

THE PRESENT THEATRE COMPANY, INC.
FINANCIAL STATEMENTS
For the Years Ended December 31, 2009 and 2008
With Independent Auditors' Report

THE PRESENT THEATRE COMPANY, INC.

Table of Contents

• Independent Auditors' Report	1
• Financial Statements	
○ Statements of Financial Position	2
○ Statements of Activities and Changes in Net Assets	3
○ Statements of Functional Expenses	4 - 5
○ Statements of Cash Flows	6
• Notes to Financial Statements	7 - 9

WOLF WEISSMAN CPA's, P.C.
1 PENN PLAZA • SUITE 2410
NEW YORK, NY 10119
(212) 967-7300 • FAX (212) 643-9047
www.wolfweissman.com

IRWIN WOLF, CPA
GARY P. WEISSMAN, CPA
MITCHELL ATTAS, CPA

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, 2009 and 2008 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, 2009 and 2008, 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.

Wolf Weissman CPA's, P.C.
New York, NY
October 29, 2010

THE PRESENT THEATRE COMPANY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2009 AND 2008

	2009	2008
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 63,583	\$ 47,848
Grants Receivable	5,570	5,835
Other Receivables	-	15,853
Total Current Assets	69,153	69,536
PROPERTY AND EQUIPMENT		
Equipment	6,310	6,310
Less: Accumulated Depreciation	(3,752)	(2,851)
Property and Equipment, Net	2,558	3,459
Total Assets	\$ 71,711	\$ 72,995
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accrued Expenses	\$ 20,330	\$ 11,585
Payroll Taxes Payable	15,610	-
Due to Officer	-	3,011
Total Current Liabilities	35,940	14,596
NET ASSETS		
Temporarily Restricted Fund Balance	27,200	23,500
Unrestricted Fund Balance	8,571	34,899
Total Net Assets	35,771	58,399
Total Liabilities and Net Assets	\$ 71,711	\$ 72,995

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, 2009 AND 2008

UNRESTRICTED

PUBLIC SUPPORT

	2009	2008
Contributions	\$ 222,218	\$ 144,692
Net Assets Released From Restriction	87,293	73,735
Total Public Support	309,511	218,427

REVENUE

Program Service Revenue	855,239	733,089
Other	14,222	12,490
Realized Gain (Loss) on Securities	-	74
Unrealized Gain (Loss) on Securities	-	(189)
Interest and Dividends	83	588
Total Revenue	869,544	746,052
Total Public Support and Revenue	1,179,055	964,479

EXPENSES

Program Services	1,149,584	914,281
General and Administrative	55,799	25,588
Total Expenses	1,205,383	939,869
Increase (Decrease) in Unrestricted Net Assets	(26,328)	24,610

TEMPORARILY RESTRICTED

Government Agency Grants	90,993	97,235
Restrictions Satisfied by Payments	(87,293)	(73,735)
Increase (Decrease) in Temporarily Restricted Net Assets	3,700	23,500
Net Assets - Beginning of Year	58,399	10,289
Net Assets - End of Year	\$ 35,771	\$ 58,399

See Accompanying Notes to Financial Statements

THE PRESENT THEATRE COMPANY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Total</u>
Venue Rental	\$ 363,795	\$ -	\$ 363,795
Participant Payments	348,995	-	348,995
Outside Services - FringeNYC	83,313	-	83,313
Salaries	77,056	5,587	82,643
Office Rental	45,580	8,044	53,624
Equipment Rental	41,705	-	41,705
Marketing and Design	36,860	-	36,860
Printing and Editing Fees	35,923	-	35,923
Outside Services - Office	20,800	-	20,800
Legal Settlement	-	20,000	20,000
Insurance	17,236	1,300	18,536
Professional Fees	-	14,968	14,968
Office	8,968	1,300	10,268
Payroll Taxes	9,136	663	9,799
Bank Fees	8,343	930	9,273
Special Events	8,789	-	8,789
Transportation	8,338	-	8,338
Storage	8,266	-	8,266
Professional Development	5,396	650	6,046
Communications	5,102	910	6,012
Postage and Shipping	2,638	1,320	3,958
Copying	3,551	-	3,551
Website	2,764	-	2,764
Meals and Entertainment	2,035	-	2,035
Project Development	1,309	-	1,309
Payroll Processing	1,171	85	1,256
Publications and Subscriptions	1,156	-	1,156
Depreciation	859	42	901
Dues and Memberships	500	-	500
Total	\$ 1,149,584	\$ 55,799	\$ 1,205,383

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
Transportation	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 CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$ (22,628)	\$ 48,110
Adjustments to Reconcile Decrease in Net Assets to Net Cash Used in Operating Activities:		
Depreciation	901	901
Realized and Unrealized (Gain) Loss on Securities Held	-	115
Net (Increase) Decrease in Grants Receivable	265	(5,835)
Net (Increase) Decrease in Other Receivables	15,853	(15,853)
Net Increase (Decrease) in Accrued Expenses	8,745	(2,005)
Net Increase (Decrease) in Payroll Taxes Payable	15,610	-
Contributions of Stock	-	(536)
	18,746	24,897
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of Investment Securities	-	1,733
	-	1,733
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans From Officer	(3,011)	1,873
	(3,011)	1,873
Net Decrease in Cash and Cash Equivalents	15,735	28,503
Cash and Cash Equivalents - Beginning of Year	47,848	19,345
Cash and Cash Equivalents - End of Year	\$ 63,583	\$ 47,848

See Accompanying Notes to Financial Statements

**THE PRESENT THEATRE COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

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, 2009 and 2008, the amounts of donated assets and services aggregated \$176,842 and \$98,118, 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.

On January 1, 2009, the Organization adopted the new accounting for uncertainty guidance which clarifies the accounting and recognition for income tax provisions taken or expected to be taken on its tax returns. The Organization's tax filings are subject to audit by Federal and New York State tax authorities. The Organizations open tax years are 2006 through 2009. In considering its tax positions with respect to the taxability and non-taxability of its activities management of the Organization believes that their estimates are appropriate based on current facts and conditions.

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 Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, 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 years ended December 31, 2008 and 2009, 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 and 2010. The total amount is reported as temporarily restricted in the financial statements.

NOTE C – INVESTMENT SECURITIES

Investments December 31, 2009 and 2008 consisted of money market mutual funds whose cost approximated market. These amounts are included in cash and cash equivalents in the accompanying statement of financial position.

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, 2009 and 2008 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 2009 and 2008, the Organization paid \$4,187 per month. For the years ended December 31, 2009 and 2008, the amount of occupancy expense was \$53,624 and \$51,526, respectively. The minimum payments under this agreement are as follows:

Year ended December 31,	
2010	\$ 50,460
2011	52,982
2012	55,631
2013	58,413
2014	50,899
Total	<u>\$268,385</u>

NOTE F-SUBSEQUENT EVENTS

On May 20, 2010, the Organization entered into a settlement agreement with its former landlord in the amount of \$20,000 payable over a seven month period. This amount has been included in accrued expenses as of December 31, 2009.

Management of the Organization has evaluated all subsequent events for those requiring adjustment or disclosure through October 29, 2010, the date the financial statements were available to be issued.