

PLAYING FOR CHANGE FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2014

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To the Board of Directors of
Playing for Change Foundation:

We have compiled the accompanying statement of financial position of the Playing for Change Foundation (a nonprofit organization) as of December 31, 2014 and the related statements of activities and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Organization's financial position, changes in net assets, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

YH Advisors

Huntington Beach, California
July 14, 2015

**PLAYING FOR CHANGE FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2014**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 128,912
Pledges receivable	59,892
Prepaid expenses	<u>1,380</u>
	190,184

NON-CURRENT ASSETS

Website development costs, net of accumulated amortization of \$46,554	<u>11,171</u>
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TOTAL ASSETS

\$ 201,355

NET ASSETS

LIABILITIES

Accounts payable	\$ 7,243
Loan payable	<u>10,000</u>
	17,243

NET ASSETS

Unrestricted net assets	179,112
Temporarily restricted net assets	<u>5,000</u>
	184,112

TOTAL LIABILITIES AND NET ASSETS

\$ 201,355

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**PLAYING FOR CHANGE FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Contributions and grants	\$ 441,256	\$ 222,360	\$ 663,616
Other income	40	--	40
Net assets released from restrictions	<u>217,360</u>	<u>(217,360)</u>	<u>--</u>
TOTAL REVENUE AND SUPPORT	658,656	5,000	663,656
EXPENSES			
Program activities	407,337	--	407,337
General and administrative	147,147	--	147,147
Development and fundraising	<u>105,701</u>	<u>--</u>	<u>105,701</u>
TOTAL EXPENSES	<u>660,185</u>	<u>--</u>	<u>660,185</u>
TOTAL OPERATING NET (LOSS) INCOME	(1,529)	5,000	3,471
NON-OPERATING INCOME	<u>57,017</u>	<u>--</u>	<u>57,017</u>
CHANGE IN NET ASSETS	55,488	5,000	60,488
NET ASSETS AT BEGINNING OF YEAR	<u>123,624</u>	<u>--</u>	<u>123,624</u>
NET ASSETS AT END OF YEAR	<u>\$ 179,112</u>	<u>\$ 5,000</u>	<u>\$ 184,112</u>

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**PLAYING FOR CHANGE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>PROGRAM ACTIVITIES</u>	<u>GENERAL AND ADMINISTRATIVE</u>	<u>DEVELOPMENT AND FUNDRAISING</u>	<u>TOTAL EXPENSES</u>
Direct program activities	\$ 212,831	--	--	\$ 212,831
Personnel	60,512	\$ 29,696	\$ 18,541	108,749
Contract services:				
Management	37,800	16,800	29,400	84,000
PFC Day	47,900	--	31,934	79,834
Legal fees	--	6,458	--	6,458
Accounting fees	--	9,415	--	9,415
Other consulting fees	975	37,788	--	38,763
Office rent	35,895	17,616	10,998	64,509
Travel and meetings	6,909	3,737	5,373	16,019
Supplies	2,314	1,135	709	4,158
Telephone	401	196	123	720
Donor cultivation	--	--	5,455	5,455
Bank and merchant fees	--	6,864	--	6,864
Insurance	--	3,932	--	3,932
Postage	--	1,129	377	1,506
Printing and copying	--	398	1,591	1,989
Taxes, licenses and fees	--	395	--	395
Amortization – website	1,800	8,545	1,200	11,545
Office storage	<u>--</u>	<u>3,043</u>	<u>--</u>	<u>3,043</u>
TOTAL EXPENSES	<u>\$ 407,337</u>	<u>\$ 147,147</u>	<u>\$ 105,701</u>	<u>\$ 660,185</u>

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**PLAYING FOR CHANGE FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 60,488
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Amortization	11,545
Change in operating assets:	
Pledges receivable	(42,627)
Accounts payable	4,993
Deferred rent	<u>(57,017)</u>
Net Cash Used In Operating Activities	(22,618)
 CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds received on loan payable	<u>10,000</u>
Net Cash Provided By Investing Activities	10,000
 NET CHANGE IN CASH AND CASH EQUIVALENTS	 (12,618)
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	 <u>141,530</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	 <u>\$ 128,912</u>

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**PLAYING FOR CHANGE FOUNDATION
FINANCIAL STATEMENT DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2014**

NON-OPERATING INCOME

During the year ended December 31, 2014, the organization terminated a lease agreement with landlord for office space rental. The organization had previously recognized deferred rent and had a remaining liability on the Statement of Financial Position at December 31, 2013 in the amount of \$57,017. Upon termination of the lease in 2014, the organization wrote off the liability and recognized the \$57,017 as non-operating other income.

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