

**PEOPLE'S THEATRE PROJECT, INC.  
FINANCIAL REPORT  
JUNE 30, 2016**

# PEOPLE'S THEATRE PROJECT, INC.

## TABLE OF CONTENTS

	<b>PAGE</b>
INDEPENDENT ACCOUNTANT'S REVIEW REPORT	1
STATEMENTS OF FINANCIAL POSITION	2
STATEMENTS OF ACTIVITIES	3
STATEMENTS OF CASH FLOWS	4
NOTES TO FINANCIAL STATEMENTS	5-6

## Independent Accountant's Review Report

Kevin J. McCoy, CPA

Thomas W. Donovan, CPA

Frank S. Venezia, CPA

James E. Amell, CPA

Carol A. Hausamann, CPA

Daniel J. Litz, CPA

Karl F. Newton, CPA

Kevin P. O'Leary, CPA

Heather R. Lewis, CPA

Heather D. Patten, CPA

To the Board of Directors of  
People's Theatre Project, Inc.

We have reviewed the accompanying financial statements of People's Theatre Project, Inc. (a non-profit organization), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### Management's Responsibility for the Financial Statements

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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

### Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### Accountant's Conclusion

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

*Marvin and Company, P.C.*

Latham, New York  
January 4, 2017

www.marvincpa.com

*An Independent Member  
of the BDO Alliance USA*

**PEOPLE'S THEATRE PROJECT, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2016 AND 2015**

	<b>ASSETS</b>	
	<u>2016</u>	<u>2015</u>
<b>Current Assets</b>		
Cash	\$ 59,964	\$ 31,500
Accounts receivable	63,083	1,760
Grants receivable	32,125	26,200
Pledges receivable	-	50
Security Deposit	2,400	-
Total Current Assets	<u>157,572</u>	<u>59,510</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 157,572</u></u>	<u><u>\$ 59,510</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 16	\$ 329
Total Current Liabilities	<u>16</u>	<u>329</u>
<b>Net Assets</b>		
Net Assets - Unrestricted	153,056	45,681
- Temporarily restricted	4,500	13,500
Total Net Assets	<u>157,556</u>	<u>59,181</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 157,572</u></u>	<u><u>\$ 59,510</u></u>

See independent accountant's review report and accompanying notes to financial statements.

**PEOPLE'S THEATRE PROJECT, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

	<b>2016</b>		
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>Support and Revenue</b>			
Program services	\$ 211,984	\$ -	\$ 211,984
Government grants	118,425	-	118,425
Release from restrictions	9,000	(9,000)	-
Contributions	15,343	-	15,343
Nonprofit organization grants	-	-	-
Foundation grants	63,590	-	63,590
Special event revenue	30,957	-	30,957
Less: Costs of direct benefits to donors	(7,468)	-	(7,468)
Net revenues from special events	23,489	-	23,489
<b>Total Support and Revenue</b>	<b>441,831</b>	<b>(9,000)</b>	<b>432,831</b>
<b>Expenses</b>			
Program services	269,162	-	269,162
Management and general	36,029	-	36,029
Fundraising	29,265	-	29,265
<b>Total Expenses</b>	<b>334,456</b>	<b>-</b>	<b>334,456</b>
<b>Change in Net Assets</b>	<b>107,375</b>	<b>(9,000)</b>	<b>98,375</b>
Net Assets, at Beginning of Year	45,681	13,500	59,181
<b>Net Assets, at End of Year</b>	<b>\$ 153,056</b>	<b>\$ 4,500</b>	<b>\$ 157,556</b>
	<b>2015</b>		
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>Support and Revenue</b>			
Program services	\$ 68,306	\$ -	\$ 68,306
Government grants	97,614	13,500	111,114
Contributions	12,275	-	12,275
Nonprofit organization grants	5,000	-	5,000
Foundation grants	7,505	-	7,505
Special event revenue	7,711	-	7,711
Less: Costs of direct benefits to donors	(9,393)	-	(9,393)
Net revenues from special events	(1,682)	-	(1,682)
<b>Total Support and Revenue</b>	<b>189,018</b>	<b>13,500</b>	<b>202,518</b>
<b>Expenses</b>			
Program services	129,812	-	129,812
Management and general	31,806	-	31,806
Fundraising	17,558	-	17,558
<b>Total Expenses</b>	<b>179,176</b>	<b>-</b>	<b>179,176</b>
<b>Change in Net Assets</b>	<b>9,842</b>	<b>13,500</b>	<b>23,342</b>
Net Assets, at Beginning of Year	35,839	-	35,839
<b>Net Assets, at End of Year</b>	<b>\$ 45,681</b>	<b>\$ 13,500</b>	<b>\$ 59,181</b>

See independent accountant's review report and accompanying notes to financial statements.

**PEOPLE'S THEATRE PROJECT, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

	<b>2016</b>	<b>2015</b>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 98,375	\$ 23,342
Adjustments to reconcile change in net assets to cash provided by operating activities:		
(Increase)/Decrease in:		
Accounts receivable	(61,323)	4,095
Grants receivable	(5,925)	(14,220)
Pledges receivable	50	(50)
Security deposit	(2,400)	-
Increase/(Decrease) in:		
Accounts payable	(313)	329
Cash Provided by Operating Activities	28,464	13,496
<b>Net Increase in Cash</b>	28,464	13,496
Cash, Beginning of Year	31,500	18,004
<b>Cash, End of Year</b>	\$ 59,964	\$ 31,500

**PEOPLE'S THEATRE PROJECT, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016 AND 2015**

**1. NATURE OF ORGANIZATION**

People's Theatre Project, Inc. (the Project) is a community-based 501(c)(3) not-for-profit organization formed in 2009. The Project's team of teaching artists facilitate the creation of social justice theatre with groups of children, teens, and adults in northern Manhattan schools and community centers as a creative vehicle for the participants' self discovery and a platform to have their voices heard on issues affecting their community. The Project derives most of its revenues through billings for the services it provides in community centers, contributions and through city and state agency grants.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Accounting***

The financial statements of the People's Theatre Project, Inc. are prepared using the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

***Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

***Bad Debts***

The People's Theatre Project, Inc. uses the direct write-off method to account for bad debts. Management believes that any allowance would be immaterial and that all amounts reported as receivable are due within the next twelve months. There was no bad debt expense for the year ended June 30, 2016. Bad debt expense was \$23 for the year ended June 30, 2015.

***Contributions***

Unrestricted grants and contributions are recognized as revenue when received. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted revenue.

***Donated Services***

No amounts have been reflected in the financial statements for donated services; however, a number of volunteers have donated their time to assist in the Project's operations, events, and fundraising efforts.

***Advertising Costs***

Advertising costs are expensed as incurred because they are not expected to result in future benefits beyond the time period of the event being advertised. Total advertising costs for the years ended June 30, 2016 and 2015 were \$488 and \$115, respectively.

**PEOPLE'S THEATRE PROJECT, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016 AND 2015**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Income Taxes***

The People's Theatre Project, Inc. is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been determined to be an organization other than a private foundation. Under Accounting Standards Codification Section 740, the tax status of tax-exempt entities is an uncertain tax position, since events could potentially occur that jeopardize their tax-exempt status. Management is not aware of any events that could jeopardize tax-exempt status; therefore, no liability or provision for income tax has been reflected in the financial statements. The Project is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

**3. TEMPORARILY RESTRICTED NET ASSETS**

People's Theatre Project, Inc. received a grant during the year ended June 30, 2015 from the New York State Council on the Arts to support their mission for community-based theatre making. The grant is restricted for the contract term of January 1, 2015 – December 31, 2016. The total amount of the grant was for \$18,000, of which \$4,500 related to the year ended June 30, 2015, and \$9,000 relates to the year ended June 30, 2016; \$4,500 is restricted for the six months ending December 31, 2016.

**4. OPERATING LEASE**

People's Theatre Project, Inc. entered into an operating lease agreement beginning March 15, 2016 and expiring February 28, 2020 for office space. The landlord is substantially responsible for all normal repairs and maintenance expenses. People's Theatre Project, Inc. incurred \$3,000 in rental expense under this lease during the year ended June 30, 2016. Future annual minimum lease payments are as follows:

Year Ending June 30,	
2017	\$ 14,568
2018	15,151
2019	15,757
2020	10,799

**5. CONCENTRATION OF CREDIT RISK**

The People's Theatre Project, Inc. had funds on deposit at local banks of approximately \$60,000 at June 30, 2016. These deposits are fully insured by the Federal Deposit Insurance Corporation.

**6. SUBSEQUENT EVENTS**

Management has evaluated events subsequent to the statement of financial position date of June 30, 2016 through January 4, 2017, which is the date these financial statements were available to be issued, and has determined that there are no subsequent events that require recording or disclosure.