

THE PRESENT THEATRE COMPANY, INC.
FINANCIAL STATEMENTS
For the Years Ended December 31, 2008 and 2007
With Independent Auditors' Report

THE PRESENT THEATRE COMPANY, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Present Theatre Company, Inc.
New York, NY

We have audited the accompanying statements of financial position of The Present Theatre Company, Inc. (a nonprofit organization) as of December 31, 2008 and 2007 and the related statements of activities, functional expenses, and cash flows for the years 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 audits.

We conducted our audits 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 audits provide 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, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



Wolf Weissman CPA's, P.C.
New York, NY
July 23, 2009

THE PRESENT THEATRE COMPANY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2008 AND 2007

	2008	2007
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 47,848	\$ 19,345
Investment Securities	-	1,312
Grants Receivable	5,835	-
Other Receivables	15,853	-
Total Current Assets	69,536	20,657
PROPERTY AND EQUIPMENT		
Equipment	6,310	6,310
Less: Accumulated Depreciation	(2,851)	(1,949)
Property and Equipment, Net	3,459	4,361
Total Assets	\$ 72,995	\$ 25,018
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accrued Expenses	\$ 11,585	\$ 13,591
Due to Officer	3,011	1,138
Total Current Liabilities	14,596	14,729
NET ASSETS		
Temporarily Restricted Fund Balance	23,500	-
Unrestricted Fund Balance	34,899	10,289
Total Net Assets	58,399	10,289
Total Liabilities and Net Assets	\$ 72,995	\$ 25,018

See Accompanying Notes to Financial Statements

THE PRESENT THEATRE COMPANY, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

UNRESTRICTED

PUBLIC SUPPORT

	2008	2007
Contributions	\$ 144,692	\$ 201,524
Net Assets Released From Restriction	73,735	56,375
Total Public Support	218,427	257,899

REVENUE

Program Service Revenue	733,089	731,216
Other	12,490	13,706
Realized Gain (Loss) on Securities	74	-
Unrealized Gain (Loss) on Securities	(189)	189
Interest and Dividends	588	25
Total Revenue	746,052	745,136
Total Public Support and Revenue	964,479	1,003,035

EXPENSES

Program Services	914,281	1,008,586
General and Administrative	25,588	14,342
Total Expenses	939,869	1,022,928
Increase (Decrease) in Unrestricted Net Assets	24,610	(19,893)

TEMPORARILY RESTRICTED

Government Agency Grants	97,235	56,375
Restrictions Satisfied by Payments	(73,735)	(56,375)
Increase (Decrease) in Temporarily Restricted Net Assets	23,500	-
Net Assets - Beginning of Year	10,289	30,182
Net Assets - End of Year	\$ 58,399	\$ 10,289

See Accompanying Notes to Financial Statements

THE PRESENT THEATRE COMPANY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Total</u>
Participant Payments	\$ 309,751	\$ -	\$ 309,751
Venue Rental	233,848	-	233,848
Outside Services - FringeNYC	74,013	-	74,013
Outside Services - Office	64,386	9,316	73,702
Office Rental	44,288	7,238	51,526
Printing and Editing Fees	40,630	-	40,630
Marketing and Design	38,719	-	38,719
Equipment Rental	29,364	-	29,364
Insurance	15,965	1,200	17,165
Office and Postage	11,814	1,027	12,841
Supplies	7,400	-	7,400
Storage	6,681	-	6,681
Transporation	5,981	-	5,981
Communications	4,560	507	5,067
Professional Fees	-	5,047	5,047
Professional Development	4,197	466	4,663
Bank Fees	4,409	-	4,409
Copying Expense	3,550	-	3,550
Project Development	3,463	-	3,463
Permits and Fees	3,163	-	3,163
Dues and Memberships	2,369	-	2,369
Website	1,757	-	1,757
Meals and Entertainment	1,509	-	1,509
Shipping and Delivery	658	760	1,418
Special Events	932	-	932
Depreciation	874	27	901
Total	\$ 914,281	\$ 25,588	\$ 939,869

See Accompanying Notes to Financial Statements

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

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Total</u>
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
Transportation	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	\$ 1,008,586	\$ 14,342	\$ 1,022,928

See Accompanying Notes to Financial Statements

THE PRESENT THEATRE COMPANY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$ 24,610	\$ (19,893)
Adjustments to Reconcile Decrease in Net Assets to Net Cash Used in Operating Activities:		
Depreciation	901	633
Realized and Unrealized (Gain) Loss on Securities Held	115	(189)
Net (Increase) Decrease in Accounts Receivable	-	7,771
Net (Increase) Decrease in Grants Receivable	(5,835)	-
Net (Increase) Decrease in Other Receivables	(15,853)	-
Net Increase (Decrease) in Accrued Expenses	(2,005)	788
Contributions of Stock	(536)	(1,123)
	1,397	(12,013)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of Investment Securities	1,733	-
Acquisitions of Property	-	(3,219)
	1,733	(3,219)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans From Officer	1,873	1,138
	1,873	1,138
Net Decrease in Cash and Cash Equivalents	5,003	(14,094)
Cash and Cash Equivalents - Beginning of Year	19,345	33,439
Cash and Cash Equivalents - End of Year	\$ 24,348	\$ 19,345

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.

Support and Revenue

The Organization receives support from the public as well as grants from Federal, state and city agencies. Unconditional promises to give are recorded as received. Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are transferred to unrestricted net assets and reported in the statement of activities as net assets released from restriction. Contributions received with donor imposed restrictions are met in the same year in which the contributions are received and classified as unrestricted contributions.

Contributions of donated noncash items are recorded at their fair values in the period received. Contributions of services that create or enhance financial or 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, are recorded at fair values in the period received. For the years ended December 31, 2008 and 2007, the amounts of donated assets and services aggregated \$98,118 and 177,070, respectively.

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.

NOTE B – RESTRICTIONS ON NET ASSETS

During year ended December 31, 2008 the Organization received funding from The New York State Council on the Arts (NYSCA) to be used for the New York International Fringe Festival (FringeNYC) 2009. The total amount is reported as temporarily restricted in the financial statements.

NOTE C – 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. These securities were sold during 2008.

NOTE D – 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 \$250,000. At December 31, 2008 and 2007 the cash balances did not exceed the insured limit.

NOTE E – OCCUPANCY LICENSING AGREEMENT

The Organization entered into an occupancy licensing agreement in November 2002 which expires October 31, 2014. Under the terms of this agreement, the Organization pays a fixed amount plus its share of certain occupancy costs. For 2008, the Organization paid \$4,187 per month. This amount increases 5% annually effective December 1. However, the scheduled increase for December 1, 2009 has been waived. For the years ended December 31, 2008 and 2007, the amount of rent expense was \$51,526 and \$50,162, respectively. The minimum payments under this agreement are as follows:

Year ended December 31,	
2009	\$ 50,250
2010	50,460
2011	52,982
2012	55,631
2013	58,413
Thereafter	<u>50,899</u>
Total	\$318,635