



New Jersey  
**Theatre Alliance**

## **New Jersey Theatre Alliance, Inc.**

**Financial Statements  
With Independent Auditor's Report  
June 30, 2023**

**Fylstra & Associates, LLC  
Certified Public Accountants  
Allendale, New Jersey**

# **New Jersey Theatre Alliance, Inc.**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees of  
New Jersey Theatre Alliance Inc.

We have audited the accompanying financial statements of New Jersey Theatre Alliance Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2023, 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 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 of 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 statement 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 New Jersey Theatre Alliance Inc. as of June 30, 2023, 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 New Jersey Theatre Alliance Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 15, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Allendale, New Jersey  
September 21, 2023



Fylstra & Associates, LLC



**New Jersey Theatre Alliance, Inc.****Statement of Financial Position****June 30, 2023****With Comparative Totals for 2022**

	2023	2022
<b>Assets</b>		
Cash and cash equivalents	\$ 463,224	\$ 454,472
Accounts receivable	14,463	3,369
Grants receivable	92,675	69,676
Investments - Cash Reserve	686,602	667,005
Investments - Endowment	1,173,386	1,093,673
Property and equipment at cost, net of accumulated depreciation	59,734	68,733
Theatre loans		18,000
Total assets	<u>\$ 2,490,084</u>	<u>\$ 2,374,928</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 18,946	\$ 47,723
Total liabilities	<u>18,946</u>	<u>47,723</u>
<b>Net Assets</b>		
Without donor restrictions	1,289,910	1,135,637
With donor restrictions	1,181,228	1,191,568
Total net assets	<u>2,471,138</u>	<u>2,327,205</u>
Total liabilities and net assets	<u>\$ 2,490,084</u>	<u>\$ 2,374,928</u>

See accompanying notes to the financial statements.

**New Jersey Theatre Alliance, Inc.**  
**Statement of Activities**  
**Year Ended June 30, 2023**  
**With Comparative Totals for 2022**

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support</b>						
Government	\$ 336,140	\$ 37,060	\$ 373,200	\$ 335,855	\$ 4,600	\$ 340,455
Foundations	271,800	7,200	279,000	230,500	50,000	280,500
Corporations	59,364		59,364	85,050		85,050
Individuals	89,968		89,968	41,322	1,173	42,495
Special events	95,294		95,294	252,595		252,595
Net assets released from restrictions	54,600	(54,600)		132,000	(132,000)	
	907,166	(10,340)	896,826	1,077,322	(76,227)	1,001,095
<b>Revenue</b>						
Dues	50,563		50,563	49,353		49,353
Program revenue	8,379		8,379	8,811		8,811
Fees for service	14,680		14,680	2,500		2,500
Total support and revenue	980,788	(10,340)	970,448	1,137,986	(76,227)	1,061,759
<b>Expenses</b>						
Program Services	649,338		649,338	587,170		587,170
Management and general	163,961		163,961	135,320		135,320
Fundraising	112,526		112,526	171,642		171,642
Total expenses	925,825		925,825	894,132		894,132
<b>Change in Net Assets from Operations</b>						
Investment Return	54,963	(10,340)	44,623	243,854	(76,227)	167,627
	99,310		99,310	(156,163)		(156,163)
<b>Change in Net Assets</b>	154,273	(10,340)	143,933	87,691	(76,227)	11,464
<b>Net Assets</b>						
Beginning of Year	1,135,637	1,191,568	2,327,205	1,047,946	1,267,795	2,315,741
End of Year	\$ 1,289,910	\$ 1,181,228	\$ 2,471,138	\$ 1,135,637	\$ 1,191,568	\$ 2,327,205

See accompanying notes to the financial statements.

**New Jersey Theatre Alliance, Inc.**  
**Statement of Functional Expenses**  
**Year Ended June 30, 2023**  
**With Comparative Totals for 2022**

	Program Services	Management and general	Fundraising	2023	Total	2022
Salaries	\$ 253,533	\$ 60,267	\$ 50,923	\$ 364,723	\$	343,264
Payroll taxes	21,853	5,346	4,390	31,589		33,609
Payroll benefits	22,846	5,591	4,589	33,026		30,510
Stages Festival artist fees	142,133			142,133		92,192
Theatre worker relief fund	51,000			51,000		
Contracted services	1,250	9,350		10,600		11,765
Bank fees		959		959		1,070
Fundraising expense			5,904	5,904		9,687
Hospitality	7,688	4,748		12,436		4,954
Insurance		3,755		3,755		4,136
Internet expense	16,142	18,104		34,246		10,218
Marketing	10,325	3,357		13,682		118,848
Meetings	6,647	5,797		12,444		1,047
Miscellaneous	4,269	9,334		13,603		5,037
Outside fees and services	10,638	5,955		16,593		17,582
Postage		599		599		2,694
Printing	5,275	251		5,526		2,816
Professional affiliation	2,620	3,046		5,666		4,201
Professional fees	54,157	12,800		66,957		66,270
Rent		2,849		2,849		2,322
Special event			46,720	46,720		101,676
Supplies	15,054	1,529		16,583		14,776
Telephone	114	3,495		3,609		4,640
Equipment Rental	2,472			2,472		
Travel	4,827	6,829		11,656		6,048
	632,843	163,961	112,526	909,330		889,362
Depreciation	16,495			16,495		16,495
Total	\$ 649,338	\$ 163,961	\$ 112,526	\$ 925,825	\$	905,857

See accompanying notes to the financial statements.

**New Jersey Theatre Alliance, Inc.**  
**Statement of Cash Flows**  
**Year Ended June 30, 2023**  
**With Comparative Totals for 2022**

	2023	2022
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 143,933	\$ 11,464
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities:		
Depreciation	16,495	4,770
(Gain) loss on investments	(49,255)	191,394
Changes in operating assets and liabilities:		
Receivables	(34,093)	(11,315)
Prepaid expense		1,329
Theatre loans	18,000	(7,000)
Payables	(28,777)	42,479
Net cash provided by (applied to) operating activities	<u>66,303</u>	<u>233,121</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(7,496)	(58,000)
Decrease (increase) in investments	<u>(50,055)</u>	<u>(87,270)</u>
Net cash provided by (applied to) investing activities	<u>(57,551)</u>	<u>(145,270)</u>
<b>Net Increase (Decrease) in Cash</b>	8,752	87,851
<b>Cash and Cash Equivalents</b>		
Beginning of Year	<u>454,472</u>	<u>366,621</u>
End of Year	<u>\$ 463,224</u>	<u>\$ 454,472</u>

See accompanying notes to the financial statements.



# New Jersey Theatre Alliance, Inc.

## Notes to Financial Statements

June 30, 2023

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### 1. Nature of Activities:

**Organization** - The New Jersey Theatre Alliance, Inc. (the Organization) unites, promotes, strengthens, and cultivates New Jersey's professional theatres. We advance the theatre community by developing innovative, collaborative, and engaging programs and services for member theatres and their diverse audiences.

### 2. Summary of Significant Accounting Policies:

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

**Net Assets Without Donor Restriction** - Net assets that are not subject to or are no longer subject to donor imposed stipulations

**Net Assets With Donor Restrictions** - Net assets whose use is limited by donor imposed time and/or purpose restrictions.

**Revenue Recognition** - The financial statements are prepared on the accrual basis of accounting, whereby income is recorded when earned and expenses when incurred.

**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 and disclosures. Accordingly, actual results could differ from those estimates.

**Cash and Cash Equivalents** - The Organization considers all cash on hand and in the bank, money market funds, and certificates of deposit with an original maturity of less than three months to be cash equivalents.

**Contributions** - Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.



# New Jersey Theatre Alliance, Inc.

## Notes to Financial Statements

June 30, 2023

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### 2. Summary of Significant Accounting Policies (continued):

**Property and Equipment** - Property and equipment over \$3,000 are recorded at cost or if donated as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the various assets.

**Investments** - Investment in equity securities with readily determinable fair market values and all investments in debt securities are measured at fair market value in the statement of financial position. Investment income or loss (including realized and unrealized gains and losses on investments, interest, dividends and investment custodial fees) is included in the statement of activities as increases or decreases in net assets.

**Income Taxes** - The Organization is a not-for-profit organization exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code. There is, therefore, no provision for income taxes in these financial statements. Annually, the Organization files Form 990, Return of Organizations Exempt from Income Tax with the Internal Revenue Service. The Organization believes that it has appropriate support for all tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. Tax returns are open for examination by the Internal Revenue Service for three years after filing. Returns for this year and the last three years remain open.

**Functional allocation of expenses** - The costs of providing the various programs and activities have been summarized on a functional basis. Accordingly certain costs have been allocated among the programs and supporting services benefited.

**Donated Services** - The value of donated services to the Organization meeting the requirements for recognition in the financial statements was not material and has not been recorded.

**Comparative Financial Information** - The financial statements include a statement of functional expenses that is presented only for the year ended June 30, 2023, with comparative totals for the year ended June 30, 2022. That information for 2022 does not include sufficient detail to constitute a presentation in conformity with GAAP. Such information should be read in conjunction with the financial statements for the year ended June 30, 2022, from which the summarized information was derived.

# New Jersey Theatre Alliance, Inc.

## Notes to Financial Statements

June 30, 2023

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### 2. Summary of Significant Accounting Policies (continued):

**Concentration of Risk** - The Organization's investments are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

**Fair Value Measurement** - The fair value of financial assets and liabilities is measured according to the *Fair Value Measurements and Disclosures* topic of the FASB Accounting Standards Codification. Fair value is required to be evaluated and adjusted according to the following valuation techniques.

**Level 1** - Fair value is determined using quoted market prices in active markets for identical assets and liabilities. Assets in this level typically include publicly traded equities, mutual fund investments, cash equivalents, and listed derivatives.

**Level 2** - Fair value is determined using quoted market prices in active markets for similar assets and liabilities, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant inputs are observable in the market for substantially the full term of the assets and liabilities. Assets in this level include debt securities and partnerships that hold Level 1 assets, provided that the organization has the ability to redeem the investment in the near term, and real estate held for investment if measured by a current appraisal.

**Level 3** - Fair value is determined using inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The market for assets and liabilities using Level 3 measures is typically inactive. Assets in this level include alternative investments, real estate held for investment if measured using management estimates, investment in partnerships and limited liability companies, and beneficial interests in charitable remainder trusts.

**Subsequent Events** - The Organization has evaluated subsequent events for potential recognition or disclosure through September 21, 2023, the date the financial statements were available to be issued.



# New Jersey Theatre Alliance, Inc.

## Notes to Financial Statements

June 30, 2023

### 3. Investments:

Investments as of June 30, 2023 are stated at fair value and are summarized as follows:

Cash Reserve investments:

	Cost	Level 1	Level 2	Level 3	Fair Value
City National Bank:					
Money Market	\$ 132,674	\$132,674		\$ -	\$ 132,674
Fixed Income Funds	421,203		421,203		421,203
Equity Funds	132,725	132,725			132,725
	<u>\$ 686,602</u>	<u>\$265,399</u>	<u>\$ 421,203</u>	<u>\$ -</u>	<u>\$ 686,602</u>

Endowment investments:

City National Bank:					
Money Market	\$ 54,273	\$ 54,273			\$ 54,273
Fixed Income Securities	444,963		444,963		444,963
Mutual Funds	674,150	674,150			674,150
	<u>\$ 1,173,386</u>	<u>\$728,423</u>	<u>\$ 444,963</u>	<u>\$ -</u>	<u>\$1,173,386</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year. Income from the Endowment fund is unrestricted.

	Cash Reserve	Endowment	Total
Interest and dividends	\$ 21,383	\$ 29,085	\$ 50,468
Custodial fees	(3,081)	(6,041)	(9,122)
	18,302	23,044	41,346
Investment gain or (loss)	1,295	56,669	57,964
	<u>\$ 19,597</u>	<u>\$ 79,713</u>	<u>\$ 99,310</u>

### 4. Grants Receivable:

	2023	2022
Due within one year	\$ 92,675	\$ 69,676
	<u>\$ 92,675</u>	<u>\$ 69,676</u>

No allowance for uncollectible amounts is deemed necessary.

### 5. Property and Equipment:

	2023	2022
Program equipment	\$ 168,609	\$ 161,113
Less accumulated depreciation	108,875	92,380
Property and Equipment, net	<u>\$ 59,734</u>	<u>\$ 68,733</u>

# New Jersey Theatre Alliance, Inc.

## Notes to Financial Statements

June 30, 2023

### 6. Concentrations:

The Organization operates primarily in New Jersey. The Organization is thus subject to fluctuations in local economic conditions. In planning and budgeting during a fiscal year, significant reliance is placed on meeting revenue goals in order for the Organization to sustain successful operations.

### 7. Line of Credit:

The Organization has an unsecured line-of-credit arrangement with an area bank, with interest at the prime rate. The line of credit limit is \$100,000, of which no amount is currently outstanding.

### 8. Net Assets:

The Organization has \$199,850 in net assets with donor restrictions set aside for future periods along with \$946,968 in endowment assets.

### 9. Program Expenses are as follows:

	2023	2022
Access Projects	\$ 93,535	\$ 101,245
Marketing	69,108	70,958
Stages Festival	142,133	177,211
Website	63,696	70,342
Reopening Campaign		118,902
Theatre Worker Relief	51,000	
Salary Survey	45,415	
EDI Symposium	7,554	16,380
Creating Change	73,025	
Playwright Showcase	28,717	
Career Accelerator Program	26,685	
Looping Project	3,805	
Other Program Costs	44,665	32,132
Total program costs	<u>\$ 649,338</u>	<u>\$ 587,170</u>

### 10. Retirement Plans:

All full time employees may participate in a 403(b) Tax Deferred Annuity Plan sponsored by the organization. After one year of service, the Organization will match 4% of employee contributions. The matching contribution for the year ended June 30, 2022 was \$9,184.

# New Jersey Theatre Alliance, Inc.

## Notes to Financial Statements

June 30, 2023

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### 11. Contingencies:

Grants require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to grantors. Although that is a possibility, the Board deems the contingency remote, since by accepting the gifts and their terms, it has accommodated the objectives of the gift provisions.

### 12. Liquidity and Availability of Financial Assets

The Organization's primary sources of revenue are government and foundation grants. They monitor their liquidity so they are able to meet all operating needs. They have the following financial assets that could readily be made available within one year of the balance sheet date to fund expenses without limitations.

	2023	2022
Cash and cash equivalents	\$ 463,224	\$ 454,472
Accounts receivable	14,463	3,369
Grants receivable	92,675	69,676
Investments - Cash Reserve	686,602	667,005
	<u>\$ 1,256,964</u>	<u>\$ 1,194,522</u>