NEW YORK THEATRE WORKSHOP

FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION

JUNE 30, 2018 AND 2017

WITH INDEPENDENT AUDITOR'S REPORT

New York Theatre Workshop, Inc.
June 30, 2018 and 2017

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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, 2018 and 2017, and the related statements of activities and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

WithumSmith+Brown, PC

February 19, 2019

New York Theatre Workshop, Inc.
Statements of Financial Position
June 30, 2018 and 2017

	2018				2017			
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
Assets								
Current Assets								
Cash and cash equivalents	$ 3,217,350	$ 390,751	$ 56,531	$ 3,664,632	$ 3,728,468	$ 366,630	$ 55,965	$ 4,151,063
Accounts receivable	43,531	-	-	43,531	75,355	-	-	75,355
Unconditional promises to give	384,337	342,000	-	726,337	284,665	243,000	-	527,665
Prepaid expenses and other current assets	394,826	-	-	394,826	55,304	-	-	55,304
Investments	-	-	-	-	29	-	-	29
Total Current Assets	4,040,044	732,751	56,531	4,829,326	4,143,821	609,630	55,965	4,809,416
Unconditional promises to give	-	44,275	-	44,275	-	166,427	-	166,427
Property and equipment, at cost, net of accumulated depreciation	5,267,930	-	-	5,267,930	5,241,069	-	-	5,241,069
Bonds and deposits	51,873	-	-	51,873	34,905	-	-	34,905
Total Assets	$ 9,359,847	$ 777,026	$ 56,531	$ 10,193,404	$ 9,419,795	$ 776,057	$ 55,965	$ 10,251,817
Liabilities and Net Assets								
Current Liabilities								
Accounts payable and accrued expenses	$ 212,297	$ -	$ -	$ 212,297	$ 168,313	$ -	$ -	$ 168,313
Deferred box office revenue	578,613	-	-	578,613	475,255	-	-	475,255
Advance trip deposits	151,473	-	-	151,473	-	-	-	-
Total Liabilities	942,383	-	-	942,383	643,568	-	-	643,568
Commitments and contingencies								
Net Assets								
Unrestricted								
Property and equipment, net	5,267,930	-	-	5,267,930	5,241,069	-	-	5,241,069
Board - designated:								
General	1,550,314	-	-	1,550,314	1,885,673	-	-	1,885,673
Strategic plan	873,686	-	-	873,686	922,725	-	-	922,725
Undesignated	725,534	-	-	725,534	726,760	-	-	726,760
Temporarily Restricted	-	777,026	-	777,026	-	776,057	-	776,057
Permanently Restricted	-	-	56,531	56,531	-	-	55,965	55,965
Total Net Assets	8,417,464	777,026	56,531	9,251,021	8,776,227	776,057	55,965	9,608,249
Total Liabilities and Net Assets	$ 9,359,847	$ 777,026	$ 56,531	$ 10,193,404	$ 9,419,795	$ 776,057	$ 55,965	$ 10,251,817

New York Theatre Workshop, Inc.
Statements of Activities
For the Years Ended June 30, 2018 and 2017

	2018				2017			
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
Public Support and Other Revenue								
Public Support								
Government	$ 283,000	$ 214,848	$ -	$ 497,848	$ 215,190	$ 258,000	$ -	$ 473,190
Corporations	75,452	10,000	-	85,452	107,880	82,500	-	190,380
Foundations	702,739	284,761	-	987,500	374,500	360,801	-	735,301
Individuals	1,389,440	35,860	-	1,425,300	1,700,588	16,500	-	1,717,088
Special events income	649,345	-	-	649,345	964,746	-	-	964,746
Less: direct costs of special events	(209,636)	-	-	(209,636)	(156,572)	-	-	(156,572)
Donated services	155,472	-	-	155,472	50,840	-	-	50,840
Net assets released from restrictions								
Government	283,000	(283,000)	-	-	-	-	-	-
Foundations	172,500	(172,500)	-	-	115,026	(115,026)	-	-
Corporations	82,500	(82,500)	-	-	5,000	(5,000)	-	-
Individuals	6,500	(6,500)	-	-	-	-	-	-
	3,590,312	969	-	3,591,281	3,377,198	597,775	-	3,974,973
Other Revenue								
Box office revenue	1,922,435	-	-	1,922,435	2,646,567	-	-	2,646,567
Enhancement revenue	250,000	-	-	250,000	249,500	-	-	249,500
Shop income	82,768	-	-	82,768	27,647	-	-	27,647
Royalty income	71,636	-	-	71,636	91,172	-	-	91,172
Casting income	44,983	-	-	44,983	53,225	-	-	53,225
Tuition income	24,785	-	-	24,785	25,395	-	-	25,395
Handling fees	24,255	-	-	24,255	23,322	-	-	23,322
Investment income	23,544	-	566	24,110	3,335	-	404	3,739
Miscellaneous income	6,787	-	-	6,787	19,404	-	-	19,404
Rental income	-	-	-	-	90,430	-	-	90,430
Total Public Support and Other Revenue	6,041,505	969	566	6,043,040	6,607,195	597,775	404	7,205,374
Expenses								
Program Expenses	4,834,994	-	-	4,834,994	4,787,922	-	-	4,787,922
Supporting Services								
Management and General	832,218	-	-	832,218	838,261	-	-	838,261
Fundraising	733,056	-	-	733,056	683,116	-	-	683,116
Total Supporting Services	1,565,274	-	-	1,565,274	1,521,377	-	-	1,521,377
Total Expenses	6,400,268	-	-	6,400,268	6,309,299	-	-	6,309,299
Increase (decrease) in Net Assets	(358,763) *	969	566	(357,228)	297,896 *	597,775	404	896,075
Net Assets, beginning of year	8,776,227	776,057	55,965	9,608,249	8,478,331	178,282	55,561	8,712,174
Net Assets, End of Year	$ 8,417,464	$ 777,026	$ 56,531	$ 9,251,021	$ 8,776,227	$ 776,057	$ 55,965	$ 9,608,249

* Includes depreciation expense of $248,125 (2018) and $251,696 (2017)

New York Theatre Workshop, Inc.
Statements of Cash Flows
For the Years Ended June 30, 2018 and 2017

	2018	2017
Cash Flows From Operating Activities		
Increase (decrease) in net assets	$ (357,228)	$ 896,075
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	248,125	251,696
Donated securities	(197,459)	(208,874)
Change in discount for present value	(14,848)	13,699
Unrealized loss on investments	29	565
Bad debt expense	14,150	4,750
Realized (gain) loss on sale of donated securities	(1,932)	4,067
(Increase) decrease in:		
Accounts receivable	31,824	48,517
Unconditional promises to give	(75,822)	(366,121)
Prepaid expenses and other current assets	(339,522)	120,642
Bonds and deposits	(16,968)	18,390
Increase (decrease) in:		
Accounts payable and accrued expenses	43,984	(48,969)
Deferred box office revenue	103,358	(223,751)
Advance trip deposits	151,473	-
Deferred rental income and security deposits held	-	(29,600)
Net Cash Provided (Used) By Operating Activities	(410,836)	481,086
Cash Flows From Investing Activities		
Purchase of property and equipment	(274,986)	(4,739)
Proceeds from sale of donated securities	199,391	224,954
Purchase of construction in progress	-	(131,003)
Net Cash Provided (Used) By Investing Activities	(75,595)	89,212
Net increase (decrease) in cash and cash equivalents	(486,431)	570,298
Cash and cash equivalents, beginning of year	4,151,063	3,580,765
Cash and Cash Equivalents, End of Year	$ 3,664,632	$ 4,151,063

The notes to financial statements are an integral part of these statements.

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. Enhancement revenue is recognized in the year that the related production occurs. Shop income is recognized in the period to which the fees relate. Royalty income received for the subsequent productions of the Organization's production is recognized when earned. Tuition income is recognized in the year that the student program takes place. The non-refundable handling fees are recognized as income when the sale takes place. Casting income and miscellaneous income are recognized in the period to which the fees relate. Rental income is earned upon the satisfaction of the terms of short-term leases.

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, 2018 was $336,047 and $327,889, 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 years ended June 30, 2018 and June 30, 2017. Therefore, all production costs have been expensed by the respective fiscal years.

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 Organization Exempt from Income Tax* for the years ended June 30, 2017, 2016 and 2015 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 certain 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 year ended June 30, 2018, the Board approved a transfer of $404,763 which was used for capital improvements. For the years ended June 30, 2018 and 2017, royalty and interest income allocated to the general board-designated fund was $69,404 and $87,529, respectively. The net decrease in the general board-designated fund for the year ended June 30, 2018 was $(335,359).

The Board established a strategic plan board-designated fund which is restricted specifically for approved strategic priorities. Transfers of these funds can only occur with Board approval. During the year ended June 30, 2018, the strategic plan board-designated fund was decreased by $180,042 to cover certain strategic expenses based on planned expansion of certain initiatives. Also, during the year ended June 30, 2018, $131,003 of construction in progress that was deducted from the strategic plan board-designated fund during the year ended June 30, 2017, was reallocated back to the strategic plan board-designated fund and deducted from the general board-designated fund, which is included in the total capital improvements of $404,763, as noted above. The net decrease in the strategic plan board-designated fund for the year ended June 30, 2018 was $(49,039).

2. RESTRICTION ON NET ASSETS (CONTINUED)

a - Board-Designated Funds (continued)

During the year ended June 30, 2017, the Board approved a transfer of $591,665 for the June 30, 2016 fiscal year surplus and $462,063 for the year ended June 30, 2017 to the strategic plan reserve fund for a total of $1,053,728. Investment income earned on the board-designated general fund is added to the board-designated general net assets.

b - Temporarily Restricted Net Assets

Temporarily restricted net assets are restricted for future periods and programs as of June 30, 2018 and 1899.

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, 2018, the Organization's uninsured cash and money market balances totaled $824,142.

The Organization's cash and cash equivalents in the amount of $1,940,926 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, 2018 and 1899 was $3,664,632 and $4,151,063, 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, 2018 and 1899 consist of corporate stocks. The fair value and quoted prices in active markets for identical assets (Level 1) for investments as of June 30, 2018 and 1899 was $0 and $29, 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:

	2018	2017
Interest and dividend income	$ 22,207	$ 8,371
Realized gain (loss) on sale of donated securities	1,932	(4,067)
Unrealized loss on investments	(29)	(565)
Total Investment Income	$ 24,110	$ 3,739

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.

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

	Less Than One Year	Over One Year	Total
As of June 30, 2018			
Unrestricted	$ 384,337	$ -	$ 384,337
Temporarily restricted	342,000	50,000	392,000
	726,337	50,000	776,337
Less: discount for present value	-	(5,725)	(5,725)
	$ 726,337	$ 44,275	$ 770,612
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

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	Life/Years	2018	2017
Buildings and improvements	39-40	$ 7,616,586	$ 7,219,448
Equipment and fixtures	3-7	1,236,756	1,227,905
		8,853,342	8,447,353
Less: accumulated depreciation		(3,585,412)	(3,337,287)
		5,267,930	5,110,066
Construction in progress	n/a	-	131,003
		$ 5,267,930	$ 5,241,069

Depreciation expense for the years ended June 30, 2018 was $248,125 and $251,696, 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).

6. PROPERTY AND EQUIPMENT (CONTINUED)

Construction in progress consisted of costs incurred in relation to a renovation project of the 4th Street Theater. Since the project was complete by June 30, 2018, the costs have been capitalized and started to be depreciated.

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, 2018). The rate cannot be less than 3.25%. The bank has filed a UCC1 against the Organization's assets. The line of credit expires on July 6, 2019. The Organization has a thirty day clean up provision annually. As of June 30, 2018 and 2017, 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.

7. COMMITMENTS AND CONTINGENCIES (CONTINUED)

d) (Continued)
Approximately 25% of the Organization's employees and contractors are participants in multiemployer plans. Pension and welfare expense for multiemployer plans was $155,508 and $161,584, for the years ended June 30, 2018, respectively.

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, 2018:

For the year ending June 30, 2019	$ 166,000
" " " " June 30, 2020	166,000
For the period from July 1, 2010 through Devember 31, 2020	83,000
Total	$ 415,000

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 been named in two workers compensation claims for personal injuries sustained at premises leased or owned by the Organization. Management believes that its insurance coverage will be sufficient to cover any claim which may be realized.

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, 2018.

9. DONATED SERVICES

The Organization received donated professional services during the years ended June 30, 2018 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 February 19, 2019, 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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ADVISORY TAX AUDIT

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, 2018, and have issued our report thereon dated February 19, 2019, 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, 2018 with comparative totals for 1899 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

February 19, 2019

New York Theatre Workshop, Inc.
Schedule of Functional Expenses
For the Year Ended June 30, 2018 with Comparative Totals for 2017

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Supporting Services: Total	2018 Total Expenses	2017 Total Expenses
Salaries	$ 2,477,640	$ 398,602	$ 373,107	$ 771,709	$ 3,249,349	$ 2,833,190
Payroll taxes	249,507	22,713	21,659	44,372	293,879	265,406
Employee benefits	294,892	69,243	46,957	116,200	411,092	358,501
Professional fees	249,841	200,921	125,437	326,358	576,199	385,310
Production materials	391,088	11,031	29,702	40,733	431,821	573,782
Artistic fees	60,856	-	-	-	60,856	310,134
Royalties and commissions	31,627	-	-	-	31,627	80,643
Advertising and promotion	328,916	7,096	35	7,131	336,047	327,889
Trucking and storage	41,241	2,733	77	2,810	44,051	60,753
Telephone	14,082	4,460	4,173	8,633	22,715	25,813
Postage and shipping	7,269	1,976	4,007	5,983	13,252	12,779
Utilities	66,983	2,922	2,923	5,845	72,828	73,723
Facility rental	36,791	-	-	-	36,791	4,509
Credit card fees	61,301	343	23,686	24,029	85,330	106,463
Indirect benefit expenses	-	-	12,007	12,007	12,007	14,320
Rental and equipment maintenance	162,546	37,774	19,493	57,267	219,813	323,052
Printing and publications	11,360	4,840	9,304	14,144	25,504	21,731
Travel and transportation	41,854	7,344	1,135	8,479	50,333	119,702
Dues, conferences and meetings	34,107	6,468	10,616	17,084	51,191	45,115
Insurance	27,544	8,278	3,884	12,162	39,706	32,414
Bad debt expense	-	-	14,150	14,150	14,150	4,750
Miscellaneous	59,558	13,462	582	14,044	73,602	77,624
Total expenses before depreciation	4,649,003	800,206	702,934	1,503,140	6,152,143	6,057,603
Depreciation	185,991	32,012	30,122	62,134	248,125	251,696
Total Expenses, 2018	$ 4,834,994	$ 832,218	$ 733,056	$ 1,565,274	$ 6,400,268	
Total Expenses, 2017	$ 4,787,922	$ 838,261	$ 683,116	$ 1,521,377		$ 6,309,299