



New Jersey Theatre Alliance, Inc.

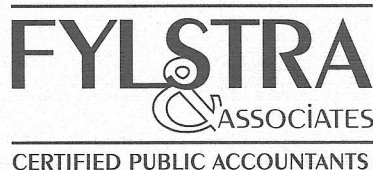
**Financial Statements
With Independent Auditor's Report
June 30, 2024**

**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.

Opinion

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, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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, 2024, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of New Jersey Theatre Alliance, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about New Jersey Theatre Alliance, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 New Jersey Theatre Alliance, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about New Jersey Theatre Alliance, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited New Jersey Theatre Alliance, Inc.'s 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 21, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Allendale, New Jersey

September 25, 2024



Fylstra & Associates, LLC

New Jersey Theatre Alliance, Inc.
Statement of Financial Position
June 30, 2024
With Comparative Totals for 2023

	2024	2023
Assets		
Cash and cash equivalents	\$ 482,423	\$ 463,224
Accounts receivable	4,340	14,463
Grants receivable	96,773	92,675
Investments - Cash Reserve	795,959	686,602
Investments - Endowment	1,333,184	1,173,386
Property and equipment at cost, net of accumulated depreciation	41,865	59,734
Total assets	\$ 2,754,544	\$ 2,490,084
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 15,126	\$ 18,946
Total liabilities	15,126	18,946
Net Assets		
Without donor restrictions	1,546,850	1,289,910
With donor restrictions	1,192,568	1,181,228
Total net assets	2,739,418	2,471,138
Total liabilities and net assets	\$ 2,754,544	\$ 2,490,084

See accompanying notes to the financial statements.

New Jersey Theatre Alliance, Inc.
Statement of Activities
Year Ended June 30, 2024
With Comparative Totals for 2023

	<u>2024</u>		<u>2023</u>		Total	Without Donor Restrictions	With Donor Restrictions	Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions				
Support								
Government	\$ 363,742		\$ 363,742	\$ 37,060	\$ 336,140		\$ 37,060	373,200
Foundations	259,100	50,000	309,100	7,200	271,800		7,200	279,000
Corporations	63,375		63,375		59,364			59,364
Individuals	77,317		77,317		89,968			89,968
Special events	63,573		63,573		95,294			95,294
Net assets released from restrictions	38,660	(38,660)	54,600	(54,600)	907,166		(10,340)	896,826
	865,767	11,340	877,107	907,166	907,166		(10,340)	896,826
Revenue								
Dues	48,728		48,728		50,563			50,563
Program revenue	1,370		1,370		8,379			8,379
Fees for service	4,350		4,350		14,680			14,680
Interest income	4,956		4,956					
In-kind contributions	4,000		4,000					
Total support and revenue	929,171	11,340	940,511	980,788	980,788		(10,340)	970,448
Expenses								
Program Services	588,927		588,927		649,338			649,338
Management and general	137,886		137,886		163,961			163,961
Fundraising	160,573		160,573		112,526			112,526
Total expenses	887,386		887,386		925,825			925,825
Change in Net Assets from Operations								
Investment Return	41,785	11,340	53,125	(10,340)	54,963		(10,340)	44,623
Change in Net Assets	215,155		215,155		99,310			99,310
	256,940	11,340	268,280	(10,340)	154,273		(10,340)	143,933
Net Assets								
Beginning of Year	1,289,910	1,181,228	2,471,138	1,135,637	1,191,568		1,191,568	2,327,205
End of Year	\$ 1,546,850	\$ 1,192,568	\$ 2,739,418	\$ 1,289,910	\$ 1,181,228		\$ 1,181,228	\$ 2,471,138

See accompanying notes to the financial statements.

New Jersey Theatre Alliance, Inc.
Statement of Functional Expenses
Year Ended June 30, 2024
With Comparative Totals for 2023

	Program Services	Management and general	Fundraising	Total
	2024	2024	2024	2023
Salaries	\$ 272,334	\$ 58,069	\$ 81,108	\$ 364,723
Payroll taxes	23,106	4,927	6,857	31,589
Payroll benefits	24,897	5,308	7,388	33,026
Stages Festival artist fees				142,133
Theatre worker relief fund	20,900			51,000
NJ marketing campaign	96,688			96,688
Contracted services	5,700	9,500		10,600
Bank fees		1,990		959
Fundraising expense			11,387	5,904
Hospitality	1,382	2,939		12,436
Insurance		2,018		3,755
Internet expense	7,355	9,445		34,246
Marketing	8,609	1,417		13,682
Meetings	6,812	5,927		12,444
Miscellaneous	4,104	474		13,603
Outside fees and services	5,838	2,721		16,593
Postage		704		599
Printing	961	86		5,526
Professional affiliation	2,994	2,509		5,666
Professional fees	75,959	12,950		66,957
Rent	4,416	2,717		2,849
Special event			53,326	46,720
Supplies	1,107	3,668		16,583
Telephone	720	2,652	135	3,609
Equipment Rental	500			2,472
Travel	6,676	7,865	372	11,656
Depreciation	571,058	137,886	160,573	909,330
	17,869			16,495
Total	\$ 588,927	\$ 137,886	\$ 160,573	\$ 925,825

See accompanying notes to the financial statements.

New Jersey Theatre Alliance, Inc.
Statement of Cash Flows
Year Ended June 30, 2024
With Comparative Totals for 2023

	2024	2023
Cash Flows from Operating Activities		
Change in net assets	\$ 268,280	\$ 143,933
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities:		
Depreciation	17,869	16,495
(Gain) loss on investments	(151,498)	(49,255)
Changes in operating assets and liabilities:		
Receivables	6,025	(34,093)
Theatre loans		18,000
Payables	(3,820)	(28,777)
Net cash provided by (applied to) operating activities	<u>136,856</u>	<u>66,303</u>
Cash Flows from Investing Activities		
Purchase of property and equipment		(7,496)
Decrease (increase) in investments	(117,657)	(50,055)
Net cash provided by (applied to) investing activities	<u>(117,657)</u>	<u>(57,551)</u>
Net Increase (Decrease) in Cash	19,199	8,752
Cash and Cash Equivalents		
Beginning of Year	463,224	454,472
End of Year	<u>\$ 482,423</u>	<u>\$ 463,224</u>

See accompanying notes to the financial statements.

New Jersey Theatre Alliance, Inc.

Notes to Financial Statements

June 30, 2024

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, 2024

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 is disclosed in Note 13.

Comparative Financial Information - The financial statements include a statement of functional expenses that is presented only for the year ended June 30, 2024, with comparative totals for the year ended June 30, 2023. That information for 2023 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, 2023, from which the summarized information was derived.

New Jersey Theatre Alliance, Inc.

Notes to Financial Statements

June 30, 2024

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 25, 2024, the date the financial statements were available to be issued.

New Jersey Theatre Alliance, Inc.
Notes to Financial Statements
June 30, 2024

3. Investments:

Investments as of June 30, 2024 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	\$ 136,168	\$136,168	\$ -	\$ -	\$ 136,168
Fixed Income Funds	488,289		488,289		488,289
Equity Funds	171,502	171,502			171,502
	<u>\$ 795,959</u>	<u>\$307,670</u>	<u>\$ 488,289</u>	<u>\$ -</u>	<u>\$ 795,959</u>

Endowment investments:

City National Bank:					
Money Market	\$ 44,224	\$ 44,224	\$ -	\$ -	\$ 44,224
Fixed Income Securities	486,005		486,005		486,005
Mutual Funds	802,955	802,955			802,955
	<u>\$ 1,333,184</u>	<u>\$847,179</u>	<u>\$ 486,005</u>	<u>\$ -</u>	<u>\$1,333,184</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	\$ 26,899	\$ 39,042	\$ 65,941
Custodial fees	(3,484)	(7,254)	(10,738)
	23,415	31,788	55,203
Investment gain or (loss)	31,942	128,010	159,952
	<u>\$ 55,357</u>	<u>\$ 159,798</u>	<u>\$ 215,155</u>

4. Grants Receivable:

	2024	2023
Due within one year	\$ 96,773	\$ 92,675
	<u>\$ 96,773</u>	<u>\$ 92,675</u>

No allowance for uncollectible amounts is deemed necessary.

5. Property and Equipment:

	2024	2023
Program equipment	\$ 89,347	\$ 168,609
Less accumulated depreciation	47,482	108,875
Property and Equipment, net	<u>\$ 41,865</u>	<u>\$ 59,734</u>

New Jersey Theatre Alliance, Inc.

Notes to Financial Statements

June 30, 2024

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 \$245,600 in net assets with donor restrictions set aside for future periods along with \$946,968 in endowment assets.

9. Program Expenses are as follows:

	2024	2023
Access Projects	\$ 76,373	\$ 93,535
Marketing	48,528	69,108
Stages Festival		142,133
Website	39,705	63,696
Theatre Worker Relief	20,900	51,000
Salary Survey	16,728	45,415
EDI Initiatives	4,873	7,554
Creating Change	47,302	73,025
Playwright Showcase		28,717
Career Accelerator Program	61,668	26,685
Looping Project		3,805
Theatre and Health Project	42,370	
NJ Theatre Marketing Campaign	96,688	
Audio Description & Sign Interp Training	9,145	
Other Program Costs	124,647	44,665
Total program costs	<u>\$ 588,927</u>	<u>\$ 649,338</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, 2024 was \$8,663.

New Jersey Theatre Alliance, Inc.

Notes to Financial Statements

June 30, 2024

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.

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 482,423	\$ 463,224
Accounts receivable	4,340	14,463
Grants receivable	96,773	92,675
Investments - Cash Reserve	795,959	686,602
	<u>\$ 1,379,495</u>	<u>\$ 1,256,964</u>

13. Rent Expense:

The Organization recognized in-kind contribution of facilities and related expenses. Donated goods and services are recorded as contributions at their estimated fair values at the date of donation. As of March 1, 2024 the Organization has office space at 432 Lakehurst Road Suite 1 in Toms River, NJ that is owned by the Grunin Foundation. The Organization recognizes \$1,000 monthly of in-kind contributions and related expenses for the office space. Total in-kind contributions and related expenses are \$4,000 for the year ended June 30, 2024.