NEW YORK THEATRE WORKSHOP, INC.

FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION

JUNE 30, 2015 AND 2014

NEW YORK THEATRE WORKSHOP, INC.

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FK PARTNERS
FRIED AND KOWGIOS PARTNERS CPA'S LLP

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
New York Theatre Workshop, Inc.

We have audited the accompanying financial statements of New York Theatre Workshop, Inc. (a not-for-profit corporation) (the "Organization"), which comprise the statements of financial position as of June 30, 2015 and 2014, 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

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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.

FK PARTNERS

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New York Theatre Workshop, Inc. as of June 30, 2015 and 2014, 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.

Fried and Kowgios Partners CPAs LLP

New York, New York
February 16, 2016

NEW YORK THEATRE WORKSHOP, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2015 AND 2014

	2015				2014			
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
Assets (Note 7c)								
Current Assets								
Cash and cash equivalents (Notes 1c, 3 and 4a)	$ 2,803,016	$ 85,380	$ 55,172	$ 2,943,568	$ 2,024,568	$ 86,780	$ 54,771	$ 2,166,119
Investments (Notes 1e, 3 and 4b)	98	-	-	98	129	-	-	129
Accounts receivable	202,093	-	-	202,093	201,044	-	-	201,044
Unconditional promises to give (Notes 1f and 5)	146,427	78,500	-	224,927	103,170	55,000	-	158,170
Prepaid expenses and other current assets	58,045	-	-	58,045	95,116	-	-	95,116
Total Current Assets	3,209,679	163,880	55,172	3,428,731	2,424,027	141,780	54,771	2,620,578
Property and equipment, at cost, net of accumulated depreciation (Notes 1h, 6 and 7b)	5,591,551	-	-	5,591,551	5,833,833	-	-	5,833,833
Bonds and deposits	24,470	-	-	24,470	31,323	-	-	31,323
Total Assets	$ 8,825,700	$ 163,880	$ 55,172	$ 9,044,752	$ 8,289,183	$ 141,780	$ 54,771	$ 8,485,734
Liabilities and Net Assets								
Current Liabilities								
Accounts payable and accrued expenses	$ 84,768	$ -	$ -	$ 84,768	$ 121,360	$ -	$ -	$ 121,360
Deferred rental income and security deposits held (Note 1j)	105,000	-	-	105,000	17,380	-	-	17,380
Deferred box office revenue (Note 1j)	297,252	-	-	297,252	342,600	-	-	342,600
Deferred enhancement revenue (Note 1i)	282,675	-	-	282,675	-	-	-	-
Total Liabilities	769,695	-	-	769,695	481,340	-	-	481,340
Commitments and contingencies (Note 7)								
Net Assets								
Unrestricted								
Property and equipment, net	5,591,551	-	-	5,591,551	5,833,833	-	-	5,833,833
Board - designated (Note 2a)	1,717,063	-	-	1,717,063	1,202,387	-	-	1,202,387
Undesignated surplus	747,391	-	-	747,391	771,623	-	-	771,623
Temporarily Restricted (Note 2b)	-	163,880	-	163,880	-	141,780	-	141,780
Permanently Restricted (Note 2c)	-	-	55,172	55,172	-	-	54,771	54,771
Total Net Assets	8,056,005	163,880	55,172	8,275,057	7,807,843	141,780	54,771	8,004,394
Total Liabilities and Net Assets	$ 8,825,700	$ 163,880	$ 55,172	$ 9,044,752	$ 8,289,183	$ 141,780	$ 54,771	$ 8,485,734

See notes to financial statements.

NEW YORK THEATRE WORKSHOP, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	2015				2014			
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
Public Support and Other Revenue								
Public Support (Note 1f)								
Government	$ 209,800	$ 4,000	$ -	$ 213,800	$ 211,285	$ -	$ -	$ 211,285
Corporations	22,945	-	-	22,945	51,057	5,000	-	56,057
Foundations	716,269	154,750	-	871,019	728,761	93,079	-	821,840
Individuals	849,209	-	-	849,209	775,513	-	-	775,513
Special events income	442,707	-	-	442,707	419,301	-	-	419,301
Less: direct costs of special events	(69,233)	-	-	(69,233)	(124,197)	-	-	(124,197)
Donated services and materials (Note 9)	24,985	-	-	24,985	13,364	-	-	13,364
Net assets released from restrictions								
Foundations	131,650	(131,650)	-	-	113,050	(113,050)	-	-
Corporations	5,000	(5,000)	-	-	-	-	-	-
Individuals	-	-	-	-	10,000	(10,000)	-	-
Government	-	-	-	-	9,743	(9,743)	-	-
Total Public Support	2,333,332	22,100	-	2,355,432	2,207,877	(34,714)	-	2,173,163
Other Revenue (Note 1i)								
Box office revenue	1,483,937	-	-	1,483,937	2,518,370	-	-	2,518,370
Enhancement revenue	200,000	-	-	200,000	300,000	-	-	300,000
Royalty income	533,946	-	-	533,946	781,944	-	-	781,944
Rental income	111,999	-	-	111,999	91,949	-	-	91,949
Shop income	90,840	-	-	90,840	93,732	-	-	93,732
Handling fees	18,182	-	-	18,182	21,604	-	-	21,604
Tuition income	27,650	-	-	27,650	23,383	-	-	23,383
Investment income (Notes 1e and 4b)	1,704	-	401	2,105	4,721	-	194	4,915
Miscellaneous income	14,106	-	-	14,106	15,621	-	-	15,621
Total Public Support and Other Revenue	4,815,696	22,100	401	4,838,197	6,059,201	(34,714)	194	6,024,681
Expenses (Note 10)								
Program Expenses	3,441,390	-	-	3,441,390	5,067,131	-	-	5,067,131
Supporting Services								
Management and General	614,561	-	-	614,561	565,907	-	-	565,907
Fundraising	511,583	-	-	511,583	489,907	-	-	489,907
Total Supporting Services	1,126,144	-	-	1,126,144	1,055,814	-	-	1,055,814
Total Expenses	4,567,534	-	-	4,567,534	6,122,945	-	-	6,122,945
Increase (Decrease) in Net Assets	248,162 *	22,100	401	270,663	(63,744) *	(34,714)	194	(98,264)
Net Assets, beginning of year	7,807,843	141,780	54,771	8,004,394	7,871,587	176,494	54,577	8,102,658
Net Assets, End of Year	$ 8,056,005	$ 163,880	$ 55,172	$ 8,275,057	$ 7,807,843	$ 141,780	$ 54,771	$ 8,004,394

* Includes depreciation expense of $278,727 (2015) and $298,408 (2014)

See notes to financial statements.

NEW YORK THEATRE WORKSHOP, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
Cash Flows From Operating Activities		
Increase (decrease) in net assets	$ 270,663	$ (98,264)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	278,727	298,408
Donated securities	(219,845)	(182,718)
Unrealized loss on investments	31	28
Realized (gain) loss on sale of donated securities	1,298	(928)
(Increase) decrease in:		
Accounts receivable	(1,049)	20,188
Unconditional promises to give	(66,757)	(27,309)
Prepaid expenses and other current assets	37,071	59,582
Bonds and deposits	6,853	(5,423)
Increase (decrease) in:		
Accounts payable and accrued expenses	(36,592)	12,197
Deferred rental income and security deposits held	87,620	(13,370)
Deferred box office revenue	(45,348)	(66,775)
Deferred enhancement revenue	282,675	(150,000)
Net Cash Provided (Used) By Operating Activities	595,347	(154,384)
Cash Flows From Investing Activities		
Purchase of property and equipment	(36,445)	(3,831)
Proceeds from sale of donated securities	218,547	183,646
Net Cash Provided By Investing Activities	182,102	179,815
Net increase in cash and cash equivalents	777,449	25,431
Cash and cash equivalents, beginning of year	2,166,119	2,140,688
Cash and Cash Equivalents, End of Year	$ 2,943,568	$ 2,166,119

See notes to financial statements.

NEW YORK THEATRE WORKSHOP, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 1 - Organization and Summary of Significant Accounting Policies

a - Nature of Activities

New York Theatre Workshop, Inc. (the "Organization") is a not-for-profit corporation incorporated on February 19, 1982 under the New York State Not-for-Profit Corporation Law. The Organization is the successor to the Stephen Graham Foundation. The Organization was established to promote the appreciation of theatre through theatrical productions, and to engage with artists to explore new dramatic forms.

b - Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

c - Cash and Cash Equivalents

For the purposes of the statements of cash flows, cash and cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.

d - Fair Value Measurements

The Organization reflects fair value using an estimate of the exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants (i.e. the exit price at the measurement date). Fair value measurements are not adjusted for transaction costs. Fair value hierarchy that prioritizes inputs to valuation techniques used to measure fair value into three levels.

Unadjusted quoted prices in active markets for identical assets or liabilities are referred to as Level 1 inputs. Inputs other than quoted market prices that are observable, either directly or indirectly, and reasonably available are referred to as Level 2 inputs. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability and are developed based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the assumptions developed by the Organization based on available information about what market participants would use in valuing the asset or liability and are referred to as Level 3. An asset or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Availability of observable inputs can vary and is affected by a variety of factors. Level 3 assets and liabilities involve greater judgment than Level 1 or Level 2 assets and liabilities.

The Organization's investments are classified within Level 1 of the fair value hierarchy. Fair value is determined using quoted market values.

NEW YORK THEATRE WORKSHOP, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 1 - Summary of Significant Accounting Policies (continued)

e - Investments
Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

f - Contributions and Promises to Give
Contributions are recognized when the donor makes a promise to give 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 recognized. 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.

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.

g - Inventory
The Organization maintains certain concession, fabric and scenery inventories of past productions. The Organization is unable to determine future use of such inventory and therefore the concession inventory is expensed when purchased and scenery and costumes inventories are expensed over the run of the public performances of the original show.

h - Property and Equipment
Property and equipment acquired are recorded at cost. It is the Organization's policy to capitalize expenditures for these items in excess of $1,000. Lesser amounts are expensed. 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. 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 contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expiration of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Building, equipment and furniture are being depreciated over the useful life of the related asset using the straight-line method, with a half of a year's depreciation recognized in the years of acquisition and disposal.

NEW YORK THEATRE WORKSHOP, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 1 - Summary of Significant Accounting Policies (continued)

i - Revenue Recognition
Box office revenue consists of ticket sales and subscription series purchased. Box office revenue is recognized when the performance occurs. The ticket portion of the subscription series is recognized as box office revenue over the number of performances within each series package. The contribution component of the subscription series is recorded upon receipt. The non-refundable handling fees are recognized as income when the sale takes place. Tuition income is recognized in the year that the student program takes place. Rental income is earned upon the satisfaction of the terms of short-term leases. Enhancement revenue is recognized in the year that the related production occurs. Royalty income received for the subsequent productions of the Organization's production is recognized when earned. Shop income and miscellaneous income are recognized in the period to which the fees relate.

j - Deferred Revenue
Box office revenue is recognized in the period in which the performance takes place. Advanced rent is reflected as deferred revenue until the terms of the rental agreement have been satisfied. The Organization requires security deposits to hold the rental space.

k - Advertising
Advertising costs are charged to operations when the advertising first takes place. Advertising expense for the years ended June 30, 2015 and 2014 was $332,473 and $339,281, respectively.

l - Production Costs
Production costs are capitalized at cost and are amortized over the estimated life of the theatrical production. Since all productions closed prior to the issuance of the financial statements, all production costs have been expensed.

m - Financial Statement Presentation
The Organization presents its financial statements according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes. Temporarily restricted net assets are subject to donor-imposed stipulations that will be met by actions of the Organization or by the passage of time. Unrestricted net assets are not subject to donor-imposed stipulations.

n - Estimates
The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

NEW YORK THEATRE WORKSHOP, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 1 - Summary of Significant Accounting Policies (continued)

o - Tax Status and Uncertain Tax Positions
The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation. The Organization's Forms 990, *Return of Organizations Exempt from Income Tax* for the years ended June 30, 2014, 2013 and 2012 are subject to examination by the IRS, generally for three years after they were filed.

The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Note 2 - Restriction on Net Assets

a) In 2013, the Board of Directors designated royalty income to establish a board-designated fund, which is restricted for cash reserve and capital improvements. Transfers of these funds can only occur with Board approval. During the year ended June 30, 2015, the Board approved a transfer of $18,500 to general operations (for strategic plan development costs). During the year ended June 30, 2014, the Board approved the fiscal year 2014 royalty income to be used for general operations (excluding depreciation expense). Investment income earned on these funds is added to board-designated net assets.

b) Temporarily restricted net assets are restricted for future periods and programs as of June 30, 2015 and 2014.

c) Permanently restricted net assets are restricted by the donor in perpetuity. The Organization received $50,000 restricted by a donor in perpetuity as a working capital reserve fund along with any appreciation and earnings on these funds. The funds can be borrowed by the Organization interest-free. The reserve fund must be fully funded for at least 30 consecutive days during every two fiscal years. Investment income earned on these funds is added to permanently restricted net assets.

Note 3 - Concentration of Credit Risk

The Organization maintains its cash and money market balances in various financial institutions. Certain balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000 per institution. At June 30, 2015, the Organization's uninsured cash and money market balances totaled $237,735.

NEW YORK THEATRE WORKSHOP, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 3 - Concentration of Credit Risk (continued)

The Organization's cash and cash equivalents in the amount of $2,190,386 is invested in a Fidelity Treasury Fund (the "Fund") which invests approximately 80% of the funds in U.S. Treasury securities and money market funds for the quality, maturity, and diversification of investments. This Fund is not currently insured.

Note 4 - Cash, Cash Equivalents and Investments

a) Fair Value of Financial Instruments

The fair value and carrying amount of the Organization's cash and short-term investments as of June 30, 2015 and 2014 was $2,945,109 and $2,166,119, respectively. Cash and short-term investments carrying amount approximates fair value because of the short maturities of those investments.

b) Fair Values Measured on Recurring Basis

Fair values of assets measured on a recurring basis at June 30, 2015 and 2014 consist of corporate stocks. The fair value and quoted prices in active markets for identical assets (Level 1) for investments as of June 30, 2015 and 2014 was $98 and $129, respectively. Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

Investment income consists of the following for the years ended June 30:

	2015	2014
Interest and dividend income	$ 3,434	$ 4,015
Unrealized loss on investments	(31)	(28)
Realized gain (loss) on sale of donated securities	(1,298)	928
Total Investment Income	$ 2,105	$ 4,915

Note 5 - Unconditional Promises to Give

When estimating fair value of unconditional promises to give, management considers the relationships with donor, the donor's past history of making timely payments, and the donor's overall creditworthiness are considered and incorporated into present value techniques. The interest element resulting from amortization of the discount for the time value of money, computed using the effective interest rate method, is reported as contribution revenue. As of June 30, 2015 and 2014, all unconditional promises to give were due within one year. Uncollectible promises are expected to be insignificant.

NEW YORK THEATRE WORKSHOP, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 6 - Property and Equipment

Property and equipment consist of the following at June 30:

	Life/Years	2015	2014
Buildings and improvements	39-40	$ 7,195,273	$ 7,171,303
Equipment and fixtures	3-7	1,223,166	1,210,691
		8,418,439	8,381,994
Less: accumulated depreciation		(2,826,888)	(2,548,161)
		$ 5,591,551	$ 5,833,833

Depreciation expense for the years ended June 30, 2015 and 2014 was $278,727 and $298,408, respectively.

Improvements and equipment include certain amounts funded by the New York City Department of Cultural Affairs (the “DCA”). There are restrictions on the capitalized expenditures funded by the DCA (Note 7b).

Note 7 - Commitments and Contingencies

a) Government supported programs are subject to audit by the granting agency.

b) On October 11, 2005, the Organization purchased, for a nominal amount, a building from the New York City Department of Housing Preservation and Development. The building, located at 72 East 4th Street, was valued at $530,000 and is reflected in these financial statements. The sale was made as part of the creation of an official New York City Fourth Arts Block Cultural District, which includes the sale of six city-owned buildings to cultural organizations. Each building has an enforcement mortgage to ensure that it will remain a cultural building in perpetuity.

The Organization's building was renovated to become the new scenic shop, costume shop and production office and was fully operational as of June 30, 2012.

The project was managed by the DCA. The DCA spent $3,205,987, which is included within buildings and improvements (Note 6). DCA’s investment of capital funding obligates the Organization to operate the facility and/or maintain equipment for the respective bonding term as a non-profit entity, open to and used and maintained for the benefit of the people of the City of New York for cultural, educational or artistic uses and/or related purposes approved by New York City. The Organization is obligated to operate as a non-profit entity and shall not transfer ownership or control over the equipment without the DCA’s prior written consent.

Note 7 - Commitments and Contingencies (continued)

c) In 2011, the Organization obtained a revolving line of credit in the amount of $499,999 from a financial institution, with a fluctuating rate per annum equal to the prime rate plus 1% (4.25% as of June 30, 2015). The rate will not be less than 3.25%. The line is collateralized by the Organization's property located at 79 East 4th Street and 83 East 4th Street, New York, NY. The line of credit agreement was renewed on June 23, 2015 and is currently expiring on July 8, 2016. Per the amended agreement, the Organization should comply with certain restrictive covenants as long as any amounts remain outstanding. As of June 30, 2015 and 2014, no amounts were outstanding.

d) The Organization contributes to four multiemployer pension plans under collective bargaining agreements covering union-represented employees, entirely in the entertainment industry. The vast majority of employers participating in these multiemployer plans are primarily engaged in the entertainment industry. These plans generally provide retirement benefits to vested participants based on their service to contributing employers, of which the Organization is one. In general, these plans are managed by a Board of Trustees with the unions appointing certain trustees and contributing employers of the plan appointing certain members. The Organization does not participate in any plan where it considers its contributions to be individually significant to the overall plan.

   Based on information available to the Organization, the vast majority of the multiemployer plans to which it contributes are adequately funded under the applicable provisions of the Pension Protection Act enacted in 2006 (PPA). Two of these funds are in either "critical" or "endangered" status as those terms are defined in the PPA. The PPA requires all underfunded pension plans to improve their funding ratios within prescribed intervals based on their level of underfunding. Until the plan trustees develop the funding improvement plans or rehabilitation plans as required by the PPA, the Organization is unable to determine the amount of assessments the Organization may be subject to, if any.

   Under applicable law upon its ceasing to make contributions to, or other “withdrawal” from an underfunded multiemployer pension plan, the affected funds could seek contributions from the Organization for the Organization’s proportionate share of the plan's unfunded vested liabilities. The Organization believes that under such circumstances, if a Fund were to seek to assess such contribution obligation upon the Organization’s alleged “withdrawal,” the Organization would have significant defenses against such assessment under applicable law.

   The Organization cannot determine at this time the impact that any alleged withdrawal from the affected plans may have on the financial position, results of operations or cash flows.

Note 7 - Commitments and Contingencies (continued)

d) (continued)

Approximately 14% of the Organization's employees and contractors are participants in multiemployer plans. Pension and welfare expense for multiemployer plans was $67,512 and $187,721, for the years ended June 30, 2015 and 2014, respectively.

e) The Organization is obligated under two employment agreements with key employees, which provide for minimum annual payments as follows as of June 30, 2015:

For the year ending June 30, 2016	$	300,901
“ “ “ “ June 30, 2017		300,901
“ “ “ “ June 30, 2018		229,651
Total	$	831,453

f) The Organization entered into a 3-year license agreement with an internet-based ticketing system provider. The agreement has a renewal option for 1 year. The Organization may terminate this agreement for any reason with written notice of at least 1 month (first 2 years without penalty and early termination fees). Per the agreement, the internet-based ticketing system provider is entitled to a minimum annual charge of $18,000 (for the first 2 years and $24,000 for the third year) and 1.5% of sales in excess of a certain level.

Note 8 - Employee Benefit Plan

The Organization has a non-contributory 403(b) defined contribution pension plan covering substantially all employees. Under the plan, the Organization may make a contribution to the employee plan on a discretionary basis. No contributions were made during the years ended June 30, 2015 and 2014.

Note 9 - Donated Services and Materials

The Organization received donated services and materials during the years ended June 30, 2015 and 2014 in support of its programs and operations. The fair market value has been recorded in the accompanying financial statements. Donated services and materials for the years ended June 30, 2015 and 2014 were as follows:

	2015	2014
Professional services	$ 24,985	$ 10,689
Materials for events and programs	-	2,675
	$ 24,985	$ 13,364

NEW YORK THEATRE WORKSHOP, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 10 - Functional Allocation of Expenses

The cost of providing the various programs and supporting services has been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Note 11 - Subsequent Events

The Organization has evaluated subsequent events through February 16, 2016, the date which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

FK PARTNERS
FRIED AND KOWGIOS PARTNERS CPA'S LLP

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**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTAL INFORMATION**

To the Board of Trustees of
New York Theatre Workshop, Inc.

We have audited the financial statements of New York Theatre Workshop, Inc. as of and for the years ended June 30, 2015 and 2014, and have issued our report thereon dated February 16, 2016, which contained an unmodified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Functional Expenses for the year ended June 30, 2015 with comparative totals for 2014 is presented for the purposes of additional analysis and is 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 audits 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 our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Fried and Kowgios Partners CPAs LLP

New York, New York
February 16, 2016

NEW YORK THEATRE WORKSHOP, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE TOTALS FOR 2014

		Supporting Services			2015	2014
	Program Services	Management and General	Fundraising	Total	Total Expenses	Total Expenses
Salaries	$ 1,458,319	$ 279,433	$ 309,727	$ 589,160	$ 2,047,479	$ 2,609,904
Payroll taxes	138,048	23,316	25,221	48,537	186,585	276,695
Employee benefits	153,125	25,652	26,102	51,754	204,879	364,816
Professional fees	115,323	137,835	34,715	172,550	287,873	274,133
Production materials	211,300	8,659	20,151	28,810	240,110	481,259
Artistic fees	183,745	-	-	-	183,745	260,165
Royalties and commissions	62,163	-	-	-	62,163	82,719
Advertising and promotion	306,226	26,247	-	26,247	332,473	339,281
Trucking and storage	28,270	12,220	115	12,335	40,605	46,228
Telephone	36,259	6,982	4,655	11,637	47,896	44,312
Postage and shipping	21,392	1,333	5,190	6,523	27,915	63,827
Utilities	75,415	4,291	3,141	7,432	82,847	96,481
Facility rental	26,790	-	-	-	26,790	8,589
Credit card fees	60,982	973	13,432	14,405	75,387	118,815
Indirect benefit expenses	-	-	13,657	13,657	13,657	10,252
Rental and equipment maintenance	118,619	16,051	7,833	23,884	142,503	328,450
Printing and publications	35,955	368	9,069	9,437	45,392	123,250
Travel and transportation	152,338	2,730	170	2,900	155,238	215,365
Dues, conferences and meetings	12,251	13,951	4,284	18,235	30,486	25,002
Insurance	18,750	6,724	2,600	9,324	28,074	30,350
Miscellaneous	17,075	5,987	3,648	9,635	26,710	24,644
Total expenses before depreciation	3,232,345	572,752	483,710	1,056,462	4,288,807	5,824,537
Depreciation	209,045	41,809	27,873	69,682	278,727	298,408
Total Expenses, 2015	$ 3,441,390	$ 614,561	$ 511,583	$ 1,126,144	$ 4,567,534	
Total Expenses, 2014	$ 5,067,131	$ 565,907	$ 489,907	$ 1,055,814		$ 6,122,945

See independent auditor's report on supplemental information.