

**PEOPLE'S THEATRE PROJECT, INC.
FINANCIAL REPORT
JUNE 30, 2018**

PEOPLE'S THEATRE PROJECT, INC.

TABLE OF CONTENTS

	PAGE
INDEPENDENT ACCOUNTANT'S REVIEW REPORT	1
STATEMENTS OF FINANCIAL POSITION	2
STATEMENTS OF ACTIVITIES	3
STATEMENTS OF CASH FLOWS	4
NOTES TO FINANCIAL STATEMENTS	5-8

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 nonprofit organization), which comprise the statements of financial position as of June 30, 2018 and 2017, 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 these 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
February 5, 2019

PEOPLE'S THEATRE PROJECT, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

	ASSETS	
	2018	2017
Current Assets		
Cash	\$ 130,098	\$ 135,720
Accounts receivable	45,784	26,943
Grants receivable	145,910	46,793
Security deposits	12,650	2,400
Prepaid expenses	3,338	-
Total Current Assets	337,780	211,856
Equipment, net of accumulated depreciation of \$215 and \$0, respectively	4,221	-
TOTAL ASSETS	\$ 342,001	\$ 211,856

LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 5,555	\$ 270
Accrued payroll	5,095	-
Total Current Liabilities	10,650	270
Net Assets		
Net assets - Unrestricted	237,976	197,836
- Temporarily restricted	93,375	13,750
Total Net Assets	331,351	211,586
TOTAL LIABILITIES AND NET ASSETS	\$ 342,001	\$ 211,856

PEOPLE'S THEATRE PROJECT, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018		
	Unrestricted	Temporarily Restricted	Total
Support and Revenue			
Program services	\$ 146,347	\$ -	\$ 146,347
Government grants	219,300	13,750	233,050
Release from restrictions	13,750	(13,750)	-
Contributions	64,899	-	64,899
Foundation grants	113,625	79,625	193,250
Other revenue	8,354	-	8,354
Total Support and Revenue	<u>566,275</u>	<u>79,625</u>	<u>645,900</u>
Expenses			
Program services	434,537	-	434,537
Management and general	55,025	-	55,025
Fundraising	36,573	-	36,573
Total Expenses	<u>526,135</u>	<u>-</u>	<u>526,135</u>
Change in Net Assets	40,140	79,625	119,765
Net Assets, at Beginning of Year	<u>197,836</u>	<u>13,750</u>	<u>211,586</u>
Net Assets, at End of Year	<u>\$ 237,976</u>	<u>\$ 93,375</u>	<u>\$ 331,351</u>
	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>

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, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Cash Flows Provided (Used) By Operating Activities		
Change in net assets	\$ 119,765	\$ 54,030
Adjustments to reconcile change in net assets to cash (used) provided by operating activities:		
Depreciation	215	-
(Increase)/Decrease in:		
Accounts receivable	(18,841)	36,140
Grants receivable	(99,117)	(14,668)
Security deposits	(10,250)	-
Prepaid expenses	(3,338)	-
Increase/(Decrease) in:		
Accounts payable and accrued expenses	5,285	254
Accrued payroll	5,095	-
Cash (Used) Provided By Operating Activities	<u>(1,186)</u>	<u>75,756</u>
Cash Flows (Used) By Investing Activities		
Purchase of equipment	<u>(4,436)</u>	-
Net Cash (Used) By Investing Activities	<u>(4,436)</u>	-
Net (Decrease) Increase in Cash	(5,622)	75,756
Cash, Beginning of Year	<u>135,720</u>	<u>59,964</u>
Cash, End of Year	<u>\$ 130,098</u>	<u>\$ 135,720</u>

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

**PEOPLE'S THEATRE PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

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 support and revenue through grants and program services related to its exempt purpose.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Equipment

Equipment is recorded at cost, if purchased, or at fair market value, if donated. The Project currently evaluates acquisitions of equipment on an item by item basis. Amounts expended for normal repairs and maintenance which do not extend useful life are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful life of five years. Depreciation expense was \$215 for the year ended June 30, 2018. There was no depreciation for the year ended June 30, 2017.

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.

Receivables and Bad Debts

Receivables are primarily due from grantors. 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 and are collectable in full. There was no bad debt expense or allowance for uncollectable receivables for the years ended June 30, 2018 and 2017.

Revenue Recognition

Program Service

Revenue from program services is recorded in the period earned.

PEOPLE'S THEATRE PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

Grants and Contributions

Unrestricted grants and contributions are recognized as revenue when received, and are considered to be available for unrestricted use unless specifically restricted by the donor. Restricted grants and contributions are reported as an increase in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as released from restrictions. Donor restricted grants and 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, 2018 and 2017 were \$38 and \$1,234, respectively.

Functional Expenses

The costs of providing program services and other activities have been summarized on a functional basis in the statements of activities. Expenses are charged to program services or supporting services based on direct expenditures incurred. Any expenses not directly chargeable are allocated to program services or supporting services based upon each services' ratio of total expenses incurred.

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 the change in net assets.

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.

**PEOPLE'S THEATRE PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

3. TEMPORARILY RESTRICTED NET ASSETS

People's Theatre Project, Inc. received a grant from the New York State Council on the Arts to support general operations, which was 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 related to the year ended June 30, 2017, and \$13,750 related to the year ending June 30, 2018; \$13,750 was released from restrictions on December 31, 2017. The Project then received another grant from the same Council for \$27,500 which was restricted for the contract term of January 1, 2018 – December 31, 2018. \$13,750 related to the year ended June 30, 2018, and \$13,750 relates to the year ending June 30, 2019; \$13,750 is restricted for the six months ending December 31, 2018.

The Project received a grant from the Partnership for Parks to support general operations, which is restricted for the contract term of September 1, 2017 – December 31, 2019. The total amount of the grant was \$4,250, of which \$2,125 related to the year ended June 30, 2018, and \$2,125 relates to and was restricted for the eighteen months ending December 31, 2019.

The Project received a grant from the Pinkerton Foundation to support general operations, which is restricted for the contract term of December 1, 2017 – September 30, 2019. The total amount of the grant was \$35,000, of which \$17,500 related to the year ended June 30, 2018, and \$17,500 relates to and was restricted for the fifteen months ending September 30, 2019.

The Project received a grant from the Catalog for Giving Foundation to support general operations, which is for the contract term of January 1, 2018 – December 31, 2020. The total amount of the grant award is \$180,000, of which \$120,000 was received during the year ended June 30, 2018. From the grant proceeds received, \$60,000 related to the year ended June 30, 2018, and \$60,000 relates to the year ending June 30, 2019; \$60,000 was restricted for the six months ending June 30, 2019.

4. OPERATING LEASE

People's Theatre Project, Inc. leases office space under operating leases expiring through December 31, 2021. The landlord is substantially responsible for all normal repairs and maintenance expenses. People's Theatre Project, Inc. incurred \$31,551 and \$14,568 in rental expense under these leases during the years ended June 30, 2018 and 2017, respectively. Future annual minimum lease payments are as follows:

Year Ending June 30,	
2019	\$ 49,856
2020	51,850
2021	52,985
2022	18,540

**PEOPLE'S THEATRE PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

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, 2018 and 2017 . At times during the year, these funds may exceed federally insured limits.

6. SUBSEQUENT EVENTS

Management has evaluated events subsequent to the statement of financial position date of June 30, 2018 through February 5, 2019, 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.