

**New Dramatists, Inc.
Financial Statements
June 30, 2025 and 2024
With Independent Auditor's Report**

New Dramatists, Inc.
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Independent Auditor's Report

To the Board of Directors of
New Dramatists, Inc.:

Opinion

We have audited the financial statements of New Dramatists, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of New Dramatists, Inc. as of June 30, 2025 and 2024, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 Dramatists, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 the Organization's ability to continue as a going concern within one year after the date 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 GAAS 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 GAAS, 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 the Organization'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 the Organization'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.

Withum Smith + Brown, PC

January 29, 2026

New Dramatists, Inc.
Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
Assets		
Cash and cash equivalents	\$ 2,270,067	\$ 1,307,733
Contribution receivable	109,335	1,026,267
Prepaid expenses	16,455	6,662
Investments	366,346	819,887
Land and building held for sale	126,000	-
Property and equipment, net of accumulated depreciation	23,861	157,420
Total assets	\$ 2,912,064	\$ 3,317,969
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 67,096	\$ 51,245
Net assets		
Net assets without donor restrictions	2,321,372	2,714,156
Net assets with donor restrictions	523,596	552,568
Total net assets	2,844,968	3,266,724
Total liabilities and net assets	\$ 2,912,064	\$ 3,317,969

The Notes to Financial Statements are an integral part of these statements.

New Dramatists, Inc.
Statements of Activities and Changes in Net Assets
Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue						
Government agencies	\$ 79,748	\$ -	\$ 79,748	\$ 101,317	\$ 131,664	\$ 232,981
Foundation	561,251	115,000	676,251	415,000	35,000	450,000
Corporations	13,459	-	13,459	10,926	-	10,926
Individuals	123,965	-	123,965	209,353	-	209,353
Legacies	135,000	-	135,000	885,081	-	885,081
Special event, net	202,045	-	202,045	153,062	-	153,062
Contributed services	2,806	-	2,806	101,275	-	101,275
Royalties	15,852	-	15,852	8,826	-	8,826
Other revenue	5,778	-	5,778	10,316	-	10,316
	1,139,904	115,000	1,254,904	1,895,156	166,664	2,061,820
Net assets released from restriction	142,700	(142,700)	-	161,883	(161,883)	-
Total operating revenue	1,282,604	(27,700)	1,254,904	2,057,039	4,781	2,061,820
Operating expenses						
Program services						
Artist services and workshop program expenses	794,243	-	794,243	720,106	-	720,106
Literary service program expenses	150,673	-	150,673	136,945	-	136,945
Total program services	944,916	-	944,916	857,051	-	857,051
Supporting services						
Management and general	568,351	-	568,351	528,664	-	528,664
Fundraising	243,019	-	243,019	213,551	-	213,551
Total supporting services	811,370	-	811,370	742,215	-	742,215
Total operating expenses	1,756,286	-	1,756,286	1,599,266	-	1,599,266

The Notes to Financial Statements are an integral part of these statements.

New Dramatists, Inc.
Statements of Activities and Changes in Net Assets
Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Nonoperating activities						
Investment income (loss), net	80,898	(1,272)	79,626	73,419	(823)	72,596
Impairment loss on building	-	-	-	(548,261)	-	(548,261)
Total nonoperating activities	80,898	(1,272)	79,626	(474,842)	(823)	(475,665)
Changes in net assets	(392,784)	(28,972)	(421,756)	(17,069)	3,958	(13,111)
Net assets						
Beginning of year	2,714,156	552,568	3,266,724	2,731,225	548,610	3,279,835
End of year	\$ 2,321,372	\$ 523,596	\$ 2,844,968	\$ 2,714,156	\$ 552,568	\$ 3,266,724

The Notes to Financial Statements are an integral part of these statements.

New Dramatists, Inc.
Statement of Functional Expenses
Year Ended June 30, 2025

	Program Services			Supporting Services			Total Expenses
	Artist Services and Workshop Expenses	Literary Service Expenses	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Payroll and payroll taxes	\$ 359,770	\$ 85,873	\$ 445,643	\$ 244,291	\$ 158,870	\$ 403,161	\$ 848,804
Employee benefits	85,722	15,948	101,670	53,824	43,858	97,682	199,352
Fuel and utilities	14,613	2,358	16,971	6,129	471	6,600	23,571
Insurance	8,952	1,790	10,742	21,484	3,582	25,066	35,808
Maintenance, repairs and cleaning	55,175	8,899	64,074	23,136	1,782	24,918	88,992
Professional services	56,319	8,797	65,116	140,799	-	140,799	205,915
Office expenses and supplies	21,456	6,744	28,200	24,522	8,583	33,105	61,305
Software support and licenses	13,757	5,793	19,550	9,412	7,240	16,652	36,202
Catering and hospitality	2,999	-	2,999	8,996	-	8,996	11,995
Artists wages and programs expenses	134,742	7,693	142,435	-	-	-	142,435
Space rental	21,966	5,243	27,209	14,916	9,700	24,616	51,825
Fellowship and awards	7,200	-	7,200	-	-	-	7,200
Travel - staff and artists	2,059	-	2,059	16,853	-	16,853	18,912
Depreciation and amortization	9,513	1,535	11,048	3,989	307	4,296	15,344
Direct special events expenses	-	-	-	-	219,142	219,142	219,142
Miscellaneous expenses	-	-	-	-	8,626	8,626	8,626
	<u>794,243</u>	<u>150,673</u>	<u>944,916</u>	<u>568,351</u>	<u>462,161</u>	<u>1,030,512</u>	<u>1,975,428</u>
Less: Direct costs of special events netted with revenue	-	-	-	-	(219,142)	(219,142)	(219,142)
	<u>\$ 794,243</u>	<u>\$ 150,673</u>	<u>\$ 944,916</u>	<u>\$ 568,351</u>	<u>\$ 243,019</u>	<u>\$ 811,370</u>	<u>\$ 1,756,286</u>

The Notes to Financial Statements are an integral part of this statement.

New Dramatists, Inc.
Statement of Functional Expenses
Year Ended June 30, 2024

	Program Services			Supporting Services			Total Expenses
	Artist Services and Workshop Expenses	Literary Service Expenses	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Payroll and payroll taxes	\$ 337,936	\$ 80,662	\$ 418,598	\$ 229,466	\$ 149,228	\$ 378,694	\$ 797,292
Employee benefits	77,063	14,337	91,400	48,388	39,428	87,816	179,216
Fuel and utilities	13,931	2,248	16,179	5,842	449	6,291	22,470
Insurance	8,305	1,661	9,966	19,932	3,323	23,255	33,221
Maintenance, repairs and cleaning	28,012	4,518	32,530	11,746	904	12,650	45,180
Professional services	51,133	7,987	59,120	127,831	-	127,831	186,951
Office expenses and supplies	18,725	5,885	24,610	21,400	7,490	28,890	53,500
Software support and licenses	15,754	6,634	22,388	10,779	8,291	19,070	41,458
Catering and hospitality	3,488	-	3,488	10,463	-	10,463	13,951
Artists wages and programs expenses	116,840	6,671	123,511	-	-	-	123,511
Fellowship and awards	7,000	-	7,000	-	-	-	7,000
Travel - staff and artists	2,604	-	2,604	21,329	-	21,329	23,933
Depreciation and amortization	39,315	6,342	45,657	16,488	1,269	17,757	63,414
Direct special events expenses	-	-	-	-	204,275	204,275	204,275
Miscellaneous expenses	-	-	-	-	3,169	3,169	3,169
Bad debt expense	-	-	-	5,000	-	5,000	5,000
	720,106	136,945	857,051	528,664	417,826	946,490	1,803,541
Less: Direct costs of special events netted with revenue	-	-	-	-	(204,275)	(204,275)	(204,275)
	\$ 720,106	\$ 136,945	\$ 857,051	\$ 528,664	\$ 213,551	\$ 742,215	\$ 1,599,266

The Notes to Financial Statements are an integral part of this statement.

New Dramatists, Inc.
Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating activities		
Change in net assets	\$ (421,756)	\$ (13,111)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	15,344	63,414
Impairment loss on building	-	548,261
Realized loss on sale of investments	(5,426)	(5,753)
Unrealized loss on investments	(2,808)	(17,972)
Bad debt expense	-	5,000
Change in		
Contributions receivable	916,932	(799,437)
Prepaid expenses	(9,793)	103
Accounts payable	15,851	9,516
Net cash provided by (used in) operating activities	<u>508,344</u>	<u>(209,979)</u>
Investing activities		
Purchase of investments	(17,806)	(1,574,033)
Proceeds from sale of investments	479,582	1,642,347
Purchase of property, plant, and equipment	(7,786)	-
Net cash provided by investing activities	<u>453,990</u>	<u>68,314</u>
Net change in cash and cash equivalents	962,334	(141,665)
Cash and cash equivalents		
Beginning of year	1,307,733	1,449,398
End of year	<u>\$ 2,270,067</u>	<u>\$ 1,307,733</u>

The Notes to Financial Statements are an integral part of these statements.

New Dramatists, Inc.
Notes to Financial Statements
June 30, 2025 and 2024

1. Nature of the Organization and Activities

Organization

New Dramatists, Inc. ("the Organization") was founded in 1949 as a not-for-profit corporation organized under the not-for-profit corporation law of the State of New York 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, space, and the tools to develop their craft, so that they may fulfill their potential and make lasting contributions to the theater.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Net Assets

External financial reporting by not-for-profit organizations requires that resources be classified for accounting and reporting purposes based on the existence or absence of external donor-imposed restrictions. This is accomplished by classification of net assets into two classes: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories and the types of transactions affecting each category are as follows:

Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions. Items that affect this net asset category principally consist of revenues and related expenses associated with the activities of the Organization. In addition to these exchange transactions, gifts without restrictions, including those designated by the board of directors and restricted gifts whose donor-imposed restrictions were met during the fiscal year, as well as previously restricted gifts, are included in this net asset class.

With Donor Restrictions: Net assets subject to donor-imposed restrictions that will be met either by actions of the Organization or the passage of time. Items that affect this net asset category are contributions for which donor-imposed restrictions have not been met in the year of receipt. Expirations of restrictions of net assets with donor restrictions from prior years are reported as net assets released from restrictions.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less when acquired.

Concentrations of Credit Risk

The Organization maintains its cash and cash equivalents balances in financial institutions which throughout the year regularly exceed the Federal Deposit Insurance Corporation limit of \$250,000. Any loss incurred or a lack of access to such funds could have a significant adverse impact on the Organization's financial condition, results of operations, and cash flows.

The Organization maintains investment balances at financial institutions. The balances are insured by the Securities Investor Protection Corporation ("SIPC") up to \$500,000. The SIPC does not protect investors from market risk.

Contributions receivable concentrations included 69% and 86%, respectively, from two funding sources for the years ended June 30, 2025 and 2024. Operating revenue concentration of 23% was from two funding sources for the year ended June 30, 2025 and 36% was from one funding source for the year ended June 30, 2024.

New Dramatists, Inc.
Notes to Financial Statements
June 30, 2025 and 2024

Investments

Investments are stated at fair value. Realized and unrealized gains and losses are determined on the basis of the specific-identification cost method. Unrealized gains and losses are included in the accompanying statements of activities and changes in net assets. Fair values are based on quoted market prices.

Property and Equipment

	Estimated Life (Years)
Website	3 to 7
Machinery and equipment	3 to 10
Furniture and fixtures	7 to 10
Building improvements	10 to 25
Building	25

Property and equipment in excess of \$1,000 is capitalized and stated at cost, net of accumulated depreciation. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Land and Building Held for Sale

Assets to be disposed of are reclassified as assets held for sale at the lower of their carrying amount or fair value less cost to sell. Assets held for sale represent the Organization's land and building. Assets held for sale are expected to be disposed of by selling the assets within the next 12 months. As of June 30, 2025, assets held for sale consist of land of \$126,000, building (including building improvements) of \$988,042, and accumulated depreciation of \$988,042. See Note 7.

Revenue and Support Recognition

Contributions and Promises to Give

Grants and contributions are recognized when cash is received or when the donor makes a promise to give to the Organization that is, in substance, unconditional. Grants and 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 and grants are recognized. All other donor-restricted grants and contributions are reported as increases in net assets with donor restrictions. When a restriction expires, donor restricted net assets are reclassified to net assets without donor restrictions. The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. During the years ended June 30, 2025 and 2024, \$52,235 and \$75,432, respectively, was recorded in contributions from members of the Organization's board of directors.

Special events

Special event revenue comprises an exchange element, based on the benefits received, and a contribution element for the difference and is treated as revenue without donor restrictions. The Organization does not have any significant financing components as payment is received at or shortly after the point of sale. The contribution portion is recognized as revenue when received. For the exchange portion, funds received in advance of the event date are recorded as deferred revenue in the statements of financial position. Revenue from the exchange portion is recognized at a point in time, at the date the event is held.

Bequests

Bequests are recognized either when the cash is received or when notification of the donation amount is received and the amount is known. During the year ended 2024, the Organization received the balance of a one-time estate bequest in the amount of \$750,081. All bequests are reflected as a contribution in the statement of activities under legacies.

New Dramatists, Inc.
Notes to Financial Statements
June 30, 2025 and 2024

Contributed Services

The Organization received in-kind legal services for general counsel valued at \$2,806 and \$101,275 for the years ended June 30, 2025 and 2024, respectively. Contributed services are valued and reported at estimated fair value in the financial statements based on current rates for similar services.

Functional Allocation of Expenses

The cost of providing the various programs and the supporting services has been summarized on a functional basis in the statements of activities and changes in net assets and statements of functional expenses. Accordingly, certain costs have been allocated among the programs and support services benefited. Such allocations are determined by management on an equitable basis as follows:

Expense	Basis
Salaries and benefits	Time and effort
Employee benefits	Time and effort
Fuel and utilities	Square footage
Insurance	Square footage
Maintenance, repairs and cleaning	Direct
Professional services	Direct
Office expenses and supplies	Direct
Software support and licenses	Direct
Catering and hospitality	Direct
Artist wages and program expenses	Direct
Fellowships and awards	Direct
Travel-staff and artist	Direct
Direct special event expenses	Direct
Miscellaneous expenses	Direct
Depreciation and amortization	Square footage

Library Collection

The Organization's 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.

The Organization 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. The Organization has elected not to capitalize its collection.

Tax Status and Uncertain Tax Positions

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and Section 402 of the Not-for-Profit Corporation Law in New York State and has been designated as an organization which is not a private foundation. Related income is not subject to federal, state, and local income taxes.

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The Organization followed the provisions of authoritative guidance on accounting for uncertainty in income taxes for the years ended June 30, 2025 and 2024. Under this guidance, tax positions are evaluated for recognition using a more-likely-than-not threshold, and those tax positions requiring recognition are measured at the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information.

The Organization has evaluated the likelihood of its tax-exempt status being challenged as remote. Accordingly, the Organization has not included any income tax provisions or any potential liabilities for taxes on unrelated business income, including interest and penalties, in the financial statements related to potential violations of its tax-exempt status. There are no income tax-related interest or penalties reflected in these financial statements.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities disclosure of contingent 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. Significant estimates used in the preparation of these financial statements include depreciation and functional allocation of expenses.

Fair Value Measurements

The Organization measures certain financial instruments at fair value on a recurring basis at each reporting period. Certain assets are measured at fair value on a nonrecurring basis annually or when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Fair value is estimated as the amount that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value estimates involve uncertainty and significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially when quoted prices are unavailable. Changes in assumptions or market conditions could significantly affect these estimates.

Fair Value Hierarchy

Assets and liabilities recorded at fair value are measured and classified in accordance with a fair value hierarchy consisting of three “levels” based on the observability of valuation inputs:

Level 1 - Fair value measurements based on quoted prices (unadjusted) in active markets that the Organization has the ability to access for identical assets or liabilities. Market price data generally is obtained from exchange or dealer markets. The Organization does not adjust the quoted price for such instruments.

Level 2 - Fair value measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 - Fair value measurements based on valuation techniques that use significant unobservable inputs. Both observable and unobservable inputs may be used to determine the fair values of positions classified in Level 3. The circumstances for using these measurements include those in which there is little, if any, market activity for the asset or liability. Therefore, the Organization must make certain assumptions about the inputs a hypothetical market participant would use to value that asset or liability.

The Organization maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. Financial instruments with quoted prices in active markets generally have more pricing observability and require less judgment in measuring fair value. Conversely, financial instruments for which no quoted prices are available have less observability and are measured at fair value using valuation models or other pricing techniques that require more judgment. Pricing observability is affected by a number of factors, including the type of financial instrument, whether the financial instrument is new to the market and not yet established, the characteristics specific to the transaction, liquidity and general market conditions.

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In certain cases, the inputs used to measure the fair value of an asset or liability may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Newly Adopted Accounting Pronouncements

In July 2025, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2025-05, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. The new standard, which is effective for annual reporting periods beginning after December 15, 2025, with early adoption permitted, provides a simplified approach for measuring expected credit losses on current accounts receivable and current contract assets accounted for under Topic 606. The Organization has early adopted ASU 2025-05 prospectively as of July 1, 2024.

Reclassification

The prior year functional allocation of professional fees has been reclassified to conform to the current year presentation. Such reclassification had no effect on the previously reported change in net assets, financial position, or cash flows. Management believes these changes enhance the comparability and clarity of the accompanying financial statements.

3. Restrictions on Net Assets

Net Assets With Donor Restrictions

Net assets with donor restrictions were released as follows for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Perpetual in nature (endowment)	\$ 318,793	\$ 317,521
Restricted for future periods	120,831	166,664
Restricted for artists services and workshops	83,972	68,383
	<u>\$ 523,596</u>	<u>\$ 552,568</u>

Net assets with donor restrictions were released as follows for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Expiration of time restrictions	\$ 130,832	\$ 159,000
Satisfaction of purpose restrictions	11,868	2,883
Total net assets released from restriction	<u>\$ 142,700</u>	<u>\$ 161,883</u>

The Organization's endowment consists of several donor-restricted endowment funds established for specific purposes. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. At the donors' request, investment income earned on the endowments (the “Funds”) are to be distributed to cover actual expenses of the respective programs. Any excess investment income is to be added to the Funds, with any losses reducing unrestricted net assets.

The Organization considers an endowment to be underwater if the fair value is less than the sum of the original value of the initial donation and subsequent donations to the endowment and accumulations to the endowment required to be held in perpetuity per donor direction. The Organization has no underwater endowments as of June 30, 2025 and 2024.

New Dramatists, Inc.
Notes to Financial Statements
June 30, 2025 and 2024

The Board of Directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as requiring the preservation of fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result, the Organization classifies these donor-restricted endowments as net assets with donor restrictions, including (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations and decrements to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. The remaining portion of the donor-restricted endowment fund that is not classified as a permanent endowment is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following facts in making a determination to appropriate or accumulate donor-restricted endowment funds:

- a. The duration and preservation of the fund;
- b. The purposes of the Organization and the donor-restricted endowment fund;
- c. General economic conditions;
- d. The possible effect of inflation and deflation;
- e. The expected total return from income and the appreciation of investments;
- f. Other resources of the Organization; and
- g. The investment policy of the Organization.

Return Objectives and Risk Parameters

The Organization has adopted an investment policy for endowment assets with the primary goal of maintaining the original value of the endowment principal, while providing funding to programs and awards supported by its endowment. Under this policy, the endowment assets are invested in a manner that is intended to produce income and preserve principal while assuming a very low level of investment risk. The endowments do not have a specific spending policy. The manner in which the endowment funds are invested is determined by the Finance Committee of the Board of Directors.

The Organization’s permanent endowment assets includes four individual donor restricted funds that must be held in perpetuity which are shown in net assets with donor restrictions.

Changes in endowment assets are as follows for the years ended June 30, 2025 and 2024:

	With Donor Restrictions	With Donor Restrictions
Endowment net assets, beginning of year	\$ 317,521	\$ 316,698
Investment return, net	1,272	823
Endowment net assets, end of year	\$ 318,793	\$ 317,521

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4. Liquidity and Availability of Resources

At June 30, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses, were as follows:

	<u>2025</u>	<u>2024</u>
Financial assets		
Cash and cash equivalents	\$ 2,270,067	\$ 1,307,733
Contributions receivable	109,335	1,026,267
Investments	366,346	819,887
Total financial assets available	<u>2,745,748</u>	<u>3,153,887</u>
Less:		
Donor-restricted endowments	(318,793)	(317,521)
Donor-imposed purpose restrictions	(83,972)	(68,383)
Total financial assets and liquidity resources available within one year for general expenditure	<u>\$ 2,342,983</u>	<u>\$ 2,767,983</u>

The Organization manages its financial assets to be available as its operating expenditures, liabilities, and other obligations come due. The Organization's cash flows have fluctuations during the year attributable to the timing of program operations and collections from donors and grantors.

5. Fair Value of Financial Instruments

The following tables represent the Organization's fair value hierarchy for its financial assets measured at fair value on a recurring basis as of June 30, 2025 and 2024:

	Fair Value 2025				
	Level 1	Level 2	Level 3	Total	Cost Total
United States Treasury bills	\$ 319,231	\$ -	\$ -	\$ 319,231	\$ 320,437
Equities	46,352	-	-	46,352	44,382
Accrued interest	763	-	-	763	763
	<u>\$ 366,346</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 366,346</u>	<u>\$ 365,582</u>

	Fair Value 2024				
	Level 1	Level 2	Level 3	Total	Cost Total
Mutual funds					
Fixed income	\$ 651,316	\$ -	\$ -	\$ 651,316	\$ 651,316
Exchange-traded funds	22,911	-	-	22,911	24,601
United States Treasury bills	122,904	-	-	122,904	123,332
Equities	21,993	-	-	21,993	22,259
Accrued interest	763	-	-	763	763
	<u>\$ 819,887</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 819,887</u>	<u>\$ 822,271</u>

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Investment income, net consists of the following for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Interest and dividend income	\$ 29,196	\$ 20,780
Realized gain (loss) on sale of investments and cash equivalents	35,146	41,619
Unrealized gain (loss) on investments and cash equivalents	24,331	19,005
Investment fees	(9,047)	(8,808)
Investment income (loss), net	<u>\$ 79,626</u>	<u>\$ 72,596</u>

6. Beneficial Interest in a Split-Interest Trust

The Organization has a 45% beneficial interest in a split-interest trust (the "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 contribution receivable. For each of the years ended June 30, 2025 and 2024, the statements of activities and changes in net assets included income of \$135,000 from the Trust which is reflected as a contribution in the statements of activities and changes in net assets under legacies.

7. Property and Equipment

Property and equipment consist of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Land	\$ -	\$ 126,000
Building and building improvements	-	988,042
Equipment	177,223	169,438
Furniture and fixtures	193,265	193,265
Website development	88,725	88,725
	<u>459,213</u>	<u>1,565,470</u>
Accumulated depreciation	(435,352)	(1,408,050)
	<u>\$ 23,861</u>	<u>\$ 157,420</u>

Depreciation expense for the years ended June 30, 2025 and 2024 was \$15,344 and \$63,414, respectively.

During the year ended June 30, 2024, the Organization's building was damaged by construction work at a neighboring property resulting in damages in excess of the net book value of the property. Accordingly, an impairment charge of \$548,261 was recorded. During the year ended June 30, 2025, the Organization's land and building met the criteria for held for sale classification and those amounts, including accumulated depreciation, were reclassified to land and building held for sale on the statement of financial position (see Note 2).

8. Employee Benefit Plan

The Organization has a 403(b)-salary deferral plan. Under the plan, the Organization may make a matching contribution to the employees' plan on a discretionary basis that vests to the employee based on the years of service at the Organization. There was no matching contribution for the years ended June 30, 2025 and 2024.

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9. Risks and Uncertainties

The Organization invests in various securities. These investments are exposed to various risks such as interest rate, market volatility, and credit risks. Due to the level of risk associated with certain investment securities, given the current economy, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

10. Subsequent Events

The Organization has evaluated subsequent events occurring after the statement of financial position date through the date of January 29, 2026, the date the financial statements were available to be issued. Based on this evaluation, the Organization has determined that no events have occurred which require recognition or disclosure in the financial statements.