

FOLKSBIENE YIDDISH THEATRE, INC.

(d/b/a National Yiddish Theatre Folksbiene)

Financial Statements

June 30, 2018

FOLKSBIENE YIDDISH THEATRE, INC.

(d/b/a National Yiddish Theatre Folksbiene)

Financial Statements

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Independent Auditor's Report

The Board of Trustees
Folksbiene Yiddish Theatre, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Folksbiene Yiddish Theatre, Inc. (the "Organization", a nonprofit organization, d/b/a National Yiddish Theatre Folksbiene), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 Folksbiene Yiddish Theatre, Inc. at June 30, 2018 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

We have previously audited The Folksbiene Yiddish Theatre, Inc.'s 2017 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated January 26, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived

Rogoff & Company PC

New York, New York
February 26, 2019

Folksbiene Yiddish Theatre, Inc
(d/b/a National Yiddish Theatre Folksbiene)

Statement of Financial Position

June 30, 2018

(with comparative totals as of June 30, 2017)

	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 725,230	\$ 760,675
Grants and contributions receivable	345,696	190,575
Other receivables	73,766	37,610
Prepaid expenses	117,604	68,892
Security deposits	68,277	51,547
Deferred production costs	384,592	141,317
Investments, at fair value	822	11,021
Property and equipment, net	<u>23,815</u>	<u>14,934</u>
 Total assets	 <u>\$ 1,739,802</u>	 <u>\$ 1,276,571</u>
Accounts payable and accrued expenses	\$ 101,375	\$ 59,401
Deferred revenue	386,156	18,522
Security deposit payable	<u>12,695</u>	<u>12,695</u>
Total liabilities	500,226	90,618
 Net assets:		
Unrestricted	<u>1,239,576</u>	<u>1,185,953</u>
 Total liabilities and net assets	 <u>\$ 1,739,802</u>	 <u>\$ 1,276,571</u>

The accompanying notes are an integral part of these financial statements.

Folksbiene Yiddish Theatre, Inc
(d/b/a National Yiddish Theatre Folksbiene)

Statement of Activities

Year Ended June 30, 2018

(with comparative totals for the year ended June 30, 2017)

	2018	2017
Operating activities		
Revenues and Support		
Support		
Fundraising events	\$ 520,863	\$ 708,230
Cost of direct benefits	(34,742)	(94,582)
	486,121	613,648
Grants and contributions	882,018	792,933
In-kind contributions	64,400	64,400
	1,432,539	1,470,981
Program service revenue		
Ticket sales	283,251	272,899
Outreach	128,950	94,973
	412,201	367,872
Other revenue		
Membership dues	41,138	23,376
Interest and dividends	1,521	1,880
	42,659	25,256
Total revenues and support	1,887,399	1,864,109
Expenses		
Program services	1,088,918	942,075
Supporting Services		
General administrative	557,617	780,790
Fundraising	187,166	139,763
	1,833,701	1,862,628
Change in unrestricted net assets from operating activities	53,698	1,481
Nonoperating activities		
Net realized and unrealized loss on investments	(75)	(40,125)
Change in unrestricted net assets	53,623	(38,644)
Unrestricted net assets, beginning of year	1,185,953	1,224,597
Unrestricted net assets, end of year	\$ 1,239,576	\$ 1,185,953

The accompanying notes are an integral part of these financial statements.

Folksbiene Yiddish Theatre, Inc
(d/b/a National Yiddish Theatre Folksbiene)

Statement of Functional Expenses

Year Ended June 30, 2018

(with comparative totals for the year ended June 30, 2017)

	Program Services	General Administration	Fund Raising	2018	2017
Salaries and wages	\$ 561,829	\$ 234,905	\$ 125,657	\$ 922,391	\$ 925,199
Payroll taxes	10,465	61,718	-	72,183	90,176
Employee benefits	26,487	24,128	-	50,615	12,752
Actors, performers and tech fees	84,785	-	-	84,785	88,907
Musicians	50,244	-	3,500	53,744	28,991
Professional fees	21,825	29,399	24,631	75,855	156,462
Production expenses	181,089	-	511	181,600	102,341
Occupancy					
Office	32,658	68,735	-	101,393	77,819
Theater	8,611	-	850	9,461	23,271
Advertising and publicity	62,655	651	14,685	77,991	87,735
Office and other expenses	4,102	65,890	8,528	78,520	89,854
Printing, copying and postage	5,929	15,361	7,251	28,541	54,139
Insurance	-	37,051	-	37,051	34,936
Travel, meals and lodging	9,592	6,551	434	16,577	25,425
Catering	17,955	-	-	17,955	21,641
Computer and internet expenses	-	10,413	-	10,413	29,256
Graphic design, photography and videography	6,551	-	1,120	7,671	7,480
Depreciation	4,141	2,814	-	6,955	6,244
	<u>\$ 1,088,918</u>	<u>\$ 557,617</u>	<u>\$ 187,166</u>	<u>\$ 1,833,700</u>	<u>\$ 1,862,628</u>

The accompanying notes are an integral part of these financial statements.

Folksbiene Yiddish Theatre, Inc
(d/b/a National Yiddish Theatre Folksbiene)

Statement of Cash Flows

Year Ended June 30, 2018

(with comparative totals as of June 30, 2017)

	2018	2017
Cash flows from operating activities:		
Change in unrestricted net assets	\$ 53,623	\$ (38,644)
Adjustments to reconcile change in unrestricted net assets to net cash used in operating activities:		
Depreciation expense	6,955	6,244
Disposal of property and equipment	-	6,609
Net realized and unrealized loss on investments	75	40,125
Decrease (increase) in:		
Grants and contributions receivable	(155,121)	17,734
Other receivables	(36,156)	(21,301)
Prepaid expenses	(48,712)	2,108
Security deposits	(16,730)	9,349
Deferred production costs	(243,275)	14,236
Increase (decrease) in:		
Accounts payable and accrued expenses	41,974	(62,887)
Deferred income	367,634	(13,826)
Loans payable	-	(27,125)
Net cash used in operating activities	(29,732)	(67,379)
Cash flows from investing activities:		
Sale of investments	10,123	1,390
Purchase of investments	-	(50,000)
Purchase of property and equipment	(15,836)	(3,220)
Net cash used in investing activities	(5,713)	(51,830)
Net decrease in cash and cash equivalents	(35,445)	(119,209)
Cash and cash equivalents, beginning of year	760,675	879,884
Cash and cash equivalents, end of year	\$ 725,230	\$ 760,675

The accompanying notes are an integral part of these financial statements.

Folksbiene Yiddish Theatre, Inc.
(d/b/a National Yiddish Theatre Folksbiene)

Notes to Financial Statements

June 30, 2018

Note 1. Nature of Activities

Since 1915, the award-winning National Yiddish Theatre Folksbiene (NYTF) has presented a window into the world of Jewish culture by engaging, educating, and igniting the imaginations of generations of theatergoers. It is the longest consecutively-producing Yiddish theatre company in the world and New York City's longest consecutively producing performing arts company. NYTF presents plays, musicals, concerts, literary events and workshops in English, Yiddish, Ladino, Hebrew and Russian, with English and Russian supertitles accompanying most performances.

Folksbiene Yiddish Theatre, Inc.'s mission is to celebrate the Yiddish experience through the performing arts by transmitting the rich cultural legacy in exciting new ways that bridge social and cultural divides.

Folksbiene Yiddish Theatre, Inc. (the "Organization") fulfills this mission by:

- Sustaining Yiddish culture through the arts;
- Bridging diverse communities through multicultural programming;
- Dramatizing the Jewish experience;
- Educating future artists and audiences; and
- Strengthening cultural identity in each generation.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The financial statement presentation follows the guidance of the Financial Accounting Standards Board Accounting Standards Codification under which the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.

Folksbiene Yiddish Theatre, Inc.
(d/b/a National Yiddish Theatre Folksbiene)

Notes to Financial Statements

June 30, 2018

Note 2. Summary of Significant Accounting Policies – continued

Basis of Presentation - continued

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted – Net assets resulting from contributions whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

As of June 30, 2018, there were no temporarily or permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of 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.

Functional Allocation of Expenses

The costs of providing various programs and activities have been summarized on a functional basis in the statement of financial activities. Accordingly, certain personnel and other operating costs have been allocated among the programs and supporting services benefited.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash held in checking accounts, excluding amounts included in investments. From time to time, the Organization maintains funds in financial institutions in excess of federally or other insured limits. Management believes the Organization is not exposed to any significant credit risk on cash and cash equivalents.

Grants and Contributions

Grants and contributions are recognized as income within the appropriate net asset group when they are received or unconditionally pledged.

All grants and contributions are considered unrestricted unless they are specifically restricted by donors or are subject to other legal restrictions.

Folksbiene Yiddish Theatre, Inc.
(d/b/a National Yiddish Theatre Folksbiene)

Notes to Financial Statements

June 30, 2018

Note 2. Summary of Significant Accounting Policies – continued

Grants and Contributions - continued

The Organization reports contributions as temporarily restricted if there are donor stipulations that limit the expenditure of the assets for specific purposes, or that designate them as support for future periods. 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 statement of activity as "net assets released from restrictions."

In-kind contributions

The Organization receives office space at no cost. The fair value of this space is recognized as contribution and expense in the financial statements.

Donated services are recognized as contributions if the services require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Donated services are recorded at their estimated fair value at date of donation.

In addition, a substantial number of volunteers have donated significant amounts of time and services in the Organization's programs and supporting services. However, such contributed services do not meet the criteria for recognition of contributed services in accordance with generally accepted accounting principles and, accordingly, are not reflected in the accompanying financial statements.

Deferred Production Costs

Production costs relating to future performances are deferred and recognized as expense when performances are staged. Deferred production costs include payroll, artistic fees, scenery, costumes, and other costs.

Deferred income

Tickets sold for future theatre performances are deferred and recognized in the periods to which the performances relate.

Investments

Investments are stated at fair value. Investment income, unrealized gains and losses, are reported as increases or decreases in unrestricted net assets.

Folksbiene Yiddish Theatre, Inc.
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Notes to Financial Statements

June 30, 2018

Note 2. Summary of Significant Accounting Policies – continued

Property and equipment

All acquisitions of property and equipment in excess of \$2,000 are capitalized. Property and equipment are stated at cost or fair value at date of gift, net of accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. Management reviews property and equipment for impairment. Property and equipment are written off to operations when considered impaired.

Expenditures for maintenance and repairs are charged to operations as incurred. Significant renovations and replacements, which improve and extend the life of the assets, are capitalized.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Similar tax-exempt status applies at the state and local levels.

The Organization recognizes the effects of income tax positions only if those positions are more likely than not of being sustained. The Foundation evaluated its tax positions and determined that it has no uncertain tax positions.

Advertising and publicity

Advertising and publicity costs are expensed as incurred. Advertising and publicity expense for the year ended June 30, 2018 was \$77,991.

Note 3. Commitments and Contingencies

In September 2013, the Organization signed a seven-year lease for office space that began January 8, 2014 and expires February 29, 2021. The Organization moved to a new office space and assigned this lease beginning March 1, 2016.

The Organization remains liable to the landlord for any default by the assignee.

Scheduled rental payments under the old lease are as follows:

<u>June 30,</u>		
2019	\$	86,748
2020		88,917
2021		60,573

Folksbiene Yiddish Theatre, Inc.
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Notes to Financial Statements

June 30, 2018

Note 4. Retirement Plan

The Organization sponsors a defined contribution 401(k) pension plan that covers all eligible employees. Matches of eligible contributions are made at the discretion of the Organization. No contributions were made for the year ended June 30, 2018.

Note 5. Property and Equipment

Depreciation is provided using the straight-line method over the estimated useful lives of the assets. The components of property and equipment and estimated useful lives of assets are as follows:

		<u>Estimated Useful Lives</u>
Office furniture and equipment	\$ 28,951	5-8 years
Stage equipment	<u>44,000</u>	5-7 years
	\$ 72,951	
Accumulated Depreciation	<u>(49,136)</u>	
	<u><u>\$ 23,815</u></u>	

Depreciation expense for the year ended June 30, 2018 was \$6,955.

Note 6. Fair Value Measurements

The Organization's investments are stated at fair value in accordance with a fair value hierarchy that prioritizes the valuation inputs, which are summarized as follows:

Level 1

Valuation is based upon quoted prices for identical securities in active markets.

Level 2

Valuation is based upon inputs other than quoted prices for similar securities in active markets and quoted prices for identical or similar securities in markets that are not active.

Level 3

Valuation is based upon inputs that are unobservable and significant to the fair value measurement.

Folksbiene Yiddish Theatre, Inc.
(d/b/a National Yiddish Theatre Folksbiene)

Notes to Financial Statements

June 30, 2018

Note 6. Fair Value Measurements - continued

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. The Organization believes its valuation methods are appropriate and consistent. However, the use of different methodologies could result in a different fair value measurement at the reporting date.

Common stocks are valued at the closing price reported on the active market on which the individual securities are traded.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2018:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
Cash and cash equivalents	\$ 531	\$ -	\$ -	\$ 531
Common stock	291	-	-	291
Total	<u>\$ 822</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 822</u>

Note 7. Subsequent Events

Management has evaluated subsequent events through February 26, 2019, which is the date the financial statements were available to be issued.