

# PLAYWRITE INC

(A Non-Profit Organization)

Financial Statements and Accountant's Review Report  
For the Year Ended June 30, 2009

Prepared by:

**Lauka** Associates | CERTIFIED PUBLIC ACCOUNTANTS

*PlayWrite, Inc*  
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### *ACCOUNTANT'S REVIEW REPORT*

To the Board of Directors  
PlayWrite, Inc  
Portland, Oregon

We have reviewed the accompanying statement of financial position of PlayWrite, Inc, (a non-profit organization) as June 30, 2009, and the related statements of activities, functional expenses, and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of PlayWrite, Inc.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted audit standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

*/s/ Lauka & Associates*

Portland, Oregon  
March 24, 2010



Statement of Financial Position

As of June 30, 2009

See accompanying notes and accountant's report

**Assets**

**Current Assets**

Cash	\$	196,198
Grants Receivables		31,000
Pledges Receivable		7,230
Grants Pledged		35,000
Corporate Match Receivable		2,219
		<u>271,647</u>

**Other Assets**

Grants Pledged		20,000
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**Total Assets**

\$ 291,647

**Liabilities and Net Assets**

**Current Liabilities**

Accounts Payable	\$	1,046
Credit Cards Payable		704
Payroll Taxes Payable		2,844
Deferred Grant Revenues		35,000
		<u>39,594</u>

**Other Liabilities**

Deferred Grant Revenues		20,000
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**Total Liabilities**

59,594

**Net Assets - Unrestricted**

232,053

**Total Liabilities and Net Assets**

\$ 291,647



Statement of Activities  
For the Year Ended June 30, 2009

See accompanying notes and accountant's report

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**Support**

Individual Contributions	\$ 58,327
Foundation Income	222,000
Other Public Income	8,790
Government Grants	14,230
Interest Income	3,335
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	<b>306,682</b>

**Expenses**

Program Services	140,343
Management and General	18,219
Fundraising	72,055
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	<b>230,617</b>

**Net Increase in Unrestricted Assets** 76,065

Unrestricted Net Assets at Beginning of Year 

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 155,988

**Unrestricted Net Assets at End of Year** 

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 **\$ 232,053** 

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Statement of Functional Expenses  
For the Year Ended June 30, 2009

See accompanying notes and accountant's report

	Program Services	Management & General	Fundraising	Total Expenses
Officer/Director Salaries	\$ 36,727	\$ 5,464	\$ 7,809	\$ 50,000
Salaries & Wages	2,456	-	31,995	34,451
Employee Benefits	1,424	248	1,715	3,387
Payroll Taxes	3,717	517	3,870	8,104
Accounting Fees	-	2,173	-	2,173
Other Fees	120	150	-	270
Advertising	1,500	-	-	1,500
Supplies	3,149	396	422	3,967
Information Technology	2,332	1,151	1,166	4,649
Occupancy	375	-	-	375
Travel	56	-	534	590
Insurance	-	2,678	-	2,678
Postage & Shipping	644	207	1,351	2,202
Printing & Publications	3,968	1,029	139	5,136
Contract Artists	76,776	-	-	76,776
Event Expenses	-	-	5,330	5,330
Food	5,383	-	-	5,383
Research	566	-	-	566
Licenses & Permits	-	166	-	166
Dues & Memberships	140	-	60	200
Questionnaire Hosting	269	-	-	269
Development Grants	-	-	4,560	4,560
Board Development	-	3,525	1,345	4,870
Misc	345	59	-	404
Donor Management	-	-	10,816	10,816
Bank Charges	-	35	-	35
Telephone	277	156	347	780
Donation Processing Fees	-	-	596	596
Background Checks	119	-	-	119
Staff Recruitment	-	265	-	265
	<b>\$ 140,343</b>	<b>\$ 18,219</b>	<b>\$ 72,055</b>	<b>\$ 230,617</b>



Statement of Cash Flows  
For the Year Ended June 30, 2009

See accompanying notes and accountant's report

**Cash Flows Related to Operating Activities**

Change in net assets	\$	76,065
Adjustments to reconcile the change in net assets to cash provided by operating activities:		
Accounts Receivable		1,000
Grants Receivable		56,500
Pledges Receivable		(3,390)
Corporate Match Receivable		(1,844)
Multi-year Grants Receivable		10,000
Accounts Payable		731
Payroll Taxes Payable		(425)
Deferred Revenues		(60,000)
Net cash provided by operating activities		<u>78,637</u>

**Cash Flows Related to Financing Activities**

Credit Cards Payable		<u>(815)</u>
Net cash (used) by financing activities		(815)

Change in cash 77,822

Cash, Beginning		<u>118,376</u>
Cash, Ending	\$	<u><u>196,198</u></u>

## **Note – 1 Nature of Activities and Summary of Significant Accounting Policies**

PlayWrite, Inc is an Oregon non-profit corporation whose mission is to use the power of performance in art to transform the lives of youth 'at the edge.' The Organization provides playwriting workshops that consist of a two-week residency which brings young people together with coaches from the Portland performing arts community. Students work one-on-one with coaches, learning and honing the tools for creating a play. Each play in its entirety springs solely from the mind, feelings and heart of the young writer. At the end of the workshop, professional actors perform a staged reading of the plays before a live audience. This performance – the culmination of three weeks' work – is a collaborative event involving author, actors and audience. The Organization is located in Portland, Oregon and the primary sources of funding are grants and contributions from the general public.

### **Financial statement presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board FASB ASC 958, *Financial Statements of Not-for-Profit Entities*. Under FASB ASC 958, PlayWrite, Inc. is required to report information regarding its financial statements and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. During the fiscal year ended June 30, 2009 all income, expenses, assets, liabilities, and net assets were considered unrestricted, including restricted assets received and released to unrestricted in the same year.

### **Revenue recognition**

Income is recorded in the financial statements when the revenue is earned. Grants received in advance of performance of services are recorded as deferred revenue until the services are performed. Grants pledged but not earned are recorded as a receivable and a deferred grant until the funds are received and earned. Grants earned but not received are recorded as a receivable.

### **Pledges and promises to give**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

## **Note – 1 Nature of Activities and Summary of Significant Accounting Policies, *Cont***

### **Functional allocation of expenses**

The cost of providing the Organization's various programs and activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Factors underlying the allocation of these expenditures are reviewed by management annually. Salaries and wages are allocated based on estimated time spent in certain programs. Certain other expenses such as telephone and information technology expenses are allocated monthly depending on estimated use for various functions.

### **Contributed services**

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

### **Income taxes**

The Organization has been granted exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from Oregon excise taxes under ORS 317.080. Accordingly, no provision for income taxes is reflected in the accompanying financial statements. The Organization is classified by the Internal Revenue Service as "other than a private foundation."

### **Use of 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 unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

## **Note – 2 Deferred Revenues**

Grant funds received in advance of performance of services are deferred until performance is provided and grant funds are used for the purpose of the grant. Deferred revenues consisted of the following as of June 30, 2009:

Grants pledged but not earned:	
Fiscal year end June 30, 2010	\$ 35,000
Fiscal year end June 30, 2011	20,000

Receipt of grant revenues are contingent upon the ability of the Organization to increase programming and fundraising capacity.

## **Note – 3 Use of Facilities and Equipment**

PlayWrite, Inc. conducts its administrative and studio operations in Portland facilities that are donated in-kind, including studio and office space, equipment and furniture. Due to the in-kind contributions, PlayWrite, Inc has not needed to purchase fixed assets requiring capitalization and depreciation over their useful lives. On the occasion that PlayWrite, Inc has purchased small pieces of furniture and equipment they were expensed in the year acquired.

## **Note – 4 Related Party Transactions**

PlayWrite, Inc received donations from board members for \$18,660 in the fiscal year end June 30, 2009.

Office facilities were provided by the Executive Director for no charge during the fiscal year.