Artworks, Naomi Cohain Foundation, Inc.

Financial Statements
(Together with Independent Accountant’s Review Report)

Year Ended December 31, 2015
ARTWORKS, NAOMI COHAIN FOUNDATION, INC.

FINANCIAL STATEMENTS
(Together with Independent Accountant's Review Report)

YEAR ENDED DECEMBER 31, 2015

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Artworks, Naomi Cohain Foundation, Inc.
New York, NY

We have reviewed the accompanying financial statements of Artworks, Naomi Cohain Foundation, Inc. (A nonprofit Organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of any opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

[Signature]

Purchase, New York
November 15, 2016
ARTWORKS, THE NAOMI COHAIN FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2015

ASSETS

CURRENT ASSETS:
Cash and cash equivalents $  112,369
Contribution receivable  60,015
Investments  182,894
Prepaid expenses  701
Security deposits  1,840
TOTAL ASSETS  363,819

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:
Accounts payable  9,681
Commitments and contingencies

NET ASSETS
Unrestricted  354,138

TOTAL LIABILITIES AND NET ASSETS  $  363,819

See independent accountant's review report and notes to financial statements.

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ARTWORKS, THE NAOMI COHAIN FOUNDATION, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2015

<table>
<thead>
<tr>
<th>Contributions and Other Revenue:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$163,539</td>
</tr>
<tr>
<td>Program revenue</td>
<td>93,417</td>
</tr>
<tr>
<td>Benefit income (net of direct expenses of $24,225)</td>
<td>88,869</td>
</tr>
<tr>
<td></td>
<td><strong>345,825</strong></td>
</tr>
</tbody>
</table>

| Investment income                  | 2,514  |
| Miscellaneous income               |       |
|                                  | **348,139** |

| Expenses:                          |       |
| Program services                  | 339,073 |
| Management and general            | 21,576  |
| Fundraising                       | 48,831  |
|                                  | **409,280** |

| Decrease in Unrestricted Net Assets | (61,141) |

| Net Assets - Beginning of Year    | 415,279  |
| Net Assets - End of Year          | **354,138** |

See independent accountant's review report and notes to financial statements.
<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Management and General</th>
<th>Fundraising</th>
<th>Totals Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performing arts program expenses</td>
<td>$ 92,726</td>
<td>$</td>
<td>$</td>
<td>$ 92,726</td>
</tr>
<tr>
<td>Fundraising expenses</td>
<td>-</td>
<td>-</td>
<td>3,567</td>
<td>3,567</td>
</tr>
<tr>
<td>Salaries and fees</td>
<td>204,568</td>
<td>7,484</td>
<td>37,421</td>
<td>249,473</td>
</tr>
<tr>
<td>Professional fees</td>
<td>-</td>
<td>12,561</td>
<td>-</td>
<td>12,561</td>
</tr>
<tr>
<td>Insurance</td>
<td>11,323</td>
<td>414</td>
<td>2,072</td>
<td>13,809</td>
</tr>
<tr>
<td>Travel and entertainment</td>
<td>2,863</td>
<td>105</td>
<td>524</td>
<td>3,492</td>
</tr>
<tr>
<td>Office expenses</td>
<td>9,593</td>
<td>351</td>
<td>1,755</td>
<td>11,699</td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>640</td>
<td>24</td>
<td>117</td>
<td>781</td>
</tr>
<tr>
<td>Rent expense</td>
<td>13,483</td>
<td>494</td>
<td>2,466</td>
<td>16,443</td>
</tr>
<tr>
<td>Miscellaneous expenses</td>
<td>3,877</td>
<td>143</td>
<td>709</td>
<td>4,729</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$ 339,073</strong></td>
<td><strong>$ 21,576</strong></td>
<td><strong>$ 48,631</strong></td>
<td><strong>$ 409,280</strong></td>
</tr>
</tbody>
</table>

See independent accountant's review report and notes to financial statements.
ARTWORKS, THE NAOMI COHAIN FOUNDATION, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES:
  Decrease in net assets $ (61,141)
  Realized and unrealized loss on investments, net 4,383

  Adjustments to reconcile decrease in net assets to net cash used in operating activities:
    Change in:
      Accounts receivable (66,015)
      Prepaid expenses (53)
      Accounts payable (4,600)

NET CASH USED IN OPERATING ACTIVITIES (127,426)

CASH FLOWS FROM INVESTING ACTIVITIES:
  Purchases of investments (109,182)
  Proceeds from investment sales 167,108

NET CASH PROVIDED BY INVESTING ACTIVITIES 57,926

NET DECREASE IN CASH AND CASH EQUIVALENTS (69,500)

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 181,869

CASH AND CASH EQUIVALENTS, END OF YEAR $ 112,369

See independent accountant's review report and notes to financial statements.

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NOTE 1 – ORGANIZATION AND MISSION

Artworks, The Naomi Cohain Foundation, Inc. (The “Organization”) provides children and young adults suffering from chronic and life-threatening illnesses, and their families, access to creative and performing arts programming which encourages the use of the creative process as a vehicle for healing, communication, self-expression and personal development. The Organization seeks to empower, validate and honor these children by offering them hands-on experience, supplies to create and the opportunity to publicly share their artistic accomplishments.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Tax Status

The Organization is exempt from federal income taxes under Internal Revenue Code Section 501 (c) (3).

The Organization follows Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") Topic 740 ("Income Taxes") which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

Basis of Presentation

In accordance with FASB ASC 958, not-for-profit entities, the Organization is required to report information regarding its financial position and activities according to three classes of net assets.

In accordance with ASC 958, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions as specified below.

*Unrestricted net assets* - Net assets that are not subject to donor-imposed stipulations.

*Temporarily restricted net assets* – Net assets subject to donor-imposed stipulations that will be met either by actions of the Charity and/or passage of time.

*Permanently restricted net assets* – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Charity.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.
NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Contribution Receivable

Contribution receivable represents amounts committed by donors that have not been received by the Organization.

Revenue Recognition

In accordance with FASB ASC 958-310, contributions are recognized as revenue when they are received or unconditionally pledged.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires by the passage of time or its restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted revenues and support.

Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Program revenue is recorded as revenue in the period in which the underlying services are provided or the fees are earned. Advance receipts, if any, are recorded as deferred revenue.

Fixed Assets and Depreciation

Fixed assets are recorded at cost if purchased or at fair value at date of contribution if contributed. Depreciation of furniture and equipment is computed by the straight-line method over the estimated useful lives of the assets.

Functional Allocation of Expenses

The costs of providing the various programs and the supporting services have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the program and the supporting services benefited.

Concentration of Credit Risk

The Organization maintains its cash with one bank. Cash at banks in excess of Federal Deposit Insurance Corporation ("FDIC") limits of $250,000 was $0 at December 31, 2015.
NOTE 3 – INVESTMENTS

Investments are comprised of mutual funds. The following table summarizes the fair market value as of December 31, 2015.

<table>
<thead>
<tr>
<th>Mutual funds</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed income</td>
<td>$121,787</td>
<td></td>
<td></td>
<td>$121,787</td>
</tr>
<tr>
<td>Alternative assets</td>
<td>61,107</td>
<td>$</td>
<td>$</td>
<td>$61,107</td>
</tr>
<tr>
<td>Total mutual funds</td>
<td>$182,894</td>
<td>$</td>
<td>$</td>
<td>$182,894</td>
</tr>
</tbody>
</table>

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows.

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 - Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the assets or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Mutual Funds

Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. There funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.
NOTE 2 – INVESTMENTS (CONTINUED)

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

NOTE 3 – COMMITMENTS AND CONTINGENCIES

The organization has a lease for its office through August 31, 2016. Rent expense for 2015 was $16,443. Minimum lease payments as of December 31, 2015 is as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$10,050</td>
</tr>
</tbody>
</table>

NOTE 4 – SUBSEQUENT EVENTS

In preparing the accompanying financial statements, the Organization has reviewed events that have occurred after December 31, 2015 through the date the financial statements were available to be issued on November 15, 2016. During this period, the Organization did not have any material subsequent events that are required to be disclosed in the financial statements.