

Sample Performing Arts Organization, Inc.

Statement of Activities

For the year ended June 30, 2009

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Revenue and support				
1 Ticket sales	\$ 184,000			\$ 184,000
2 School programs	6,000			6,000
3 Contributions, grants, and sponsorships	54,000	\$ 39,000	\$ 1,000	94,000
4 Satisfaction of restrictions	27,000	(27,000)		-
5 Return on investments	2,000	1,000		3,000
6 Total revenue and support	<u>273,000</u>	<u>13,000</u>	<u>1,000</u>	<u>287,000</u>
Expenses				
7 Performance expenses	197,000			197,000
8 Marketing expenses	25,000			25,000
9 Administrative expenses	30,000			30,000
10 Fundraising expenses	40,000			40,000
11 Total expenses	<u>292,000</u>	<u>-</u>	<u>-</u>	<u>292,000</u>
12 Increase/(decrease) in net assets	(19,000)	13,000	1,000	(5,000)
13 Net assets at beginning of year	<u>55,000</u>	<u>32,000</u>	<u>11,000</u>	<u>98,000</u>
14 Net assets at end of year	<u>\$ 36,000</u>	<u>\$ 45,000</u>	<u>\$ 12,000</u>	<u>\$ 93,000</u>

Discussion questions

What do the column headings represent?

What is "satisfaction of restrictions"?

Why is the "unrestricted" column the only one with expenses?

Fundraising expenses are more than 40% of fundraising proceeds (Line 10 divided by Line 3). How might this be interpreted?

What does it mean to have an increase in temporarily restricted net assets while there is a decrease in unrestricted net assets?

Sample Performing Arts Organization, Inc.

Statement of Financial Position

June 30, 2009

ASSETS		
101	Cash and cash equivalents	\$ 39,000
102	Accounts receivable	2,000
103	Pledges receivable, current portion	27,000
104	Prepaid expenses and other current assets	<u>8,000</u>
105	Total current assets	<u>76,000</u>
106	Pledges receivable, non-current portion	<u>9,000</u>
107	Sets, costumes, and other performance assets	43,000
108	Furniture, equipment, and leasehold improvements	21,000
109	Less: Accumulated depreciation	<u>(15,000)</u>
110	Net fixed assets	<u>49,000</u>
111	Long-term investments	<u>13,000</u>
112	TOTAL ASSETS	<u><u>\$ 147,000</u></u>
LIABILITIES		
113	Accounts payable	\$ 8,000
114	Accrued expenses	7,000
115	Deferred ticket revenue	39,000
116	Line of credit payable	<u>-</u>
117	TOTAL LIABILITIES	<u>54,000</u>
NET ASSETS		
118	Unrestricted net assets	36,000
119	Temporarily restricted net assets	45,000
120	Permanently restricted net assets	<u>12,000</u>
121	TOTAL NET ASSETS	<u>93,000</u>
122	TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 147,000</u></u>

Discussion questions:

What does "cash equivalents" mean?

What's the difference between accounts receivable and pledges receivable?

What's the difference between current and non-current pledges receivable?

What's the difference between current assets and other asset categories?

What's the difference between accounts payable and accrued expenses?

What does "deferred revenue" mean?

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Budget vs. Actual Report

For the six months ending December 31, 2009

	YTD Budget	Actual	Variance	Full-Year Budget
Revenue and support				
1 - V Ticket sales	\$ 66,000	\$ 69,000	\$ 3,000	\$ 197,000
2 - V School programs	4,000	3,000	(1,000)	7,000
3 - V Contributions, grants, and sponsorships	73,000	68,000	(5,000)	107,000
4 - V Satisfaction of restrictions	-	-	-	-
5 - V Return on investments	1,000	2,000	1,000	2,000
6 - V Total revenue and support	<u>144,000</u>	<u>142,000</u>	<u>(2,000)</u>	<u>313,000</u>
Expenses				
7 - V Performance expenses	73,000	71,000	2,000	206,000
8 - V Marketing expenses	10,000	12,000	(2,000)	27,000
9 - V Administrative expenses	16,000	17,000	(1,000)	32,000
10 - V Fundraising expenses	27,000	31,000	(4,000)	45,000
11 - V Total expenses	<u>126,000</u>	<u>131,000</u>	<u>(5,000)</u>	<u>310,000</u>
12 - V Surplus/(deficit)	<u>\$ 18,000</u>	<u>\$ 11,000</u>	<u>\$ (7,000)</u>	<u>\$ 3,000</u>

Discussion questions

What is a favorable variance? What is an unfavorable variance?

How are favorable and unfavorable variances portrayed on this report?

Does this budget reflect seasonality or are all the annual amounts simply spread evenly during the year?