

**PORTLAND OPERA ASSOCIATION, INC.
AND SUBSIDIARY**

Consolidated Financial Statements

For the Years Ended June 30, 2015 and 2014

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Independent Auditor's Report

To the Board of Directors
Portland Opera Association, Inc. and Subsidiary
Portland, Oregon

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Portland Opera Association, Inc. and Subsidiary, which comprise the consolidated statement of financial position as of June 30, 2015, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Portland Opera Association, Inc. and Subsidiary as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental consolidating information is presented for purposes of additional analysis and is 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 consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

The 2014 consolidated financial statements of Portland Opera Association, Inc. and Subsidiary were previously audited by other auditors, and in their report dated September 1, 2014 they expressed an unmodified audit opinion on those audited consolidated financial statements.

Richard Winkel, CPA

September 28, 2015

PORTLAND OPERA ASSOCIATION, INC AND SUBSIDIARY

Consolidated Statements of Financial Position

June 30, 2015 and 2014

	June 30,	
	<u>2015</u>	<u>2014</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,961,728	\$ 461,720
Trade accounts receivable	309,994	297,719
Contributions receivable	1,198,657	2,202,107
Endowment distributions receivable	595,268	524,368
Prepaid expenses and supplies	409,113	388,193
Deferred charges	<u>204,471</u>	<u>288,790</u>
Total current assets	<u>5,679,231</u>	<u>4,162,897</u>
Noncurrent assets:		
Deferred charges	209,377	75,451
Contributions receivable	1,296,804	320,587
Intangible asset	172,225	172,225
Capital assets, net of depreciation	<u>4,975,432</u>	<u>5,192,833</u>
Total noncurrent assets	<u>6,653,838</u>	<u>5,761,096</u>
Restricted assets:		
Investments held by Portland Opera Association Endowment Fund	3,414,796	3,812,790
Equity in investment held by Oregon Community Foundation	<u>4,743,712</u>	<u>5,031,663</u>
Total restricted assets	<u>8,158,508</u>	<u>8,844,453</u>
Total assets	<u><u>\$ 20,491,577</u></u>	<u><u>\$ 18,768,446</u></u>

The accompanying notes are an integral part of these financial statements.

PORTLAND OPERA ASSOCIATION, INC AND SUBSIDIARY

Consolidated Statements of Financial Position

June 30, 2015 and 2014

	June 30,	
	<u>2015</u>	<u>2014</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 5,554,811	\$ 1,083,138
Line of credit	-	2,000,000
Long-term debt, current portion	7,984	7,728
Deferred ticket revenue	771,200	1,432,194
Deferred revenue	<u>778,885</u>	<u>643,251</u>
Total current liabilities	<u>7,112,880</u>	<u>5,166,311</u>
Noncurrent liabilities:		
Deferred revenue	-	-
Long-term debt	23,710	31,694
Long-term deposits refundable	<u>27,741</u>	<u>27,741</u>
Total noncurrent liabilities	<u>51,451</u>	<u>59,435</u>
Total liabilities	<u>7,164,331</u>	<u>5,225,746</u>
Net assets:		
Unrestricted	3,346,396	3,222,326
Restricted:		
Temporarily - time stipulations	1,479,342	1,132,922
Temporarily - endowments	2,442,923	2,838,750
Permanently - endowments held in perpetuity	<u>6,058,585</u>	<u>6,348,702</u>
Total net assets	<u>13,327,246</u>	<u>13,542,700</u>
Total liabilities and net assets	<u>\$ 20,491,577</u>	<u>\$ 18,768,446</u>

The accompanying notes are an integral part of these financial statements.

PORTLAND OPERA ASSOCIATION, INC AND SUBSIDIARY

Consolidated Statement of Activities and Changes in Net Assets

For the Year Ended June 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Operating revenue	\$ 4,221,705	\$ -	\$ -	\$ 4,221,705
Contributions and outside support	3,621,150	589,635	-	4,210,785
Net assets released from restriction, contributions	195,268	-	-	195,268
Net assets released from restriction, endowments	<u>728,632</u>	<u>-</u>	<u>-</u>	<u>728,632</u>
Total operating income	8,766,755	589,635	-	9,356,390
Production costs	4,974,070	-	-	4,974,070
Sales and customer service costs	1,667,744	-	-	1,667,744
General and administrative costs	2,000,923	-	-	2,000,923
Net assets released from restriction, contributions	-	195,268	-	195,268
Net assets released from restriction, endowments	<u>-</u>	<u>439,026</u>	<u>289,606</u>	<u>728,632</u>
Total operating expenditures	8,642,737	634,294	289,606	9,566,637
Surplus (loss) from operations	124,018	(44,659)	(289,606)	(210,247)
Investment income (loss)	<u>52</u>	<u>(4,748)</u>	<u>(511)</u>	<u>(5,207)</u>
Net changes in net assets	<u>124,070</u>	<u>(49,407)</u>	<u>(290,117)</u>	<u>(215,454)</u>
Net assets, beginning	<u>3,222,326</u>	<u>3,971,672</u>	<u>6,348,702</u>	<u>13,542,700</u>
Net assets, ending	<u>\$ 3,346,396</u>	<u>\$ 3,922,265</u>	<u>\$ 6,058,585</u>	<u>\$ 13,327,246</u>

The accompanying notes are an integral part of these financial statements.

PORTLAND OPERA ASSOCIATION, INC AND SUBSIDIARY

Consolidated Statement of Activities and Changes in Net Assets

For the Year Ended June 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Operating revenue	\$ 3,205,767	\$ -	\$ -	\$ 3,205,767
Contributions and outside support	3,723,640	204,565	-	3,928,205
Net assets released from restriction, contributions	251,405	-	-	251,405
Net assets released from restriction, endowments	664,050	-	-	664,050
 Total operating income	 7,844,862	 204,565	 -	 8,049,427
Production costs	4,397,528	-	-	4,397,528
Sales and customer service costs	1,432,517	-	-	1,432,517
General and administrative costs	1,998,085	-	-	1,998,085
Net assets released from restriction, contributions	-	251,405	-	251,405
Net assets released from restriction, endowments	-	379,230	284,820	664,050
 Total operating expenditures	 7,828,130	 630,635	 284,820	 8,743,585
Surplus (loss) from operations	16,732	(426,070)	(284,820)	(694,158)
Investment income	88	362,480	896,895	1,259,463
 Net changes in net assets	 16,820	 (63,590)	 612,075	 565,305
Net assets, beginning	3,205,506	4,035,262	5,736,627	12,977,395
Net assets, ending	<u>\$ 3,222,326</u>	<u>\$ 3,971,672</u>	<u>\$ 6,348,702</u>	<u>\$ 13,542,700</u>

The accompanying notes are an integral part of these financial statements.

PORTLAND OPERA ASSOCIATION, INC AND SUBSIDIARY

Consolidated Statements of Cash Flows

For the Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Net (decrease) increase in net assets	\$ (215,454)	\$ 565,305
Adjustments to reconcile net increase in net assets to net cash used in operating activities:		
Depreciation and amortization	223,752	236,589
Gain on disposal of asset	-	-
Gain in value of investments and endowments	5,259	(1,259,376)
Change in assets and liabilities:	-	
Trade receivables	(52,442)	(82,894)
Contributions receivables	27,233	(466,321)
Endowment distribution receivable	(70,901)	(243,094)
Prepaid expenses and supplies	(20,920)	(237,111)
Deferred charges	(49,607)	4,234
Accounts payable and accrued liabilities	4,511,841	292,325
Deferred ticket revenue	(660,994)	285,703
Deferred revenue	-	-
Other liabilities	135,634	47,483
	<u>3,833,401</u>	<u>(857,157)</u>
Net cash provided by (used in) operating activities		
Cash flows from investing activities:		
Purchases of investments and endowments	(47,947)	(55,534)
Proceeds from sales of investments and endowments	728,632	664,050
Acquisitions of fixed assets	(6,350)	(104,108)
Disposal of fixed assets	-	-
	<u>674,335</u>	<u>504,408</u>
Net cash provided by investing activities		
Cash flows from financing activities:		
Proceeds from long-term debt	-	40,604
Payments on long-term debt	(7,728)	(1,182)
(Repayments) borrowings on line of credit	(2,000,000)	400,000
	<u>(2,007,728)</u>	<u>439,422</u>
Net cash provided by (used in) financing activities		
Net change in cash and cash equivalents	2,500,008	86,673
Cash and cash equivalents, beginning of year	461,720	375,047
Cash and cash equivalents, end of year	<u>\$ 2,961,728</u>	<u>\$ 461,720</u>

The accompanying notes are an integral part of these financial statements.

PORTLAND OPERA ASSOCIATION, INC AND SUBSIDIARY
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2015 and 2014

Note 1 - Organization

The Portland Opera Association, Inc. (the “Association”), established in 1965, is a not-for-profit corporation, the purpose of which is to inspire, challenge and uplift its audiences by creating productions of high artistic quality that celebrate the beauty and breadth of opera.

The consolidated financial statements include the accounts of Portland Opera Association, Inc. and its wholly-owned subsidiary, Portland Theater Productions, Inc. All intercompany transactions and balances have been eliminated in the consolidation.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared to present balances and transactions according to the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Association and changes therein are classified and reported as follows:

- Unrestricted net assets – Net assets not subject to donor-imposed stipulations.
- Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met by actions of the Association and/or the passage of time. Donations whose restrictions are met within the reporting period are recorded as unrestricted net assets.
- Permanently restricted net assets – Net assets subject to donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Association. Generally, the donors of these assets permit the Association to use all or part of the income earned on related investments for general purposes.

Program Services

Program services consist of the following:

Portland Opera Productions

Productions exist to inspire, challenge and uplift audiences by creating productions of highly artistic quality that celebrate the beauty and breadth of opera.

Community Programs

The Association shares opera through free concerts, previews, lectures, broadcasts and other community programs.

Resident Artist Program

This program assists with the development of new opera talent by providing residencies for early-career opera singers.

Portland Theatre Productions

Productions exist to sponsor, promote and present the performance of musical and dramatic theater for the audiences of the Portland metropolitan area.

PORTLAND OPERA ASSOCIATION, INC AND SUBSIDIARY
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2015 and 2014

Note 2 – Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

For purposes of the financial statements, the Association considers all liquid investments available for current use with maturities of three months or less at the time of purchase to be cash equivalents.

The Association maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits. The Association has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to cash.

Trade and Contributions Receivable

Trade and contributions receivable which are expected to be received within one year are reported at net realizable value. Contributions that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contributions and outside support revenue. The allowance for uncollectible trade and contributions receivable is the Association's best estimate of the amount of probable losses in its existing receivables. The Association determines the allowance based on historical write-off experience and current information. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Association's management determined that no allowance is necessary at June 30, 2015 and 2014.

Deferred Charges

Deferred charges primarily represent costs incurred in advance related to the following season's productions. These costs are recognized as expenses in the season when the productions are performed.

Marketing and sales costs, except for costs associated with promotion of future productions, are recognized as expense when incurred. Deferred marketing and sales costs at June 30, 2015 and 2014 were \$70,429 and \$120,049, respectively.

Advertising costs expensed for the year ended June 30, 2015 and 2014 were \$480,513 and \$280,661, respectively.

Investments

The Association carries its investments at fair value on the consolidated statements of financial position. Accordingly, unrealized gains or losses are recorded for the change in the fair value of investments during the year, net of investment administrative fees, and are included in the consolidated statements of activities and changes in net assets.

Fixed Assets

Purchased fixed assets are recorded at cost. Donated fixed assets are recorded at their estimated fair market value at the date of donation. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation or amortization is removed from the accounts, and any related gain or loss is recorded in the consolidated statements of activities and changes in net assets.

PORTLAND OPERA ASSOCIATION, INC AND SUBSIDIARY
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2015 and 2014

Note 2 – Summary of Significant Accounting Policies (Continued)

Depreciation is calculated on the straight-line method over the following estimated useful lives in years of the related assets:

Land	-
Construction in progress	-
Building and building improvements	15-40
Office equipment, furniture and fixtures	5
Computer equipment and software	3
Vehicles	5

Expense Allocations

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Intangible Assets

Intangible assets acquired which have indefinite lives are not subject to amortization. The Association tests these assets for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired, based on cash flows and other market valuation methods.

Income Taxes

Portland Opera Association, Inc. and Portland Theater Productions, Inc. have been granted tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. Portland Opera Association, Inc. and Portland Theater Productions, Inc. are operated in a manner that continues to qualify them for tax-exempt status. In any year in which either Portland Opera Association, Inc. or Portland Theater Productions, Inc. has unrelated business income of \$1,000 or more, before related expenses, it must file Form 990-T with the Internal Revenue Service and may pay tax on such income.

Revenue Recognition

Ticket sales collected for next fiscal year's productions and sponsorship revenues relating to a specific production are deferred and recognized as income in the period in which the related productions are performed. Rental and other income collected in advance for the next fiscal year's rental of the Association's sets and costumes by third parties is recorded as deferred revenue until the initiation of the rental period.

Rental income collected from the sublease of the second floor of the Association's building is recognized as earned. Deferred revenue related to the temporary and permanent construction easements discussed in Note 9 will be recognized as earned over the term of the agreement.

Broadway presentation revenues consist of the Association's share of income under a joint agreement with a partner to cooperate in the presentation of Broadway shows. Revenue is deferred and recognized as income in the period in which the presentations are performed.

PORTLAND OPERA ASSOCIATION, INC AND SUBSIDIARY
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2015 and 2014

Note 2 – Summary of Significant Accounting Policies (Continued)

In-Kind Donations

In-kind donations are recorded as contributions at their estimated fair market value at the time of donation with a corresponding charge to expense or fixed assets as appropriate. Such donations are reported as unrestricted support unless the donor has restricted the donation to a specific purpose. Major in-kind donations were as follows as of June 30:

	2015	2014
Lodging	\$ 17,512	\$ 17,847
Professional and other	109,049	226,599
Parking	24,305	19,003
	<u>\$ 150,866</u>	<u>\$ 263,449</u>

The Association recognizes donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. In addition, a substantial number of unpaid volunteers have made significant contributions of their time to the programs and fund raising efforts of the Association. The value of this contributed time is not reflected in the consolidated financial statements.

Contributions

Unconditional promises to give are recognized as assets and either unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. All contributions are considered to be available for unrestricted use, unless specifically restricted by the donor. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. The Association records contributions to be received in future periods as temporarily restricted contributions unless explicit donor stipulations or circumstances make clear that the donor intended to support activities of the current period. If a donor-imposed restriction has been met in the same reporting period in which the contribution was received, the contribution is reported as unrestricted support.

Fair Value of Financial Instruments

The carrying value of the Association's cash and cash equivalents, receivables, accounts payable, and accrued expenses approximate market value as of June 30, 2015 and 2014 due to the short-term nature of the instruments.

Stage Settings and Costumes

The Association designs and builds stage sets and makes costumes for certain productions. The cost of such sets and costumes are expensed to the production for which they are designed in the period the production is performed. Part of these sets and costumes may be used in future productions or rented to other opera companies.

PORTLAND OPERA ASSOCIATION, INC AND SUBSIDIARY
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2015 and 2014

Note 2 – Summary of Significant Accounting Policies (Continued)

Estimates

The Association uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts on consolidated financial statements and footnotes. Actual results could differ from those estimates.

Reclassification

Certain prior year amounts have been reclassified to conform with the current year presentation.

Note 3 – Contributions Receivable

Unconditional promises to give included as contributions receivable are as follows at June 30th:

	2015	2014
Annual fund	\$ 1,000	\$ 11,775
Sponsorships	349,188	25,000
Government and educational grants	-	22,424
Major gifts and bequests	739,969	1,081,961
Endowment	1,371,000	1,413,447
Building and special projects	105,000	50,000
Total	2,566,157	2,604,607
Less discounts to net present value	(70,696)	(81,913)
Net contributions receivable	2,495,461	2,522,694
Receivable in less than 1 year	1,198,657	2,202,107
Receivable in 1 to 5 years	1,247,500	242,500
Receivable in more than 5 years	120,000	160,000
	\$ 2,566,157	\$ 2,604,607

Unconditional promises to give that are included in contributions receivable which are expected to be collected after one year are discounted at 3%.

As of June 30, 2015 and 2014, contributions receivable consist of \$1,041,633 and \$1,038,927, respectively, relating to pledges and contributions from members of the Association's employees and Board of Directors. Contributions from the Association's employees and Board of Directors consist of \$700,513 and \$281,872 during the years ending June 30, 2015 and 2014, respectively, and are included in contributions and outside support income.

PORTLAND OPERA ASSOCIATION, INC AND SUBSIDIARY
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2015 and 2014

Note 4 – Investments

Investments are stated at fair value based on a framework that provides a fair value hierarchy prioritizing the inputs to valuation techniques used to measure fair value. The classification of assets and liabilities within the hierarchy is based on whether the inputs to the valuation methodology used for measurements are observable or unobservable. Observable inputs reflect market-derived or market-based information obtained from independent resources while unobservable inputs reflect estimates about market data.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level I: Observable inputs such as quoted prices in active markets for identical assets or liabilities.
- Level II: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; these include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
- Level III: Unobservable inputs in which there is little or no market data available, which require the reporting entity to develop its own assumptions.

The following table sets forth carrying amounts and estimated fair values for financial instruments at June 30, 2015:

	Level I	Level II	Level III	Total
Equity funds	\$ 2,318,900	\$ -	\$ -	\$ 2,318,900
Fixed income funds	637,824	-	-	637,824
Money market and cash funds	142,014	-	-	142,014
Other alternative assets	316,058	-	-	316,058
Pooled funds at OCF	-	-	4,743,712	4,743,712
Total investments	<u>\$ 3,414,796</u>	<u>\$ -</u>	<u>\$ 4,743,712</u>	<u>\$ 8,158,508</u>

The following table sets forth carrying amounts and estimated fair values for financial instruments at June 30, 2014:

	Level I	Level II	Level III	Total
Equity funds	\$ 2,642,533	\$ -	\$ -	\$ 2,642,533
Fixed income funds	886,182	-	-	886,182
Money market and cash funds	51,565	-	-	51,565
Other alternative assets	232,510	-	-	232,510
Pooled funds at OCF	-	-	5,031,663	5,031,663
Total investments	<u>\$ 3,812,790</u>	<u>\$ -</u>	<u>\$ 5,031,663</u>	<u>\$ 8,844,453</u>

PORTLAND OPERA ASSOCIATION, INC AND SUBSIDIARY
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2015 and 2014

Note 4 – Investments (Continued)

At June 30, the change in investments classified as Level III is as follows:

	2015	2014
Beginning balance	\$ 5,031,663	\$ 4,573,687
Gain	1,655	742,796
Distribution	(289,606)	(284,820)
Ending balance	<u>\$ 4,743,712</u>	<u>\$ 5,031,663</u>
Unrealized gain (loss)	<u>\$ (9,954)</u>	<u>\$ 534,374</u>

The Level III investment is a component fund which is valued based on the market value of the Oregon Community Foundation fund and the Association's portion of the fund balance.

Unrealized gain (loss) is the amount of gains (losses) for the period included in income attributable to change in unrealized gains (losses) relating to investments still held at the reporting date. Realized and unrealized gains (losses) are reflected in investment income in the consolidated statement of activities and changes in net assets.

Note 5 – Fixed Assets

Cost and accumulated depreciation of fixed assets consist of the following at June 30:

	2015	2014
Land	\$ 1,326,153	\$ 1,326,153
Construction in progress	-	-
Building and building improvements	5,901,862	5,895,511
Office equipment, furniture and fixtures	1,163,528	1,163,528
Computer equipment and software	829,265	829,265
Vehicles	52,898	52,898
	<u>9,273,706</u>	<u>9,267,355</u>
Less accumulated depreciation and amortization	<u>(4,298,274)</u>	<u>(4,074,522)</u>
	<u>\$ 4,975,432</u>	<u>\$ 5,192,833</u>

Note 6 – Intangible Assets

As of June 30, 2015, the Association has \$172,225 of System Development Credits (SDCs) received on August 29, 2012 in exchange for easements and acquisitions related to the permanent relocation of Water Avenue. There is no related amortization expense due to the nature of the asset as of June 30, 2015.

PORTLAND OPERA ASSOCIATION, INC AND SUBSIDIARY
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2015 and 2014

Note 7 – Line of Credit and Long-Term Debt

Line of Credit

As of June 30, 2015, the Association has a \$2,500,000 revolving line of credit available. Outstanding borrowings at June 30, 2015 are \$0. The agreement is secured by all assets of the Association and supported by a 1st deed of trust on the Association's building up to \$1,000,000. The line of credit expires November 30, 2016. The variable interest rate on this line of credit is equal to the bank's prime rate minus .50%. The Index at the time the line of credit was signed was 2.75% per annum. The rate was 2.75% at June 30, 2015.

As of June 30, 2014, the Association has a \$2,500,000 revolving line of credit available. Outstanding borrowings at June 30, 2014 are \$2,000,000. The agreement is secured by the general assets of the Association and expires November 30, 2014. The interest rate on this line of credit is subject to change from time to time based on changes in an independent index which is the U.S. Prime Rate as published in The Wall Street Journal. The Index at the time the line of credit was signed was 3.25% per annum. The rate was 3.25% at June 30, 2014.

Long-Term Debt

The Association obtained notes payable to the City of Portland on April 21, 2014 in the amount of \$40,604. The balance is due in April 2019. Interest rate was 5.50% at June 30, 2014. In September 2014, the interest was adjusted to 1.94%. The notes payable are secured by the real property of the Association.

Future payments under the terms of these notes payable as of June 30, 2015 are as follows:

2016	\$	7,984
2017		8,139
2018		8,299
2019		<u>7,272</u>
	\$	<u>31,694</u>

Note 8 – Commitments

Operating Leases

The Association leases warehouse space as well as office equipment under various operating leases. Future payments required under these leases at June 30 are as follows:

2016	\$	118,447
2017		108,571
2018		109,281
2019		<u>99,908</u>
	\$	<u>436,207</u>

Total rent expense was \$92,297 and \$90,010 for the years ended June 30, 2015 and 2014, respectively.

PORTLAND OPERA ASSOCIATION, INC AND SUBSIDIARY
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2015 and 2014

Note 8 – Commitments (Continued)

Rental Income

The Association entered into an agreement to lease the second floor with the term beginning on July 1, 2013, through July 31, 2023. Future minimum rental income under the lease is as follows:

2016	\$	258,792
2017		267,124
2018		275,708
2019		284,545
2020		293,634
Thereafter		966,083
	\$	2,345,886

The Association recognizes escalating rent provisions on a straight-line basis over the lease term. The rental income was \$270,470 and \$270,470 for the years ended June 30, 2015 and 2014, respectively.

On October 31, 2012, the Association entered into an agreement to grant Tri-Met temporary construction easements, permanent easements, and sale of land, all of which were negotiated for cash payments. The Association received \$157,933 during November 2012. The land sales totaled \$102,224, of which \$73,249 was for the sale of land and \$28,973 was for the permanent easement, which resulted in \$16,230 as a gain from sale during the year ended June 30, 2013. The Association received \$55,711 for the temporary easement which will be amortized into revenue over the period of the agreement, ending April 2015. The Association recognized \$23,218 and \$27,852 into income for the years ended June 30, 2015 and June 30, 2014, respectively.

Note 9 – Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following at June 30th:

	2015	2014
Contributions and grants subject to use restrictions	\$ 196,765	\$ 147,480
Contributions and grants to be received in future	1,282,577	985,442
Contributions and grants for temporary endowment	2,442,923	2,838,750
	\$ 3,922,265	\$ 3,971,672

PORTLAND OPERA ASSOCIATION, INC AND SUBSIDIARY
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2015 and 2014

Note 10 – Endowments

In August 2008, the FASB issued a standard for endowments of not-for-profit organizations, which is effective for fiscal years ending after December 15, 2008. The standard provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). UPMIFA is a model act approved by the Uniform Law Commission that serves as a guideline for states to use in enacting legislation. The standard requires additional disclosures about an organization's endowment funds (both donor restricted and board designated endowment funds), whether or not the organization is subject to UPMIFA. The Standard also requires classifying the portion of a donor restricted endowment that is not classified as permanently restricted net assets as temporarily restricted net assets until appropriated for expenditure

The Association's endowments consist of two individual funds established for a variety of purposes. The Portland Opera Association Endowment includes donor restricted funds that are temporarily restricted and donor restricted funds that are permanently restricted by specific donor stipulations. A second fund, the Portland Opera Association Endowment Fund managed by the Oregon Community Foundation, includes only donor restricted funds that are permanently restricted. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions.

Portland Opera Association Endowment – Temporarily & Permanently Restricted Net Assets

On April 17, 1991, the Association established a restricted endowment fund for the benefit of the Association and any successor. The initial term of the trust agreement relating to the endowment will cease on June 30, 2016. Thereafter, the term of the endowment fund trust will automatically be extended for additional periods of twenty-five years unless the Board of Trustees in each of the two fiscal years preceding the expiration adopt resolutions providing for the modification or termination of the trust agreement. In addition certain funds have been permanently restricted due to donor stipulations. The funds are stated at fair value. Distributions from this fund are based upon a percentage of the aggregate fair value of cash and investments of the fund, unless not allowed by donor stipulations.

Portland Opera Association Endowment Fund Managed by the Oregon Community Foundation – Permanently Restricted Net Assets

The Association, together with the Portland Art Museum and Oregon Symphony Association, participated in a campaign to raise funds equally for all three organizations. The three organizations entered into an agreement in December 1980 providing for a joint operating endowment drive and establishing the Oregon Arts Heritage Endowment Fund. The Oregon Community Foundation ("OCF"), a not-for-profit corporation, was engaged to administer the endowment funds received. The initial term of the endowment ceased on May 31, 2008. On May 30, 2008, the Association exercised its option to withdraw its one-third interest in the endowment and reinvest it with OCF. The new Fund Agreement with OCF management has a term of five years. Annual distributions from this fund are based upon a percentage of the aggregate value of cash and investments of the fund, and the investment balance is stated at fair value.

PORTLAND OPERA ASSOCIATION, INC AND SUBSIDIARY
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2015 and 2014

Note 10 – Endowments (Continued)

Changes in endowment net assets as of June 30, 2015 are as follows:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 2,838,750	\$ 6,348,702	\$ 9,187,452
Investment income, net of expenses of \$43,825	5,204	128,060	133,264
Contributions	47,947	-	47,947
Net appreciation (depreciation), net of expenses of \$9,723	(9,952)	(128,571)	(138,523)
Amounts appropriated for expenditure	(439,026)	(289,606)	(728,632)
Endowment net assets, end of year	<u>\$ 2,442,923</u>	<u>\$ 6,058,585</u>	<u>\$ 8,501,508</u>

Changes of endowment net assets as of June 30, 2014 are as follows:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 2,679,966	\$ 5,736,627	\$ 8,416,593
Investment income, net of expenses of \$44,116	111,577	241,706	353,283
Contributions	55,534	-	55,534
Net appreciation (depreciation), net of expenses of \$12,580	370,903	655,189	1,026,092
Amounts appropriated for expenditure	(379,230)	(284,820)	(664,050)
Endowment net assets, end of year	<u>\$ 2,838,750</u>	<u>\$ 6,348,702</u>	<u>\$ 9,187,452</u>

Investment Return Objectives, Risk Parameters and Strategies

The Association has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution.

Spending Policy

The Association has a policy of appropriating for distribution each year 5.00% of the Portland Opera Endowment Fund's average fair value for a period of thirteen quarters (unless prohibited by donor stipulations) and 6.00% of the average fair value for a period of thirteen quarters of the Portland Opera Association Permanent Endowment Fund managed by the Oregon Community Foundation. In establishing this policy, the Association considered the long-term expected return on its investment assets and the nature and duration of the individual endowment funds. The Association expects the current spending policy to allow its endowment funds to grow achieving a total rate of return over a five year period which equals or exceeds the spending rate, plus Consumer Price Index, plus 1.00% for growth and all calculated net of investment fees.

PORTLAND OPERA ASSOCIATION, INC AND SUBSIDIARY
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2015 and 2014

Note 10 – Endowments (Continued)

During the year ended June 30, 2015, the Board of Directors authorized a special distribution from the endowment fund of up to \$600,000 above the legal amount set by the state of Oregon for annual distributions. During the year ended June 30, 2015, \$250,000 of the authorized amount was distributed into operations. This distribution was deemed prudent by the Board of Directors for continued appropriations for certain programs of the Association.

Note 11 – Education and Outreach

The Association maintains an education and outreach program to provide school children with the opportunity to view and appreciate opera and musical theater. Revenues from performance fees are included in rental and other income. Contributions received to offset certain expenses of the program are included in contributions and sponsorships

Note 12 – Income Taxes

The Association follows accounting standards generally accepted in the United States of America related to the recognition of uncertain tax positions. These standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position would not be sustained if examined by a taxing authority. Management has determined that the Association has no uncertain tax positions as of June 30, 2015 and 2014. The Association's federal and state income tax returns are subject to possible examination by the taxing authorities until the expiration of the related statutes of limitations on those tax returns. In general, the federal and state income tax returns have a three year statute of limitations.

Note 13 – Subsequent Events

The Association did not have any subsequent events through September 28, 2015, which is the date the consolidated financial statements were available to be issued, for events requiring recording or disclosure in the consolidated financial statement for the year ended June 30, 2015.

SUPPLEMENTAL INFORMATION

PORTLAND OPERA ASSOCIATION, INC AND SUBSIDIARY

Consolidating Statements of Financial Position

June 30, 2015

ASSETS	Portland Opera Association, Inc.	Portland Theater Productions, Inc.	Eliminations	Total
Current assets:				
Cash and cash equivalents	\$ 258,551	\$ 2,703,177	\$ -	\$ 2,961,728
Trade accounts receivable	4,840	12,432,891	(12,127,737)	309,994
Contributions receivable	1,198,657	-	-	1,198,657
Endowment distributions receivable	595,268	-	-	595,268
Prepaid expenses and supplies	405,420	3,693	-	409,113
Deferred charges	200,968	3,503	-	204,471
Total current assets	2,663,704	15,143,264	(12,127,737)	5,679,231
Noncurrent assets:				
Deferred charges	209,377	-	-	209,377
Contributions receivable	1,296,804	-	-	1,296,804
Intangible asset	172,225	-	-	172,225
Capital assets, net of depreciation	4,975,432	-	-	4,975,432
Investment in subsidiary	9,724,993	-	(9,724,993)	-
Total noncurrent assets	16,378,831	-	(9,724,993)	6,653,838
Restricted assets:				
Investments held by Portland Opera Association Endowment Fund	3,414,796	-	-	3,414,796
Equity in investment held by Oregon Community Foundation	4,743,712	-	-	4,743,712
Total restricted assets	8,158,508	-	-	8,158,508
Total assets	\$ 27,201,043	\$ 15,143,264	\$ (21,852,730)	\$ 20,491,577

See independent auditor's report

PORTLAND OPERA ASSOCIATION, INC AND SUBSIDIARY

Consolidating Statements of Financial Position

June 30, 2015

	Portland Opera Association, Inc.	Portland Theater Productions, Inc.	Eliminations	Total
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 13,043,162	\$ 4,639,386	\$ (12,127,737)	\$ 5,554,811
Line of credit	-	-	-	-
Long-term debt, current portion	7,984	-	-	7,984
Deferred ticket revenue	771,200	-	-	771,200
Deferred revenue	-	778,885	-	778,885
	<u>13,822,346</u>	<u>5,418,271</u>	<u>(12,127,737)</u>	<u>7,112,880</u>
Total current liabilities				
Noncurrent liabilities:				
Deferred revenue	-	-	-	-
Long-term debt	23,710	-	-	23,710
Long-term deposits refundable	27,741	-	-	27,741
	<u>51,451</u>	<u>-</u>	<u>-</u>	<u>51,451</u>
Total noncurrent liabilities				
	<u>13,873,797</u>	<u>5,418,271</u>	<u>(12,127,737)</u>	<u>7,164,331</u>
Total liabilities				
Net assets:				
Unrestricted	3,346,396	9,724,993	(9,724,993)	3,346,396
Restricted:				
Temporarily - time stipulations	1,479,342	-	-	1,479,342
Temporarily - endowments	2,442,923	-	-	2,442,923
Permanently - endowments held in perpetuity	6,058,585	-	-	6,058,585
	<u>13,327,246</u>	<u>9,724,993</u>	<u>(9,724,993)</u>	<u>13,327,246</u>
Total net assets				
	<u>\$ 27,201,043</u>	<u>\$ 15,143,264</u>	<u>\$ (21,852,730)</u>	<u>\$ 20,491,577</u>
Total liabilities and net assets				

See independent auditor's report

PORTLAND OPERA ASSOCIATION, INC AND SUBSIDIARY

Consolidating Statements of Activities and Changes in Net Assets

For the Year Ended June 30, 2015

	Portland Opera Association, Inc.	Portland Theater Productions, Inc.	Eliminations	Total
Changes in unrestricted net assets:				
Operating income:				
Revenue:				
Ticket sales	\$ 2,395,531	\$ -	\$ -	\$ 2,395,531
Ticket handling revenue	115,314	260,249	-	375,563
Broadway presentations	-	774,079	-	774,079
Rental and other income	453,921	222,611	-	676,532
Total revenue	<u>2,964,766</u>	<u>1,256,939</u>	<u>-</u>	<u>4,221,705</u>
Outside Support:				
Contributions and sponsorships	2,599,906	115,515	-	2,715,421
Educational, governmental, and project grants	532,316	-	-	532,316
Special support	149,371	1,495	-	150,866
Special events, net	222,547	-	-	222,547
Total outside support	<u>3,504,140</u>	<u>117,010</u>	<u>-</u>	<u>3,621,150</u>
Income from subsidiary	864,496	-	(864,496)	-
Restricted net assets				
released from restrictions - contributions	195,268	-	-	195,268
Restricted net assets				
released from restrictions - endowments	728,632	-	-	728,632
Total operating income	<u>8,257,302</u>	<u>1,373,949</u>	<u>(864,496)</u>	<u>8,766,755</u>
Operating expenditures:				
Production costs:				
Performance	4,033,780	-	-	4,033,780
Production	471,029	36,549	-	507,578
Music, education, and outreach	432,712	-	-	432,712
Total production costs	<u>4,937,521</u>	<u>36,549</u>	<u>-</u>	<u>4,974,070</u>
Sales and customer service costs:				
Marketing and public relations	1,020,605	138,948	-	1,159,553
Ticketing and customer service	276,068	232,123	-	508,191
Total sales and customer service costs	<u>\$ 1,296,673</u>	<u>\$ 371,071</u>	<u>\$ -</u>	<u>\$ 1,667,744</u>

See independent auditor's report

PORTLAND OPERA ASSOCIATION, INC AND SUBSIDIARY

Consolidating Statements of Activities and Changes in Net Assets

For the Year Ended June 30, 2015

	Portland Opera Association, Inc.	Portland Theater Productions, Inc.	Eliminations	Total
General and administrative:				
Administrative	\$ 818,800	\$ 86,116	\$ -	\$ 904,916
Development	553,409	15,717	-	569,126
Interest	39,273	-	-	39,273
Building	263,857	-	-	263,857
Depreciation and amortization	223,751	-	-	223,751
	<u>1,899,090</u>	<u>101,833</u>	<u>-</u>	<u>2,000,923</u>
Total general and administrative				
	<u>8,133,284</u>	<u>509,453</u>	<u>-</u>	<u>8,642,737</u>
Total operating expenditures				
	<u>124,018</u>	<u>864,496</u>	<u>(864,496)</u>	<u>124,018</u>
Surplus from operations				
	<u>52</u>	<u>-</u>	<u>-</u>	<u>52</u>
Investment income				
	<u>124,070</u>	<u>864,496</u>	<u>(864,496)</u>	<u>124,070</u>
Increase in unrestricted net assets				
Changes in temporarily restricted net assets:				
Contributions and outside support	589,635	-	-	589,635
Investment income, gains and losses	(4,748)	-	-	(4,748)
Net assets released from restriction - contributions	(195,268)	-	-	(195,268)
Net assets released from restriction - endowments	(439,026)	-	-	(439,026)
	<u>(49,407)</u>	<u>-</u>	<u>-</u>	<u>(49,407)</u>
Increase in temporarily restricted net assets				
Changes in permanently restricted net assets:				
Contributions and outside support	-	-	-	-
Interest income, gains and losses	(511)	-	-	(511)
Net assets released from restriction - endowments	(289,606)	-	-	(289,606)
	<u>(290,117)</u>	<u>-</u>	<u>-</u>	<u>(290,117)</u>
Increase in permanently restricted net assets				
	<u>\$ (215,454)</u>	<u>\$ 864,496</u>	<u>\$ (864,496)</u>	<u>\$ (215,454)</u>
Net increase (decrease) in net assets				

See independent auditor's report

PORTLAND OPERA ASSOCIATION, INC AND SUBSIDIARY

Consolidated Statements of Activities and Changes in Net Assets (Detail)

For the Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Changes in unrestricted net assets:		
Operating income:		
Revenue:		
Ticket sales	\$ 2,395,531	\$ 1,790,734
Ticket handling revenue	375,563	351,027
Broadway presentations	774,079	406,316
Rental and other income	<u>676,532</u>	<u>657,690</u>
Total revenue	<u>4,221,705</u>	<u>3,205,767</u>
Outside Support:		
Contributions and sponsorships	2,715,421	3,092,679
Educational, governmental, and project grants	532,316	365,967
Special support	150,866	263,449
Special events, net	<u>222,547</u>	<u>1,545</u>
Total outside support	<u>3,621,150</u>	<u>3,723,640</u>
Income from subsidiary		
Restr net assets released from restr - contributions	195,268	251,405
Restr net assets released from restr - endowments	<u>728,632</u>	<u>664,050</u>
Total operating income	<u>8,766,755</u>	<u>7,844,862</u>
Operating expenditures:		
Production costs:		
Performance	4,033,780	3,472,326
Production	507,578	537,324
Music, education, and outreach	<u>432,712</u>	<u>387,878</u>
Total production costs	<u>4,974,070</u>	<u>4,397,528</u>
Sales and customer service costs:		
Marketing and public relations	1,159,553	993,704
Ticketing and customer service	<u>508,191</u>	<u>438,813</u>
Total sales and customer service costs	<u>\$ 1,667,744</u>	<u>\$ 1,432,517</u>

See independent auditor's report

PORTLAND OPERA ASSOCIATION, INC AND SUBSIDIARY

Consolidated Statements of Activities and Changes in Net Assets (Detail)

For the Years Ended June 30, 2015 and 2014

	2015	2014
General and administrative:		
Administrative	\$ 904,916	\$ 908,565
Development	569,126	507,582
Interest	39,273	51,089
Building	263,857	294,258
Depreciation and amortization	223,751	236,591
	<hr/>	<hr/>
Total general and administrative	2,000,923	1,998,085
	<hr/>	<hr/>
Total operating expenditures	8,642,737	7,828,130
	<hr/>	<hr/>
Surplus from operations	124,018	16,732
	<hr/>	<hr/>
Investment income	52	88
	<hr/>	<hr/>
Increase in unrestricted net assets	124,070	16,820
	<hr/>	<hr/>
Changes in temporarily restricted net assets:		
Contributions and outside support	589,635	204,565
Investment income, gains and losses	(4,748)	362,480
Net assets released from restriction - contributions	(195,268)	(251,405)
Net assets released from restriction - endowments	(439,026)	(379,230)
	<hr/>	<hr/>
Decrease in temporarily restricted net assets	(49,407)	(63,590)
	<hr/>	<hr/>
Changes in permanently restricted net assets:		
Contributions and outside support	-	-
Interest income, gains and losses	(511)	896,895
Net assets released from restriction - endowments	(289,606)	(284,820)
	<hr/>	<hr/>
(Decrease) Increase in permanently restricted net assets	(290,117)	612,075
	<hr/>	<hr/>
Net change in net assets	\$ (215,454)	\$ 565,305
	<hr/> <hr/>	<hr/> <hr/>

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PORTLAND OPERA ASSOCIATION, INC AND SUBSIDIARY

Consolidating Statements of Cash Flows

For the Year Ended June 30, 2015

	Portland Opera Association, Inc.	Portland Theater Productions, Inc.	Eliminations	Total
Cash flows from operating activities:				
Net increase (decrease) in net assets	\$ (215,454)	\$ 864,496	\$ (864,496)	\$ (215,454)
Adjustments to reconcile net increase in net assets to net cash used in operating activities:				-
Depreciation and amortization	223,752	-	-	223,752
Gain on disposal of asset	-	-	-	-
Gain in value of investments and endowments	(859,237)		864,496	5,259
Change in assets and liabilities:				-
Trade receivables	33,575	(2,876,251)	2,790,234	(52,442)
Contributions receivables	27,233	-	-	27,233
Endowment distribution receivable	(70,901)	-	-	(70,901)
Prepaid expenses and supplies	(20,880)	(40)	-	(20,920)
Deferred charges	(76,358)	26,751	-	(49,607)
Accounts payable and accrued liabilities	3,020,657	4,281,418	(2,790,234)	4,511,841
Deferred ticket revenue	(660,994)	-	-	(660,994)
Deferred revenue	-	-	-	-
Other liabilities	(40,850)	176,484	-	135,634
Net cash provided by (used in) operating activities	<u>1,360,543</u>	<u>2,472,858</u>	<u>-</u>	<u>3,833,401</u>
Cash flows from investing activities:				
Purchases of investments and endowments	(47,947)	-	-	(47,947)
Proceeds from sales of investments and endowments	728,632	-	-	728,632
Acquisitions of fixed assets	(6,350)	-	-	(6,350)
Disposal of fixed assets	-	-	-	-
Net cash provided by (used in) investing activities	<u>674,335</u>	<u>-</u>	<u>-</u>	<u>674,335</u>
Cash flows from financing activities:				
Proceeds from long-term debt	-	-	-	-
Payments on long-term debt	(7,728)	-	-	(7,728)
Borrowings on line of credit	(2,000,000)	-	-	(2,000,000)
Net cash provided by (used in) financing activities	<u>(2,007,728)</u>	<u>-</u>	<u>-</u>	<u>(2,007,728)</u>
Net change in cash and cash equivalents	27,150	2,472,858	-	2,500,008
Cash and cash equivalents, beginning of year	<u>231,401</u>	<u>230,319</u>	<u>-</u>	<u>461,720</u>
Cash and cash equivalents, end of year	<u>\$ 258,551</u>	<u>\$ 2,703,177</u>	<u>\$ -</u>	<u>\$ 2,961,728</u>
Cash paid during the year for interest	\$ 39,273	\$ -	\$ -	\$ 39,273
Cash paid during the year for taxes	\$ 56	\$ -	\$ -	\$ 56

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