NEW YORK THEATRE WORKSHOP, INC.

FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION

JUNE 30, 2017 AND 2016

WITH INDEPENDENT AUDITOR'S REPORT

withum

AUDIT TAX ADVISORY

New York Theatre Workshop, Inc.
June 30, 2017 and 2016

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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, 2017 and 2016, 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.

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, 2017 and 2016, 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.

WithumSmith+Brown, PC

April 12, 2018

New York Theatre Workshop, Inc.
Statements of Financial Position
June 30, 2017 and 2016

	2017 UNRESTRICTED	2017 TEMPORARILY RESTRICTED	2017 PERMANENTLY RESTRICTED	2017 TOTAL	2016 UNRESTRICTED	2016 TEMPORARILY RESTRICTED	2016 PERMANENTLY RESTRICTED	2016 TOTAL
Assets								
Current Assets								
Cash and cash equivalents	$ 3,728,468	$ 366,630	$ 55,965	$ 4,151,063	$ 3,485,048	$ 40,156	$ 55,561	$ 3,580,765
Investments	29	-	-	29	20,741	-	-	20,741
Accounts receivable	75,355	-	-	75,355	123,872	-	-	123,872
Unconditional promises to give	284,665	243,000	-	527,665	208,294	85,000	-	293,294
Prepaid expenses and other current assets	55,304	-	-	55,304	175,946	-	-	175,946
Total Current Assets	4,143,821	609,630	55,965	4,809,416	4,013,901	125,156	55,561	4,194,618
Unconditional promises to give	-	166,427	-	166,427	-	53,126	-	53,126
Property and equipment, at cost, net of accumulated depreciation	5,241,069	-	-	5,241,069	5,357,023	-	-	5,357,023
Bonds and deposits	34,905	-	-	34,905	53,295	-	-	53,295
Total Assets	$ 9,419,795	$ 776,057	$ 55,965	$ 10,251,817	$ 9,424,219	$ 178,282	$ 55,561	$ 9,658,062
Liabilities and Net Assets								
Current Liabilities								
Accounts payable and accrued expenses	$ 168,313	$ -	$ -	$ 168,313	$ 217,282	$ -	$ -	$ 217,282
Deferred box office revenue	475,255	-	-	475,255	699,006	-	-	699,006
Deferred rental income and security deposits held	-	-	-	-	29,600	-	-	29,600
Total Liabilities	643,568	-	-	643,568	945,888	-	-	945,888
Commitments and contingencies								
Net Assets								
Unrestricted								
Property and equipment, net	5,241,069	-	-	5,241,069	5,357,023	-	-	5,357,023
Board - designated:								
General	1,885,673	-	-	1,885,673	1,798,144	-	-	1,798,144
Strategic plan	922,725	-	-	922,725	-	-	-	-
Undesignated	726,760	-	-	726,760	1,323,164	-	-	1,323,164
Temporarily Restricted	-	776,057	-	776,057	-	178,282	-	178,282
Permanently Restricted	-	-	55,965	55,965	-	-	55,561	55,561
Total Net Assets	8,776,227	776,057	55,965	9,608,249	8,478,331	178,282	55,561	8,712,174
Total Liabilities and Net Assets	$ 9,419,795	$ 776,057	$ 55,965	$ 10,251,817	$ 9,424,219	$ 178,282	$ 55,561	$ 9,658,062

New York Theatre Workshop, Inc.
Statements of Activities
For the Years Ended June 30, 2017 and 2016

	2017				2016			
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
Public Support and Other Revenue								
Public Support								
Government	$ 215,190	$ 258,000	$ -	$ 473,190	$ 192,350	$ -	$ -	$ 192,350
Corporations	107,880	82,500	-	190,380	66,648	5,000	-	71,648
Foundations	374,500	360,801	-	735,301	591,043	155,652	-	746,695
Individuals	1,700,588	16,500	-	1,717,088	1,151,545	-	-	1,151,545
Special events income	964,746	-	-	964,746	687,973	-	-	687,973
Less: direct costs of special events	(156,572)	-	-	(156,572)	(91,856)	-	-	(91,856)
Donated services	50,840	-	-	50,840	62,715	-	-	62,715
Net assets released from restrictions								
Foundations	115,026	(115,026)	-	-	142,250	(142,250)	-	-
Corporations	5,000	(5,000)	-	-	-	-	-	-
Government	-	-	-	-	4,000	(4,000)	-	-
	3,377,198	597,775	-	3,974,973	2,806,668	14,402	-	2,821,070
Other Revenue								
Box office revenue	2,646,567	-	-	2,646,567	2,745,397	-	-	2,745,397
Enhancement revenue	249,500	-	-	249,500	1,065,350	-	-	1,065,350
Royalty income	91,172	-	-	91,172	153,903	-	-	153,903
Rental income	90,430	-	-	90,430	155,083	-	-	155,083
Shop income	27,647	-	-	27,647	29,326	-	-	29,326
Handling fees	23,322	-	-	23,322	30,949	-	-	30,949
Tuition income	25,395	-	-	25,395	31,035	-	-	31,035
Investment income	3,335	-	404	3,739	6,133	-	389	6,522
Casting income	53,225	-	-	53,225	7,165	-	-	7,165
Miscellaneous income	19,404	-	-	19,404	19,930	-	-	19,930
Total Public Support and Other Revenue	6,607,195	597,775	404	7,205,374	7,050,939	14,402	389	7,065,730
Expenses								
Program Expenses	4,787,922	-	-	4,787,922	5,301,102	-	-	5,301,102
Supporting Services								
Management and General	838,261	-	-	838,261	804,477	-	-	804,477
Fundraising	683,116	-	-	683,116	523,034	-	-	523,034
Total Supporting Services	1,521,377	-	-	1,521,377	1,327,511	-	-	1,327,511
Total Expenses	6,309,299	-	-	6,309,299	6,628,613	-	-	6,628,613
Increase in Net Assets	297,896 *	597,775	404	896,075	422,326 *	14,402	389	437,117
Net Assets, beginning of year	8,478,331	178,282	55,561	8,712,174	8,056,005	163,880	55,172	8,275,057
Net Assets, End of Year	$ 8,776,227	$ 776,057	$ 55,965	$ 9,608,249	$ 8,478,331	$ 178,282	$ 55,561	$ 8,712,174

* Includes depreciation expense of $251,696 (2017) and $258,703 (2016)

New York Theatre Workshop, Inc.
Statements of Cash Flows
For the Years Ended June 30, 2017 and 2016

	2017	2016
Cash Flows From Operating Activities		
Increase in net assets	$ 896,075	$ 437,117
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	251,696	258,703
Donated securities	(208,874)	(200,556)
Change in discount for present value	13,699	6,874
Unrealized loss (gain) loss on investments	565	(495)
Realized loss (gain) on sale of donated securities	4,067	(206)
(Increase) decrease in:		
Accounts receivable	48,517	78,221
Unconditional promises to give	(361,371)	(128,367)
Prepaid expenses and other current assets	120,642	(117,901)
Bonds and deposits	18,390	(28,825)
Increase (decrease) in:		
Accounts payable and accrued expenses	(48,969)	132,514
Deferred box office revenue	(223,751)	401,754
Deferred rental income and security deposits held	(29,600)	(75,400)
Deferred enhancement revenue	-	(282,675)
Net Cash Provided By Operating Activities	481,086	480,758
Cash Flows From Investing Activities		
Purchase of property and equipment	(4,739)	(24,175)
Purchase of construction in progress	(131,003)	-
Proceeds from sale of donated securities	224,954	180,614
Net Cash Provided By Investing Activities	89,212	156,439
Net increase in cash and cash equivalents	570,298	637,197
Cash and cash equivalents, beginning of year	3,580,765	2,943,568
Cash and Cash Equivalents, End of Year	$ 4,151,063	$ 3,580,765

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

"Fair Value Measurements and Disclosures" establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. "Fair Value Measurements and Disclosures" defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price" in an orderly transaction between market participants).

In determining fair value, the Organization uses various valuation approaches, including market, income and/or cost approaches. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under "Fair Value Measurements and Disclosures" and the Organization's related types are described below.

Level 1: Quoted prices of identical instruments in active markets.

Level 2: Quoted prices of similar instruments in active markets; quoted prices of identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3: Significant inputs to the valuation model are unobservable.

The financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying assets and liabilities.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f - Contributions and Promises to Give

Contributions are recognized when cash is received or 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 inventory 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.

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, casting 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, 2017 and 2016 was $327,889 and $364,822, respectively.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l - Production Costs

Production costs are capitalized at cost and are amortized over the estimated life of the theatrical production. The Organization had no productions that crossed the fiscal year ended June 30, 2017. The Organization had one production that had performances cross fiscal year ended June 30, 2016. Weekly income and expenses have been recognized in the weeks that the performances took place since performances extended into the next fiscal year.

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 in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

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 Form 990, *Return of Organizations Exempt from Income Tax* for the years ended June 30, 2016, 2015 and 2014 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. The Organization did not recognize any tax related interest and/or penalties in the accompanying financial statements, but would record any such interest and/or penalties as a component of other expense.

2. RESTRICTION ON NET ASSETS

a) Board - Designated Funds

The Board of Trustees designated royalty income to establish a general board-designated fund, which is restricted for cash reserve and capital improvements. Transfers of these funds can only occur with Board approval. During the years ended June 30, 2017 and 2016, the Board approved a transfer of $68,389 and $61,752, respectively to general operations.

During the year ended June 30, 2017, the Board established a strategic plan 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, 2017, the Board approved a transfer of $591,665 for the June 30, 2016 fiscal year and $462,063 for the year ended June 30, 2017 to the strategic plan reserve fund. Investment income earned on these funds is added to board-designated net assets.

b) Temporarily Restricted Net Assets

Temporarily restricted net assets are restricted for future periods and programs as of June 30, 2017 and 2016.

2. RESTRICTION ON NET ASSETS (CONTINUED)

c) Permanently Restricted Net Assets

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.

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, 2017, the Organization's uninsured cash and money market balances totaled $1,738,351.

The Organization's cash and cash equivalents in the amount of $1,932,821 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.

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, 2017 and 2016 was $4,151,063 and $3,580,765, respectively. Cash and short-term investments carrying amount approximates fair value because of the short maturities of those investments.

b - Fair Value Measured on Recurring Basis

Fair values of assets measured on a recurring basis at June 30, 2017 and 2016 consist of corporate stocks. The fair value and quoted prices in active markets for identical assets (Level 1) for investments as of June 30, 2017 and 2016 was $29 and $20,741, 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:

	2017	2016
Interest and dividend income	$ 8,371	$ 5,821
Unrealized gain (loss) on investments	(565)	495
Realized gain (loss) on sale of donated securities	(4,067)	206
Total Investment Income	$ 3,739	$ 6,522

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 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. Unconditional promises to give to be received after one year are discounted at a rate of 5%. Uncollectible promises are expected to be insignificant.

5. UNCONDITIONAL PROMISES TO GIVE (CONTINUED)

Unconditional promises to give consist of the following as of June 30:

	Less Than One Year	One to Three Years	Total
As of June 30, 2017			
Unrestricted	$ 284,665	$ -	$ 284,665
Temporarily restricted	243,000	187,000	430,000
	527,665	187,000	714,665
Less: discount for present value	-	(20,573)	(20,573)
	$ 527,665	$ 166,427	$ 694,092
As of June 30, 2016			
Unrestricted	$ 208,294	$ -	$ 208,294
Temporarily restricted	85,000	60,000	145,000
	293,294	60,000	353,294
Less: discount for present value	-	(6,874)	(6,874)
	$ 293,294	$ 53,126	$ 346,420

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	Life/Years	2017	2016
Buildings and improvements	39-40	$ 7,219,448	$ 7,219,448
Equipment and fixtures	3-7	1,227,905	1,223,166
		8,447,353	8,442,614
Less: accumulated depreciation		(3,337,287)	(3,085,591)
		5,110,066	5,357,023
Construction in progress (Note 7g)	n/a	131,003	-
		$ 5,241,069	$ 5,357,023

Depreciation expense for the years ended June 30, 2017 and 2016 was $251,696 and $258,703, 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).

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 and became their scenic shop, costume shop and production office in 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.

c) The Organization has a revolving line of credit in the amount of $499,999 with a financial institution, with a fluctuating rate per annum equal to the prime rate plus 1% (5.25% as of June 30, 2017). The rate can not be less than 3.25%. The bank has filed a UCC1 against the Organization's assets. The line of credit currently expires on July 6, 2018. The Organization has a thirty day clean up provision annually. As of June 30, 2017 and 2016, 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.

Approximately 25% of the Organization's employees and contractors are participants in multiemployer plans. Pension and welfare expense for multiemployer plans was $161,584 and $196,331, for the years ended June 30, 2017 and 2016, respectively.

7. COMMITMENTS AND CONTINGENCIES (CONTINUED)

d) (Continued)
The Organization posts bonds under certain collective bargaining agreements and all obligations continue until the closing of a production.

e) The Organization is obligated under two employment agreements with key employees, which provide for minimum annual payments as follows as of June 30, 2017:

For the year ending	June 30, 2018	$	321,500
" " " "	June 30, 2019		166,000
" " " "	June 30, 2020		166,000
Total		$	653,500

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.

g) The Organization has committed to a renovation project of the 4th Street Theater. Construction in progress consists of legal, architect and engineering fees for preliminary work completed for the renovation project. The total renovation project was $360,000 and was completed in October 2017. As of June 30, 2017, $80,067 of these costs have been incurred. Additional costs of $50,936 are included in construction in progress for various other projects. Since the projects were not complete at June 30, 2017, the costs have not been depreciated.

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, 2017 and 2016.

9. DONATED SERVICES

The Organization received donated professional services during the years ended June 30, 2017 and 2016 in support of its programs and operations. The fair market value has been recorded in the accompanying financial statements.

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.

11. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through April 12, 2018, the date which the financial statements were available to be issued. Management has determined that there are no subsequent events that require disclosure in these financial statements.

SUPPLEMENTAL INFORMATION

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AUDIT TAX ADVISORY

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, 2017 and 2016, and have issued our report thereon dated April 12, 2018, 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, 2017 with comparative totals for 2016 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.

WithumSmith+Brown, PC

April 12, 2018

New York Theatre Workshop, Inc.
Schedule of Functional Expenses
For the Year Ended June 30, 2017 with Comparative Totals for 2016

		Supporting Services			2017	2016
	Program Services	Management and General	Fundraising	Total	Total Expenses	Total Expenses
Salaries	$ 2,030,654	$ 336,205	$ 466,331	$ 802,536	$ 2,833,190	$ 2,736,761
Payroll taxes	199,201	26,743	39,462	66,205	265,406	285,859
Employee benefits	272,990	42,238	43,273	85,511	358,501	370,951
Professional fees	241,540	142,570	1,200	143,770	385,310	405,357
Production materials	544,104	11,545	18,133	29,678	573,782	866,730
Artistic fees	310,134	-	-	-	310,134	343,329
Royalties and commissions	80,643	-	-	-	80,643	93,641
Advertising and promotion	312,532	15,357	-	15,357	327,889	364,822
Trucking and storage	48,670	11,900	183	12,083	60,753	52,704
Telephone	-	25,813	-	25,813	25,813	24,048
Postage and shipping	8,571	1,487	2,721	4,208	12,779	22,160
Utilities	67,126	3,720	2,877	6,597	73,723	91,248
Facility rental	4,509	-	-	-	4,509	7,992
Credit card fees	74,263	1,241	30,959	32,200	106,463	106,383
Indirect benefit expenses	-	-	14,320	14,320	14,320	21,883
Rental and equipment maintenance	184,191	121,092	17,769	138,861	323,052	276,101
Printing and publications	12,140	367	9,224	9,591	21,731	26,937
Travel and transportation	103,463	15,898	341	16,239	119,702	128,135
Dues, conferences and meetings	19,486	19,564	6,065	25,629	45,115	35,181
Insurance	21,538	7,882	2,994	10,876	32,414	29,656
Miscellaneous	60,763	21,103	508	21,611	82,374	80,032
Total expenses before depreciation	4,596,518	804,725	656,360	1,461,085	6,057,603	6,369,910
Depreciation	191,404	33,536	26,756	60,292	251,696	258,703
Total Expenses, 2017	$ 4,787,922	$ 838,261	$ 683,116	$ 1,521,377	$ 6,309,299	
Total Expenses, 2016	$ 5,301,102	$ 804,477	$ 523,034	$ 1,327,511		$ 6,628,613