketing	531,550	-	-	531,550	19,726	-	19,726	551,276
Occupancy	187,470	102,204	-	289,674	13,875	11,221	25,096	314,770
Development and special events	-	-	-	-	-	352,143	352,143	352,143
Professional fees and other	315,178	-	-	315,178	269,777	72,096	341,873	657,051
In-kind	242,223	-	-	242,223	-	25,290	25,290	267,513
<b>Total Functional Expenses</b>	<b>\$ 8,456,867</b>	<b>\$1,976,502</b>	<b>\$709,536</b>	<b>\$11,142,905</b>	<b>\$1,252,650</b>	<b>\$ 918,528</b>	<b>\$2,171,178</b>	<b>\$13,314,083</b>

See notes to financial statements.

PITTSBURGH BALLET THEATRE, INC.

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 1,578,839	\$ (1,008,983)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,259,333	799,115
Net realized and unrealized gains on investments	(1,681,299)	(1,001,792)
Contributions restricted for investment in endowment	(11,248)	(5,000)
Changes in assets and liabilities:		
Accounts receivable	42,262	57,909
Pledges receivable	445,051	(376,165)
Prepaid expenses and other current assets	(71,780)	(11,497)
Accounts payable and accrued expenses	(104,236)	109,445
Deferred revenue	(208,690)	147,184
Operating lease right of use asset and lease liabilities	(3,146)	48,719
Other long-term liabilities	(90,000)	35,000
Net Cash Provided By (Used In) Operating Activities	1,155,086	(1,206,065)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(549,623)	(339,673)
Proceeds from sale of investments	7,864,833	9,887,455
Purchase of investments	(10,827,287)	(10,998,827)
Net Cash Used In Investing Activities	(3,512,077)	(1,451,045)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Line of credit, net	(635,054)	525,000
Payments on long-term debt	-	(3,731)
Contributions restricted for investment in endowment	11,248	6,500
Net Cash (Used In) Provided By Financing Activities	(623,806)	527,769
 Net Decrease In Cash And Cash Equivalents	 (2,980,797)	 (2,129,341)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	3,524,762	5,654,103
End of year	\$ 543,965	\$ 3,524,762
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid during the year for interest	\$ 64,532	\$ 60,486

**SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES**

As part of the adoption of Accounting Standards Update 2016-02, Leases, the Ballet recognized approximately \$545,000 of operating lease right of use assets and related operating lease liabilities on July 1, 2022.

See notes to financial statements.

PITTSBURGH BALLET THEATRE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE 1 - ORGANIZATION

The Pittsburgh Ballet Theatre, Inc. (Ballet) is committed to being Pittsburgh's source and ambassador for extraordinary ballet experiences that give life to the classical tradition, nurture new ideas and, above all, inspire. The Ballet relies principally on contributions, the operation of a ballet school, ticket sales, tour performances, and special events to fund its operating costs.

The Ballet has multiple collective bargaining agreements, covering: costume dressers, which expires June 30, 2025; orchestra musicians of the work force, which expired June 30, 2024; stagehands, which expires June 30, 2025; and dancers, which expires June 30, 2026. Negotiations on the orchestra musicians of the work force collective bargaining agreement are ongoing.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies consistently applied by management in the preparation of the accompanying financial statements follows:

**Basis of Accounting** - The financial statements are prepared on the accrual basis of accounting.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect certain 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.

**Net Assets** - Accounts of the Ballet are organized on the basis of net assets. Net assets without donor restrictions account for all resources over which there are no donor restrictions or stipulations, and the Ballet's Board of Trustees (Board) has discretionary control to use in carrying out the operations of the Ballet. Net assets with donor restrictions are those resources expendable only for purposes specified by the donor or grantor. Some donor-imposed stipulations are temporary in nature, such as those that may or will be satisfied by actions of the Ballet and/or the passage of time. Other donor-imposed stipulations are perpetual in nature, where the donor stipulates that the assets be maintained in perpetuity by the Ballet.

Contributions without donor restrictions are recorded as revenue when received or pledged. Contributions with donor restrictions are reclassified to contributions without donor restrictions and reported in the statements of activities and changes in net assets as revenues if a restriction is met in the same period the revenue is recognized. Net assets with donor restrictions are reclassified to without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restriction when a stipulated time restriction ends or purpose restriction is accomplished. Conditional promises to give are not included as support until the conditions are substantially met.

**Deferred Revenue** - Ticket and advertising sales collected for performances of the upcoming season are included in deferred revenue and recognized as revenue in the year such performances are completed. Deferred revenues also are composed of tuition and housing revenues for amounts received in advance of the period in which they relate.

PITTSBURGH BALLET THEATRE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables - The Ballet is exposed to credit losses primarily through net sales of tickets and products to customers which are recorded as accounts receivables on the statements of financial position. The Ballet evaluates the need for an allowance for credit losses based on historical collection, experience, a review of current status of the receivables and current economic conditions through a reasonable forecast period and judgment. Decisions to charge off receivables are based on management's judgment after consideration of facts and circumstances surrounding potential uncollectible accounts. Management has determined that an allowance is not necessary at either June 30, 2024 or 2023. It is reasonably possible that the Ballet's estimate of uncollectible receivables could change.

Cash and Cash Equivalents - For purposes of the statements of cash flows, the Ballet considers all interest-bearing money market funds and noninterest-bearing accounts to be cash or cash equivalents. The Ballet maintains, at various financial institutions, cash that may exceed federally insured amounts at times.

Short-Term Investment - Short-term investment represents a U.S. Treasury Bill held at a financial institution. The investment matures in less than one year.

Investments - Investments are recorded at fair value. The change in unrealized appreciation (depreciation) on investments is the difference between the excess of fair market value over the cost of the portfolio at the end of the current period and the difference at the end of the prior period. Realized gains on security transactions are the result of all gains and losses realized in the current period using the specific identification method. Investments received by gift are recorded at market value on the date of the donation.

Investments are exposed to various risks, such as interest rates and credit conditions. Due to the level of risk associated with investments and the level of uncertainty related to the change in the value of investments, it is at least reasonably possible that changes in the near term could materially affect the amounts reported in the statements of financial position.

Fixed Assets - Furniture and fixtures and machinery and equipment are recorded at cost or, with respect to acquisition by gift, at market value at the date of acquisition, and are depreciated on the straight-line basis over the estimated useful life of the assets ranging from three to fifteen years.

The cost of costumes, sets and props and production costs for major, recurring ballets are capitalized and were depreciated on a units-of-performance basis until June 30, 2023. All other costs are charged to operations as incurred. Effective July 1, 2023, the Ballet reassessed the estimated useful lives of these assets and determined a change in life should be made. The Ballet now depreciates the cost of costumes, sets and props and production costs for major, recurring ballets on the straight-line basis over the estimated useful life of the assets ranging from five years to ten years. The impact to changes in net assets in 2024 was approximately \$502,000.

Leasehold and land improvements are recorded at cost and are amortized over the remaining life of the lease or the estimated useful life of the improvements, whichever is less.

PITTSBURGH BALLET THEATRE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expenses - The costs of providing the Ballet's various programs and supporting services have been summarized on a functional basis in the accompanying statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. Salaries, wages, fees and fringe benefits are allocated on the basis of time and effort. All other expenses are allocated based on actual usage. These expenses are allocated on a reasonable basis that is consistently applied.

Income Taxes - The Ballet is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is recorded in the financial statements. The Ballet's statements of financial position at June 30, 2024 and 2023 do not include any liabilities associated with uncertain tax positions; further, the Ballet has no unrecognized tax benefits. There were no interest or penalties recognized in the statements of activities and changes in net assets for the years ended June 30, 2024 and 2023. The Ballet is no longer subject to examinations of its tax returns for years before 2021.

Leases - Leases are recognized under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 842, Leases (Topic 842). The Ballet determines whether a contract contains a lease at contract inception and classifies it as either finance or operating. A contract contains a lease if there is an identified asset and the Ballet has the right to control the asset.

Operating lease right of use assets represent the Ballet's right to use an underlying asset for the lease term, and lease liabilities represent the Ballet's obligation to make lease payments arising from the lease. Operating leases are recorded in right of use assets and lease liabilities on the Ballet's statements of financial position. In the statements of activities and changes in net assets, lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

Topic 842 allows lessees an option to not recognize right of use assets and lease liabilities arising from short-term leases. A short-term lease is defined as a lease with an initial term of 12 months or less. The Ballet elected to not recognize short-term leases as right of use assets and lease liabilities on the statements of financial position. All short-term leases that are not included on the Ballet's statements of financial position will be recognized within lease expense. Leases that have an initial term of 12 months or less with an option for renewal will need to be assessed in order to determine if the lease qualifies for the short-term lease exception. If the option is reasonably certain to be exercised, the lease does not qualify as a short-term lease.

Operating lease right of use assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Ballet's lease liabilities are recognized based on the present value of the remaining fixed lease payments, over the lease term, using a discount rate. For the purpose of lease liability measurement, the Ballet considers only payments that are fixed and determinable at the time of commencement. The Ballet elected the practical expedient permitted under Topic 842 to use the risk-free rate in determining the present value of the lease payments, unless the implicit rate was readily available. The Ballet's lease terms may include options to extend or terminate the lease and are recognized when it is reasonably certain that the Ballet will exercise that option. The Ballet has a lease agreement with lease and non-lease components, which are accounted for as a single lease component for all classes of leased assets for which the Ballet is the lessee. Lease assets are tested for impairment in the same manner as long-lived assets used in operations. See Note 15 for additional disclosures regarding the Ballet's lease and adoption of Topic 842.

PITTSBURGH BALLET THEATRE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising - Generally, advertising costs are expensed in the period incurred; however, the Ballet may from time to time defer advertising costs related to specific productions and expense such costs in the period in which the productions take place. Advertising expense for the fiscal years 2024 and 2023 approximated \$407,000 and \$370,000, respectively.

Revenue Recognition - Under ASC Topic 606, revenue is recognized in accordance with a five-step model, which includes: identifying the contracts with customers; identifying the separate performance obligations; determining the transaction price; allocating the transaction price to the separate performance obligations; and recognizing revenue when (or as) each performance obligation is satisfied.

Revenue reported on the statements of changes in net assets that was derived from contracts with customers primarily includes ticket and tour sales, school revenue, special event revenue, arts education classes, boutique sales and program advertising. Revenue from contributions, grants and investment income is not derived from contracts with customers.

Revenues derived from the sale of tickets to attend performances, either through subscription (group) or single ticket sales, are recognized when the Ballet satisfies its performance obligation under the contract by transferring the promised service (performance) to its customer. Ticket sales are recognized at the point in time in which the related performance occurs. Revenue is measured as the amount of consideration the Ballet expects to receive in exchange for transferring the services to the customer. Payment terms are either payment in advance or immediate payment. Ticket purchases and season subscriptions for the upcoming season are considered a contract liability and are included in deferred revenue in the statements of financial position upon receipt and recognized as revenue at a point in time when the event satisfying the performance obligation occurs.

Revenues derived from tuition, housing and other services offered by the school are recognized over time when the Ballet satisfies its performance obligation under the contract by delivering the promised service (academic programs, housing and other services) to the students. Tuition, housing and other services are recognized over time as the programs are delivered to students, because the students simultaneously receive and consume the benefits provided by the Ballet's performance as it performs. Tuition and housing payments received in advance of the period in which they relate are considered a contract liability and are included in deferred revenue in the statements of financial position upon receipt and recognized as revenue over time when the events occur satisfying the performance obligation. The Ballet has elected to use an input measure of progress to recognize revenue based on time elapsed.

Revenues derived from special events are recognized when the Ballet satisfies its performance obligation under the contract by transferring the promised service (the special event) to its customer. Special event revenue is recognized at the point in time in which the related event occurs. Payments received for an upcoming event are considered a contract liability and are included in deferred revenue in the statements of financial position upon receipt and recognized as revenue over time when the events occur satisfying the performance obligation.

Revenues derived from arts education classes are recognized when the Ballet satisfies its performance obligation under the contract by transferring the promised service (the arts education class) to its customer. Arts education revenue is recognized at the point in time in which the related event occurs. Payments received for an upcoming event are considered a contract liability and are included in deferred revenue in the statements of financial position upon receipt and recognized as revenue over time when the events occur satisfying the performance obligation.

PITTSBURGH BALLET THEATRE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Boutique sales are derived from sales of merchandise related to the Ballet. These sales are recognized at a point in time upon payment because the customers simultaneously receive and consume the benefits provided by the Ballet upon payment, which is when the Ballet satisfies its performance obligation.

Program advertising revenue is derived from customers' advertising during the Ballet's programs. This revenue is recognized as revenue over time throughout the period of the advertisement, which is when the Ballet satisfies its performance obligation. The Ballet has elected to use an output measure of progress to recognize revenue based on time elapsed.

Revenue recognized over and at a point in time for the years ended June 30, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Revenue recognized at a point in time	\$ 3,940,232	\$ 3,184,383
Revenue recognized over time	<u>2,075,192</u>	<u>1,968,242</u>
	<u>\$ 6,015,424</u>	<u>\$ 5,152,625</u>

Reclassifications - Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Recently Adopted Accounting Pronouncement - In June 2016, the FASB issued Accounting Standards Update (ASU) 2016-13, Measurement of Credit Losses on Financial Instruments (Topic 326) (ASU 2016-13), the amendments of which replace the incurred loss impairment methodology under current U.S. GAAP with a methodology that reflects expected losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The Ballet adopted this ASU on July 1, 2023 without a significant impact on the financial statements and disclosures.

Subsequent Events - Subsequent events are events or transactions that occur after the statements of financial position date but before the financial statements are issued or are available to be issued. Management has evaluated subsequent events through January 27, 2025, the date that the financial statements were available to be issued, and determined that there have been no events that have occurred that would require adjustments to the disclosures in the financial statements.

NOTE 3 - RESTATEMENT

During fiscal years 2023 and 2024, several management positions at the Ballet were filled. As part of their integration, the new management team conducted a research project to understand the origins and restrictions of the various donor contributions and net assets. This research revealed that certain donor restrictions had been fulfilled but not previously released. As a result, the ballet restated its 2023 financial statements to reflect these updates. The following table shows the previously reported amounts, the amounts released as a result of the adjustment, and the restated amounts.

PITTSBURGH BALLET THEATRE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE 3 - RESTATEMENT (Continued)

	<u>As Previously Reported</u>	<u>Amount Released</u>	<u>As Restated</u>
Net assets without donor restrictions - July 1, 2022	\$ 5,593,798	\$ 1,131,908	\$ 6,725,706
Net assets without donor restrictions - June 30, 2023	4,830,509	1,131,908	5,962,417
Net assets with donor restrictions - July 1, 2022	20,847,880	(1,131,908)	19,715,972
Net assets with donor restrictions - June 30, 2023	20,602,186	(1,131,908)	19,470,278

NOTE 4 - LIQUIDITY AND AVAILABILITY

Financial assets available to meet cash needs for general expenditures within one year of the statements of financial position date without donor or other restrictions limiting their use include the following:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 477,587	\$ 704,134
Accounts receivable	67,707	88,646
Pledges receivable without donor restrictions	335,653	313,395
Endowment appropriated for current use	458,729	473,151
	<u>\$ 1,339,676</u>	<u>\$ 1,579,326</u>

As part of the Ballet's liquidity management, it has two line-of-credit agreements with maximum borrowings of \$1,000,000 and \$1,500,000. (See Note 10.) At June 30, 2024 and 2023, there was approximately \$725,000 and \$1,360,000 of outstanding borrowings, respectively. The Ballet has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Ballet's funds include net assets with donor restrictions that are subject to expenditure for specific purposes, and, therefore, are not available for general expenditure.

The Ballet's endowment consists of various investment funds established or designated primarily for support of the organization's mission. As described in Note 5, the Ballet annually elects a spending rate of between 2% and 7% for use in current and future operations.

For purposes of analyzing resources available to meet general expenditures, the Ballet considers all expenditures related to ongoing activities of the Ballet's program implementation, general and administrative functions and fundraising to be general expenditures.

NOTE 5 - ENDOWMENT

The Ballet's endowment consists of donor-restricted investment funds established for perpetual support of the organization's mission. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Ballet to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.



PITTSBURGH BALLET THEATRE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE 5 - ENDOWMENT (Continued)

Interpretation of Relevant Law - The Board has elected to be governed by the Commonwealth of Pennsylvania's Act 141 (Act 141), a total return policy that allows a nonprofit to choose to treat a percentage of the average market value of the endowment's donor-restricted investments as income each year. The long-term preservation of the real value of the assets must be taken into consideration when the Board elects the amount. On an annual basis, the Board must elect a spending rate of between 2% and 7%. In accordance with Act 141, and to comply with a donor-imposed restriction, the Ballet usually transfers no more than 5% of the previous three years' market value average of the endowment fund. The maximum investment draw percentage for the years ended June 30, 2024 and 2023 was 5.0%. This percentage is applied to a three-year average market value of the investments at June 30 of the previous year. The Ballet classifies as net assets with donor restrictions the original and subsequent value of gifts donated to the endowment with donor restrictions. In accordance with Act 141, the Ballet has adopted a written investment policy, of which a section specifically relates to the endowment fund.

The Ballet considers the following factors in making a determination to set a spending rate:

1. Protecting the corpus of the endowment fund.
2. Preserving the spending power of the assets.
3. Obtaining maximum investment return with reasonable risk and operational consideration.
4. Complying with applicable laws and donor-imposed restrictions.

The donor-restricted endowment funds of \$9,736,457 and \$9,100,408 as of June 30, 2024 and 2023, respectively, are included in net assets with donor restrictions.

The changes in donor-restricted endowment funds for the years ended June 30 are as follows:

	<u>2024</u>	<u>2023</u>
Endowment net assets, beginning of year	\$ 9,531,673	\$ 9,126,836
Contributions	11,248	5,000
Investment return:		
Investment income	242,206	240,939
Net appreciation	906,646	626,755
	<u>1,148,852</u>	<u>867,694</u>
Appropriation of endowment assets for expenditure	<u>(473,151)</u>	<u>(467,857)</u>
Endowment net assets, end of year	\$ <u>10,218,622</u>	\$ <u>9,531,673</u>

Return Objectives and Risk Parameters - The Ballet has adopted investment and spending policies for endowment assets that attempt to provide a reasonable level of funding to programs supported by its endowment, while seeking to enhance the purchasing power of the fund's corpus. These policies are geared toward long-term growth that will enable the Ballet to continue to operate at an elite level. Under this policy, as approved by the Board, the endowment assets are invested in a manner intended to produce results that exceed the price and yield results of a blended benchmark of equity and fixed-income peer groups.

PITTSBURGH BALLET THEATRE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE 5 - ENDOWMENT (Continued)

Strategies Employed for Achieving Objectives - To satisfy long-term rate-of-return objectives, the Ballet relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Ballet targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints. Investment advisors, at the discretion of the Investment Committee of the Board, are given guidelines to the percentage that can be committed to a particular investment or investment category.

Spending Policy and Investment Objectives Related to Spending Policy - In accordance with Act 141, the Ballet annually transfers no more than 7% of the previous three years' market value average of the donor-restricted endowment fund to net assets without donor restrictions for use in current and future operations. For the years ended June 30, 2024 and 2023, the spendable return elected was 5% and totaled approximately \$473,000 and \$468,000, respectively, all of which was expended. The Ballet believes that this spending policy is consistent with the Commonwealth of Pennsylvania's guidelines and with the Ballet's objective to maintain the purchasing power of the endowment assets held in perpetuity, as well as to provide additional real growth through new gifts and investment return.

NOTE 6 - INVESTMENTS WITH DONOR RESTRICTIONS

Donor-restricted investments consist of pooled investment funds and securities, which are presented at their aggregate market value. Carrying values and unrealized appreciation at June 30 are summarized as follows:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 632,224	\$ 627,631
Treasury bill	2,711,744	-
Equity funds and securities	10,579,379	9,240,972
Bond funds	<u>5,500,097</u>	<u>4,949,562</u>
Total market value	<u>\$ 19,423,444</u>	<u>\$ 14,818,165</u>
Cost or donated value	<u>\$ 17,595,697</u>	<u>\$ 13,424,020</u>
Unrealized appreciation	<u>\$ 1,826,972</u>	<u>\$ 1,394,145</u>

NOTE 7 - INVESTMENT HELD BY TRUST

The Ballet is a partial beneficiary of the trust of Pauline Beamer Pickens, and the trustee holds title to the assets. This is included within net assets with donor restrictions.

Distributions are made at the discretion of the trustee in accordance with the trust agreement and are without donor restrictions. Distributions approximated \$14,400 and \$19,000 for fiscal years 2024 and 2023, respectively. Carrying values and unrealized appreciation (depreciation) at June 30 are summarized as follows:

PITTSBURGH BALLET THEATRE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE 7 - INVESTMENT HELD BY TRUST (Continued)

	<u>2024</u>	<u>2023</u>
Cost or donated value	\$ 357,739	\$ 371,834
Market value	\$ 407,239	\$ 368,765
Unrealized appreciation (depreciation)	\$ 49,500	\$ (3,069)

NOTE 8 - PLEDGES RECEIVABLE

The Ballet has recorded pledges receivable at June 30 consisting of the receipt of unconditional promises to give, which are summarized as follows:

	<u>2024</u>	<u>2023</u>
Without donor restrictions:		
Due in less than one year	\$ 335,653	\$ 313,395
With donor restrictions:		
Due in less than one year	100,000	548,632
Due in one to five years	-	40,000
	<u>100,000</u>	<u>588,632</u>
Total	\$ <u>435,653</u>	\$ <u>902,027</u>

The discount to present value of these future receipts is not material.

NOTE 9 - FIXED ASSETS

Fixed assets at June 30 consist of the following:

	<u>2024</u>	<u>2023</u>
Building and leasehold improvements	\$ 15,864,469	\$ 15,414,149
Costumes, sets and props	5,507,413	6,425,931
Machinery and equipment	422,783	422,783
Land improvements	311,142	249,855
	<u>22,105,807</u>	<u>22,512,718</u>
Less - Accumulated depreciation and amortization	<u>(14,910,620)</u>	<u>(14,607,821)</u>
	7,195,187	7,904,897
Land	<u>1,058,035</u>	<u>1,058,035</u>
	\$ <u>8,253,222</u>	\$ <u>8,962,932</u>

PITTSBURGH BALLET THEATRE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE 10 - LINES OF CREDIT

The Ballet maintains a revolving line of credit note with a financial institution. On June 5, 2024, the maximum borrowings available under the agreement were increased from \$1,500,000 to \$2,000,000. The line of credit note bears interest on any unpaid balance accruing at the bank's prime lending rate (8.5% at June 30, 2024). The line of credit note is collateralized through a blanket lien on all of the Ballet's assets without donor restrictions. As of June 30, 2024 and 2023, there were \$725,000 and \$525,000, respectively, of borrowings outstanding on the line of credit note. All outstanding amounts are due no later than the agreement's expiration date, May 29, 2025. As of June 30, 2024, the Ballet had letters of credit associated with this line of credit note of \$27,000.

The Ballet maintained a line of credit with a financial institution. The maximum borrowings available under the agreement were \$1,000,000 with interest on any unpaid balance accruing at the 275 basis points plus the Daily Bloomberg Short-Term Bank Yield Index rate. The line of credit was collateralized through a blanket lien on all of the Ballet's assets without donor restrictions. As of June 30, 2023, there were \$835,286 of borrowings outstanding on the line of credit. The line of credit was cancelled on June 5, 2024, and any outstanding amounts were paid off.

NOTE 11 - LONG-TERM DEBT AND OTHER LONG-TERM LIABILITIES

The Ballet entered into a term loan with the U.S. Small Business Administration in July 2020, with a principal amount of \$150,000, bearing interest at a fixed annual rate of 2.75%, collateralized by certain property, and a 30-year maturity. Monthly installment payments of \$641, including principal and interest, began in July 2021.

Future maturities of long-term debt are as follows:

Year Ending June 30		Long-Term Debt
2025	\$	3,942
2026		3,931
2027		4,040
2028		4,152
2029		4,267
Thereafter		<u>122,539</u>
	\$	<u><u>142,871</u></u>

The Ballet also has a long-term severance agreement with three former employees. During the years ending June 30, 2025, 2026 and 2027, the Ballet will make \$90,000, \$50,000 and \$25,000, respectively, in payments related to these severance agreements. The current and long-term portions of the severance liabilities are recorded in accounts payable and accrued expenses and other long-term liabilities, respectively, on the statements of financial position. The discount to present value of these future payments is not material.

PITTSBURGH BALLET THEATRE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE 12 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The Ballet's financial instruments consist primarily of cash and cash equivalents, accounts receivable, pledges receivable, investments, investment held by trust, accounts payable and accrued expenses, line of credit and long-term debt.

The carrying amount of cash and cash equivalents, accounts receivable, pledges receivable, accounts payable and accrued liabilities approximates their fair value due to the short-term nature of such instruments.

The carrying value of the Ballet's revolving line of credit note, line of credit and long-term debt approximates fair value at June 30, 2024 and 2023, since the interest rates were either market-based and adjusted periodically, or reflect current market rates available to the Ballet.

The valuation of the Ballet's investments and investment held in trust at June 30 according to the fair value hierarchy is summarized as follows:

		2024			
		Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$	632,224	-	-	\$ 632,224
Treasury bill		2,711,744	-	-	2,711,744
Mutual funds and securities		16,079,476	-	-	16,079,476
Investment held in trust		-	-	\$ 407,239	407,239
	\$	<u>19,423,444</u>	<u>-</u>	<u>\$ 407,239</u>	<u>\$ 19,830,683</u>
		2023			
		Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$	627,631	-	-	\$ 627,631
Mutual funds and securities		14,190,534	-	-	14,190,534
Investment held in trust		-	-	\$ 368,765	368,765
	\$	<u>14,818,165</u>	<u>-</u>	<u>\$ 368,765</u>	<u>\$ 15,186,930</u>

The fair value of the mutual funds categorized as Level 1 is based on quoted market prices for identical securities traded in active markets that are readily and regularly available to the Ballet.

Investment held in trust includes underlying investments that are primarily based on readily quoted active markets. Since the investment held in trust is not readily tradable, but significant inputs are observable in active markets, the trust uses primarily Level 1 and Level 2 inputs valuing its own investments.

The Ballet's ownership in this trust is represented by an undivided interest in these investments, not in the underlying assets themselves. The undivided interests are not traded themselves, and they cannot be valued based on observable direct or indirect inputs. Accordingly, it is classified as Level 3.

PITTSBURGH BALLET THEATRE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE 12 - FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

The changes in those items measured at fair value for which the Ballet has used Level 3 inputs to determine fair value are as follows:

Balance, June 30, 2022	\$	353,955
Distributions		(19,200)
Unrealized appreciation		34,010
Balance, June 30, 2023		<u>368,765</u>
Distributions		(14,400)
Unrealized appreciation		<u>52,874</u>
Balance, June 30, 2024	\$	<u><u>407,239</u></u>

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques might require the transfer of financial instruments from one fair value level to another. There were no transfers between levels during the years ended June 30, 2024 and 2023.

NOTE 13 - NET ASSETS

Net assets with donor restrictions at June 30 consisted of the following:

	2024	2023 (As Restated)
	<u>                    </u>	<u>                    </u>
Subject to passage of time	\$ 650,000	\$ 325,000
Subject to expenditure for specified purpose:		
Capital projects	195,000	243,132
Future production support		
Live Music Fund	5,540,087	5,172,793
Nutcracker Fund	3,149,500	3,437,500
Special projects	649,142	65,353
Other	1,029,663	299,896
Scholarships	423,573	394,931
	<u>11,636,965</u>	<u>9,938,605</u>
Restriction in perpetuity	<u>10,218,622</u>	<u>9,531,673</u>
	<u>\$ 21,855,587</u>	<u>\$ 19,470,278</u>

PITTSBURGH BALLET THEATRE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE 13 - NET ASSETS (Continued)

Net assets were released from donor restrictions at June 30 by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors and grantors as follows:

	<u>2024</u>	<u>2023</u>
Subject to passage of time	\$ 45,000	\$ 765,000
Subject to expenditure for specified purpose:		
Capital projects	243,132	6,868
Production support	726,637	1,842,986
Scholarships	135,508	108,272
	<u>1,105,277</u>	<u>1,958,126</u>
	<u>\$ 1,150,277</u>	<u>\$ 2,723,126</u>

NOTE 14 - DONATED SERVICES

The Ballet receives certain donated professional services that assist in accomplishing its goals. The Ballet assigns values to such services based on rates commensurate with the type of services performed. Such expenses are reflected in the accompanying financial statements as both revenue and expense.

Although Board members have donated a substantial amount of time to the operation of the Ballet, no amounts have been reflected in the accompanying financial statements for donated services, because no objective basis is available to measure the value of such services.

NOTE 15 - LEASES

On July 1, 2022, the Ballet adopted Topic 842 and elected the optional transitional method as part of utilizing the modified retrospective approach in applying the new lease standard. As of the date of adoption, the Ballet recognized operating lease right of use assets and liabilities of approximately \$545,000, on the statements of financial position. The Ballet leases warehouse space under a noncancelable operating lease that expires in July 2026. At the inception of the Ballet's contracts, management determined whether the contract is or contains a lease. A contract is or contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Ballet's lease does not contain restrictions or covenants from incurring other financial obligations.

The total of lease expense within the statements of activities and changes in net assets was approximately \$134,000 for each of the years ended June 30, 2024 and 2023. The cash paid for amounts included in the measurement of operating lease liabilities was approximately \$137,000 and \$117,000 and was recorded within cash flow from operating activities as a part of changes in net assets for the years ended June 30, 2024 and 2023, respectively.

The weighted-average remaining lease term (in years) as of June 30, 2024 and 2023 was 2.08 and 3.08 years, respectively. The weighted-average discount rate as of June 30, 2024 and 2023 was 2.88%.

PITTSBURGH BALLET THEATRE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE 15 - LEASES (Continued)

As of June 30, 2024, estimated annual maturities of lease liabilities for the year ending June 30, 2025 and thereafter were as follows:

Year Ending June 30	Operating Leases
2025	\$ 148,000
2026	163,000
2027	14,000
Total minimum lease payments	325,000
Less: amounts representing interest	(9,000)
Present value of total lease liabilities	\$ <u>316,000</u>

NOTE 16 - EMPLOYEE BENEFIT PLANS

The Ballet participates in multiemployer pension plans under a union agreement. Contributions to the plans can vary significantly year to year, and the plan listed below may not be indicative of all plans the Ballet has contributed to in the past.

The Ballet does not control these plans. Generally, the plans provides defined benefits to substantially all employees covered by the stagehand collective bargaining agreement. The risks of participating in multiemployer plans are different from a single-employer plan in the following aspects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- Under the Employee Retirement Income Security Act of 1974 and the Pension Protection Act of 2006, a contributor to a multiemployer plan may be liable, upon termination or withdrawal from a plan, for its proportionate share of a plan's unfunded vested liability. However, such potential liability, if any, would be determined by the plan's trustee at the point of termination or withdrawal and not necessarily tied to the Ballet's level of contributions to the plan.



PITTSBURGH BALLET THEATRE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE 16 - EMPLOYEE BENEFIT PLANS (Continued)

The following table presents information as of June 30, 2024 and 2023 concerning the Ballet's participation in significant multiemployer defined benefit pension plans:

Pension Fund	EIN/ Pension Plan Number	Pension Protection Act Zone Status (a)		FIP/RP Status Pending/ Implemented (b)	Ballet Contributions		Expiration Date of Collective Bargaining Labor Agreement
		2024	2023		2024	2023	
		International Alliance of Theatrical Stage Employees (IATSE) Local 3 Pension Plan	25-6073053/001	Red	Red	Yes	
International Alliance of Theatrical Stage Employees (IATSE) National Pension Fund	13-1849172/001	Green	Green	N/A	\$7,981	\$4,714	6/30/25
United Scenic Artists, Local USA 829 Pension Fund	13-1982707/001	Green	Green	N/A	\$8,034	\$7,757	6/30/24

(a) The requirement for financial improvement plans, "FIP," or rehabilitation plans, "RP," is determined by the funding level or zone of the applicable plan.

(b) As defined by the Pension Protection Act, "PPA," the zone status indicates the percent the plan is funded for plan years presented. Red Zone: plans generally funded less than 65%; Yellow Zone: plans generally funded less than 80%; Green Zone: at least 80% funded.

The Ballet's contributions to the above pension plans did not exceed 5% of the total contributions to the identified plan for the plan years ended December 31, 2023 and 2022.

The information required to determine the total amount of the contingent obligation is not readily available. However, none of the plans in which the Ballet has participated have asserted entitlement to a withdrawal liability payment, and the Ballet has not been notified by any multiemployer plan of a claim for any unfunded liability.

The Ballet also contributes to a defined contribution plan covering the staff employees and dancers. The Ballet's contributions are based on weekly salaries at amounts and percentages set by the Ballet's Board each fiscal year. The contribution was based on 5% of gross compensation for the dancers and 3% for the staff employees for fiscal year 2024 and 2023. For fiscal years 2024 and 2023, the Ballet contributed approximately \$145,000 and \$142,000, respectively, to this plan.

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SUPPLEMENTARY INFORMATION



INDEPENDENT AUDITOR’S REPORT ON SUPPLEMENTARY INFORMATION

Board of Trustees  
Pittsburgh Ballet Theatre, Inc.  
Pittsburgh, Pennsylvania

We have audited the financial statements of the Pittsburgh Ballet Theatre, Inc. as of and for the years ended June 30, 2024 and 2023, and have issued our report thereon dated January 27, 2025, which contained an unmodified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The schedules of activities without donor restrictions are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Schneider Downs & Co., Inc.*

Pittsburgh, Pennsylvania  
January 27, 2025

PITTSBURGH BALLET THEATRE, INC.

SCHEDULES OF ACTIVITIES WITHOUT DONOR RESTRICTIONS  
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
<b>OPERATING REVENUE</b>		
Season subscriptions	\$ 498,428	\$ 397,389
Single tickets	2,814,030	2,323,217
School	1,983,150	1,769,171
Education and community engagement	37,213	40,617
Dance and fitness	245,163	168,730
Boutique	161,784	115,539
Investment income	121,841	94,847
Rentals, sales, and other income	153,815	243,115
Total Operating Revenue	6,015,424	5,152,625
<b>OPERATING EXPENSES</b>		
Salaries, wages and fringe benefits	5,244,852	4,410,283
Direct production costs	2,962,182	2,881,673
School	1,793,056	2,010,852
General production	355,673	415,155
Marketing	612,759	559,240
General and administrative	582,686	565,445
Occupancy	321,194	246,639
Fund-raising	173,995	111,934
Gala/Miscellaneous events	254,896	248,271
Education and community engagement	111,918	525,009
Dance and fitness	213,032	168,545
Tour	-	7,000
Boutique	84,511	73,448
Debt service	64,532	3,961
Bad debts	21,323	20,000
In-kind	308,378	267,513
Total Operating Expenses	13,104,987	12,514,968
Change In Net Assets Before Public And Private Support And Releases From Restrictions And Depreciation And Amortization	(7,089,563)	(7,362,343)
<b>PUBLIC AND PRIVATE SUPPORT WITHOUT DONOR RESTRICTIONS</b>		
Individuals	1,379,650	570,205
Corporations	174,850	92,883
Foundations	1,661,791	678,927
Government	366,000	940,700
Special projects	1,486,989	1,092,131
Gala/Miscellaneous events	541,340	564,827
In-kind contributions	308,378	267,513
Total Public And Private Support Without Donor Restrictions	5,918,998	4,207,186
Change In Net Assets Before Releases From Restrictions And Depreciation And Amortization	(1,170,565)	(3,155,157)
<b>NET ASSETS RELEASED FROM OPERATING RESTRICTIONS</b>		
Investment income spending	473,151	467,857
Other support	1,150,277	2,723,126
Total Net Assets Released from Operating Restrictions	1,623,428	3,190,983
Change In Net Assets From Operations Before Depreciation and Amortization	452,863	35,826
Depreciation and amortization	(1,259,333)	(799,115)
Changes In Net Assets Without Donor Restriction	\$ (806,470)	\$ (763,289)

The independent auditor's report on supplementary information should be read with these schedules.