FOLKSBIENE YIDDISH THEATRE, INC.
(d/b/a National Yiddish Theatre Folksbiene)

Financial Statements

June 30, 2018
FOLKSIENE YIDDISH THEATRE, INC.
(d/b/a National Yiddish Theatre Folksbiene)

Financial Statements
June 30, 2018

TABLE OF CONTENTS

Page No.
Independent Auditor’s Report 1 - 2

Financial Statements
Statement of Financial Position 3
Statement of Activities 4
Statement of Functional Expenses 5
Statement of Cash Flows 6

Notes to Financial Statements 7 - 12
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.

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)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$725,230</td>
<td>$760,675</td>
</tr>
<tr>
<td>Grants and contributions receivable</td>
<td>345,696</td>
<td>190,575</td>
</tr>
<tr>
<td>Other receivables</td>
<td>73,766</td>
<td>37,610</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>117,604</td>
<td>68,892</td>
</tr>
<tr>
<td>Security deposits</td>
<td>68,277</td>
<td>51,547</td>
</tr>
<tr>
<td>Deferred production costs</td>
<td>384,592</td>
<td>141,317</td>
</tr>
<tr>
<td>Investments, at fair value</td>
<td>822</td>
<td>11,021</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>23,815</td>
<td>14,934</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$1,739,802</strong></td>
<td><strong>$1,276,571</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$101,375</td>
<td>$59,401</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>386,156</td>
<td>18,522</td>
</tr>
<tr>
<td>Security deposit payable</td>
<td>12,695</td>
<td>12,695</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>500,226</strong></td>
<td><strong>90,618</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>1,239,576</td>
<td>1,185,953</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td><strong>$1,739,802</strong></td>
<td><strong>$1,276,571</strong></td>
</tr>
</tbody>
</table>

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)

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)  

<table>
<thead>
<tr>
<th>Program Services</th>
<th>General Administration</th>
<th>Fund Raising</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>$ 561,829</td>
<td>$ 234,905</td>
<td>$ 125,657</td>
<td>$ 922,391</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>10,465</td>
<td>61,718</td>
<td>-</td>
<td>72,183</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>26,487</td>
<td>24,128</td>
<td>-</td>
<td>50,615</td>
</tr>
<tr>
<td>Actors, performers and tech fees</td>
<td>84,785</td>
<td>-</td>
<td>-</td>
<td>84,785</td>
</tr>
<tr>
<td>Musicians</td>
<td>50,244</td>
<td>-</td>
<td>3,500</td>
<td>53,744</td>
</tr>
<tr>
<td>Professional fees</td>
<td>21,825</td>
<td>29,399</td>
<td>24,631</td>
<td>75,855</td>
</tr>
<tr>
<td>Production expenses</td>
<td>181,089</td>
<td>-</td>
<td>511</td>
<td>181,600</td>
</tr>
</tbody>
</table>
| 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 |

$ 1,088,918 $ 557,617 $ 187,166 $ 1,833,700 $ 1,862,628

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

- 5 -
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)

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$86,748</td>
</tr>
<tr>
<td>2020</td>
<td>88,917</td>
</tr>
<tr>
<td>2021</td>
<td>60,573</td>
</tr>
</tbody>
</table>
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:

<table>
<thead>
<tr>
<th>Component</th>
<th>Estimated Useful Lives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office furniture and equipment</td>
<td>$28,951</td>
</tr>
<tr>
<td>Stage equipment</td>
<td>$44,000</td>
</tr>
<tr>
<td></td>
<td><strong>$72,951</strong></td>
</tr>
</tbody>
</table>

Accumulated Depreciation    (49,136)  

$23,815

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.
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:

<table>
<thead>
<tr>
<th>Quoted Prices in Active Markets for Identical Assets (Level 1)</th>
<th>Significant Other Observable Inputs (Level 2)</th>
<th>Significant Unobservable Inputs (Level 3)</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$531</td>
<td>$</td>
<td>$531</td>
</tr>
<tr>
<td>Common stock</td>
<td>291</td>
<td></td>
<td>291</td>
</tr>
<tr>
<td>Total</td>
<td>$822</td>
<td>$</td>
<td>$822</td>
</tr>
</tbody>
</table>

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.