

**NEW DRAMATISTS, INC.
FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NEW DRAMATISTS, INC.
CONTENTS
JUNE 30, 2018 AND 2017

	<u>Page #</u>
Independent Auditor's Report	1
Statements of Financial Position	2
Statements of Activities	3-4
Statements of Cash Flows	5
Notes to Financial Statements Additional Information:	6-10
Independent Auditor's Report on Additional Information	11
Functional Classification of Expenses	12-13

Robert F. Schade

Certified Public Accountant
A Professional Corporation

983 Littleneck Avenue
North Bellmore, NY 11710
Tel: (516) 679-2495 • Fax: (516) 679-2496
e-mail: rfscpa1@optonline.net

Member:

New York State Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
New Dramatists, Inc.
New York, NY

I have audited the accompanying financial statements of New Dramatists, Inc., (a nonprofit organization), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities and cash flows for the years 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

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

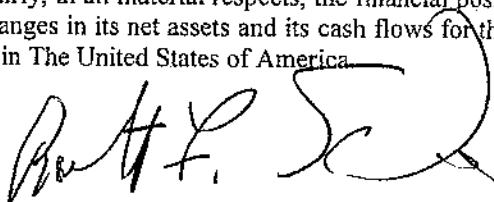
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair representation 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Dramatists, Inc. as of June 30, 2018 and June 30, 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in The United States of America.

North Bellmore, NY
December 3, 2018

 CPA

NEW DRAMATISTS, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and cash equivalents	\$680,564	\$389,635
Contributions receivable (note 2)	53,545	32,042
Accounts receivable and other	16,179	12,531
Prepaid expenses	31,927	32,197
Long term investments at fair value (note 5)	437,742	436,568
Property and equipment (note 6)	954,120	985,821
Library collection (note 1)	<u>0</u>	<u>0</u>
 Total Assets	 <u>\$2,174,077</u>	 <u>\$1,888,794</u>
LIABILITIES		
Accounts payable and accrued expenses	<u>\$73,481</u>	<u>\$73,724</u>
 NET ASSETS		
Unrestricted	1,620,359	1,363,890
Temporarily restricted (note 3)	167,165	138,697
Permanently restricted (note 4)	<u>313,072</u>	<u>312,483</u>
Total Net Assets	<u>2,100,596</u>	<u>1,815,070</u>
 Total Liabilities and Net Assets	 <u>\$2,174,077</u>	 <u>\$1,888,794</u>

See Accompanying Notes to Financial Statements

NEW DRAMATISTS, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Changes in unrestricted net assets:		
Public support, grants and contributions		
Government agencies	\$156,539	\$153,939
Foundations	643,883	341,914
Corporations	121,299	135,714
Individuals	<u>171,107</u>	<u>188,132</u>
	1,092,828	819,699
Annual luncheon proceeds	336,275	381,190
Special event	<u>51,078</u>	<u>57,385</u>
Total support	<u>1,480,181</u>	<u>1,258,274</u>
Operating revenues:		
License	25	750
Royalties	63,468	50,915
Interest and dividends	9,109	4,926
Miscellaneous	<u>829</u>	<u>0</u>
Total operating revenues	<u>73,431</u>	<u>56,591</u>
Net assets released from temporary restrictions	<u>303,035</u>	<u>296,153</u>
Total public support, operating revenues and other support	<u>1,856,647</u>	<u>1,611,018</u>
Net unrealized gains (losses)- investments	<u>(2,950)</u>	<u>17,581</u>
Net realized gains (losses)- investments	<u>1,212</u>	<u>2,393</u>
Operating expenses:		
Artist services and workshop programs	700,010	664,076
Literary service programs	179,037	176,259
Administrative and general	361,336	355,887
Fundraising	182,840	218,463
Luncheon expenses	<u>175,217</u>	<u>164,134</u>
Total operating expenses	1,598,440	1,578,819
Increase in unrestricted net assets	<u>256,469</u>	<u>52,173</u>

Continued on Page 4

See Accompanying Notes to Financial Statements

NEW DRAMATISTS, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2018 AND 2017

Continued from Page 3

	<u>2018</u>	<u>2017</u>
Changes in temporarily restricted net assets:		
Contributions - foundations	184,500	125,500
Individuals	7,500	12,500
- legacies	135,000	133,000
Interest and dividends	4,503	4,089
Net assets released from temporary restrictions	<u>(303,035)</u>	<u>(296,153)</u>
Increase (decrease) in temporarily restricted net assets	<u>28,468</u>	<u>(21,064)</u>
Changes in permanently restricted assets:		
Contributions	0	0
Interest and dividends	<u>589</u>	<u>542</u>
Increase in permanently restricted net assets	<u>589</u>	<u>542</u>
Increase in net assets	285,526	31,651
Net assets at beginning of year	<u>1,815,070</u>	<u>1,783,419</u>
Net assets at end of year	<u>\$2,100,596</u>	<u>\$1,815,070</u>

See Accompanying Notes to Financial Statements

NEW DRAMATISTS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Increase in net assets	\$285,526	\$31,651
Adjustments to reconcile change in net assets provided by operating activities:		
Depreciation and amortization	91,768	91,831
(Increase) decrease in operating assets		
Contributions receivable	(21,503)	21,018
Accounts receivable and other	(3,648)	3,213
Prepaid expenses	270	25,850
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	(243)	13,431
Net unrealized (gains) losses	2,950	(17,581)
Net realized (gains) losses	(1,212)	(2,393)
Contributions- securities	(12,856)	(2,500)
Net cash provided by operating activities:	<u>341,052</u>	<u>164,520</u>
Cash flow from investing activities:		
Fixed asset acquisitions	(60,067)	(98,815)
Cash & cash equivalents (donor restricted)	0	110,571
Purchase of long-term investments	(54,167)	(278,266)
Sale of long-term investments	64,111	127,874
Net cash (used) by investing activities:	<u>(50,123)</u>	<u>(138,636)</u>
Cash flows from financing activities:	<u>0</u>	<u>0</u>
Net increase in cash & cash equivalents:	290,929	25,884
Beginning cash and cash equivalents	389,635	363,751
Ending cash and cash equivalents	<u>\$680,564</u>	<u>\$389,635</u>

Supplemental disclosure: Interest paid totaled \$0 in fiscal 2018 and 2017.

See Accompanying Notes to Financial Statements

NEW DRAMATISTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities:

New Dramatists, Inc. was founded in 1949 to cultivate talented new playwrights for the American theater through a free program of play readings, workshops, education and career services. New Dramatists, Inc. is dedicated to finding gifted playwrights and giving them the time, the space, and the tools to develop their craft, so that they may fulfill their potential and make lasting contributions to the theater.

Promises to Give:

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 unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are received. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Contributed Services:

During the years ended June 30, 2018 and 2017, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. Approximately twenty-five interns and volunteers provided services to New Dramatists during the years. They performed primarily secretarial and clerical functions such as answering the telephone and photocopying. Some interns worked as stage managers for workshops and readings. The approximate total number of volunteer hours was 8800.

Library Collection:

New Dramatists' library includes photocopies of plays by all current resident playwrights and many alumni. It also includes a general collection of books about the theater and published plays. The library is open to the public for reading and research. None of the plays or books are available for lending. Almost all items in the collection have been donated to the organization.

New Dramatists also has an archive of materials pertaining to the history of the organization which includes general business documents; materials relating to the organization's programs; newsletters; press clippings; and photographs. The archive is not available for use by the general public. New Dramatists has elected not to capitalize its collection.

NEW DRAMATISTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES, CONT'D:

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.

Depreciation and amortization of fixed assets:

New Dramatists, Inc. owns the land and a building at 422-424 West 44th Street, New York, NY, which was acquired in 1970. Depreciation related to the building is computed by the straight-line method, based on an estimated useful life of twenty-five years.

Depreciation of building improvements is computed on the straight-line method over the estimated lives of the improvements (generally ten or twenty-five years) or the remaining useful life of the building, whichever is less.

Depreciation of furniture, fixtures and equipment is computed on the straight-line method, based on the estimated useful life of the asset, generally seven or three years.

Functional classification of expenses:

Expenses are allocated among five functional categories - artist services and workshop program, literary service program, administrative and general, fund raising and luncheon expenses. Percentages used for the allocation in Schedule A were determined by management based upon experience and are consistent with prior years.

Cash and Cash equivalents:

The organization considers all highly liquid investments available for current use with an initial maturity of six months or less to be cash equivalents.

The Company has cash balances in banks in excess of the maximum amount insured by the FDIC as of June 30, 2018.

Long term investments:

Investments in marketable securities with readily determinable fair values and investments in debt securities are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the statements of activities.

NEW DRAMATISTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 2- CONTRIBUTIONS RECEIVABLE:

New Dramatists, Inc. has a 45% beneficial interest in a split-interest trust that will make distributions from the trust to the Organization over a 15 year period starting in 2015. Information regarding the Trust assets is not available and accordingly the fair value of the Trust cannot be determined and is not included as a contributions receivable. For the years ended June 30, 2018 and 2017, The Statement of Activities included income of \$135,000 and \$133,000 respectively from the trust.

NOTE 3 - TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets are available for the following purposes or periods:

Operations for year ending June 30, 2019	\$150,140
Awards	<u>17,025</u>
	<u>\$167,165</u>

NOTE 4 - PERMANENTLY RESTRICTED NET ASSETS:

Permanently restricted net assets consist of endowment fund investments to be held indefinitely, the income from which is generally expendable to support various programs.

NOTE 5 - LONG TERM INVESTMENTS:

Long term investments stated at fair value consist of Mutual Funds. Market values and appreciation (depreciation) are summarized as follows:

	<u>June 30, 2018</u>			<u>June 30, 2017</u>		
	Balance June 30, 2017	Quoted Market Value	Unrealized Appreciation (Depreciation)	Balance June 30, 2016	Quoted Market Value	Unrealized Appreciation (Depreciation)

Permanent
Endowments:

Mutual Funds	436,568	437,742	(2,950)	248,164	436,568	17,581
--------------	---------	---------	---------	---------	---------	--------

Long term investments sold during the years are as follows:

Year of Sale	Security	Selling Price	Historical Costs	Realized Gain (Loss)	Previously Recognized Unrealized Gain (Loss)	Market Gain (Loss)
6/30/18	Mutual Funds	\$ 64,111	\$ 59,988	\$4,123	\$2,911	\$1,212
6/30/17	Mutual Funds & US Treas. Note	127,874	120,526	7,348	4,955	2,393
Totals		\$191,985	\$180,514	11,471	\$7,866	\$3,605

NEW DRAMATISTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 6 - PROPERTY AND EQUIPMENT:

It is the Organization's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose.

Property and equipment are comprised of the following:

	<u>2018</u>	<u>2017</u>
Land and building	\$189,207	\$189,207
Building improvements	1,529,040	1,488,347
Furniture, fixtures and equipment	537,809	518,435
Workshop spaces	<u>15,290</u>	<u>15,290</u>
	2,271,346	2,211,279
Less accumulated depreciation	<u>(1,317,226)</u>	<u>(1,225,458)</u>
Net property and equipment	<u>\$954,120</u>	<u>\$985,821</u>

NOTE 7 - INCOME TAXES:

The Internal Revenue Service ("IRS") has determined that the Organization meets the requirements of Section 501 (c) (3) of the Internal Revenue Code and, accordingly, earnings of the organization are tax exempt under Section 501 (a) of the Code. Contributions to the Organization are tax deductible to contributors, as provided by law.

NOTE 8 - BANK LINE OF CREDIT:

The Organization has secured an open line of credit from its bank totaling \$120,000 secured by the assets of the organization. The balance payable on the line of credit as of June 30, 2018, is zero.

NEW DRAMATISTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 9 – FAIR VALUE MEASUREMENTS:

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis as of June 30, 2018, are as follows:

	<u>Fair Value</u>	<u>Quoted Market Price Level 1</u>	<u>Significant Observable Inputs Level 2</u>	<u>Significant Unobservable Inputs Level 3</u>
Long term Investments				
Mutual Funds	<u>437,742</u>	<u>437,742</u>		
Total Long-Term Investments	\$437,742	\$437,742		

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis as of June 30, 2017, are as follows:

	<u>Fair Value</u>	<u>Quoted Market Price Level 1</u>	<u>Significant Observable Inputs Level 2</u>	<u>Significant Unobservable Inputs Level 3</u>
Long term Investments				
Mutual Funds	<u>436,568</u>	<u>436,568</u>		
Total Long-Term Investments	\$436,568	\$436,568		

The Organization recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels in the years ended June 30, 2018 and June 30, 2017.

NOTE 10 - EVALUATION OF SUBSEQUENT EVENTS:

The Organization has evaluated subsequent events through December 3, 2018, the date which the financial statements were available to be issued.

Robert F. Schade

Certified Public Accountant
A Professional Corporation

983 Littleneck Avenue
North Bellmore, NY 11710
Tel: (516) 679-2495 • Fax: (516) 679-2496
e-mail: rfscpa1@optonline.net

Member:

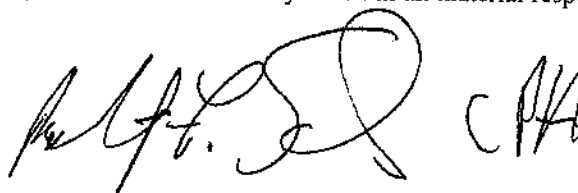
New York State Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

The Board of Directors
New Dramatists, Inc.
New York, NY

I have audited the accompanying financial statements of New Dramatists, Inc., (a nonprofit organization) as of and for the years ended June 30, 2018 and June 30, 2017 and have issued my report thereon dated December 3, 2018, which contained an unmodified opinion on those financial statements. My audit was performed for the purpose of forming an opinion on the financial statements as a whole.

The schedules of functional expenses are presented for the 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 my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink, appearing to read 'R. F. Schade', followed by the letters 'CPA' in a similar handwritten style.

North Bellmore, NY 11710
December 3, 2018

NEW DRAMATISTS, INC.
FUNCTIONAL CLASSIFICATION OF EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018

	ARTIST SERVICES & WORKSHOP PROGRAM EXPENSES	LITERARY SERVICE PROGRAM EXPENSES	ADMIN. & GENERAL EXPENSES	FUND- RAISING EXPENSES	LUNCHEON EXPENSES	TOTAL
Staff salaries	251,088	71,528	223,181	101,984		647,781
Employee benefits	103,286	18,807	52,845	29,883		204,821
Fuel and utilities	14,431	5,772	5,771	2,887		28,861
Insurance	11,214	4,486	4,486	2,243		22,428
Maintenance, repairs and cleaning	12,187	4,675	5,484	1,828		24,373
Professional services	9,655	3,862	3,862	1,931		19,309
Office	7,931	7,931	7,931	2,644		26,436
Software support and licenses	10,787	10,787	10,787	3,596		35,955
Printing and duplicating	3,095	2,063	4,126	1,032		10,316
Dues and subscriptions	1,577	350	1,226	350		3,504
State registration fees	615	615	615	205		2,050
Refreshments	4,758	4,758	4,758	4,758		19,033
Telephone	2,230	1,487	2,230	1,487		7,434
Postage & shipping		2,107				2,107
Literary services		10,680				10,680
Artist services and salaries	169,885					169,885
Fellowships & awards	31,150	13,350				44,500
Opportunity/ Lilly-Ruhl Fund	3,582					3,582
Playwrights' transportation	790	474	316			1,579
Travel- staff and artist	4,446	4,446	4,446	1,482		14,820
Advertising			965			965
Books/Publications		706				706
Conferences	688					688
Luncheon fund-raising expenses					171,026	171,026
Special events-Cultivation				13,783		13,783
Program expense	9,956					9,956
Credit card fees				2,794	4,191	6,985
Other	778	778	778	778		3,111
Totals before depreciation & amortization	654,126	169,860	333,808	173,663	175,217	1,506,672
Depreciation and amortization	45,884	9,177	27,530	9,177		91,768
Totals	700,010	179,037	361,338	182,840	175,217	1,598,440

NEW DRAMATISTS, INC.
FUNCTIONAL CLASSIFICATION OF EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017

	ARTIST SERVICES & WORKSHOP PROGRAM EXPENSES	LITERARY SERVICE PROGRAM EXPENSES	ADMIN. & GENERAL EXPENSES	FUND- RAISING EXPENSES	LUNCHEON EXPENSES	TOTAL
Staff salaries	233,075	68,193	207,134	139,380		647,782
Employee benefits	85,742	23,256	60,483	33,033		202,514
Fuel and utilities	11,991	4,798	4,795	2,399		23,981
Insurance	10,960	4,384	4,384	2,192		21,919
Maintenance, repairs and cleaning	11,715	4,686	5,272	1,757		23,430
Professional services	8,390	3,356	3,356	1,678		16,780
Office	11,900	11,900	11,900	3,967		39,666
Software support and licenses	8,726	8,726	8,726	2,909		29,086
Printing and duplicating		2,678	5,355	893		8,925
Dues and subscriptions	2,063	458	1,604	458		4,584
State registration fees	393	393	393	131		1,310
Refreshments	6,097	6,097	6,097	6,097		24,388
Telephone	766	3,066	2,299	1,533		7,664
Postage & shipping		1,759				1,759
Literary services	10,619					10,620
Artist services and salaries	157,209					157,209
Fellowships & awards	38,150	16,350				54,500
Opportunity/ Lilly-Ruhl Fund	6,608					6,608
Playwrights' transportation	2,197	1,318	879			4,393
Travel- staff and artist	4,811	4,811	4,811	1,604		16,036
Luncheon fund-raising expenses					158,277	158,277
Special events-Cultivation				6,495		6,495
Program expense	5,900					5,900
Credit card fees				3,905	5,857	9,762
Other	850	850	850	850		3,400
Totals before depreciation & amortization	618,160	167,076	328,337	209,280	164,134	1,486,988
Depreciation and amortization	45,916	9,183	27,549	9,183		91,831
Totals	664,076	176,259	355,887	218,463	164,134	1,578,819