

PHILADELPHIA YOUNG PLAYWRIGHTS
FINANCIAL STATEMENTS
AUGUST 31, 2017
(With Summarized Comparative Information for 2016)

**PHILADELPHIA YOUNG PLAYWRIGHTS
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Philadelphia Young Playwrights

We have audited the accompanying financial statements of Philadelphia Young Playwrights (a nonprofit organization), which comprise the statement of financial position as of August 31, 2017, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Philadelphia Young Playwrights as of August 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

The financial statements of Philadelphia Young Playwrights as of August 31, 2016 were audited by other auditors, whose report dated January 19, 2017, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2016, is consistent, in all material respects with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on page 16 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The prior year summarized comparative information has been derived from the Organization's 2016 financial statements.



Brinker Simpson & Company, LLC
Springfield, Pennsylvania
April 2, 2018

**PHILADELPHIA YOUNG PLAYWRIGHTS
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2017 AND 2016**

	2017	2016
<u>ASSETS</u>		
Assets		
Current Assets:		
Cash	\$ 39,039	\$ 38,849
Accounts receivable	5,250	18,693
Unconditional promises to give, current portion	245,000	255,000
Prepaid expenses	1,433	2,102
Total Current Assets	290,722	314,644
Office equipment and leasehold improvements, net	124,375	157,618
Deposits	11,097	11,097
Unconditional promises to give, long-term	380,000	20,000
Beneficial interest in Community Foundation - Unrestricted	11,445	10,739
Beneficial interest in Community Foundation - Restricted	363,835	335,320
Total Assets	\$ 1,181,474	\$ 849,418
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities		
Current Liabilities:		
Line of credit	\$ 99,500	\$ 50,000
Accounts payable and accrued expenses	38,290	22,667
Total Current Liabilities	137,790	72,667
Net Assets:		
Unrestricted	16,685	104,267
Temporarily restricted	731,950	379,435
Permanently restricted	295,049	293,049
Total Net Assets	1,043,684	776,751
Total Liabilities and Net Assets	\$ 1,181,474	\$ 849,418

See notes to financial statements.

PHILADELPHIA YOUNG PLAYWRIGHTS
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED AUGUST 31, 2017
(With Summarized Comparative Information for 2016)

	2017			2016	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Support					
Contributions	\$ 420,849	\$ 587,500	\$ 2,000	\$ 1,010,349	\$ 385,553
Contracts	87,125	-	-	87,125	67,925
Grants	22,974	40,000	-	62,974	57,668
Total Support	530,948	627,500	2,000	1,160,448	511,146
Revenues					
Contract services	8,675	-	-	8,675	31,579
Special event and other	15,099	-	-	15,099	45,702
Investment income	143	-	-	143	398
Net assets released from restrictions	312,113	(312,113)	-	-	-
Total Revenues	336,030	(312,113)	-	23,917	77,679
Total Support and Revenues	866,978	315,387	2,000	1,184,365	588,825
Expenses					
Program services	768,523	-	-	768,523	829,430
Development	73,191	-	-	73,191	74,698
General and administrative	113,998	-	-	113,998	125,550
Total Expenses	955,712	-	-	955,712	1,029,678
Changes in Net Assets Before Other Income	(88,734)	315,387	2,000	228,653	(440,853)
Other Income					
Realized and unrealized gains in the Beneficial Interest in Community Foundation	1,152	37,128	-	38,280	12,182
Changes in Net Assets	(87,582)	352,515	2,000	266,933	(428,671)
Net Assets, Beginning	104,267	379,435	293,049	776,751	1,205,422
Net Assets, Ending	\$ 16,685	\$ 731,950	\$ 295,049	\$ 1,043,684	\$ 776,751

See notes to financial statements.

**PHILADELPHIA YOUNG PLAYWRIGHTS
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2017 AND 2016**

	2017	2016
Cash Flows from Operating Activities		
Changes in net assets	\$ 266,933	\$ (428,671)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	35,101	54,921
Realized and unrealized gains in the Beneficial Interest in Community Foundation	(38,280)	(12,182)
Changes in operating assets and liabilities:		
Accounts receivable	13,443	(4,769)
Unconditional promises to give	(350,000)	457,500
Prepaid expenses	669	2,600
Accounts payable and accrued expenses	15,623	(2,831)
Deferred revenue	-	(3,500)
	(56,511)	63,068
Cash Flows from Investing Activities		
Acquisition of office equipment and leasehold improvements	(1,858)	(15,773)
Purchase of investments	(2,000)	(35,000)
Sale of investments	11,059	48,739
	7,201	(2,034)
Cash Flows Provided by Financing Activities		
Net borrowings (repayments) on line of credit	49,500	(25,910)
	190	35,124
Net Changes in Cash	190	35,124
Cash, Beginning	38,849	3,725
Cash, Ending	\$ 39,039	\$ 38,849
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the year for:		
Interest	\$ 4,236	\$ 2,309

See notes to financial statements.

**PHILADELPHIA YOUNG PLAYWRIGHTS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2017 AND 2016**

NOTE 1: ORGANIZATION

Nature of Operations

Philadelphia Young Playwrights (the "Organization") seeks to tap the potential of youth and inspire learning through playwriting. The Organization's programs promote literacy, creativity, problem solving, self-esteem, theater skills and motivation for students with varying academic abilities in grades K-12 in an engaging and inspiring across-the-curriculum format. The Organization also seeks to provide teachers with a fresh perspective on their teaching, and offers professional development opportunities for teachers to learn to incorporate arts education into the classroom and across curricula. The Organization annually operates programs in as many as 50 Philadelphia and suburban public, private and parochial schools.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization's financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis of Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets that are based upon the existence or absence of restrictions on the use that are placed by its donors: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets are resources available to support operations.

Temporarily restricted net assets include contributions which are restricted as to use by the donor. When a donor restriction expires, that is, when a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions in the Statements of Activities and Changes in Net Assets.

Permanently restricted net assets result from contributions that are restricted by donor imposed stipulations that neither expire by the passage of time nor can be removed by the Board of Directors. The realized and unrealized gain (loss) from permanently restricted net assets is recorded in the Statements of Activities and Changes in Net Assets as a change in temporarily restricted net assets.

**PHILADELPHIA YOUNG PLAYWRIGHTS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2017 AND 2016**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets, and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Indirect expenses have been allocated using either actual personnel time or facility usage by each program.

Support and Revenue Recognition

Contributions, including unconditional promises to give, are recorded as revenue when the unconditional promise to give is received. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. All contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets, depending upon the nature of the restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities and Changes in Net Assets as net assets released from restrictions. Temporarily restricted contributions, whose restrictions are met within the same year as received, are reflected as unrestricted contributions and/or grants in the accompanying financial statements.

Promises to Give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. There were no discounts recorded as of August 31, 2017 and 2016.

Management provides an allowance for uncollectible promises to give based on its assessment of the current status of individuals' promises to give. When collection efforts have been exhausted, the accounts are written off. As of August 31, 2017 and 2016, no allowance was recorded.

**PHILADELPHIA YOUNG PLAYWRIGHTS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2017 AND 2016**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense was \$12,007 and \$17,242 in 2017 and 2016, respectively.

Accounts Receivable

Accounts receivable represents amounts known to be collectible by management for services rendered. Management provides an allowance for uncollectible receivables based on its assessment of the current status of individual accounts. When all collection efforts have been exhausted, the accounts are written off. The Organization considers accounts receivable to be fully collectible. Accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible they will be written off when that determination is made.

Office Equipment and Leasehold Improvements

Office equipment and leasehold improvements with a cost of at least \$1,000 and have a useful life greater than one year are capitalized and stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets (3-5 years). Amortization of leasehold improvements is computed using the straight-line method over the shorter of the remaining lease term, including any option periods, or the estimated useful lives of the improvements (3-9 years). When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in the Statements of Activities and Changes in Net Assets. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized. Minor equipment purchases are expensed in the period they are acquired.

In-Kind Contributions and Donated Services

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

**PHILADELPHIA YOUNG PLAYWRIGHTS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2017 AND 2016**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. There was no unrelated business income for fiscal years ended August 31, 2017 and 2016. Therefore, no provision for income taxes is reflected in these financial statements.

GAAP requires tax effects from an uncertain tax position to be recognized in the financial statements only if the position is more-likely-than-not to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged. If an uncertain tax position meets the more-likely-than-not threshold, the largest amount of tax benefit that is greater than 50% likely to be recognized upon ultimate settlement with the taxing authority is recorded. The Organization's primary tax positions relate to its status as a not-for-profit entity exempt from income taxes and classification of activities related to its exempt purpose. Management has evaluated the tax positions reflected in the Organization's tax filings and does not believe that any material uncertain tax positions exist as of August 31, 2017.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended August 31, 2016, from which the summarized information was derived.

NOTE 3: CONCENTRATIONS

Credit Risk

The Organization maintains its cash in bank accounts which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per institution. The Organization has not experienced any losses in such accounts.

**PHILADELPHIA YOUNG PLAYWRIGHTS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2017 AND 2016**

NOTE 3: CONCENTRATIONS (Continued)

Significant Contributors

A significant portion of the Organization's support and revenue and unconditional promises to give are from a limited number of contributors. Revenue as a percentage of total net support and revenue and unconditional promises to give as a total of net unconditional promises to give were as follows for significant contributors at August 31, 2017 and 2016, and during the years then ended:

	Contributions		Unconditional Promises to Give	
	2017	2016	2017	2016
Contributor A	64%	<10%	89%	55%
Contributor B	<10%	<10%	<10%	14%
Contributor C	<10%	<10%	<10%	<10%
Contributor D	<10%	<10%	<10%	<10%
Contributor E	<10%	<10%	<10%	<10%

NOTE 4: UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give as of August 31, 2017 and 2016 amounted to \$625,000 and \$275,000, respectively.

Unconditional promises to give will be received as follows:

For the Years Ending August 31:	Amount
2018	\$ 425,000
2019	200,000
	\$ 625,000

NOTE 5: OFFICE EQUIPMENT AND LEASEHOLD IMPROVEMENTS

	2017	2016
Office equipment	\$ 110,085	\$ 108,227
Leasehold improvements	171,182	171,182
	281,267	279,409
Less: accumulated depreciation and amortization	156,892	121,791
	\$ 124,375	\$ 157,618

Depreciation and amortization expense for the years ended August 31, 2017 and 2016 totaled \$35,101 and \$54,921, respectively, and is reflected in the Statements of Functional Expenses.

**PHILADELPHIA YOUNG PLAYWRIGHTS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2017 AND 2016**

NOTE 6: BENEFICIAL INTEREST IN COMMUNITY FOUNDATION

During the year ended August 31, 2003, the Organization transferred donor-restricted funds of \$156,506 to the Philadelphia Foundation (the "Community Foundation") into two endowments. Under the terms of the endowment fund agreements, the Community Foundation will provide annually to the Organization, a return of 5% as long as the Community Foundation maintains its present 501 (c)(3) status. Given the inability to compute the present value of the income stream, the beneficial interest has been recorded on the Statements of Financial Position as permanently restricted support at the fair value of the Organization's proportionate share. As of August 31, 2017 and 2016, the value of the beneficial interest was \$363,835 and \$335,320, respectively. The realized and unrealized gain in the beneficial interest for the years ended August 31, 2017 and 2016 of \$37,128 and \$12,345, respectively, is recorded in the Statements of Activities and Changes in Net Assets as a change in temporarily restricted net assets. During the years ended August 31, 2017 and 2016, contributions were made to the endowment in the amount of \$2,000 and \$25,000, respectively, and are recorded as permanently restricted in the Statements of Activities and Changes in Net Assets.

As of August 31, 2017, \$10,000 of unconditional promise to give to be received in 2018 will be invested in the Community Foundation as required by the donor.

During the year ended August 31, 2005, the Organization transferred an additional \$134,000 to the Community Foundation as an unrestricted short-term investment. Given the inability to compute the present value of the income stream, the beneficial interest has been recorded on the Statements of Financial Position at the fair value of the Organization's proportionate share. As of August 31, 2017 and 2016, the value of the beneficial interest was \$11,445 and \$10,739, respectively. The realized and unrealized loss in the beneficial interest for the years ended August 31, 2017 of \$1,152 and August 31, 2016 of \$(163) is recorded in the Statements of Activities and Changes in Net Assets as a change in unrestricted net assets.

**PHILADELPHIA YOUNG PLAYWRIGHTS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2017 AND 2016**

NOTE 7: FAIR VALUE MEASUREMENT

The Organization identifies two kinds of inputs that are used to determine the fair value of assets and liabilities: observable and unobservable. Observable inputs are based on market data or independent sources while unobservable inputs are based on the Organization's own market assumptions. Once inputs have been characterized, the Organization requires entities to prioritize the inputs used to measure fair value into one of the three broad levels (provided in the table below).

The following table provides fair value measurement information for the Organization's major categories of financial assets measured on a recurring basis:

Level 1: Observable inputs that are based upon quoted market prices for identical assets or liabilities within active markets.

Level 2: Observable inputs other than Level 1 that are based upon quoted market prices for similar assets or liabilities, based upon quoted prices within inactive markets, or inputs other than quoted market prices that are observable through market data for substantially the full term of the asset or liability.

Level 3: Inputs that are unobservable for the particular asset or liability due to little or no market activity and are significant to the fair value of the asset or liability. These inputs reflect assumptions that market participants would use when valuing the particular asset or liability.

Fair value measurements at reporting date using:

	Level 3 Significant Unobservable Inputs	
	2017	2016
Assets:		
Beneficial Interest in Community Foundation - Unrestricted	\$ 11,445	\$ 10,739
Beneficial Interest in Community Foundation - Permanently Restricted	\$ 363,835	\$ 335,320

**PHILADELPHIA YOUNG PLAYWRIGHTS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2017 AND 2016**

NOTE 7: FAIR VALUE MEASUREMENT (Continued)

Fair value measurements using significant unobservable inputs (Level 3):

	Beneficial Interest in Community Foundation Unrestricted	Beneficial Interest in Community Foundation Permanently Restricted
Balance - August 31, 2015	\$ 48,902	\$ 298,714
Realized and unrealized loss	(163)	12,345
Receipts	-	35,000
Distributions	(38,000)	(10,739)
Balance - August 31, 2016	<u>10,739</u>	<u>335,320</u>
Realized and unrealized loss	1,152	37,128
Receipts	-	2,000
Distributions	(446)	(10,613)
Balance - August 31, 2017	<u><u>\$ 11,445</u></u>	<u><u>\$ 363,835</u></u>

The realized and unrealized gains in the Beneficial Interest in Community Foundation are recorded as other charges in the Statements of Activities and Changes in Net Assets.

NOTE 8: RESTRICTED NET ASSETS

Permanently restricted net assets consist of an endowment fund held for investments in the Community Foundation (see Note 6). The principal of the restricted endowment is to be held in perpetuity. The investment income and unrealized gains and losses from the restricted endowment are classified as temporarily restricted net assets until it is used for its specific purpose. The income from the unrestricted endowment is to be expendable for general purposes.

Temporarily restricted net assets at August 31, 2017 and 2016 are donor restricted for use in future years or for certain art education and playwriting programs.

NOTE 9: COMMITMENTS

The Organization entered into an operating lease agreement in Philadelphia for office and studio space that commenced in August 2014 and expires in July 2019, with two year renewal options for a maximum of four additional years. The Organization's base rent will be reduced by approximately \$9,000 each year as a result of a contribution made by an unrelated organization to the lessor.

**PHILADELPHIA YOUNG PLAYWRIGHTS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2017 AND 2016**

NOTE 9: COMMITMENTS (continued)

The Organization also leases a copier from an unrelated lessor. The Organization had a five year copier lease expiring in March 2017, with minimum monthly payments of \$316. In May 2016, the equipment was replaced and a new five year lease was signed expiring in June 2021, with minimum monthly payments of \$298.

Rent expense for all operating leases was \$65,406 and \$64,295 for the years ended August 31, 2017 and 2016, respectively.

Future minimum rentals for the above leases are approximately as follows:

For the Years Ending August 31:	Amount
2018	\$ 67,778
2019	69,353
2020	3,579
2021	2,386
	\$ 143,096

NOTE 10: LINE OF CREDIT

The Organization has a line of credit totaling \$100,000 under which the Organization may borrow at the bank's floating prime rate of interest plus 4.75% (5.75% as of August 31, 2017). The line of credit is collateralized by substantially all the assets of the Organization. The amounts outstanding under this line of credit were \$99,500 and \$50,000 at August 31, 2017 and 2016, respectively. The line of credit agreement matures on January 29, 2018.

Effective April 2, 2018, the Organization modified its line of credit and established a line of credit note with its bank. The Organization may borrow a maximum principal sum up to \$75,000. The note shall bear interest on the outstanding principal balance calculated at the floating rate equal to the "Wall Street Journal Prime Rate" plus 1.5% per annum. The interest rate shall never be less than 4.75% during the term of the line of credit note. The Organization will make monthly principal payments of \$1,000 plus all accrued interest beginning February 1, 2018 and each month thereafter until October 30, 2018, the maturity date of the note. The bank may extend the maturity date at its discretion. In April 2018, the Organization made a principal payment on the former line of credit in order to reduce the outstanding principal balance to \$75,000. The note is collateralized by all of the assets of the Organization.

**PHILADELPHIA YOUNG PLAYWRIGHTS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2017 AND 2016**

NOTE 11: EMPLOYEE BENEFIT PLAN

The Organization sponsors a SIMPLE IRA Plan (the Plan) covering all employees with at least 3 months of service who agree to make contributions to the Plan. The Organization makes a contribution to the Plan each year equal to 2% of all participants' compensation. Total expense for the years ended August 31, 2017 and 2016, was \$5,564 and \$6,202, respectively, and is included as a component of payroll taxes and benefits in the Statements of Functional Expenses.

NOTE 12: SUBSEQUENT EVENTS

Management evaluated subsequent events through April 2, 2018, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

PHILADELPHIA YOUNG PLAYWRIGHTS
SCHEDULES OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2017
(With Summarized Comparative Information for 2016)

	2017				2016
	Program Services	Development	General and Administrative	Total	Total
Salaries	\$ 319,867	\$ 41,009	\$ 49,210	\$ 410,086	\$ 446,276
Payroll taxes and benefits	66,053	8,468	10,162	84,683	85,659
Independent contractors	128,332	4,000	26,733	159,065	162,537
Advertising and marketing	9,365	1,201	1,441	12,007	17,242
Insurance	5,795	743	892	7,430	5,366
Interest	-	-	4,236	4,236	2,309
Office expense	20,751	2,660	3,192	26,603	42,977
Postage	4,731	606	728	6,065	3,598
Printing	1,044	134	161	1,339	3,340
Professional fees	7,196	922	1,107	9,225	37,250
Program expenses	106,494	769	922	108,185	77,379
Rent and utilities	54,264	6,957	8,348	69,569	66,848
Repairs and maintenance	3,754	481	577	4,812	-
Telephone	8,001	1,026	1,231	10,258	11,179
Travel	5,497	705	846	7,048	12,797
Depreciation and amortization	27,379	3,510	4,212	35,101	54,921
	\$ 768,523	\$ 73,191	\$ 113,998	\$ 955,712	\$ 1,029,678

See independent auditor's report.