

CONSOLIDATED FINANCIAL STATEMENT AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED
JULY 31, 2025



BALLET WEST

C O N T E N T S

	<u>Page</u>
Independent Auditor's Report	2-3
Consolidated Financial Statements:	
Consolidated Statements of Financial Position.....	4
Consolidated Statements of Activities	5-6
Consolidated Statements of Functional Expenses	7-8
Consolidated Statements of Cash Flows.....	9-10
Notes to the Consolidated Financial Statements	11-26

Independent Auditor's Report

To the Board of Directors
Ballet West

Opinion

We have audited the accompanying consolidated financial statements of **Ballet West** (a nonprofit organization), which comprise the consolidated statements of financial position as of July 31, 2025 and 2024 and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of **Ballet West** (the "Ballet") as of July 31, 2025 and 2024, and the consolidated 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.

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 Consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 audits, significant audit findings, and certain internal control related matters that we identified during the audits.

A handwritten signature in black ink that reads "Larson Company P.C." in a cursive, flowing script.

Salt Lake City, Utah
October 15, 2025

BALLET WEST
Consolidated Statements of Financial Position
As of July 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 3,978,589	\$ 4,235,530
Certificates of deposit	35,829	35,812
Accounts receivable, net	208,704	125,503
Promises to give, current	1,789,118	983,003
Prepaid and deferred expenses	749,120	1,197,485
Total current assets	6,761,360	6,577,333
Restricted cash	2,223,136	1,502,613
Promises to give, net of current portion	2,847,457	1,057,423
Property and equipment, net	10,919,835	10,698,310
Right-of-use assets, net	2,900,874	1,700,864
Goodwill and other intangibles, net	591,308	591,308
Board stability investments	356,859	330,244
Deferred 457b investments	162,577	132,687
Investments in perpetual trust	748,466	925,959
Investments in endowment	4,374,707	3,712,741
Total assets	\$ 31,886,579	\$ 27,229,482
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 460,860	\$ 528,547
Accrued liabilities	708,561	505,523
Deferred revenue	1,276,627	1,182,230
Accrued interest on notes payable	101,828	162,433
Notes payable, current	88,885	76,512
Current portion of lease liabilities	618,754	509,675
Total current liabilities	3,255,515	2,964,920
Deferred 457b compensation	162,577	132,687
Notes payable, net of current portion	3,772,486	4,546,371
Lease liabilities, net of current portion	2,364,733	1,309,634
Total liabilities	9,555,311	8,953,612
Net assets:		
Without donor restrictions	11,251,972	10,211,203
With donor restrictions	11,079,296	8,064,667
Total net assets	22,331,268	18,275,870
Total liabilities and net assets	\$ 31,886,579	\$ 27,229,482

The accompanying notes to the consolidated financial statements
are an integral part of these statements

BALLET WEST
Consolidated Statement of Activities
For the Year Ended July 31, 2025

	Without donor restrictions	With donor restrictions	Totals
Revenues, support, other income and gains:			
Admission and performance fees	\$ 5,019,666	\$ -	\$ 5,019,666
Tuition, rental revenues and merchandise	6,230,524	-	6,230,524
Grants and contributions	7,072,106	3,933,122	11,005,228
Contributions of nonfinancial assets	998,136	-	998,136
Interest and dividends	390,453	-	390,453
Net unrealized gain on investments	57,959	-	57,959
Net unrealized gain (loss) on investments in endowment	115,192	(146,165)	(30,973)
Total revenues, support, other income and gains	19,884,036	3,786,957	23,670,993
Net assets released from restrictions	772,328	(772,328)	-
Total revenues, support, other income, gains and net assets released from restrictions	20,656,364	3,014,629	23,670,993
Expenses:			
Program services:			
Performance and artistic	12,254,274	-	12,254,274
Academy	4,752,600	-	4,752,600
Education	342,808	-	342,808
Supporting services:			
General and administrative	1,348,229	-	1,348,229
Fundraising	917,684	-	917,684
Total expenses	19,615,595	-	19,615,595
Increase in net assets	1,040,769	3,014,629	4,055,398
Net assets, beginning of year	10,211,203	8,064,667	18,275,870
Net assets, end of year	\$ 11,251,972	\$ 11,079,296	\$ 22,331,268

The accompanying notes to the consolidated financial statements are an integral part of these statements

BALLET WEST
Consolidated Statement of Activities
For the Year Ended July 31, 2024

	Without donor restrictions	With donor restrictions	Totals
Revenues, support, other income and gains:			
Admission and performance fees	\$ 5,375,952	\$ -	\$ 5,375,952
Tuition, rental revenues and merchandise	5,969,140	-	5,969,140
Grants and contributions	6,065,365	3,645,500	9,710,865
Contributions of nonfinancial assets	583,531	-	583,531
Interest and dividends	336,973	-	336,973
Net unrealized gain on investments	57,558	-	57,558
Net unrealized gain on investments in endowment	195,782	223,007	418,789
Total revenues, support, other income and gains	18,584,301	3,868,507	22,452,808
Net assets released from restrictions	2,765,698	(2,765,698)	-
Total revenues, support, other income, gains and net assets released from restrictions	21,349,999	1,102,809	22,452,808
Expenses:			
Program services:			
Performance and artistic	11,531,630	-	11,531,630
Academy	4,798,699	-	4,798,699
Education	343,448	-	343,448
Supporting services:			
General and administrative	1,827,992	-	1,827,992
Fundraising	842,606	-	842,606
Total expenses	19,344,375	-	19,344,375
Increase in net assets	2,005,624	1,102,809	3,108,433
Net assets, beginning of year	8,205,579	6,961,858	15,167,437
Net assets, end of year	\$ 10,211,203	\$ 8,064,667	\$ 18,275,870

The accompanying notes to the consolidated financial statements
are an integral part of these statements

BALLET WEST
Consolidated Statement of Functional Expenses
For the Year Ended July 31, 2025

	Program services			Supporting services		Total
	Performance and artistic	Academy	Education	General and administrative	Fundraising	
Advertising and promotions	\$ 957,899	\$ 52,902	\$ -	\$ -	\$ 85,792	\$ 1,096,593
Bad debt expense	-	-	-	-	13,400	13,400
Bank and other fees	250,777	133,962	9	61,858	-	446,606
Contract labor	196,318	24,839	500	-	-	221,657
Depreciation and amortization	533,937	239,750	-	25,023	29,228	827,938
Equipment rent	4,681	-	-	8,721	-	13,402
Events and meetings	6,665	-	-	219	6,580	13,464
Insurance	-	32,831	-	62,056	-	94,887
Interest on line of credit, notes and other	-	173,303	-	18,085	-	191,388
Maintenance and repairs	40,401	78,987	453	3,973	679	124,493
Material and supplies	411,577	15,482	9,236	-	-	436,295
Miscellaneous	22,752	33,808	-	22,506	27,437	106,503
Office supplies	79,287	32,027	1,784	25,645	13,715	152,458
Other program costs	182,961	1,038,840	8,030	62,041	4,076	1,295,948
Postage and shipping	10,227	17	-	7,167	1,997	19,408
Professional fees	113,852	16,743	-	159,498	36,946	327,039
Rent	742,960	664,507	9,972	19,664	4,327	1,441,430
Right and royalties	460,728	7,100	100	-	-	467,928
Salary and benefits	7,391,293	2,045,086	293,920	859,368	403,532	10,993,199
Sets	163,166	-	-	-	-	163,166
Special events	14,131	858	-	-	272,364	287,353
Telephone and utilities	45,886	52,255	953	5,297	2,381	106,772
Travel and trucking	313,980	109,303	17,851	7,108	11,201	459,443
Boutique expenses	310,796	-	-	-	4,029	314,825
Total expenses	\$ 12,254,274	\$ 4,752,600	\$ 342,808	\$ 1,348,229	\$ 917,684	\$ 19,615,595

The accompanying notes to the consolidated financial statements are an integral part of these statements

BALLET WEST
Consolidated Statement of Functional Expenses
For the Year Ended July 31, 2024

	Program services			Supporting services		
	Performance and artistic	Academy	Education	General and administrative	Fundraising	Total
Advertising and promotions	\$ 906,461	\$ 47,383	\$ -	\$ -	\$ 49,743	\$ 1,003,587
Bad debt expense	-	-	-	-	39,006	39,006
Bank and other fees	-	16,466	-	427,005	-	443,471
Contract labor	251,656	37,675	-	-	-	289,331
Depreciation and amortization	514,175	239,938	-	17,176	21,448	792,737
Equipment rent	4,201	-	-	13,386	-	17,587
Events and meetings	9,882	2,924	1,664	7,455	1,861	23,786
Insurance	-	29,933	-	54,946	-	84,879
Interest on line of credit, notes and other	-	212,447	-	88,583	-	301,030
Maintenance and repairs	47,998	93,428	283	1,837	951	144,497
Material and supplies	359,742	7,746	1,167	-	327	368,982
Miscellaneous	34,004	43,806	629	47,154	26,749	152,342
Office supplies	71,852	44,336	1,718	24,402	21,448	163,756
Other program costs	340,536	1,267,733	15,042	57,207	482	1,681,000
Postage and shipping	8,749	112	-	6,759	982	16,602
Professional fees	105,768	12,569	-	203,762	96,703	418,802
Rent	795,932	699,380	8,772	17,277	5,181	1,526,542
Right and royalties	278,765	4,350	195	-	-	283,310
Salary and benefits	6,969,183	1,956,368	289,539	845,991	402,766	10,463,847
Sets	89,516	-	-	-	-	89,516
Special events	1,817	988	-	-	157,086	159,891
Telephone and utilities	53,607	44,581	1,061	7,279	2,652	109,180
Travel and trucking	441,634	36,536	23,378	7,773	14,785	524,106
Boutique expenses	246,152	-	-	-	436	246,588
Total expenses	<u>\$ 11,531,630</u>	<u>\$ 4,798,699</u>	<u>\$ 343,448</u>	<u>\$ 1,827,992</u>	<u>\$ 842,606</u>	<u>\$ 19,344,375</u>

The accompanying notes to the consolidated financial statements
are an integral part of these statements

BALLET WEST
Consolidated Statements of Cash Flows
For the Years Ended July 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Change in net assets	\$ 4,055,398	\$ 3,108,433
Adjustment to reconcile change in net assets to net cash flows from operating activities:		
Depreciation and amortization	827,938	792,737
Bad debt expense	13,400	39,006
Unrealized (gain) loss on investments	(26,985)	(476,347)
Change in value of interest in charitable remainder annuity trust	-	6,165
Interest earned on certificates of deposit	(17)	(20)
Interest earned on investments	(127,070)	(130,571)
Change in annuity obligation	-	(11,162)
(Increase) decrease in operating assets:		
Accounts receivable, net	(96,601)	(155,129)
Promises to give	(2,596,149)	(1,127,565)
Prepaid and deferred expenses	448,365	88,090
Right-of-use assets, net	(1,200,010)	475,648
Increase (decrease) in operating liabilities:		
Accounts payable	(67,687)	257,821
Accrued liabilities	203,038	(6,587)
Deferred revenue	94,397	88,585
Accrued interest on notes payable	(60,605)	2,310
457b deferred compensation liability	29,890	31,240
Lease liabilities	1,164,178	(483,582)
Net cash flows from operating activities	<u>2,661,480</u>	<u>2,499,072</u>
Cash flows from investing activities:		
Purchase of investments in endowment	(388,361)	(650,000)
Purchase of board stability investments	-	(25,000)
Purchase of deferred 457b investment assets	(29,890)	(31,240)
Distributions from perpetual trust	31,328	38,667
Purchase of property and equipment	(1,049,463)	(501,648)
Net cash flows from investing activities	<u>(1,436,386)</u>	<u>(1,169,221)</u>
Cash flows from financing activities:		
Payments on notes payable	(761,512)	(394,508)
Net cash flows from financing activities	<u>(761,512)</u>	<u>(394,508)</u>
Change in cash and cash equivalents	<u>463,582</u>	<u>935,343</u>
Cash, cash equivalents, and restricted cash beginning of year	<u>5,738,143</u>	<u>4,802,800</u>
Cash, cash equivalents, and restricted cash, end of year	<u><u>\$ 6,201,725</u></u>	<u><u>\$ 5,738,143</u></u>

The accompanying notes to the consolidated financial statements are an integral part of these statements

BALLET WEST
Consolidated Statements of Cash Flows (Continued)
For the Years Ended July 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 3,978,589	\$ 4,235,530
Restricted cash	2,223,136	1,502,613
Cash and cash equivalents, end of year	<u>\$ 6,201,725</u>	<u>\$ 5,738,143</u>
Supplemental disclosure of cash flow information:		
Interest paid	\$ 251,993	\$ 298,720
Non-cash investing and financing activities:		
Recognition of right-of-use asset	\$ 2,517,372	\$ -
Recognition of lease liability	\$ 2,517,372	\$ -

The accompanying notes to the consolidated financial statements
are an integral part of these statements

BALLET WEST

Notes to the Consolidated Financial Statements
For the Years Ended July 31, 2025 and 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Ballet West (the “Ballet”) is a 501(c)(3) nonprofit corporation that operates a dance company and ballet school. Established in 1963, Ballet West ranks among the premier professional ballet companies in the United States. The Ballet strives to bring new levels of excellence to ballet through innovative choreography, and to present balanced programs that represent a wide range of ballet styles and viewpoints. The Ballet currently presents more than 80 performances annually in Salt Lake City, Utah, and other communities in the intermountain region, as well as annual tours to domestic and international locations.

In July 2022, the Ballet formed a new limited liability corporation named FQL Academy Student Housing, LLC (the “LLC”). The LLC was formed to purchase an apartment building that houses Ballet West Academy student who previously were required to find housing on their own.

Principles of Consolidation

The consolidated financial statements include the accounts of Ballet West and FQL Academy Student Housing LLC. The Ballet and the LLC share a governing board and the economic interests of the entities are inter-related. All significant intercompany accounts and transactions have been eliminated in consolidation. Unless otherwise noted, these consolidated entities are hereinafter referred to as the “Ballet”.

Basis of Presentation

The Ballet prepares its consolidated financial statements on the accrual basis of accounting and follows accounting principles generally accepted in the United States for nonprofit organizations and reports information regarding its financial position and activities according to two classes of net assets, with donor restrictions and without donor restrictions, based upon the following criteria:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Ballet. These net assets may be used at the discretion of the Ballet’s management and Board of Directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Ballet by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles (“U.S. GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

BALLET WEST

Notes to the Consolidated Financial Statements
For the Years Ended July 31, 2025 and 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

The Ballet considers all bank and savings accounts, cash on hand, and highly liquid investments purchased with an original maturity of three months or less which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

Restricted Cash

Restricted cash is limited in use for the expansion of the ballet academy to West Valley City and for capital campaign donations whose use has not yet been specified by the donor. Cash is also restricted for items that have been designated to time and purpose.

Accounts Receivable and Promises to Give

Accounts receivable and promises to give that are unconditional are recorded at their estimated fair value less an appropriate allowance for uncollectible amounts. Allowances are based on historical experience and management's analysis of specific balances. An account is written off when it is determined that all collection efforts have been exhausted.

Promises to give due beyond one year are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using various interest rates applicable to the years and risk factors associated with the various promises to give. Discounts on promises to give that are measured at present value are amortized between the date the promise to give is initially recognized and the date the cash or other contributed assets are to be received.

Investments

Investments in equity and debt securities are measured at fair values in the consolidated statements of financial position to the extent such investments have quoted market values. Investments that do not have quoted market values are measured using alternative methods to estimate their fair values. Investments held by the Ballet include certificates of deposit and cash and investments held as an endowment. Interest income and unrealized gains and losses are included in the consolidated statements of activities.

Property and Equipment

Acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs and maintenance that materially prolong the useful lives of property and equipment are capitalized. Contributions of property and equipment are considered unrestricted unless donors stipulate how the assets must be used, in which case the contributions are recorded as donor-restricted support.

Property and equipment are stated at cost less accumulated depreciation and amortization, or if acquired by donation, at estimated fair value at the date of the donation.

BALLET WEST

Notes to the Consolidated Financial Statements
For the Years Ended July 31, 2025 and 2024

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Property and Equipment (Continued)

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation and amortization are removed from the accounts and any resulting gain or loss is reflected in the consolidated statements of activities for the period.

Depreciation and amortization are computed over the following estimated useful lives using the straight-line method:

<u>Assets</u>	<u>Useful Lives</u>
Props, scenery and costumes	5 – 20 years
Building	39 years
Production equipment	5 – 20 years
Office furniture and equipment	3 – 10 years
Leasehold improvements	3 – 10 years

Long-lived Assets

The Ballet reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment is measured by the amount the carrying value of the assets exceeds the estimated fair value of the assets. Assets which are impaired are reported at the lower of the carrying amount or fair value, less costs to sell. Management does not believe impairment indicators are present for the years ended July 31, 2025 and 2024.

Goodwill and Intangible Assets

Goodwill and indefinite-lived intangibles are not amortized but are evaluated for impairment annually or when indicators of a potential impairment are present. Impairment testing of goodwill is performed separately from impairment testing of indefinite-lived intangibles. The annual evaluation for impairment of goodwill and indefinite-lived intangibles is based on valuation models that incorporate assumptions and internal projections of expected future cash flows and operating plans. The Ballet believes such assumptions are also comparable to those that would be used by other marketplace participants.

The cost of intangible assets with determinable useful lives is amortized to reflect the pattern of economic benefits consumed, either on a straight-line or accelerated basis over the estimated periods benefited. Patents, technology and other intangibles with contractual terms are generally amortized over their respective legal or contractual lives. Customer relationships, brands and other non-contractual intangible assets with determinable lives are amortized over periods generally ranging from 5 to 30 years.

When certain events or changes in operating conditions occur, an impairment assessment is performed and the lives of intangible assets with determinable lives may be adjusted.

BALLET WEST

Notes to the Consolidated Financial Statements
For the Years Ended July 31, 2025 and 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment Investment Policy and Objectives

Included in the endowment are cash and investment balances and an interest in a perpetual trust established by a donor with the Ballet as the beneficiary. The balances for the endowment fund reside in investment accounts controlled by the Ballet. The perpetual trust is controlled and managed by the original donor.

The basic objectives of the Ballet's endowment investment program are, in order of priority (1) safety and preservation of the invested assets, (2) liquidity of investments sufficient to meet current needs, (3) optimum returns while diversifying risk, and (4) fiduciary control of all investments. The endowment fund is intended to provide support for the operations of the Ballet and is composed of permanently restricted contributions. The Board of Directors has established appropriate spending policies for the endowment.

Revenue and Deferred Revenue

The Ballet begins selling tickets to its programs and performances several months beforehand. Revenue from performance fees and season tickets sold in advance of the annual season is deferred and recognized at a point in time when the programs are held and over the season as the ballets are performed.

Enrollment for the Ballet Academy begins several months before classes start. The revenue from tuition paid in advance of the academy year is deferred and recognized at a point in time when classes are held.

Contributions

Contributions are recorded as with or without donor restricted support depending on the existence or nature of the donor restrictions. All unconditional contributions without donor restrictions are considered to be available for unrestricted use in the current accounting period. Contributions with donor restrictions, which are received and satisfied in the same fiscal year, are reported as contributions without donor restrictions.

Other contributions restricted for future periods or restricted for specific purposes by the donor are reported as donor restricted support. When a stipulated time restriction ends or a purpose restriction is accomplished, the net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as released from restrictions.

In-Kind Contributions

In-kind donations of property, equipment, supplies and other goods and services are recorded at their estimated fair value on the date of donation. These donations are reported as contributions without donor restrictions unless the donor has restricted the donated gifts for a specific purpose or period of time. Assets, goods, and services donated with explicit restrictions regarding their use are reported as support with donor restrictions and reclassified to net assets without donor restrictions when used or placed in service. In-kind contributions recorded in the consolidated financial statements at their estimated fair value totaled **\$998,136** and \$583,531, for the years ended July 31, 2025 and 2024, respectively. These contributions were used primarily for programs.

BALLET WEST

Notes to the Consolidated Financial Statements For the Years Ended July 31, 2025 and 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-Kind Contributions (Continued)

Included in the in-kind contributions are donated services that create or enhance non-financial assets, require specialized skills, are provided by individuals possessing those skills, and would need to be purchased if not provided by volunteers. These services are recorded at a fair value of **\$346,955** and \$11,818 for the years ended July 31, 2025 and 2024, respectively.

Functional Allocation of Expenses

The costs of artistic production, the academy and other programs and supporting services have been summarized on a functional basis in the consolidated statements of functional expenses. All direct costs are charged to the functional area they pertain to. Indirect costs are charged to production and programs and supporting services based on estimates made by management, taking into account the nature of the expense and how it relates to the functional area. The Ballet allocates expenses either by time and effort or by square footage depending on the nature of the expense. General and administrative costs include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Ballet.

Advertising Costs

Advertising costs are charged to expense when incurred. Advertising expense was **\$1,096,593** and \$1,003,587 for the years ended July 31, 2025 and 2024, respectively.

Collective Bargaining Agreements

The Ballet's dancers, musicians, production staff and stage crew (approximately 60% of employees) are covered by collective bargaining agreements. The agreements have varying expiration dates ranging from 2027 to 2029.

Income Taxes

The Ballet qualifies as a tax-exempt charitable organization under Section 501(c)(3) of the Internal Revenue Code and under state of Utah tax regulations and therefore, is not subject to federal or state income taxes in connection with its activities. Accordingly, no provision has been made in the consolidated financial statements for federal or state income taxes. The Ballet has evaluated tax positions and believes it does not have and, accordingly, has not recorded, a liability for any uncertain tax positions. The Ballet is subject to routine audits by taxing jurisdictions. There are no income tax audits in progress for any periods. Generally, the Ballet's tax filings are subject to examination by the IRS for three years from the date filed.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. Total net assets and changes in net assets were not affected by the reclassifications.

BALLET WEST

Notes to the Consolidated Financial Statements
For the Years Ended July 31, 2025 and 2024

2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of July 31, 2025 and 2024, comprise the following:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 3,978,589	\$ 4,235,530
Certificates of deposit	35,829	35,812
Accounts receivable, net	208,704	125,503
Promises to give, current portion	<u>1,789,118</u>	<u>983,003</u>
Total current financial assets	6,012,240	5,379,848
Less: contractual or donor imposed restrictions		
Time and purpose restrictions included above	(1,789,118)	(983,003)
Purpose restrictions included above	<u>(3,406,217)</u>	<u>(1,642,387)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 816,905</u>	<u>\$ 2,754,458</u>

The Ballet has a budget for annual operating expenses of approximately \$20,000,000. The organization covers these expenses with revenue from ticket sales, tuition and rental fees which average \$12,500,000 annually. The remaining balance is covered by grants and contributions from the state of Utah, Salt Lake County, national and local foundations and individual donors.

In 2025 and 2024, the Ballet had \$500,000 and \$500,000 in available lines of credit, respectively. The lines are available to manage cash flow and cover any operating deficits as they arise. The lines of credit mature February 1, 2026 and February 1, 2025, respectively.

3. PROMISES TO GIVE

Promises to give, which meet the definition of unconditional, consist primarily of pledges to programs and general operations. Promises to give due in more than one year are reflected at the present value of estimated future cash flows using various discount rates and consist of the following as of July 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Amounts due:		
1 year or less	\$ 1,789,118	\$ 983,003
1 - 5 years	<u>3,412,199</u>	<u>1,214,400</u>
	5,201,317	2,197,403
Less: unamortized discount	<u>(564,742)</u>	<u>(156,977)</u>
Unconditional promises to give, net	<u>\$ 4,636,575</u>	<u>\$ 2,040,426</u>

BALLET WEST

Notes to the Consolidated Financial Statements
For the Years Ended July 31, 2025 and 2024

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of July 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Props, scenery and costumes	\$ 9,526,633	\$ 8,733,538
Building	5,663,127	5,663,127
Production equipment	1,248,533	1,056,974
Office furniture and equipment	893,307	828,498
Land	757,910	757,910
Leasehold improvements	546,031	546,031
Total cost of property and equipment	18,635,541	17,586,078
Accumulated depreciation	<u>(7,715,706)</u>	<u>(6,887,768)</u>
Property and equipment, net	<u>\$ 10,919,835</u>	<u>\$ 10,698,310</u>

Depreciation for property and equipment totaled **\$827,938** and \$792,737 for the years ended July 31, 2025 and 2024, respectively.

5. GOODWILL AND OTHER INTANGIBLES

The Ballet acquired an existing ballet studio in February 2016 for \$375,000 and recorded the fair value of the acquired assets, which include goodwill and other intangible assets that are subject to amortization.

The Ballet acquired an existing ballet studio in July 2014 for \$250,000 and recorded the fair value of the acquired assets, which include goodwill and other intangible assets that are subject to amortization.

The Ballet acquired an existing conservatory in December 2022 for \$450,000 and recorded the fair value of the acquired assets, which include goodwill and fixed assets that are subject to depreciation and amortization. The recorded fair value of goodwill from the acquisition amounted to \$353,598.

The Ballet completed an annual impairment test of goodwill as of July 31, 2025 and 2024, and determined that there was no impairment. Goodwill and other intangibles were as follows as of July 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Goodwill	<u>\$ 591,308</u>	<u>\$ 591,308</u>
Other amortized intangibles		
Customer lists and relationships	115,000	115,000
Less: accumulated amortization	<u>(115,000)</u>	<u>(115,000)</u>
Total other amortized intangibles	<u>-</u>	<u>-</u>
Goodwill and other intangibles, net	<u>\$ 591,308</u>	<u>\$ 591,308</u>

BALLET WEST

Notes to the Consolidated Financial Statements For the Years Ended July 31, 2025 and 2024

5. GOODWILL AND OTHER INTANGIBLES (Continued)

Amortization expense for the years ended July 31, 2025 and 2024 totaled **\$0** and \$0, respectively.

6. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Ballet applies the provisions of ASC Topic 820, *Fair Value Measurements and Disclosures*, for fair value measurements of financial assets and liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value on a recurring basis. The fair values of the financial instruments shown in the following tables as of July 31, 2025 and 2024 represent the amount that would be received to sell those assets in an orderly transaction between market participants at that date.

In determining fair value, the Ballet uses various valuation approaches. ASC 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The hierarchy is broken down into three levels as follows:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 – Valuations based on one or more quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

BALLET WEST

Notes to the Consolidated Financial Statements
For the Years Ended July 31, 2025 and 2024

6. INVESTMENTS AND FAIR VALUE MEASUREMENTS(Continued)

Investment assets measured at fair value on a recurring basis as of July 31, 2025 and 2024 are as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
July 31, 2025				
Money market and cash equivalents	\$ 186,516	\$ 186,516	\$ -	\$ -
Mutual and other funds	1,905,298	1,905,298	-	-
Fixed income	269,938	269,938	-	-
Equities	2,535,822	2,535,822	-	-
Alternative investments	582,458	-	582,458	-
Total	<u>\$ 5,480,032</u>	<u>\$ 4,897,574</u>	<u>\$ 582,458</u>	<u>\$ -</u>
July 31, 2024				
Money market and cash equivalents	\$ 284,828	\$ 284,828	\$ -	\$ -
Mutual and other funds	4,684,116	3,896,953	787,163	-
Total	<u>\$ 4,968,944</u>	<u>\$ 4,181,781</u>	<u>\$ 787,163</u>	<u>\$ -</u>

The Ballet's policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer. There were no transfers into or out of Level 1, 2, or 3 for the years ended July 31, 2025 and 2024.

7. INTEREST IN CHARITABLE REMAINDER ANNUITY TRUST

The Ballet is a beneficiary of a charitable remainder annuity trust in which the donor has contributed assets to the Ballet in exchange for a promise from the Ballet to pay the donor a fixed amount for a specified period of time. Assets received have been recognized at fair value, and an annuity payment liability has been recognized at the present value of the projected future cash flows. At the time of the gift, restricted contribution revenue was recognized as the difference between these two amounts.

Under terms of the trust agreement, the Ballet has agreed to pay the donor an annuity equal to 9% of the initial fair market value of \$106,016, payable in quarterly payments of \$2,385.

Upon execution of the agreement, the Ballet recognized an initial liability of \$41,621 for estimated payments due to the donor based on life expectancy, and recorded contribution revenue of \$64,395 for the year ended June 30, 2012. The Ballet's interest was recorded at the fair value of the net assets contributed to the trust.

During the year ended July 31, 2021, the Ballet revised the liability based on an increased life expectancy. The annuity obligation as of July 31, 2025 and 2024 was \$0 and \$0, respectively. During the year ended July 31, 2024 the donor passed away and all liabilities have been extinguished.

BALLET WEST

Notes to the Consolidated Financial Statements
For the Years Ended July 31, 2025 and 2024

8. LINE OF CREDIT

The Ballet maintains a \$500,000 line of credit with interest set at prime plus 0.5% (8% and 9% at July 31, 2025 and July 31, 2024, respectively) on the outstanding balance. The line of credit is collateralized by all inventory, chattel paper, accounts, equipment (including but not limited to props, scenery, and costumes), and general intangibles. The line is available to manage cash flow and cover any operating deficits as they arise. The line of credit matured February 1, 2025 and was renewed with a new renewal date of February 1, 2026. There was no interest expense on the line of credit recorded as of July 31, 2025 and 2024.

9. NOTES PAYABLE

Notes payable were as follows as of July 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
5% note payable to a foundation, periodic principal payments through 2027, all unpaid principal and accrued interest due August 2027. Secured by agency receivables.	\$ 258,100	\$ 329,997
2.75% note payable to a financial institution, monthly payments of \$641, all unpaid principal and accrued interest due May 2051. Secured by various assets and letter of credit rights.	109,386	114,001
7.25% note payable to a financial institution, monthly interest only payments, all unpaid principal and accrued interest due August 1, 2027. This note was amended in 2025. Secured by various assets.	<u>3,493,885</u>	<u>4,178,885</u>
Total notes payable	3,861,371	4,622,883
Less current portion	<u>(88,885)</u>	<u>(76,512)</u>
Notes payable, net of current portion	<u>\$ 3,772,486</u>	<u>\$ 4,546,371</u>

Estimated maturities of notes payable are as follows:

For the years ending July 31,

2026	\$ 88,885
2027	92,216
2028	3,583,468
2029	4,085
2030	4,199
Thereafter	<u>88,518</u>
Total	<u>\$ 3,861,371</u>

BALLET WEST

Notes to the Consolidated Financial Statements
For the Years Ended July 31, 2025 and 2024

9. NOTES PAYABLE

During October 2013, the Ballet borrowed \$13,440,963 from four foundations which are long-term supporters of the Ballet. The funds secured with this debt were transferred to Salt Lake County in order to commence the building and remodel project on the Janet Quinney Lawson Capitol Theatre and the Jessie Eccles Quinney Ballet Centre. The debt is collateralized by the agency receivables secured to fund the Project.

10. OPERATING LEASES

The Ballet rents theatre, studio, office, warehouse, and costume production facilities under various operating lease arrangements ranging from per-use to multiple-year leases. The Ballet maintains several non-cancellable operating leases that run through 2034.

The weighted-average discount rate is based on the discount rate implicit in the lease, or if the implicit rate is not readily determinable from the lease, then the Ballet estimates an applicable incremental borrowing rate. The incremental borrowing rate is estimated using a risk-free rate.

The Ballet has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

Total operating lease costs for the years ended July 31, 2025 and 2024, were **\$780,879** and \$534,587, respectively.

The following table summarizes the supplemental cash flow information for the years ended July 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows used for operating leases	\$ 678,401	\$ 542,520

The following table summarizes the weighted-average remaining lease term and weighted-average discount rate as of July 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Weighted-average remaining lease term		
Operating leases	7.57 years	3.55 years
Weighted-average discount rate		
Operating leases	3.52%	2.83%

BALLET WEST

Notes to the Consolidated Financial Statements
For the Years Ended July 31, 2025 and 2024

10. OPERATING LEASES (Continued)

The future minimum lease payments under noncancelable operating leases with terms greater than one year are listed below as of July 31, 2025:

For the years ending July 31,	<u>Operating</u>
2026	\$ 760,389
2027	665,704
2028	347,333
2029	249,018
2030	253,998
Thereafter	<u>1,113,789</u>
Total lease payments	3,390,231
Less: present value discount	<u>(406,744)</u>
Present value of lease liabilities	<u><u>\$ 2,983,487</u></u>

11. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods as of July 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for specified purpose:		
Foundations, corporations and individuals	\$ 5,898,353	\$ 3,414,000
Subject to the passage of time:		
Foundations, corporations and individuals	135,052	-
Subject to specified purpose and passage of time:		
Foundations, corporations, and individuals	1,034,856	850,500
Not subject to appropriation or expenditure:		
Foundations and individuals	<u>4,011,035</u>	<u>3,800,167</u>
Total net assets with donor restrictions	<u><u>\$ 11,079,296</u></u>	<u><u>\$ 8,064,667</u></u>

12. ENDOWMENT FUNDS

The Ballet's endowment funds consist of donor restricted funds and is classified and reported as net assets with donor restrictions and is not subject to appropriation or expenditure. The endowment is made up of three (3) components which include cash and investments in endowment and an interest in a perpetual trust.

BALLET WEST

Notes to the Consolidated Financial Statements
For the Years Ended July 31, 2025 and 2024

12. ENDOWMENT FUNDS (Continued)

Cash and investments in endowment – The Ballet’s endowment funds include cash and investments and is restricted in perpetuity by the donor. As of July 31, 2025 and 2024, the balance was **\$4,374,707** and \$3,712,741, respectively, of which **\$3,262,569** and \$2,874,208, respectively is held as net assets with donor restrictions.

Interest in perpetual trust endowment – The Ballet is a beneficiary of a perpetual trust. The Ballet’s interest in the trust was recorded at the fair value of the trust assets on the date of gift. The trust is restricted in perpetuity and included as part of net assets with donor restrictions and is not subject to appropriation or expenditure. The fair value of the investments held by the trust was **\$748,466** and \$925,959 as of July 31, 2025 and 2024, respectively. The recorded value of the interest in the trust is evaluated annually and the change in value is recognized in the consolidated statements of activities as a donor restricted gain or loss. The net unrealized gain (loss) on the interest in the perpetual trust was **(\$146,165)** and \$223,007 for the years ended July 31, 2025 and 2024. There were **\$31,328** and \$38,667 trust distributions during the years ended July 31, 2025 and 2024, respectively.

Changes in endowment net assets for the year ended July 31, 2025 are as follows:

	<u>Without donor Restrictions</u>	<u>With donor Restrictions</u>	<u>Total</u>
Endowment net assets,			
Beginning of year	\$ 838,533	\$ 3,800,167	\$ 4,638,700
Contributions	-	388,361	388,361
Distributions from perpetual trust	-	(31,328)	(31,328)
Interest and dividends	158,413	-	158,413
Net investment return	115,192	(146,165)	(30,973)
Endowment net assets, end of year	<u>\$ 1,112,138</u>	<u>\$ 4,011,035</u>	<u>\$ 5,123,173</u>

Changes in endowment net assets for the year ended July 31, 2024 are as follows:

	<u>Without donor Restrictions</u>	<u>With donor Restrictions</u>	<u>Total</u>
Endowment net assets,			
Beginning of year	\$ 526,826	\$ 2,915,827	\$ 3,442,653
Contributions	-	700,000	700,000
Distributions from perpetual trust	-	(38,667)	(38,667)
Interest and dividends	115,925	-	115,925
Net investment return	195,782	223,007	418,789
Endowment net assets, end of year	<u>\$ 838,533</u>	<u>\$ 3,800,167</u>	<u>\$ 4,638,700</u>

BALLET WEST

Notes to the Consolidated Financial Statements
For the Years Ended July 31, 2025 and 2024

12. ENDOWMENT FUNDS (Continued)

Interpretation of relevant law – The Board of Directors and management of the Ballet have interpreted the law (“UPMIFA”) as requiring the preservation of the fair value of the original gift of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Ballet classifies as net assets with donor restrictions (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment fund is classified as net assets with donor restrictions until those amounts are expended by the Ballet in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Ballet considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds: (1) safety and preservation of the invested assets, (2) liquidity of investments sufficient to meet current needs, (3) optimum returns while diversifying risk, and (4) fiduciary control of all investments. As of July 31, 2025 and 2024, all endowment net assets were classified as net assets with donor restrictions.

Funds with deficiencies – From time to time, the fair value associated with individual donor restricted endowment funds may fall below the level that the donor or the applicable state law requires the Ballet to retain as a fund of perpetual duration. There were no deficiencies to report as of July 31, 2025 and 2024.

The Board of Directors monitors investment policies. Spending policy, investment objectives, and distribution of endowment funds are subject to approval by the Board of Directors and are changed when deemed appropriate. There were no amounts appropriated for expenditure for the years ended July 31, 2025 and 2024.

13. BENEFIT PLANS

401k Plans - The Ballet sponsors two 401k plans. Employees not covered under collective bargaining agreements are eligible to participate in one 401k plan. Employees become eligible to participate in the plan following 30 days of service. The Ballet makes discretionary matching or profit-sharing contributions under the terms of the plan. There were no employer contributions to this plan for the years ended July 31, 2025 and 2024.

The Ballet also sponsors a plan for the dancers under terms of a collective bargaining agreement. The Ballet makes matching or profit-sharing contributions under the terms of this plan. The Ballet made matching and profit-sharing contributions to the plan of **\$42,585** and \$41,806 for the years ended July 31, 2025 and 2024, respectively.

Deferred 457b Compensation – The Ballet Sponsors a deferred 457b compensation plan for certain employees to allow additional retirement savings options. The Ballet has recorded an asset and corresponding liability of **\$162,577** and \$132,687 as of July 31, 2025 and 2024, respectively. There is no employer matching for this plan.

BALLET WEST

Notes to the Consolidated Financial Statements For the Years Ended July 31, 2025 and 2024

14. CONTRIBUTIONS OF NONFINANCIAL ASSETS

For the years ended July 31, 2025 and 2024, contributions of nonfinancial assets recognized within the consolidated statements of activities consisted of the following:

	<u>2025</u>	<u>2024</u>	<u>Utilization in programs or other activities</u>	<u>Donor restrictions</u>	<u>Valuation techniques and inputs</u>
Services	\$ 346,955	\$ 11,818	Performance and artistic, academy, education, general and administrative, and fundraising	None	Contributed services are valued at the estimated fair value based on current rates for similar services.
Rent	462,131	511,320	Performance and artistic, academy, education, general and administrative, and fundraising	None	In valuing the contributed office space, management used comparable rent rates for similar office size and quality.
Travel and trucking	41,198	8,200	Performance and artistic, academy, education, general and administrative, and fundraising	None	Travel and trucking are valued at the estimated fair value based on current rates for similar services.
Miscellaneous	147,852	52,193	Performance and artistic, academy, education, general and administrative, and fundraising	None	Other goods and services are valued at the estimated fair value based on current rates for similar services.
Total contributions of nonfinancial assets	<u>\$ 998,136</u>	<u>\$ 583,531</u>			

Many individuals have donated significant amounts of time in providing organizational governance and resource development for the Ballet. No amounts have been reflected in the consolidated financial statements for this donated time as it does not meet the criteria for recognition.

15. CONCENTRATIONS OF CREDIT AND MARKET RISK

The Ballet maintains its cash and cash equivalent balances at two financial institutions located in Salt Lake City, Utah. The deposits may exceed their federally insured limits of \$250,000 established by the Federal Deposit Insurance Corporation. The Ballet has not experienced any losses related to these accounts and believes it is not exposed to any significant credit risk on these balances. The Ballet also has funds at Cache Valley bank swept into multiple accounts in the amounts of \$250,000 every night to avoid any potential federal insured limits of \$250,000 per account.

BALLET WEST

Notes to the Consolidated Financial Statements
For the Years Ended July 31, 2025 and 2024

15. CONCENTRATIONS OF CREDIT AND MARKET RISK (Continued)

The Ballet had concentrations in promises to give and agency receivables as of July 31, 2025 and 2024. For the year ended July 31, 2025, four donors made up **71%** of the promises to give balance. For the year ended July 31, 2024, three donors made up 70% of the promises to give balance.

16. RELATED PARTY TRANSACTIONS

Members of the Ballet's Board of Directors provided financial support to the Ballet in the form of contributions of **\$329,835** and \$235,000 during the years ended 2025 and 2024, respectively. As of July 31, 2025 and 2024, board member promises to give totaled **\$160,792** and \$120,000, respectively.

17. SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through the date of the independent auditor's report, which is the date the consolidated financial statements were available to be issued.

Lease Agreement

The Ballet entered into a new operating lease agreement during the year ended July 31, 2025 that commences in August 2025, which is subsequent to year end. As the lease commencement date is subsequent to year end, the Ballet did not recognize a right-of-use asset or lease liability in the financial statements for the year ended July 31, 2025. The future minimum lease payments under this agreement are as follows:

For the years ending July 31,	<u>Operating</u>
2026	\$ 228,937
2027	228,937
2028	228,937
2029	228,937
2030	228,937
Thereafter	-
Total lease payments	<u>\$ 1,144,685</u>