

PITTSBURGH BALLET THEATRE, INC.  
Pittsburgh, Pennsylvania

Financial Statements  
and  
Supplementary Information  
For the years ended June 30, 2025 and 2024  
and Independent Auditor's Report Thereon



Big Thinking. Personal Focus.

[www.schneiderdowns.com](http://www.schneiderdowns.com)

## CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position, June 30, 2025 and 2024	3
Statements for the Years Ended June 30, 2025 and 2024:	
Activities and Changes in Net Assets	4
Functional Expenses	6
Cash Flows	8
Notes to Financial Statements	9
SUPPLEMENTARY INFORMATION	
Independent Auditor's Report on Supplementary Information	25
Schedules of Activities Without Donor Restrictions for the years ended June 30, 2025 and 2024	26

## 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, 2025 and 2024, 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, 2025 and 2024, 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.

Schneider Downs & Co., Inc.  
[www.schneiderdowns.com](http://www.schneiderdowns.com)



One PPG Place  
Suite 1700  
Pittsburgh, PA 15222  
TEL 412.261.3644  
FAX 412.261.4876

65 E. State Street  
Suite 2000  
Columbus, OH 43215  
TEL 614.621.4060  
FAX 614.621.4062

1660 International Drive  
Suite 600  
McLean, VA 21102  
TEL 571.380.9003

## **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.

*Schneider Downs & Co., Inc.*

Pittsburgh, Pennsylvania  
November 25, 2025

PITTSBURGH BALLET THEATRE, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 25,916	\$ 18,910	\$ 44,826	\$ 477,587	\$ 66,378	\$ 543,965
Accounts receivable	86,770	-	86,770	67,707	-	67,707
Pledges receivable	215,901	231,667	447,568	335,653	100,000	435,653
Prepaid expenses and other current assets	668,988	-	668,988	462,656	-	462,656
Due (to) from other funds	(1,954,180)	1,954,180	-	(1,858,526)	1,858,526	-
Short-term investment	-	-	-	-	2,711,744	2,711,744
Investments	-	22,659,169	22,659,169	-	16,711,700	16,711,700
Investments held by trust	-	423,450	423,450	-	407,239	407,239
Fixed assets, net	7,014,637	-	7,014,637	8,253,222	-	8,253,222
Operating lease right-of-use assets	142,746	-	142,746	269,965	-	269,965
Total Assets	<u>\$ 6,200,778</u>	<u>\$ 25,287,376</u>	<u>\$ 31,488,154</u>	<u>\$ 8,008,264</u>	<u>\$ 21,855,587</u>	<u>\$ 29,863,851</u>
<b>LIABILITIES AND NET ASSETS</b>						
<b>LIABILITIES</b>						
Line-of-credit	\$ 270,000	-	\$ 270,000	\$ 725,000	-	\$ 725,000
Accounts payable and accrued expenses	514,266	-	514,266	514,509	-	514,509
Deferred revenue	1,055,205	-	1,055,205	1,154,399	-	1,154,399
Long-term debt	139,082	-	139,082	142,871	-	142,871
Operating lease liabilities	174,442	-	174,442	315,538	-	315,538
Total Liabilities	2,152,995	-	2,152,995	2,852,317	-	2,852,317
NET ASSETS	<u>4,047,783</u>	<u>\$ 25,287,376</u>	<u>29,335,159</u>	<u>5,155,947</u>	<u>\$ 21,855,587</u>	<u>27,011,534</u>
Total Liabilities and Net Assets	<u>\$ 6,200,778</u>	<u>\$ 25,287,376</u>	<u>\$ 31,488,154</u>	<u>\$ 8,008,264</u>	<u>\$ 21,855,587</u>	<u>\$ 29,863,851</u>

See notes to financial statements.

PITTSBURGH BALLET THEATRE, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND SUPPORT</b>						
Program income	\$ 5,931,596	-	\$ 5,931,596	\$ 5,739,768	-	\$ 5,739,768
Private and public support	3,888,302	\$ 3,773,549	7,661,851	5,918,998	\$ 2,025,119	7,944,117
Gain on sale of fixed assets	576,921	-	576,921	-	-	-
Other	343,080	-	343,080	275,656	-	275,656
Net realized and unrealized gains, interest and dividends	-	2,000,513	2,000,513	-	1,983,618	1,983,618
Net assets released from donor restrictions:						
Investment income spending	458,730	(458,730)	-	473,151	(473,151)	-
Other support	1,883,543	(1,883,543)	-	1,150,277	(1,150,277)	-
Total Revenue and Support	13,082,172	3,431,789	16,513,961	13,557,850	2,385,309	15,943,159
<b>EXPENSES</b>						
Program:						
Performances	9,584,943	-	9,584,943	9,350,424	-	9,350,424
School	1,949,678	-	1,949,678	2,233,824	-	2,233,824
Arts education	614,473	-	614,473	627,138	-	627,138
Management and general	1,141,277	-	1,141,277	1,185,373	-	1,185,373
Fundraising and special events	899,965	-	899,965	967,561	-	967,561
Total Expenses	14,190,336	-	14,190,336	14,364,320	-	14,364,320
Changes In Net Assets	(1,108,164)	3,431,789	2,323,625	(806,470)	2,385,309	1,578,839
<b>NET ASSETS</b>						
Beginning of year	5,155,947	21,855,587	27,011,534	5,962,417	19,470,278	25,432,695
End of year	\$ 4,047,783	\$ 25,287,376	\$ 29,335,159	\$ 5,155,947	\$ 21,855,587	\$ 27,011,534

See notes to financial statements.

[This Page Intentionally Left Blank.]

PITTSBURGH BALLET THEATRE, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2025

	Program Activities			Supporting Activities			Totals	
	Performances	School	Arts Education	Total Program Activities	Management and General	Fundraising and Special Events	Total Supporting Activities	2025
Salaries, wages, fees and fringe benefits	\$ 5,435,786	\$ 841,521	\$ 487,574	\$ 6,764,881	\$ 945,544	\$ 387,335	\$ 1,332,879	\$ 8,097,760
Production costs	1,891,452	721,273	104,921	2,717,646	-	-	-	2,717,646
Depreciation and amortization	637,373	384,622	21,978	1,043,973	32,969	21,978	54,947	1,098,920
Marketing	659,630	-	-	659,630	25,268	-	25,268	684,898
Occupancy	307,540	2,262	-	309,802	46,274	20,537	66,811	376,613
Development and special events	-	-	-	-	-	429,629	429,629	429,629
Professional fees and other	606,271	-	-	606,271	91,222	40,486	131,708	737,979
In-kind	46,891	-	-	46,891	-	-	-	46,891
<b>Total Functional Expenses</b>	<b>\$ 9,584,943</b>	<b>\$1,949,678</b>	<b>\$ 614,473</b>	<b>\$12,149,094</b>	<b>\$1,141,277</b>	<b>\$ 899,965</b>	<b>\$ 2,041,242</b>	<b>\$14,190,336</b>

See notes to financial statements.

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 and 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.

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 2,323,625	\$ 1,578,839
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	1,098,920	1,259,333
Net realized and unrealized gains on investments	(1,373,371)	(1,681,299)
Gain on sale of fixed assets	(576,921)	-
Contributions restricted in perpetuity	(1,265,000)	(11,248)
Changes in assets and liabilities:		
Accounts receivable	(19,063)	42,262
Pledges receivable	(11,915)	445,051
Prepaid expenses and other assets	(206,332)	(71,780)
Accounts payable and accrued expenses	(243)	(194,236)
Deferred revenue	(99,194)	(208,690)
Operating lease right-of-use asset and lease liabilities	(13,877)	(3,146)
Net Cash (Used In) Provided By Operating Activities	(143,371)	1,155,086
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(8,414)	(549,623)
Proceeds from sale of fixed assets	725,000	-
Proceeds from sale of investments	11,603,789	7,864,833
Purchase of investments	(13,482,354)	(10,827,287)
Net Cash Used In Investing Activities	(1,161,979)	(3,512,077)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Line-of-credit, net	(455,000)	(635,054)
Payments on long-term debt	(3,789)	-
Proceeds from contributions restricted in perpetuity	1,265,000	11,248
Net Cash Provided By (Used In) Financing Activities	806,211	(623,806)
Net Decrease In Cash And Cash Equivalents	(499,139)	(2,980,797)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	543,965	3,524,762
End of year	\$ 44,826	\$ 543,965
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid during the year for interest	\$ 69,642	\$ 64,532

See notes to financial statements.

PITTSBURGH BALLET THEATRE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

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 expired June 30, 2025; orchestra musicians of the work force, which expires June 30, 2026; stagehands, which expires June 30, 2028; and dancers, which expires June 30, 2026. Negotiations on the costume dressers and stagehands collective bargaining agreements 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. This includes Board-designated endowment funds that are perpetual in nature. 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 recorded as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Conditional promises to give are not included as support until the conditions are substantially met. As of June 30, 2025, the Ballet has approximately \$1,580,000 of grants awarded that will be recognized as revenue upon meeting those certain conditions.

PITTSBURGH BALLET THEATRE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Receivables - The Ballet is exposed to credit losses primarily through net sales of tickets and products to customers, which are recorded as accounts receivable 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, 2025 or 2024. 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, which matures in less than one year.

Investments - Investments are recorded at fair value. The change in unrealized appreciation 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 15 years.

The cost of costumes, sets and props and production for major, recurring ballets are capitalized and depreciated on the straight-line basis over the estimated useful life of the assets ranging from five to 10 years. All other costs are charged to operations as incurred.

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.

When assets are disposed, cost and related accumulated depreciation are removed from the accountings, and any resulting gain or loss is reflected in change in net assets for the period.

PITTSBURGH BALLET THEATRE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

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, 2025 and 2024 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, 2025 and 2024. The Ballet is no longer subject to examinations of its tax returns for years before 2022.

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 lease agreements 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 14 for additional disclosures regarding the Ballet's lease and adoption of Topic 842.

PITTSBURGH BALLET THEATRE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

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 2025 and 2024 approximated \$545,000 and \$407,000, 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 activities and 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, 2025 AND 2024

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, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Revenue recognized at a point in time	\$ 4,142,709	\$ 3,940,232
Revenue recognized over time	<u>2,131,967</u>	<u>2,075,192</u>
	<u>\$ 6,274,676</u>	<u>\$ 6,015,424</u>

Deferred revenue as of July 1, 2023 was approximately \$1,363,000.

Subsequent Events - Management has evaluated subsequent events through November 25, 2025, the date that the financial statements were available to be issued.

NOTE 3 - 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>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 25,916	\$ 477,587
Accounts receivable	86,770	67,707
Pledges receivable without donor restrictions	215,901	335,653
Endowment appropriated for current use	<u>481,826</u>	<u>458,729</u>
	<u>\$ 810,413</u>	<u>\$ 1,339,676</u>

As part of the Ballet's liquidity management, it has a line-of-credit agreement with a maximum borrowing of \$2,000,000. (See Note 9.) At June 30, 2025 and 2024, there was approximately \$270,000 and \$725,000, respectively, of outstanding borrowings. 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.

PITTSBURGH BALLET THEATRE, INC.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

NOTE 3 - LIQUIDITY AND AVAILABILITY (Continued)

The Ballet's endowment consists of various investment funds established or designated primarily for support of the organization's mission. As described in Note 4, the Ballet annually elects a spending rate of between 2% and 7% for use in current and future operations. Approximately \$325,000 of the endowment is considered Board-designated as of June 30, 2025. Although the Ballet does not intend to spend from this Board-designated endowment (other than amounts appropriated for general expenditure as of part of the Board's annual approval and appropriation), these amounts could be made available if necessary.

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 4 - ENDOWMENT

The Ballet's endowment consists of Board-designated and 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.

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, 2025 and 2024 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.

PITTSBURGH BALLET THEATRE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 4 - ENDOWMENT (Continued)

The changes in donor-restricted and Board-designated endowment funds by type for the years ended June 30 are as follows:

	Without Donor Restrictions Board-Designated	With Donor Restrictions	Total
Endowment net assets, June 30, 2023	-	\$ 9,531,673	\$ 9,531,673
Contributions	-	11,248	11,248
Investment return:	-		
Investment income	-	242,206	242,206
Net appreciation	-	906,646	906,646
Appropriation of endowment assets for expenditure	-	(473,151)	(473,151)
Endowment net assets, June 30, 2024	-	10,218,622	10,218,622
Contributions & Board designations	\$ 300,000	5,000	305,000
Investment return:			
Investment income	6,992	276,962	283,954
Net appreciation	18,234	722,322	740,556
Transfers*	-	(174,544)	(174,544)
Appropriation of endowment assets for expenditure	-	(458,730)	(458,730)
Endowment net assets, June 30, 2025	\$ 325,226	\$ 10,589,632	\$ 10,914,858

\* Endowment transfers represent gifts and grants received in a previous year which were determined to be restricted for time and specific purposes, rather than for endowment, in 2025.

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, 2025 AND 2024

NOTE 4 - 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, 2025 and 2024, the spendable return elected was 5% and totaled approximately \$459,000 and \$473,000, 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 5 - INVESTMENTS

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>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 2,653,794	\$ 632,224
Treasury bill	-	2,711,744
Equity funds and securities	11,964,334	10,579,379
Fixed income securities	6,929,924	4,449,789
Fixed income bonds	<u>1,111,117</u>	<u>1,050,308</u>
Total market value	\$ <u>22,659,169</u>	\$ <u>19,423,444</u>
Cost or donated value	\$ <u>18,925,041</u>	\$ <u>17,595,697</u>
Unrealized appreciation	\$ <u>3,734,128</u>	\$ <u>1,827,747</u>

NOTE 6 - 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 \$24,000 and \$14,000 for fiscal years 2025 and 2024, respectively. Carrying values and unrealized appreciation at June 30 are summarized as follows:

PITTSBURGH BALLET THEATRE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 6 - INVESTMENT HELD BY TRUST (Continued)

	<u>2025</u>	<u>2024</u>
Cost or donated value	\$ 348,045	\$ 357,739
Market value	\$ 423,450	\$ 407,239
Unrealized appreciation	\$ 75,405	\$ 49,500

NOTE 7 - 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>2025</u>	<u>2024</u>
Without donor restrictions:		
Due in less than one year	\$ 215,901	\$ 335,653
With donor restrictions:		
Due in less than one year	148,334	100,000
Due in one to five years	83,333	-
	<u>231,667</u>	<u>100,000</u>
Total	\$ <u>447,568</u>	\$ <u>435,653</u>

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

NOTE 8 - FIXED ASSETS

Fixed assets at June 30 consist of the following:

	<u>2025</u>	<u>2024</u>
Building and leasehold improvements	\$ 14,838,983	\$ 15,864,469
Costumes, sets and props	5,507,413	5,507,413
Machinery and equipment	399,528	422,783
Land improvements	311,142	311,142
	<u>21,057,066</u>	<u>22,105,807</u>
Less - Accumulated depreciation and amortization	<u>(15,100,464)</u>	<u>(14,910,620)</u>
	5,956,602	7,195,187
Land	1,058,035	1,058,035
	\$ <u>7,014,637</u>	\$ <u>8,253,222</u>

PITTSBURGH BALLET THEATRE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 9 - 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 was 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 (7.5% at June 30, 2025). 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, 2025 and 2024, there were \$270,000 and \$725,000, respectively, of borrowings outstanding on the line-of-credit note. All outstanding amounts are due no later than the agreement's expiration date, May 31, 2026. As of June 30, 2025, the Ballet had letters of credit associated with this line-of-credit note of \$27,000.

NOTE 10 - 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:

<u>Year Ending</u> <u>June 30</u>	<u>Long-Term</u> <u>Debt</u>
2026	\$ 3,942
2027	4,040
2028	4,152
2029	4,267
2030	4,386
Thereafter	<u>118,295</u>
	<u>\$ 139,082</u>

The Ballet also has a long-term severance agreement with a former employee. During the years ending June 30, 2026 and 2027, the Ballet will make \$50,000 and \$25,000, respectively, in payments related to this severance agreement. The current and long-term portions of the severance liability 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, 2025 AND 2024

NOTE 11 - 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 and long-term debt approximates fair value at June 30, 2025 and 2024, 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:

		2025			
		Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$	2,653,794	-	-	\$ 2,653,794
Equity funds and securities		11,964,334	-	-	11,964,334
Fixed income securities		6,929,924	-	-	6,929,924
Fixed income bond		-	\$ 1,111,117	-	1,111,117
Investment held in trust		-	-	\$ 423,450	423,450
		\$ 21,548,052	\$ 1,111,117	\$ 423,450	\$ 23,082,619
		2024			
		Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$	632,224	-	-	\$ 632,224
Treasury bill		2,711,744	-	-	2,711,744
Equity funds and securities		10,579,379	-	-	10,579,379
Fixed income securities		4,449,789	-	-	4,449,789
Fixed income bonds		-	\$ 1,050,308	-	1,050,308
Investment held in trust		-	-	\$ 407,239	407,239
		\$ 18,373,136	\$ 1,050,308	\$ 407,239	\$ 19,830,683

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

The fair value of fixed income bonds are categorized as Level 2 based on pricing models that maximize the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

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.

PITTSBURGH BALLET THEATRE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 11 - FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

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.

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, 2023	\$	368,765
Distributions		(14,400)
Unrealized appreciation		52,874
Balance, June 30, 2024		<u>407,239</u>
Distributions		(24,000)
Unrealized appreciation		<u>40,211</u>
Balance, June 30, 2025	\$	<u><u>423,450</u></u>

NOTE 12 - NET ASSETS

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

	<u>2025</u>	<u>2024</u>
Subject to passage of time	\$ 680,000	\$ 650,000
Subject to expenditure for specified purpose:		
Capital projects	-	195,000
Future production support		
Live Music Fund	5,946,239	5,540,087
Nutcracker Fund	3,861,101	3,149,500
Special projects	358,980	649,142
Other	1,981,753	1,029,663
Memorial Repertory Fund	139,524	-
Scholarships	461,237	423,573
	<u>12,748,834</u>	<u>11,636,965</u>
Restricted in perpetuity:		
Operating cash reserve fund	1,268,910	-
General restricted endowment	10,589,632	10,218,622
	<u>11,858,542</u>	<u>10,218,622</u>
	<u>\$ 25,287,376</u>	<u>\$ 21,855,587</u>

PITTSBURGH BALLET THEATRE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 12 - NET ASSETS (Continued)

During the year ended June 30, 2025, the Ballet received a contribution in the amount of \$1,250,000 which was restricted in perpetuity to setup an operating cash reserve fund. The funds can be drawn upon by the Ballet to cover short-term liquidity needs that meet certain criteria. The Ballet must replenish the corpus of the fund in its entirety by December 31 of each year to then be held for two weeks. After which time, the Ballet may draw upon the funds to cover short-term liquidity needs.

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>2025</u>	<u>2024</u>
Subject to passage of time	\$ 360,000	\$ 45,000
Subject to expenditure for specified purpose:		
Capital projects	195,000	243,132
Production support	1,167,842	726,637
Memorial Repertory Fund	30,000	-
Scholarships	130,701	135,508
	<u>1,523,543</u>	<u>1,105,277</u>
	\$ <u>1,883,543</u>	\$ <u>1,150,277</u>

NOTE 13 - 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 14 - LEASES

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.

PITTSBURGH BALLET THEATRE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 14 - LEASES (Continued)

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, 2025 and 2024. The cash paid for amounts included in the measurement of operating lease liabilities was approximately \$148,000 and \$137,000 and was recorded within cash flow from operating activities as a part of changes in net assets for the years ended June 30, 2025 and 2024, respectively.

The weighted-average remaining lease term (in years) as of June 30, 2025 and 2024 was 1.08 and 2.08 years, respectively. The weighted-average discount rate as of June 30, 2025 and 2024 was 2.88%.

As of June 30, 2025, estimated annual maturities of lease liabilities for the year ending June 30, 2026 and thereafter were as follows:

Year Ending June 30	Operating Leases
2026	\$ 163,000
2027	14,000
Total minimum lease payments	177,000
Less: amounts representing interest	(3,000)
Present value of total lease liabilities	\$ <u>174,000</u>

NOTE 15 - 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 provide 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, 2025 AND 2024

NOTE 15 - EMPLOYEE BENEFIT PLANS (Continued)

The following table presents information as of June 30, 2025 and 2024 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
		2025	2024		2025	2024	
		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	\$8,998	\$7,981	6/30/28
United Scenic Artists, Local USA 829 Pension Fund	13-1982707/001	Green	Green	N/A	\$12,158	\$8,034	6/30/25

(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, 2024 and 2023.

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 2025 and 2024. For fiscal years 2025 and 2024, the Ballet contributed approximately \$142,000 and \$145,000, respectively, to this plan.

[This Page Intentionally Left Blank.]



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, 2025 and 2024, and have issued our report thereon dated November 25, 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  
November 25, 2025

PITTSBURGH BALLET THEATRE, INC.

SCHEDULES OF ACTIVITIES WITHOUT DONOR RESTRICTIONS  
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
<b>WITHOUT DONOR RESTRICTIONS REVENUE AND SUPPORT</b>		
Program Revenue:		
Season subscriptions	\$ 531,117	\$ 498,428
Single tickets	2,976,550	2,814,030
School	1,917,630	1,983,150
Education and community engagement	45,424	37,213
Dance and fitness	262,487	245,163
Boutique	198,388	161,784
Total Program Revenue	5,931,596	5,739,768
Public and Private Support:		
Individuals	1,060,357	1,379,650
Corporations	145,365	174,850
Foundations	1,728,043	1,661,791
Government	323,000	366,000
Special projects	119,920	1,486,989
Gala/miscellaneous events	464,726	541,340
In-kind contributions	46,891	308,378
Total Public And Private Support	3,888,302	5,918,998
Gain on sale of fixed assets	576,921	-
Other:		
Investment income	27,073	121,841
Rentals, sales, and other income	316,007	153,815
Total Other	343,080	275,656
Donor-Restricted Net Assets Released from Restriction:		
Investment income spending	458,730	473,151
Other support	1,883,543	1,150,277
Total Donor-Restricted Net Assets Released from Restrictions	2,342,273	1,623,428
Total Without Donor Restrictions Revenue and Support	13,082,172	13,557,850
<b>EXPENSES</b>		
Salaries, wages and fringe benefits	4,994,737	5,244,852
Direct production costs	3,533,487	2,962,182
School	1,565,058	1,793,056
Depreciation and amortization	1,098,920	1,259,333
General production	372,880	355,673
Marketing	684,891	612,759
General and administrative	546,204	582,686
Occupancy	374,351	321,194
Fundraising	161,220	173,995
Gala/miscellaneous events	265,909	254,896
Education and community engagement	127,606	111,918
Dance and fitness	223,906	213,032
Boutique	122,134	84,511
Debt service	69,642	64,532
Bad debts	2,500	21,323
In-kind	46,891	308,378
Total Expenses	14,190,336	14,364,320
Changes In Net Assets Without Donor Restriction	\$ (1,108,164)	\$ (806,470)

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