

**PEOPLE'S THEATRE PROJECT, INC.
FINANCIAL REPORT
JUNE 30, 2017**

PEOPLE'S THEATRE PROJECT, INC.

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Independent Accountant's Review Report

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, 2017 and 2016, 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
November 17, 2017

PEOPLE'S THEATRE PROJECT, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016

| | ASSETS | |
|---|--------------------------|--------------------------|
| | <u>2017</u> | <u>2016</u> |
| Current Assets | | |
| Cash | \$ 135,720 | \$ 59,964 |
| Accounts receivable | 26,943 | 63,083 |
| Grants receivable | 46,793 | 32,125 |
| Security deposit | 2,400 | 2,400 |
| Total Current Assets | <u>211,856</u> | <u>157,572</u> |
| | | |
| TOTAL ASSETS | <u><u>\$ 211,856</u></u> | <u><u>\$ 157,572</u></u> |
| | | |
| LIABILITIES AND NET ASSETS | | |
| Current Liabilities | | |
| Accounts payable | \$ 270 | \$ 16 |
| Total Current Liabilities | <u>270</u> | <u>16</u> |
| | | |
| Net Assets | | |
| Net assets - Unrestricted | 197,836 | 153,056 |
| - Temporarily restricted | 13,750 | 4,500 |
| Total Net Assets | <u>211,586</u> | <u>157,556</u> |
| | | |
| TOTAL LIABILITIES AND NET ASSETS | <u><u>\$ 211,856</u></u> | <u><u>\$ 157,572</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, 2017 AND 2016

| | 2017 | | |
|--|-------------------|------------------------|-------------------|
| | Unrestricted | Temporarily Restricted | Total |
| Support and Revenue | | | |
| Program services | \$ 303,948 | \$ - | \$ 303,948 |
| Government grants | 145,450 | 13,750 | 159,200 |
| Release from restrictions | 4,500 | (4,500) | - |
| Contributions | 30,540 | - | 30,540 |
| Foundation grants | 91,900 | - | 91,900 |
| Total Support and Revenue | <u>576,338</u> | <u>9,250</u> | <u>585,588</u> |
| Expenses | | | |
| Program services | 377,328 | - | 377,328 |
| Management and general | 83,854 | - | 83,854 |
| Fundraising | 70,376 | - | 70,376 |
| Total Expenses | <u>531,558</u> | <u>-</u> | <u>531,558</u> |
| Change in Net Assets | 44,780 | 9,250 | 54,030 |
| Net Assets, at Beginning of Year | <u>153,056</u> | <u>4,500</u> | <u>157,556</u> |
| Net Assets, at End of Year | <u>\$ 197,836</u> | <u>\$ 13,750</u> | <u>\$ 211,586</u> |
| | | | |
| | 2016 | | |
| | Unrestricted | Temporarily Restricted | Total |
| Support and Revenue | | | |
| Program services | \$ 211,984 | \$ - | \$ 211,984 |
| Government grants | 118,425 | - | 118,425 |
| Release from restrictions | 9,000 | (9,000) | - |
| Contributions | 15,343 | - | 15,343 |
| 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 | <u>23,489</u> | <u>-</u> | <u>23,489</u> |
| Total Support and Revenue | <u>441,831</u> | <u>-</u> | <u>432,831</u> |
| Expenses | | | |
| Program services | 269,162 | - | 269,162 |
| Management and general | 36,029 | - | 36,029 |
| Fundraising | 29,265 | - | 29,265 |
| Total Expenses | <u>334,456</u> | <u>-</u> | <u>334,456</u> |
| Change in Net Assets | 107,375 | (9,000) | 98,375 |
| Net Assets, at Beginning of Year | <u>45,681</u> | <u>13,500</u> | <u>59,181</u> |
| Net Assets, at End of Year | <u>\$ 153,056</u> | <u>\$ 4,500</u> | <u>\$ 157,556</u> |

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, 2017 AND 2016

| | <u>2017</u> | <u>2016</u> |
|---|-------------------|------------------|
| Cash Flows From Operating Activities | | |
| Change in net assets | \$ 54,030 | \$ 98,375 |
| Adjustments to reconcile change in net assets to cash provided by operating activities: | | |
| (Increase)/Decrease in: | | |
| Accounts receivable | 36,140 | (61,323) |
| Grants receivable | (14,668) | (5,925) |
| Pledges receivable | - | 50 |
| Security deposit | - | (2,400) |
| Increase/(Decrease) in: | | |
| Accounts payable | 254 | (313) |
| Cash Provided by Operating Activities | <u>75,756</u> | <u>28,464</u> |
| Net Increase in Cash | 75,756 | 28,464 |
| Cash, Beginning of Year | <u>59,964</u> | <u>31,500</u> |
| Cash, End of Year | <u>\$ 135,720</u> | <u>\$ 59,964</u> |

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

PEOPLE'S THEATRE PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

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 and government 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 years ended June 30, 2017 and 2016.

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, 2017 and 2016 were \$1,234 and \$488, respectively.

PEOPLE'S THEATRE PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reclassifications

Certain accounts relating to the prior year have been reclassified to conform to the current year's presentation. The reclassifications have no effect on net income.

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 was restricted for the contract term of January 1, 2015 – December 31, 2016. The total amount of the grant was \$18,000, of which \$4,500 related to the year ended June 30, 2015, and \$9,000 related to the year ended June 30, 2016; \$4,500 was restricted for the six months ending December 31, 2016. People's Theatre Project, Inc. also received a grant from the New York State Council on the Arts to support general operations, and is restricted for the contract term of January 1, 2017 – December 31, 2017. The total amount of the grant was \$27,500, of which \$13,750 relates to the year ended June 30, 2017, and \$13,750 relates to the year ending June 30, 2018; \$13,750 is restricted for the six months ending December 31, 2017.

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 \$14,568 and \$3,000 in rental expense under this lease during the years ended June 30, 2017 and 2016, respectively. Future annual minimum lease payments are as follows:

| | | |
|----------------------|----|--------|
| Year Ending June 30, | | |
| 2018 | \$ | 15,151 |
| 2019 | | 15,757 |
| 2020 | | 10,799 |

5. CONCENTRATION OF CREDIT RISK

The People's Theatre Project, Inc. has funds on deposit at local banks. These deposits are fully insured by the Federal Deposit Insurance Corporation as of June 30, 2017 and 2016. At times during the year, these funds may exceed federally insured limits.

PEOPLE'S THEATRE PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

6. SUBSEQUENT EVENTS

Management has evaluated events subsequent to the statement of financial position date of June 30, 2017 through November 17, 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.