

THE PRESENT THEATRE COMPANY, INC.
FINANCIAL STATEMENTS
For the Year Ended December 31, 2007
With Independent Auditors' Report

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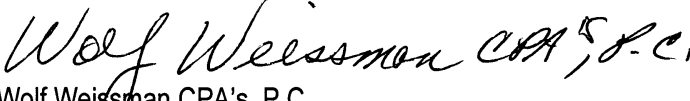
INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Present Theatre Company, Inc.
520 Eight Avenue, Suite 311
New York, NY 10018

We have audited the accompanying statement of financial position of The Present Theatre Company, Inc. (a nonprofit organization) as of December 31, 2007 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Present Theatre Company, Inc. as of December 31, 2007 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.


Wolf Weissman CPA's, P.C.
New York, NY
November 7, 2008

THE PRESENT THEATRE COMPANY, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2007

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$	19,345
Investment Securities		<u>1,312</u>
Total Current Assets		20,657

PROPERTY AND EQUIPMENT

Equipment		6,310
Less: Accumulated Depreciation		<u>(1,949)</u>
Property and Equipment, Net		<u>4,361</u>
Total Assets	\$	<u><u>25,018</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accrued Expenses	\$	13,591
Due to Officer		<u>1,138</u>
Total Current Liabilities		14,729

NET ASSETS

Unrestricted Fund Balance		<u>10,289</u>
Total Liabilities and Net Assets	\$	<u><u>25,018</u></u>

See Accompanying Notes to Financial Statements

THE PRESENT THEATRE COMPANY, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2007

PUBLIC SUPPORT

Contributions	\$	201,524
Unrestricted Grants		56,375
		257,899
Total Public Support		257,899

REVENUE

Program Service Revenue		731,216
Other		13,706
Unrealized Gain (Loss) on Securities		189
Interest and Dividends		25
		745,136
Total Revenue		745,136
Total Public Support and Revenue		1,003,035

EXPENSES

Program Services		1,008,586
General and Administrative		14,342
		1,022,928
Total Expenses		1,022,928
Increase (Decrease) in Net Assets		(19,893)
Net Assets - Beginning of Year		30,182
		10,289
Net Assets - End of Year	\$	10,289

See Accompanying Notes to Financial Statements

THE PRESENT THEATRE COMPANY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2007

	Program Services	General and Administrative	Total
Venue rental	\$ 330,038	\$ -	\$ 330,038
Participant payments	280,196	-	280,196
Outside services - FringeNYC	76,773	-	76,773
Outside services - office	68,720	4,180	72,900
Marketing and design	58,345	-	58,345
Office rental	50,162	-	50,162
Equipment rental	32,690	-	32,690
Printing fees	30,451	-	30,451
Insurance	23,609	200	23,809
Office and postage	6,542	3,271	9,813
Professional development	7,473	-	7,473
Storage	7,277	-	7,277
Permits and fees	6,004	-	6,004
Bank fees	5,221	-	5,221
Communications	4,603	512	5,115
Special events	4,564	-	4,564
Professional fees	-	4,500	4,500
Project development	4,366	-	4,366
Transporation	4,335	-	4,335
Copying expense	3,850	-	3,850
Meals and entertainment	921	921	1,842
Rubbish removal	1,813	-	1,813
Dues and memberships	-	758	758
Depreciation	633	-	633
Total	<u>\$ 1,008,586</u>	<u>\$ 14,342</u>	<u>\$ 1,022,928</u>

See Accompanying Notes to Financial Statements

THE PRESENT THEATRE COMPANY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2007

CASH FLOWS FROM OPERATING ACTIVITIES

Increase (Decrease) in Net Assets	\$	(19,893)
Adjustments to Reconcile Decrease in Net Assets to Net Cash Used in Operating Activities:		
Depreciation		633
Unrealized (Gain) Loss on Securities Held		(189)
Net (Increase) Decrease in Accounts Receivable		7,771
Net Increase (Decrease) in Accrued Expenses		788
Contributions of Stock		<u>(1,123)</u>
Net Cash Used In Operating Activities		<u>(12,013)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisitions of Property		<u>(3,219)</u>
Net Cash Used In Investing Activities		<u>(3,219)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Loans From Officer		<u>1,138</u>
Net Cash Provided By Financing Activities		<u>1,138</u>
Net Decrease in Cash and Cash Equivalents		(14,094)
Cash and Cash Equivalents - Beginning of Year		<u>33,439</u>
Cash and Cash Equivalents - End of Year	\$	<u><u>19,345</u></u>

See Accompanying Notes to Financial Statements

**THE PRESENT THEATRE COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS**

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities

The Present Theatre Company, Inc. (the Organization) is a nonprofit organization as described in section 501(c)(3) of the Internal Revenue Code, incorporated under the laws of the State of New York in 1991.

The Organization encourages, supports and produces new American theatre. Since 1996 the Organization has produced the New York International Fringe Festival (FringeNYC), the largest annual multi-arts festival in North America, providing an opportunity for emerging artists to present their work.

Promises to Give

The Organization recognizes contributions when the donor makes a promise to give, that is, in substance, unconditional. There were no promises to give at December 31, 2007.

Contributed Services

The Organization recognizes revenue for certain services received and for the use of materials, equipment and facilities at no charge at the fair value of those services and fair value of rental fees avoided. During the year ended December 31, 2007 the amount of this revenue totals \$177,071.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents.

Income Taxes

The Organization is a public charitable, educational, and scientific organization described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. Accordingly, no provision for income taxes has been included in the financial statements. The Organization is not classified as a private foundation.

Investments

Investments are reported at fair market value on the balance sheet, with unrealized gains reflected in the statement of activities and changes in net assets in accordance with the Statement of Financial Accounting Standards (SFAS) No. 124, Accounting for Investments.

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:
(Continued)

Furniture, Equipment, and Leasehold Improvements

Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Furniture and office equipment are being depreciated over an estimated useful life of seven years using straight line method of depreciation.

Financial Statement Presentation

The Organization follows standards of accounting and financial reporting for not-for-profit organizations. Accordingly, the financial statements are prepared on the accrual basis of accounting. The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets. The Organization has not received any temporarily and permanently restricted contributions, therefore all net assets are reported as unrestricted.

NOTE B – INVESTMENT SECURITIES

Investments January 31, 2007 consisted of corporate stock with a fair value on the date of contribution of \$1,123 and market value of \$1,312.

NOTE C – CONCENTRATION OF CREDIT RISK

The Organization maintains cash accounts at three banks. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. At January 31, 2007 the cash balances did not exceed the insured limit.